

**Philanthropic Foundations in Egypt:  
Fueling Change or Safeguarding Status quo?**

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## Abstract

This paper explores whether, and if so how, Egyptian philanthropic foundations are responding to the January 25th revolution and subsequent efforts to consolidate democratic political reform. Before the revolution, Egypt's Law of Associations (Law 84 of 2002) strictly prohibited Egyptian foundations and nongovernmental organizations (NGOs) from engaging in activities that could be deemed "political." As a result, these organizations focused on economic development and basic service delivery, and carefully avoided political reform or advocacy initiatives. Preliminary results suggest that Egypt's private foundations are staying the course, continuing to focus on economic development and avoid political activities. Community foundations, however, have adapted their strategies to target political reform. The paper proposes that hypothesis that in liberalized autocracies, community foundations are better positioned than private foundations to support democratic transition and consolidation. This hypothesis should be tested in future research.

## Introduction

On 25 January 2011, Egyptians proved that an autonomous civil society capable of challenging state authority had survived decades of government repression. For eighteen days, hundreds of thousands of Egyptians raised their voices in peaceful demonstrations, calling for an end to the 30-year rule of President Hosni Mubarak. On 11 February, Mubarak resigned from office and the Egyptian army was installed as a transitional government.

While Egypt's nongovernmental organizations (NGOs) did not spearhead the revolution, they were credited with laying the groundwork for the uprisings by virtue of their long-standing education and civic engagement programs. Furthermore, after the fall of the Mubarak regime NGOs began working overtime to advance political reform efforts. Their initiatives on voter education, election-monitoring, constitutional reform, human rights, and civic participation placed these organizations at the front lines of Egypt's democratic transition.

In order to sustain and build these efforts, Egyptian NGOs needed greater financial and technical support. Western donors flocked to the country, offering millions of dollars of aid for democracy promotion initiatives, and many NGOs applied eagerly for those funds. But Western grants were considered tainted, and the army placed recipients of Western donations under investigation. In February 2012, the army pressed criminal charges against 43 international NGO workers, and rumors suggested that the army planned to scrutinize the activities of up to 400 additional organizations.

Egypt, however, boasts a cadre of local donors. Over the past decade, philanthropic foundations proliferated in Egypt as the government looked to the private sector to fill the gaps it left as it retreated from the welfare arena. Egyptian businesspeople responded by establishing foundations to strategically target their charity toward "sustainable development" initiatives. These foundations strongly resembled their Western counterparts, with one significant exception: they were prohibited in their early years, under the Mubarak regime, from engaging in any activities that could be deemed "political."

The revolution offered Egyptian foundations a unique opportunity to affect the political redevelopment of their country by supporting NGOs engaged in reform projects and by using their proximity to key

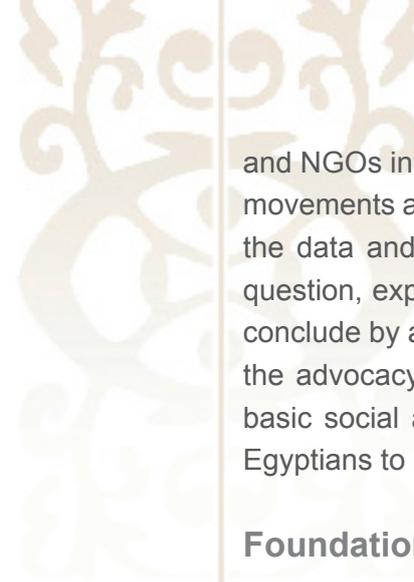
decision-makers to advocate for democratic change. Although the old NGO law remained in place, NGOs and activists described the months following Mubarak's resignation as a period of "euphoria" in which anything was possible. During those months Egyptian NGOs became "political," casting off fears of retribution and launching initiatives that would have led them to jail cells under the prior regime. This was the moment when Egyptian foundations had the chance to take the types of risks for which we applaud philanthropic foundations. They had the opportunity to support what was to be the largest political protest movement in the world that year, a movement toward democracy that would inspire other such efforts throughout the Arab region.

This study examines the role that Egyptian foundations played in supporting Egypt's transition to democracy during the first 1.5 years after the 25 January Revolution. In the American context, research has shown that foundations often provide crucial financial support for the development and maintenance of public interest groups and social movement organizations (Walker, 1991). Findings are mixed, however, as to the effect of foundation patronage on social movement outcomes. Some scholars suggest that foundation grants tame social movements and guide them toward more moderate goals, making them less threatening to elites' interests (Arnove, 1980; Roelofs, 2003). Other studies have found that while foundation support does "channel" movements into more formal methods of political participation, such professionalization ultimately helps the movement to survive and reach its goals over the long term (Jenkins, 1998).

This study finds that Egyptian private foundations did not support the country's democratic reform movement in overtly political ways and instead remained focused on social and economic development. Unlike regional and international foundations and international aid agencies operating in Egypt, local private foundations did not direct their grantmaking to human rights organizations or to NGOs working on such reform activities as voter education and registration, elections monitoring, constitutional and legal reform, or arts and culture activities aimed at documenting and expressing the revolution and its goals. Private Egyptian foundations did, however, support the democratic reform process from a grassroots, rights-based approach that focused on enhancing the social skills and economic capacities necessary to participate in the politics of a democratic society. Egyptian Foundations and the NGOs they supported promoted the development of an identity of "empowered" citizens among their beneficiaries. This strategy not only responded to local needs and traditions, it also allowed local foundations to continue their work uninterrupted while other grantmakers' activities were stymied during the government's crackdown on politically-oriented NGOs.

Egypt's two community foundations, the Community Foundation for South Sinai and the Maadi Community Foundation, on the other hand, took advantage of their close connections to local community members in order to more conspicuously support the aims of the revolution. They led their communities to become more civically and politically engaged, despite the risks posed by the legal environment of participating in such activities. Unlike their private foundation counterparts, Egypt's community foundations proactively altered their strategies and tactics in order to align their organizations' activities with the goals of the revolution.

The results of this study are based upon 73 interviews with staff of local Egyptian foundations, regional and international foundations, international aid agencies, NGOs, and experts in the field of Arab philanthropy. The first section provides a brief overview of the landscape of local foundations



and NGOs in Egypt. I then analyze prior research on the impact of foundation patronage of social movements and on foundations' larger roles in democratic societies. In the next section, I describe the data and methods used to answer the research question. I then respond to the research question, exploring the roles of Egyptian foundations in their country's transition to democracy. I conclude by arguing that Egyptian foundations have contributed to democratic reform not through the advocacy methods that are championed by Western foundations, but rather by supporting basic social and economic development through a rights-based approach intended to prepare Egyptians to participate as empowered democratic citizens.

## **Foundations and NGOs in Egypt: A Brief Overview**

Egyptian society boasts a long history of charitable giving, much of which is rooted in religious traditions. Since Ottoman times, zakat, sadaqa, waqf, and ushr have served as vehicles through which individuals have channeled their private resources for the greater public good. Zakat, the third pillar of Islam, is a form of mandatory giving required by all followers of the Muslim faith. By far the largest form of charitable giving in Egypt, zakat funds are estimated to total more than 5.5 billion Egyptian pounds per year (Atia, 2008). Muslims also give voluntarily through sadaqa, while tithing, or ushr, is a strong tradition in the Christian faith (Ener, 2003).

While virtually all Egyptians practice individual-based charity, the wealthy have also traditionally established endowment institutions through which to channel their philanthropic giving. The waqf (plural: awqaf) has been the most common form of endowment, and its emergence in the Middle East dates prior to the Ottoman Empire. "Waqf" in Arabic means "causing a thing to stop and stand still," and indeed awqaf consist of either immovable objects or cash designated to fulfill a specific purpose in perpetuity. Established by private individuals as a way of providing public goods, awqaf were the primary means of welfare provision in the early Ottoman Empire (Peri, 1992; Cizakca, 1998; Hoexter, 1998; Pioppi, 2007). Overseen by wealthy and ruling elites, they provided a wide array of services including education, health care, religious and cultural programming, and municipal services and took the form of schools, hospitals, mosques, and even water wells.

Awqaf remained important in Egypt until the early 1950s, when the endowments were nationalized and placed under the administration of the Ministry of Awqaf. By the late 1950s, the schools, hospitals, and other institutions financed by awqaf were placed under the supervision of the relevant ministries, such as the Ministry of Education and the Ministry of Health (Pioppi, 2007). Throughout the 1950s and 1960s, the Egyptian government not only consolidated the nationalization of awqaf but also greatly expanded the national welfare state (Ismail, 2006; Atia, 2008). The Ministry of Social Solidarity assumed oversight of many forms of welfare provision including education, guaranteed employment, health services, food subsidies, and pension programs (Ismail, 2006).

Egypt began to liberalize its economy in the late 1960s and with the advent of the Open Door Economic Policy in the 1970s not only increased foreign trade and investment and developed the private sector but also shifted the welfare focus "from redistribution to efficiency" (Atia, 2008). The 1992 Structural Adjustment Policy brought further privatization of the economy as well as a privatization of social services. From this time on, the variety and quantity of social services provided by NGOs increased while the number of NGOs also proliferated.

As the Egyptian government ceded responsibility for social welfare provision, Egypt's business community stepped in to attempt to fill some of the gaps. According to Ibrahim and Sherif, "persistent societal problems coupled with rapid wealth creation in the Arab region are driving a new generation of private citizens to commit resources for the greater public good" (2008, p. 2). In Egypt that commitment of resources has taken a variety of forms, chief among them being corporate social responsibility programs and philanthropic foundations.

Egyptian foundations proliferated in the past decade, and umbrella groups and research centers that support foundations in the Arab region were established to help these organizations connect with each other and share "best practices." The most prominent of these include the Arab Foundations Forum, the World Congress of Muslim Philanthropists, and the Gerhart Center for Philanthropy and Civic Engagement at the American University Cairo. Recently, the director of the Arab Foundations Forum recognized the need for an organization formally devoted to helping Arab foundations improve their effectiveness, and toward that end he established SANEED for Philanthropy Advisory in the Arab Region.

Developing a typology of foundations in Egypt is, as Atia (2008: 30) notes, a "difficult and contentious task that sparks debate." She does, however, identify six types of foundations: 1) operating foundations, 2) grantmaking foundations, 3) religious charities, 4) community foundations, 5) private sector partnership, or shilla foundations, and 6) corporate grantmaking. Atia adds that "venture philanthropy" is an emerging form of philanthropy in Egypt, and points out that many foundations employ more than one type of grantmaking. Some efforts have also been mounted to revive the concept of the waqf. Chief among these is the Waqfeyat al Maadi, a community foundation that is modeled after the waqf and advocates for the restoration a modern form of awqaf.

Organizations in Egypt may register either as an association (*gam'iya*) or as a foundation (*mu'assasah*) (Atia, 2008). Associations are based primarily upon membership, with at least 10 founding board members required, while foundations are based upon the allocation of a fund. Associations are governed by Law 84 of 2002. This Law of Associations, considered one of the most strict in the Arab region, gives the Ministry of Social Solidarity the authority to regulate an organization's registration, approve an organization's receipt of funds from abroad, investigate an organization's board members' backgrounds and financial records, and shut down an organization if it disobeys any aspects of the law. Furthermore, the law forbids organizations from engaging in political activity or in acts that threaten national unity or disrupt political order (Atia, 2008).

Despite this strict Law of Associations, Egypt boasts the largest NGO sector in the Arab region. Estimates suggest the number of Egyptian NGOs to total approximately 30,000. As with foundations, the task of developing a map or typology of NGOs in Egypt has sparked vigorous debates among scholars. For the purposes of this paper, I follow Ben Nefissa et al's (2005) and Hafid's (2011) classification of NGOs into two types: those that engage in charitable and development activities and those that focus their efforts on social mobilization and advocacy. Traditionally, local foundations have directed their funding to development NGOs, while advocacy NGOs have had to rely almost exclusively on foreign donors for support.



## Foundations, Social Movements, and Democracy: Findings from Western Contexts

From grants in the mid-20th century to organizations working for civil and women's rights, to funding in the 21st century for advocacy related to gay rights and environmental protection, philanthropic foundations in the United States have long been active supporters of social movements (Jenkins and Eckert, 1986; Walker, 1991; Jenkins, 1998; Jenkins and Halci, 1999; Jenkins, 2001; Faber and McCarthy, 2005; Bartley, 2007; Goss, 2007; Minkoff and Agnone, 2010; O'Connor, 2010). Not long after their founding, some of America's oldest and largest foundations catalyzed or supported a variety of social and political reforms. The Rockefeller Foundation funded the development of social science research that would come to tackle major questions of social, economic, and political importance; the Ford Foundation focused its efforts on the rights of poor and marginalized citizens; and the Russell Sage Foundation promoted national standards in housing, infrastructure, and workers' rights (Faber and McCarthy, 2005).

Foundations have built upon these early efforts and increasingly integrated support for advocacy and public policy reform into their grantmaking strategies. With umbrella groups such as the Council on Foundations and Grantmakers for Effective Organizations calling upon foundations to ramp up support for advocacy activities, foundations are jumping on the policy reform bandwagon with the idea that by influencing policy they can make a greater impact than by solely supporting individual organizations and projects. In addition, new foundations have been created that focus exclusively on policy reform issues. The Gill Foundation, for example, arose from the battle for equality amongst gay and lesbian citizens and is today singularly committed to securing equal rights for lesbian, gay, bisexual, and transgender populations ([www.gillfoundation.org](http://www.gillfoundation.org)).

In recent years, scholars have coined this form of philanthropy, 'social movement philanthropy.' Jenkins and Halci (1999) define social movement philanthropy as "foundation grants to social movement projects, whether these go to grassroots movement groups, professional advocacy and service organizations, or institutionalized organizations such as churches and universities that are sponsoring movement work" (p. 230). They stress that this form of philanthropy is guided by a framework of civil, political, economic, and social rights for all people. Of particular importance for the case of Egypt, Jenkins and Halci suggest that social movement philanthropy "has attempted to realize the model of a pluralistic democracy where all interests are politically represented" (p. 254).

Research suggests that the share of total foundation funding dedicated to social movement philanthropy is small yet significant. Evidence from the U.S. indicates that somewhere between one and three percent of institutional funding is dedicated to social movements or economic justice projects (Grantmakers, 1998; Jenkins and Halci, 1999). According to Jenkins and Halci (1999), this type of philanthropy "has become institutionalized as a significant force in American society...It constitutes a highly leveraged form of 'risk capital' philanthropy, having major impact on most of the social movements that have developed in the past four decades. It has fueled these movements in that it has provided needed technical resources and created new organizations that have been vital to securing and implementing gains" (p. 253).

Resource mobilization theory, popularized in social movement literature in the 1970s, suggests that support from wealthy patrons is crucial for movements' development and maintenance

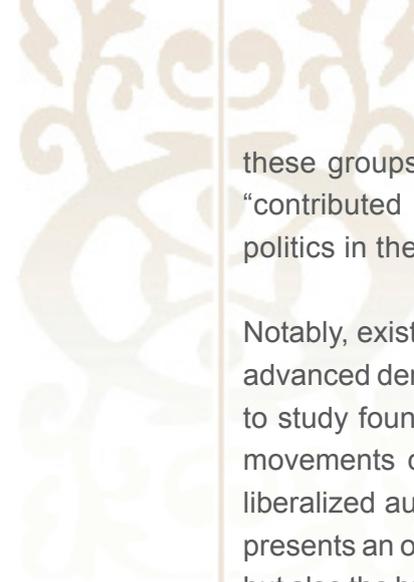
(McCarthy and Zald, 1977). Responding to earlier grievance-based theories of social movements, resource mobilization theory suggests that movement success depends not upon the psychological status of movement participants (e.g. grievances over perceived mistreatment) but rather upon structural factors such as the availability of resources and connections within and between networks. Elite patrons play an important role in both supplying resources to movements and in conveying legitimacy upon movements' goals.

In his seminal research on interest groups in America, Jack Walker contends that patron support is the driving force behind interest group emergence and maintenance. He argues, "The key to the origins and maintenance of interest groups in the US... lies in the ability and willingness of patrons of political action to expand the representative system by sponsoring groups that speak for newly emerging elements of society and promote new legislative agendas and social values" (1991, p. 102).

Other scholars, however, condemn foundation and elite patron support for social movements as attempts to tame them. The social control thesis suggests that foundation support for movements seeks to diffuse movements' more radical elements, moderate their goals, and professionalize them in ways that lessen movements' threats to the status quo (Arnove, 1980; Roelofs, 2003). Evidence from early social movements in the US lends some support for this argument. Foundations were slow, for example, to support the civil rights movement. Their grantmaking for this movement was reactive, coming only after the movement had gained momentum and legitimacy, and even then most foundation grants went to moderate, professional institutions such as the NAACP (Jenkins and Eckert, 1986; Minkoff and Agnone, 2010; O'Connor, 2010).

More recent research, however, suggests that rather than fully controlling movements, foundation and elite patronage "channels" movement goals and tactics toward more moderate ends but is nonetheless crucial for movements' success after the early mobilization periods (Jenkins and Eckert, 1986; Jenkins, 1998; Jenkins and Halci, 1999; Jenkins, 2001). By funding professional organizations and urging grassroots organizations to become more professional, foundations tend to steer movements toward less radical goals, strategies, tactics, and discourses. But by channeling movements into more institutionalized forms of participation, foundations also increase movements' capacity to continue to mobilize constituents and reach their long-term goals (Jenkins, 1998; Jenkins and Halci, 1999).

In their studies of the environmental and feminist movements, Bartley (2007) and Goss (2007) not only confirm the channeling thesis but also explore the mechanisms by which channeling occurs. Bartley points out that most studies of channeling assume that some combination of two mechanisms underlie the channeling process. First, foundations select moderate and professional NGOs instead of more radical, grassroots organizations. Second, foundations transform organizations and movements over time by encouraging organizations to develop more bureaucratic, professional strategies and tactics. But Bartley points out that these two mechanisms are not exhaustive. His study finds that through coordinated efforts, foundations significantly contributed to building a field of forest certification both by recruiting organizations into the project and by leveraging protest to further promote the field's development (Bartley, 2007). In her study of the U.S. women's movement of the 1960s-1980s, Goss concludes that by supporting various subgroups within the women's movement foundations legitimized



these groups' identities as well as their policy agendas. This diversification of identity groups "contributed to the fragmentation of public policy making and to the rise of special interest politics in the United State" (Goss 2007: 1176).

Notably, existing studies of foundations' and elites' patronage of social movements are situated in advanced democracies. This is likely due to the fact that, until recently, there were few opportunities to study foundations' impact on social movements in non-democracies or their impact on social movements calling for democracy. In the Arab region, however, foundations proliferated within liberalized autocracies and continued to operate during these states' democratic transitions. This presents an opportunity to examine not only foundations' impacts on democratic social movements, but also the broader question of foundations' roles in building democracy. Proponents of foundation-based philanthropy argue that foundations offer crucial support to the organizations that comprise civil society, thus contributing to the public sphere that is a hallmark of the democratic state.

The legitimacy of foundations within democracies stems from their independence from political and market forces (Prewitt, 2006; Anheier and Daly, 2007; Fleishman, 2007). Not only are foundations free, because of their relative lack of accountability requirements, to make "risky" investments in organizations experimenting with new approaches to tackling social problems, they also, through both grantmaking and advocacy, "promote innovation in social perceptions, values, relationships, and ways of doing things" (Anheier and Daly, 2007: 32). But the legitimacy of foundations within democracies derives not so much from what they do, but from what they symbolize. These organizations' independence, and the variety of interests they represent, signals a society's preference for a state with limited government powers and a pluralistic society in which a wide array of preferences influence the policy agenda.

In addition to supporting the development and maintenance of democracy at home, Western foundations have embarked since the last decade of the twentieth century on ambitious efforts to build civil society and democracy abroad. According to Benjamin and Quigley (2010), their efforts have focused primarily in three areas: "supporting open and competitive democratic processes, strengthening formal and informal institutions that make democracy more robust, and encouraging civic values and practices that undergird democracy, like tolerance and respect for minorities" (p. 245). Western foundations have supported democratic reform in a variety of contexts and at a variety of stages of states' democratic transitions.

International giving by large U.S. foundations grew dramatically during the Cold War, from \$75 million in 1982 to more than \$500 million in 1990. By 2008, U.S. foundations were sending more than \$6 billion abroad (Spero, 2010). While the targets of these grants are varied – they include such areas as health, the environment, education, and arts and culture – democracy promotion and the development of civil society has been a major focus of international giving since the Cold War. U.S. and other Western Foundations, notably the Open Society Institute, have championed the development of liberal democracies in both the post-Communist states and in other developing regions (Spero, 2010).

Western foundations such as the Ford Foundation, the Rockefeller Foundation, the Open Society Institute, and the US-funded Foundation for the Future have been working in Egypt for decades. But unlike in Central and Eastern Europe during the cold war, they are not alone. Local Egyptian

foundations have established and increased their presence in the Egyptian philanthropic landscape, replacing the *awqaf* form of endowment that was nationalized decades ago. Their existence during the Mubarak era posed a puzzle for the theory of philanthropic foundations: if foundations are presumed to gain legitimacy from their independence and their support for an autonomous civil society, why did we see indigenous foundations emerging in a liberalized autocracy under which civil society was not free? Were these foundations covertly working to foster a more sovereign civil society and a more democratic form of governance? Or were they simply tools of the autocratic regime? The 25 January revolution offers an opportunity to begin to answer these questions, by exploring whether local foundations supported the aims of the revolution or instead remained on the sidelines and conducted business as usual.

## Data and Methods

- **Fieldwork**

The researcher administered a pilot study for this project from 25 January 2010 – 20 March 2010. In this study the researcher conducted 17 semi-structured interviews with foundation and NGO staff in Egypt, Jordan, Turkey and Qatar and also attended and presented at the 3rd Forum of the World Congress of Muslim Philanthropists. Data from these interviews and the conference are relevant to the current study despite the fact that they were collected before Egypt's 2011 revolution. The data reveal the goals and strategies of Egyptian foundations prior to the country's democratic transition and thus allow the researcher to study whether or not foundations changed those goals and strategies after the revolution. Results of the pilot study show that under Mubarak, Egyptian foundations refrained from engaging in any activities that could be deemed "political." Not only did they fear being shut down by the government, they also pointed out the strong need for economic development work in both Cairo and in rural areas. Since May 2011, the researcher has conducted 56 additional semi-structured interviews with:

1. Staff of Egyptian foundations,
2. Staff of regional and international foundations operating in Egypt,
3. Staff of Egyptian NGOs,
4. Staff of international aid agencies operating in Egypt, and
5. Local experts on Egyptian foundations and NGOs.

The researcher also attended, and gathered data from, the 2010 conference of the World Congress of Muslim Philanthropists, the 2011 and 2012 conferences of "Takaful: The First Annual Conference on Arab Philanthropy and Civic Engagement," and the 2011 Annual Meeting of the Arab Foundations Forum.

Interview topics include the organization's response to Egypt's revolution; opportunities and challenges the organization has faced since the revolution; if the organization has changed its goals and strategies since the revolution; how the organization perceives Egyptian civil society's response to the revolution; how the organization perceives the changing opportunities, challenges, and roles of Egyptian foundations and NGOs since the revolution; whether, and if so how, the roles of and relations between the private, government, and civil society sectors have changed since the revolution; the impact of



Egypt's legal and regulatory environment on the organization's goals and strategies; the activities and/or achievements since the revolution that the organization feels most proud of; opportunities that the organization believes it missed after the revolution; and the organization's vision for the future of Egyptian civil society.

- **Primary Documents**

To supplement fieldwork, data are also drawn from primary documents about local and international grantmaking in Egypt. Primary documents include: 1) annual or other reports published by foundations and NGOs operating in Egypt; 2) aid declarations published by international aid agencies operating in Egypt; and 3) reports of conference proceedings.

## **Egyptian Foundations' Role in Democratic Reform: A Rights-based Approach**

This section of the paper lays out results of the research. It explores how local foundations, international donors, human rights NGOs, and development NGOs responded to the changes that took place in Egypt over the 1.5 years since the revolution.

### **Context: A Challenging Environment for Civil Society**

Virtually all interviewees noted the challenging environment in which Egyptian civil society is currently operating. Many cited instability and the fast, unpredictable pace of change as a major challenge to their work. Said one staff member of an international aid agency, "The roadmap is not clear. Security conditions are very loose. There are many worker strikes. People are not happy on the democracy side so they go to Tahrir."

All the tension on the political level affects the economy... The long transition process prolongs uncertainty." Most, however, were optimistic that some sense of stability would resume in June 2012, after the presidential election. This quote from the director of a human rights organization was typical: "We all wait for the elections. Everything depends on who will come into the parliament and president." Said another, "Hope comes after the June elections. We will have a president, a road map, rules and regulations, and the cycle [of instability] reverses."

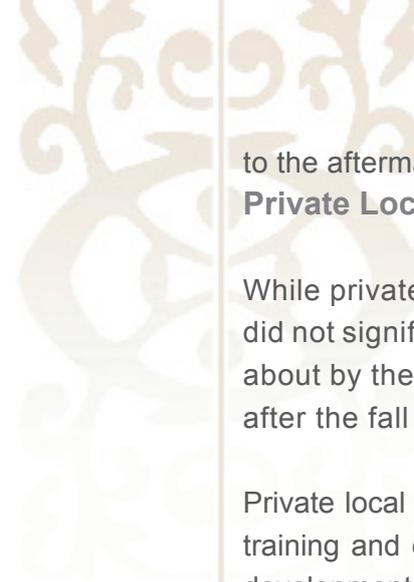
International donors as well as both development and human rights NGOs cited strained government and media relations as another significant challenge to their work. In the first few months following the revolution, NGOs were optimistic that they would be able to work with the government on political reform. By March or April, interviewees said, those hopes were dashed as the Supreme Council of Armed Forces (SCAF) began to investigate NGOs' funding streams, fail to approve grants and projects, and stoke the public's fears that NGOs were influenced by "foreign hands." The staff member of one human rights organization told me, "I don't want to give you a dream scenario. Things changed a lot but they changed for the worse. We are under the worst attack by SCAF ever, I think. Until now the SCAF says no human rights activists have been jailed but all indicators say this happens. The worst thing is that it is under very broad, vague terms, with vague accusations."

But human rights organizations were not the only NGOs affected by the government's attack on civil society. According to one development NGO that very clearly avoids activities that could be deemed 'political,' "The major challenge is the NGO crackdown. It began six months ago. Why? I don't know. What will be the future? I don't know. We weren't blamed or accused but all funds and activities stopped. We need approval for projects from the Ministry of Social Solidarity and we didn't get approval for nine months. Now we are just trying to cover our salaries. No one knows when it will improve. I have gone to officials to ask if we were doing anything wrong but I received no answer. We are registered and report all of our funds. I don't know why they are stopping the money."

As a result of both the unstable political and economic environment and the government crackdown, many organizations adopted a "wait and see" approach, temporarily halting their donations or projects. One local foundation explained that they had ceased grantmaking for the foreseeable future. The coordinator of a group of international donors said that, "Within our group everyone is in a state of reflection and anticipation. But there are no new joint initiatives. Most organizations are waiting until things settle down." According to one of the donors in this group, "For us, we have a squeaky clean reputation. We hope that we won't be seen different. But the investigations are affecting everyone. Everyone is waiting and seeing. Everyone is paused. There are no counterparts to discuss things with. No one wants to make decisions." And in the view of the leader of a development NGO, "Change might come later. Everyone is looking to see in what direction things will go. This is a very dynamic era. Everyone is waiting for a clear situation to make decisions. We will see over time. The number of projects is currently at a minimum. There are many promises but they are not yet realized."

Both human rights and development organizations identified Egypt's Law of Associations, Law 84 of 2002, as another major challenge to their work. They also feared that a draft law currently under consideration would create an even more challenging environment for civil society. Human rights organizations, with the support of the International Center for Non-profit Law, convened meetings of a variety of NGOs to propose a new draft law. The leader of one human rights organization said, "Yes we have meetings about this law all the time. It is a very, very bad law, it controls all aspects of NGOs." His colleague at another human rights organization indicated that, "We called for holding an open workshop to draft a new law. We asked for participation and received it from other human rights organizations. We held a press conference in which we announced a new draft law (drafted by NGOs) and this was given to all NGOs in Egypt to sign. About 500 have signed so far." The leader of a development NGO was particularly critical of the law but optimistic that a solution could be found. He said, "The draft law is more repressive. We reject it. But it is just a draft. The Ministry of Social Solidarity is making meetings to discuss it with NGOs. They are listening in a way, but it is still in progress. The committee in parliament includes some liberals so that could be good. No one denies that the government should have some oversight. But we need freedoms too. We are in process. We sent ideas to the committee. We want to be able to just inform the government that we are starting an NGO. We don't want to have to ask approval."

Despite this challenging environment in which Egyptian civil society finds itself, most interviewees spoke enthusiastically about Egypt's prospects over the long term and civil society's role in building the "new Egypt." The rest of this section explores how these organizations are responding



to the aftermath of Egypt's revolution.

### **Private Local Foundations: Staying The Course**

While private local foundations were generally pleased by and proud of the revolution, most did not significantly alter their goals, strategies, or tactics in response to the changes brought about by the revolution. In fact many described their continued work as being more relevant after the fall of Mubarak.

Private local foundations maintained their pre-revolution objectives, which primarily included job training and employment, literacy, education, health, and the strengthening of local community development associations and local governments. These foundations focused on social and economic development and devoted a significant portion of their resources, whether financial grants or technical assistance, to organizations that work outside of Cairo in more rural parts of Egypt. All foundations included in the sample used the word “empowerment” to describe their grantmaking objectives, either on their websites, in interviews, or both.

None of the foundations in the sample claimed to work on “political development,” and in fact many were very clear that they avoided political work. According to the staff member at a corporate foundation, “We don’t go to anything political or religious. It is too controversial. There are too many debates in these areas.” The leader at another corporate foundation indicated that her foundation focuses on social and economic development and avoids political development because, “I don’t want the beneficiaries to think that I am trying to influence them. They are very smart.”

But local private foundations focused on social and economic development not just because political development was controversial. All local private foundations in the sample indicated that the greatest needs are in social and economic development. According to a senior staff member of a corporate foundation, “We are staying with the same thing. Jobs and unemployment caused the revolution. Who will employ the people? We are trying to offer support, and NGOs must fulfill the need.” Another interviewee indicated that, “Our work is even more relevant – strengthening Community Development Associations and government officials. This is very relevant. We must do more of it. We need officials that have the skill set to take decisions.” The leader of another local foundation added, “We focus on health and education. These are the legs of development for any country.”

The leader of one local private foundation was highly critical of international donors’ recent focus on political development. According to this interviewee, “It’s easier, and I don’t mean in terms of money, to support democracy because democracy is a notion or idea that you can sell and it doesn’t cost people to adopt it. They can do democracy through Facebook and over coffee, etc. It’s easy to sit and promote democracy. But we’re not implementing. It takes much more time to implement economic development. This is hard work – creating value, producing. We need physical, mental, and economic effort. On the political side, you just need money/economic and mental effort. Moving the body to Tahrir is more exciting than moving the body to work on a daily basis... Americans and Germans offer the largest amount of aid money to Egypt. Most funds in the past years have been to human rights, democracy, etc. They haven’t put a fraction of that amount into economic development. Why? It is more difficult; also, because of their agendas. This is a Pandora’s box.”

The leader of another local corporate foundation also stressed that the country needs more youth looking for and creating jobs and fewer youth continually protesting in Tahrir. This interviewee was furthermore critical of both human rights organizations and the international donors who fund them. According to her, “We need economic development. I don’t like human rights organizations. I conduct their assessments. I don’t like how they manage their finances. They aren’t efficient at all. Economic development organizations are more efficient. Human rights organizations are only 38 out of 20,000 NGOs in Egypt but they receive the most funds from abroad. Focusing on economic development would be more efficient.”

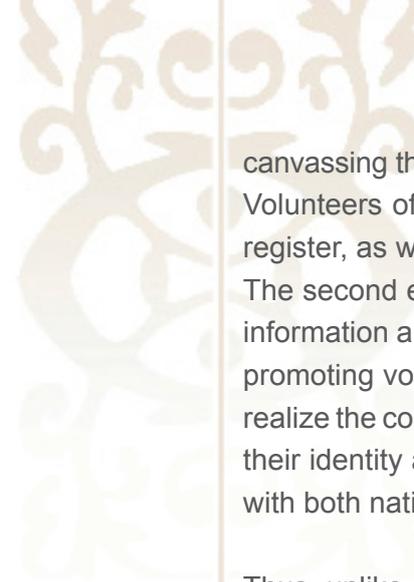
Local private foundations identified “needs at the base of the pyramid,” or basic human needs, as offering significant opportunities for their work. The revolution made some of these needs even more apparent. Not only did a challenging economic situation increase the demand for job training and employment, the elections helped one local foundation see an even greater need for literacy. This foundation realized that without literacy training, many Egyptians could not read the election ballots and relied on symbols to identify candidates. According to the interviewee at this foundation, the revolution made their literacy initiative even more relevant.

Thus despite calls by leaders in the Arab philanthropic sector for local foundations to integrate political reform initiatives – by, for example, advocating for public policy reforms, publicizing policy positions, focusing on issues of citizenship, and expanding the space for NGOs to operate freely – Egyptian foundations remained focused on economic and social development projects. Nonetheless, as this paper argues later, such efforts are essential components to a strategy of building democracy from the ground up.

### **Local Community Foundations: Integrating Political Development**

Unlike local private foundations, Egypt’s two community foundations responded to the revolution by integrating political development activities into their initiatives. The Maadi Community Foundation, which works in a Cairo suburb, actively supported the revolution and its goals. It did so first by advocating for rights of martyrs’ families and later by monitoring elections, teaching children about politics through the foundation’s art center, and hosting workshops and training sessions about democratic rights, social justice, and advocacy. According to its founder, “[Egyptian] civil society is coming from a culture of strict government control. It is scared. It thinks it is not free. Also it is charity oriented. It doesn’t have the idea to lobby, to change. The community foundation is more empowered and is trying to empower NGOs. After the revolution we are working as if there are no constraints.”

The Community Foundation for South Sinai, which works with Bedouins in the South Sinai, received a grant from the U.S. Middle East Partnership Initiative (MEPI) to encourage civic engagement within the local Bedouin community. A foundation-trained team of facilitators and staff implemented the work. The first phase of the grant - prior to the 2012 parliamentary elections - encouraged men and women to discuss community priorities and what qualities they wanted in their new leaders to help them achieve those priorities. The foundation’s campaign surveyed voting intention in men and women; however, staff realized that not only were many Bedouins not informed about their rights and choices, they were also not registered to vote. The foundation thus implemented a follow-up campaign through which they helped to drastically increase the number of Bedouins registered,



canvassing the Bedouin community with the message, “If you want to vote, you must register.” Volunteers offered information on what documents were needed and where citizens could go to register, as well as being on hand in registration offices to help people with the process. The second element of the grant - still in progress at the time of writing - aimed to give Bedouins information about their rights as citizens and how to access them, encouraging self-advocacy and promoting voluntarism. Through these and other projects, the foundation helped the Bedouins to realize the concept of citizenship. While careful to support local community members in maintaining their identity as Bedouins, the foundation also helped them to identify as active Egyptian citizens with both national rights and responsibilities.

Thus unlike Egyptian private foundations, Egypt’s two community foundations quickly and dramatically altered their strategies in order to integrate political reform activities into their grantmaking repertoires. While not abandoning social and economic development initiatives, these foundations also led their communities along the early path to democratic political reform.

### **International Donors: Integrating political and economic development**

International donors in the sample integrated economic, social, and political development in their grantmaking strategies. After fall of Mubarak, a number of international donors saw increased opportunities in political development and devoted more funds to such projects. According to the coordinator of a group of international donors, “In 2011 we began to have more political discussions. One topic was working with civil society. We were trying to come out with common positions, joint talking points.” A program officer at one of the donors in that group indicated that, “Immediately after the revolution we launched a request for proposals. We received an extra \$1 million from headquarters. We were quick, reactive, and we did topics that were more sensitive – freedom of speech, anti-torture, etc.” Another said that, “Before the revolution we couldn’t do democracy here. The revolution presented the opportunity to do democracy and to go deeper into economic development and target the poor.” These donors did not forget economic development. As the coordinator of the international donors group noted, “We need both [economic and political development]. Many donors work in education quality, access to health, a social fund for development, and the development of small-medium enterprises. Discussions in the group in recent months were primarily on democracy and political development, but we also have meetings on economic and social development.”

Virtually all international donors cited the Egyptian government’s crackdown on NGOs and international donors as the most significant challenge that they face. According to the program officer at one international aid organization, “After the revolution we have seen increased problems. They all came in the past year. They are not linked to the activity performed. Not only political NGOs are targeted. Under our non-state actor program we help children and women and even those organizations were targeted. There were delays in project approval and stops were put on their bank accounts. For example there were no responses to authorization requests. Files were returned unopened. They [NGOs] couldn’t even apply. It was up to the NGO to move forward or freeze. In the summer the climate became strange and culminated in the raids [on 17 NGOs].”

## **A program officer at another international aid organization voiced similar concerns:**

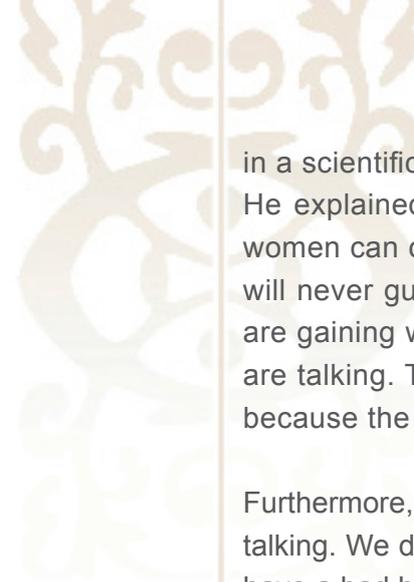
“Things developed in bad ways. There were government and media campaigns against NGOs. Because of this, NGOs began to focus on economic development. Some NGOs returned grants to us. The attacks were threatening. NGOs had high expectations. Then the Ministry of International Cooperation attacked. There was disappointment. Now the big attack is theatrical. The Ministry of International Cooperation and the SCAF want to find third parties or foreign fingers to blame.”

International donors took a risk in funding democracy promotion activities and suffered some consequences. While their funding was critical to NGOs implementing new reform initiatives, it also sparked a controversy over foreign intervention in Egypt’s transition process. Furthermore, the government’s crackdown on donations from abroad had a ripple effect that negatively impacted the NGO sector as a whole. Even NGOs that focused exclusively on economic and social development felt threatened by increasingly negative perceptions of the field.

## **Development NGOs: Integrating Political Rights while Remaining Focused on Economic and Social Development**

Development NGOs cited both opportunities and challenges brought about by the revolution. Development organizations in the sample focused on economic and social development but also integrated political development in subtle ways. Some interviewees indicated that the revolution offered a greater opportunity to develop democratic political engagement skills among their beneficiaries. The leader of one organization told me that, “We don’t do politics, human rights, or religion. We do education, development, and microcredit. These are not sensitive areas.” But he went on to say that the organization did integrate rights into their project through children’s and women’s rights and participation. The leader of another organization that worked to increase literacy among handicraft producers indicated that the project’s aim was two-fold: to increase the literacy rate among producers and to get them talking about issues of local and national importance. In her words, “We think about how to get [the producers] talking. We do this in an indirect way because it is not allowed. We are one month into the project. We think about how to reach producers and touch them. The work plan is how to use each producer’s skills in teaching them how to read and write. We use graphic ways, simple ways. Through this we do awareness on democratic rights.” another organization that worked with farmers on economic and social development also incorporated political skills: “When we empower local farmers we help them create Democratically Elected Committees from the community. We aren’t ‘teaching’ but conveying the democratic process to elect their own representatives. Then the democratically elected committees and local groups work together to discover their needs and design their own interventions.”

A number of development NGOs stressed the unique challenges of working in rural communities. In the words of the leader of a development NGO in the Sinai, “To do development in rural areas you have to do it all – education, health, security, etc. We can’t just do ‘awareness.’ It’s all connected. For example we have an internet technology space that is filled with computers and a projector. We do education and awareness there. We show films that interest the Bedouins and then we discuss them. We build awareness through films and discussions. We use films



in a scientific way. Awareness is connected to education, health, and the environment.” He explained, “We created a women’s center. Not a ‘club’ or an ‘NGO’ but a space where women can come together. They wind up talking. I asked them what they want to do and you will never guess what they said: aerobics. Their way of life is more sedentary now and they are gaining weight. They don’t like that and want to do aerobics. In this women’s center they are talking. They are discussing priorities and making decisions. I can’t call it an association because the men won’t like it.”

Furthermore, he said, “People in the Sinai don’t care about [politics]. We build democracy through talking. We do women’s rights but we don’t call it that. People need education and health. If you have a bad headache do you care about politics?” The leader of another development NGO, this one operating in Upper Egypt, said that: “People in villages are just concerned with basic needs. We try to work on the link between political and economic rights. The first challenge in development is the diverse set of great problems in Upper Egypt due to poverty and illiteracy. Statistics show that villages in Upper Egypt are the poorest in Egypt. The second challenge is the absence of people organizing themselves. Here in Upper Egypt people are marginalized because they are not organized so they don’t reach for their rights. It is different in Cairo. There, people are organized. These poor people [in Upper Egypt] are isolated because their only source of information is television. They don’t use the internet so they are isolated from information. They only get ‘official’ [state] information.”

As part of its strategy, this organization worked to educate villagers about political issues at both the local and national levels and increase their participation skills.

Development NGOs are known for enhancing the economic and social contexts of the communities that they serve. But in Egypt, many development NGOs have integrated political awareness and skills training into their work. By adopting a rights-based approach to development, Egyptian development NGOs have contributed to their country’s democratic transition by supporting democratic practices and principles at the local level and thus preparing community members to participate actively as informed citizens in post-Mubarak Egypt.

### **Human Rights NGOs: Advancing New Political Rights**

Egyptian human rights organizations worked tirelessly since the fall of Mubarak on a variety of political development initiatives. They organized public awareness campaigns surrounding military trials, voting, legal and constitutional reform, anti-torture, anti-corruption, and a variety of other human rights. These organizations took a particularly active role in the recent parliamentary elections, educating voters about the parties’ platforms, urging the public to vote, and monitoring the elections as voters went to the ballot boxes.

In the months immediately following the revolution, these organizations felt liberated and eager to work more openly and create significant impact on Egypt’s political transition. According to the leader of one human rights organization, “In January the revolution gave civil society organizations and our organization a good chance to participate. In some places we were able to document what happened in the revolution: the number injured and the number of martyrs. We also interviewed the martyrs’ families. There was a good chance to observe the electoral process in Egypt.” By April, however, human rights organizations were disillusioned by the SCAF’s crackdown on NGOs

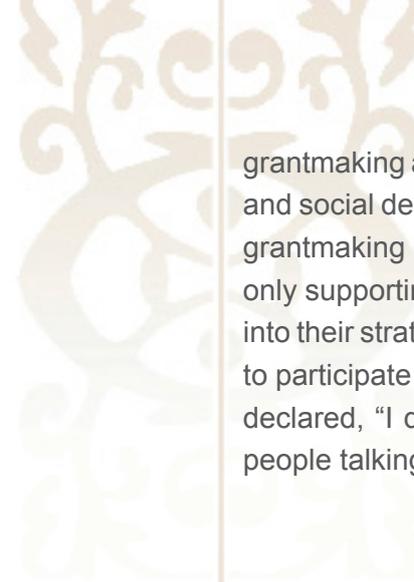
and cited their relationship with the government as a significant challenge. According to the leader of one human rights organization, “The SCAF...was our friend. We believe in human rights and democracy, but [they don’t].” None backed down from engaging in political reform activities, however, and these organizations have spearheaded an effort amongst civil society organizations to reform Law 84 of 2002 in a way that maintains some government oversight of the NGO sector yet also offers organizations greater freedom to assemble and operate autonomously.

When asked from whom they receive funding, human rights organizations indicated that they received all of their grants from international donors. Unlike development NGOs, which received funding from a mix of international and local donors, human rights organizations criticized local foundations for failing to consider supporting their work. According to a program officer at one human rights organization, “We receive our funds from international donors. After the revolution they are focusing a lot on Egypt, sending lots of money, and it is easy to get funds. For example from the National Endowment for Democracy, the Middle East Partnership Initiative, the European Union, and the Open Society Institute.” Said the leader at another human rights organization, “International donors are responsive to our mission – human rights, freedoms, transparency, justice. Local donors focus purely on development goals and miss the rights aspect of it.” A program officer at another human rights organization echoed these thoughts: “At the local level there are no local grantmakers for human rights organizations. Businessmen won’t pay the cost for our work. The cost is too high. That funding would be against the government and the government would put restrictions on his work and investments. There was an incident in the 1980s, with Egyptian human rights organizations. Donors wanted to give money but they said, ‘Please don’t mention our names.’ Even after the revolution local grantmakers don’t fund us.”

## Conclusion

Human rights organizations’ criticisms of local foundations are not entirely unfounded: local foundations indeed do not fund advocacy organizations and instead focus their grantmaking on development NGOs. However, this should not be taken as a sign that Egyptian foundations do not support the revolution or democratic political reform. Egypt’s two community foundations, which work primarily as operating foundations, incorporated a variety of political reform activities into their project portfolios. And, all of the development organizations included in the sample that have maintained funding partnerships with local private foundations incorporate human rights and empowerment of local citizens into their economic and social development projects. In what may be the initial phases of a new social movement, Egyptian foundations and their grantees worked to foster identities of “empowered citizens” among rural and marginalized beneficiaries. It is far too early to measure the impacts of this work, but future research that explores Egyptian foundations’ roles in advancing the revolution’s goals must look beyond overt support for political reform and should carefully evaluate the more subtle, but critical, efforts foundations have made to increase the presence of marginalized voices in the political process.

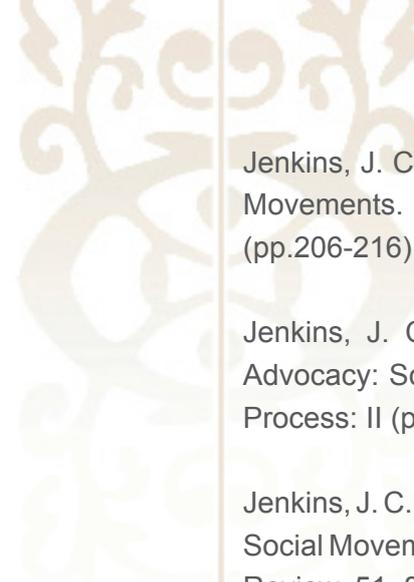
While theories of Western philanthropy stress the importance of foundations’ democratic roles in supporting advocacy and prominent social movements, this paper argues that foundations can play an equally important role in democracy building by supporting political development and participation at the most local of levels. It also challenges the assertion often made by Western philanthropists that support for basic needs is “just charity” and should not be part of a strategic



grantmaking agenda. In order for Egypt's democratic transition to incorporate all citizens, economic and social development work that addresses basic human needs is an essential component of any grantmaking strategy. Local Egyptian foundations, and their NGO partners and grantees, are not only supporting economic and social development, they are also integrating political development into their strategies by nurturing empowered citizens who possess the education and skills required to participate in both local and national decision making. As the director of one development NGO declared, "I don't need money to build democracy. All I need is tea. Give me tea, and I will get people talking. This is the beginning of democracy."

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