

Fundraising in the southern cone

By Daniel Yoffe¹ e Renata M. Brunetti²

ABSTRACT

Fundraising in Latin America is making great strides, building on charitable roots and developing due to political and societal changes. Using the examples of Argentina and Brazil, the authors discuss current practices in philanthropy and fundraising.

Research Article

Fundraising in the southern cone

Non-profit sector in the region.

Both in Argentina and Brazil, the not -profit sector is in full development, increasing its maturity and level of professionalism. In both countries, there exist important indicators that demonstrate this growth:

- The establishment of academic graduate programs. The implementation of The Fund-Raising School project in both countries exemplifies this search for professionalism.

- The creation and continued development of the Association of Fundraiser Professionals (AEDROS) in Argentina, and the Brazilian Association of Fund-Raising (ABCR), which are similar to the AFP (Association of Fundraiser Professionals, previously known as the NSFRE) in the United States.

¹ Daniel Yoffe is the vice president of institutional advancement at the Universidad de las Américas, Puebla, Mexico.

² Renata M. Brunetti is the coordinator of the fundraising courses at the Center of State and Society Studies at the Getulio Vargas Foundation. She also teaches fundraising for various institutions.

- The existence of permanent sections on business philanthropy and social responsibility in major national media, as well as promotional supplements in Argentina and Brazil's major newspapers.
- The creation and development of a research area – community and social development – in private research centers, which began in 1994 and continue today with wide support in both countries.
- The creation of organisms similar to the Independent Sector in the United States, such as the Social Sector Forum, promoted by a coalition of non-profit organizations (NPOs) in Argentina, and the Third Sector Forum in Brazil, promoted by the Serviço Nacional de Aprendizagem Comercial (SENAC).
- The John Hopkins comparative study of Third Sector projects that included research in both Brazil and Argentina, which is still considered the best quantitative research project in the field.
- Public Sector recognition of the importance of the Third Sector, creating lines of financing for social programs managed by NPOs and strategic alliances.
- Consultations by multilateral organisms – the World Bank and Banco Interamericano de Desarrollo (BID) – to the leaders of the Civil Society Organizations (CSO).

The recent financial crisis experienced by both countries has limited the role of the state and has consequently reinforced the citizen participation movement. A lack of confidence in political leaders has been expressed through citizen initiative, resulting in the creation of a greater number of volunteer organizations. On the other hand, both Brazilian and Argentine Third Sector organizations continue to develop different strategies and tactics to influence state policy.

In the 90s, charitable organizations stopped depending solely on government appropriations and began searching for sustainability through a variety of resources, such as fund-raising projects based on solicitations made to private enterprises,

individuals, and foundations. More and more, organizations that were no longer receiving international resources were at the same time demonstrating their own viability strategies using local funds. As the rift between the richest and the poorest widened, and the protection of social policy shrank, charitable groups came to be identified as the main protector of the most unprotected social class. These groups and individuals pushed for compensatory policies, assistance policies, and group-specific policies, all with the intention of relieving social tension.

Charitable and philanthropic antecedents in Argentina and Brazil.

In the 250 years before the 1810 declaration of independence in Argentina, the Catholic Church was the major protagonist in the field of social service. Charity acted as the motive for projects that were developed to achieve support for the poor. The first volunteer organizations in Argentina were instituted by the Jesuits, who also founded the first schools and universities.

In addition, these clergy received donations from members of the community, which were used to create educational and health organizations, administered by the congregations. Distinguished citizens, who were guided by their belief in the religious superiority of the rich over the poor, sustained this type of Christian charity, known as “Filantropia Señorial” (gentlemanly philanthropy).

The most important period of development for charitable organizations was between independence and the end of the nineteenth century. In 1823 the Charity Society was created. One of the most notable characteristics of this organization was the involvement of women in the moral education of the lower class. The participation of women in philanthropic work has become the most important distinction of the Third Sector in Argentina.

These Catholic charities dedicated themselves to finding homes to the needy, visiting homes for the elderly, and providing food to the hungry.

This movement was made possible by donations and monthly subscriptions; additionally, the government frequently offered its assistance through monies raised in the national lottery.

It was during this period that the debate on the role of public sector financing and its participation in philanthropic and welfare organizations began. The increasing number of such organizations toward the end of the nineteenth century was due more to state support and initiative than to any feeling of solidarity or responsibility from the wealthy class.

In Brazil, the development of community participation in social projects began almost with their origin in 1543, when the first Holy House of Mercy was founded in San Vicente. This philanthropic tradition was tied to works inspired by Catholicism, which were a continuation of Portuguese policy since 1498.

It was not until 1938 that the first Ministry of Education and Health was formally established, becoming the first government instrument to provide assistance to the country's interior.

In a grueling fight in defense of human rights against dictatorship, the Catholic Church in 1970 exerted all its influence with its *Liberation Theology*, thereby paving the way for a new type of organization which emerged in 1980: the NPO. In the 90s, greater business participation was detected: for example, the Dutch group C&A Fashion founded the C&A Institute for Social Development; the Ethos Institute for Social Responsibility grows to 843 businesses in 2004; and businesses such as Copesul (Petrochemical Company of the South) and Xerox demonstrate high interest in charitable activities.

It is immensely difficult to try to assign a single identity to the Third Sectors of Brazil and Argentina, as the sector is very heterogeneous, fragmented, and plural, in which many types of organizations are found: from both the left and the right, project operators, service activities, large, small, public, private, religious, and others.

The Latin America experience in the professional fund-raising field.

There are many reasons why organizations seek professionalization in the area of fund-raising. In the 90s, many Argentine and Brazilian institutions, which had received their financing from international organisms and religious institutions in different countries, perceived a change in the destination of those resources towards Africa and eastern European countries (due to the fall of the Berlin Wall in 1989).

At the same time, a transformation in the role of the state took place, changing from a provider entity to a minimalist state. In Brazil, the government of Fernando Henrique Cardoso (two terms: 1995-1999) reduced its support to 30% of its previous level, thereby increasing pressure on the charitable organizations that had been relying exclusively on government support.

This decrease in resources provided by the government and international sources caused NPOs to look for local funding. It therefore became necessary to professionalize the fund-raising process.

During this period, the Kellogg Foundation began to finance both, the actions and the professional development of NPOs in Brazil and Argentina. Lester Salommon initiated research on the Third Sector, providing facts and figures that provided an abstract representation of the field.

Professional fund-raising is relatively new in Argentina and Brazil. In 1993 and 1999, associations of fundraiser professionals were created and began operations: AEDROS in Argentina and ABCR in Brazil. Both organizations were based on the current AFP model, with activities limited to a small group of professionals completely dedicated to their work.

Another important moment in the professionalization process was the beginning of TFRS activities in Argentina and Brazil. This program was based on the experience of the Center on Philanthropy TFRS at Indiana University in the United States. A series of methodological and cultural adjustments were made during the implementation process, in response to the needs of local professionals, but always keeping in mind the fundamental principles that brought the School into being. In 2001, new seminars were

created to address the specific situations of each location. Additionally, the professionalization program was the best of its kind in the region, attracting students from Peru, Chile, Uruguay, and Paraguay.

The focus of non-profit institutions on creating a professional fundraiser profile soon became obvious. Other training programs appeared. Important examples are the International Conferences that have been organized by AEDROS in Argentina and by the EAESP/FGNC (The Getulio Vargas Foundation School of Business Management) and the SENAC/ABCR in Brazil.

The First International Conference on Fund-raising, organized by AEDROS in Argentina in 2001, served as an indicator of the level of professionalism that the region had achieved in recent years. Guests from many Latin American countries, England, and the United States made more than 20 presentations regarding case studies and conceptual development.

In Argentina, the first experiences of a professional nature began to take place within the Jewish community in the late 80s and early 90s. This was due in large part to the influence of the American Jewish community.

The professionals trained in this environment quickly transferred their experience to their societal particulars, and the first visits by United States experts began. Organizations dedicated to education and training were formed soon after, developed from the Peter Drucker Foundation, in partnership with the “Fundación Compromiso”. These new experiences began to widen the awareness of CSO leaders and the search for financing came to be seen as a professional activity. The growth of Third Sector organizations increased the demand for resources, and the involvement of business leaders and professionals gave an important incentive to the professionalization of the sector, generating greater employment opportunities.

With regards to the development of a professionalized Third Sector in Brazil, the ABCR was created in 1999 to regulate donation activities and alliances between NPOs and the community.

In Brazil, recent research indicates that what most motivates fundraisers to participate in an organization is the level of challenge and the degree of involvement that they can feel for the organization's cause.

Fundraising in Latin America

In Latin America, as in the rest of the world, the way in which people relate to each other depends greatly on developments in communication. In South America, one of the principal concerns of professional philanthropic fundraisers is the administration of an absolutely dependable database. This is so important that the success or failure of a campaign can depend on the quality that they have.

Technology is not simply for generating mass correspondence lists; on the contrary, it can allow a careful selection of markets and components to best inform and solicit according to the needs of the different stages of a campaign. In Brazil, access to software and the possibility of downloading it via the Internet has allowed some organizations to better manage their contacts and networks.

Making approaches to major donors is often the key factor that supports many NPOs, an aspect so important that organizations dedicate substantial time towards the identification and cultivation of such donors. This work is usually taken up by a volunteer who is extraordinarily committed to the organization's cause and who has a great deal of knowledge about or familiarity with major donors, and who can therefore solicit effectively.

The mixture of modern television, telephone, and on-line collection systems has opened the field to wide-audience events, such as the telethon. Taking advantage of the charismatic leadership exuded by certain public figures, especially actors, singers, and television hosts, organizers of such events can bring together a large audience and raise

a great deal of money in a short amount of time through telephone donations and credit card assignments.

In Brazil, an interesting variable has been introduced with the telephone donation, a process which simply requires a donor to dial a certain number and follow keypad instructions to determine the quantity of their contribution.

In regions with great social inequities, the pressure on businesses to assume new responsibilities is inevitable. Alongside the growth of business responsibility movements in Brazil in the 90s (Gife in 1994 and Ethos in 1998), many charitable organizations began to experience success in their fund-raising campaigns. Modern forms of communication have permitted private companies and NPOs to observe and learn from each other.

In Argentina, the major donors fund-raising campaigns have received a relatively small amount of public recognition due to certain cultural peculiarities. Major donors prefer to keep a low profile, and even more so during recent economic recessions. Unfortunately, the lack of information about donations has a negative effect, creating the perception that this type of fund-raising is ineffective and that professional development in the area is a waste of time. One of the largest donations in the region gives us an example of this problem: a single donor gave 150 million dollars to Universidad Austral over six years. Although the donation wasn't secret, very few people were aware of it.

In Brazil, the creation of Rouanet law, a cultural fomentation law passed in 1993, strengthened the development of professional fundraisers, who are compensated with a percentage of what is raised. This legislation went directly against the code of ethics of the ABCR, which does not recommend fundraisers to work on commission.

In Argentina, where a serious financial crisis is still occurring, public interest in fund-raising encouraged the organization of a conference series on "Fund-raising During Times of Crisis," in association with the most important newspaper in the country, La

Nación. The discussions and conclusions of the conference were published in that newspaper.

Who donates, and what is their motivation?

In Argentina, research-based knowledge about opinions and attitudes toward individual and family philanthropic activity is practically inexistent. The graduate degree in Non-Profit Organization Administration has begun a study on this topic, utilizing a series of personal interviews with persons involved with several different institutional, business, and social spheres. All the selected groups have the economic capability to make moderate to large donations. The interviews aim to analyze the group's current philanthropic behaviors (preferred causes, institutions, donation processes, etc.), the motives for why they do or do not make donations, preferred donation formats, incentive and restrictive factors, and their interest in alternative donation formats, among other dimensions. Additionally, a "Donor's Guide" has been created, for distribution to both individual donors and organizations that are looking for donations, with information about how to donate and solicit donations according to existing norms and restrictions. As a final product, documents will be produced and distributed, containing information about current and potential major donors in Argentina, along with the research results. The publication of one or two documents focusing on generational differences in philanthropic attitudes and the impact of the post-devaluation crisis on major donors' philanthropic behavior has also been proposed.

In Brazil, for example, a similar research investigation including 44 corporates CEOs and presidents demonstrated that the most important motivation factors are: identification with the project, and the organization's credibility.

Whatever the research may show, it is generally known that in these countries individuals feel more motivated to donate when they are sure of the destination and the use of their contributions. In Brazil, for example, 52.4% of a surveyed group reported a lack of motivation when solicited by telephone, and that they in fact prefer to hear the voice of a friend and/or to see a photograph of the work that is being done with the donations. It has also been demonstrated that a marked preference exists for child-

oriented and malnutrition causes, as opposed to those related to the care of the environment.

Reflections on fundraising in the region

As has been shown, the Third Sector is a new and heterogeneous area, with diverse needs. The presence of professionals interested in social transformation is growing, as more and more hope to achieve a more just and equitable society, where democracy and proactive citizenship are promoted and the average citizen is aware of both his or her rights and obligations, able to create and transform the rules for the cause of equality.

A change that could stimulate the philanthropic process would be the creation of fiscal incentive in areas such as education, health, and culture. In Brazil, some laws already exist: the childhood and adolescence fund contribution law, the direct NPO donation law, and culture support laws, such as the Rouanet law and the Audiovisual Law. Argentina is far behind in this area.

As a final commentary, it may be noted that along with Third Sector changes in general, there are a great many in the area of professional fund-raising. Public fund-raising campaigns have multiplied. More and more organizations are contracting professionals so that their fund-raising processes will be standardized. On the other hand, it is important to pay attention to potential risks that stem from over-professionalization and over-regulation, so that the Third Sector does not lose its ethic values and its ideals of a better world.

[New Directions for Philanthropic Fundraising](#)

Volume 2004, Issue 46 , Pages 27 - 36

Special Issue: Global Perspectives on Fundraising . Issue Edited by Lilya Wagner, Julio A. Galindo.

Published Online: 29 Dec 2004

Copyright © 2004 Wiley Periodicals, Inc.

References and recommended bibliography

BUSTELO Graffigna, Eduardo, *El abrazo. Nuevas relaciones entre el estado y los Organismos no Gubernamentales en la Argentina*; L'ordinaire Latino Americain 165-166; Argentina: IPEALT-Universite de Toulouse-Le Mirail; 1996

CHIAPPINI, Ligia; DIMAS, Antonio e ZILLY, Berthold (org). *Brasil, país do passado?* 1ª. ed. São Paulo, SP: EDUSP e Boitempo Editorial, 2000.

CIAMPA, Antonio da Costa. *Identidade: um paradigma para a psicologia social?* Apresentação oral no 10º. Encontro Nacional da Associação Brasileira de Psicologia Social – ABRAPSO (8 a 12/10/99)

COELHO, Simone de Castro Tavares. *Terceiro Setor: um estudo comparado entre Brasil e Estados Unidos*. 2ª. ed. São Paulo, SP: SENAC, 2002.

CRUZ, Célia; ESTRAVIZ, Marcelo. *Captação de diferentes recursos para organizações sem fins lucrativos*. Coleção Gestão e Sustentabilidade. São Paulo, SP: Global, 2000.

FALCONER, Andrés Pablo. A promessa do Terceiro Setor: Um Estudo sobre a Construção do Papel das Organizações Sem Fins Lucrativos e do seu Campo de Getão. 1999 - dissertação de mestrado – Departamento de Administração – Faculdade de Economia, Administração e Contabilidade da USP, São Paulo.

FLACSO; *Perfil de las Organizaciones No Gubernamentales en Argentina*”; Buenos Aires: FLACSO, Mimeo, 1996.

GONZALEZ Bombal, Inés; *¿Sociedad Civil o tercer Sector?*; CEDES-CONICET. Mimeo Buenos Aires, 1995ª.

HABERMAS, Jürgen. *Conhecimento e Interesse*; Introdução e tradução: José N. Heck. Rio de Janeiro, ZAHAR Editores (1968).

HABERMAS, Jürgen. *A Nova Intransparência: A crise do Estado do bem-estar social e o esgotamento das energias utópicas*; tradução: Carlos Alberto Marques Novaes, Setembro de 1987.

HABERMAS, Jürgen. *Direito e democracia: entre facticidade e validade*, volume I e II; tradução: Flavio Beno Siebeneichler – Rio de Janeiro: Tempo Brasileiro, 1997. (4ª. Ed. Frankfurt/M, Ed. Suhrkamp, 1992)

Instituto Gallup de la Argentina; *Estudio sobre donaciones y trabajo voluntario*”; Instituto Gallup – Foro del Sector Social; 1997/1998.

MESTRINER, Maria Luiza. *O Estado entre a filantropia e a assistência social* - São Paulo, Cortez, 2001.

MEIRELLES, Henrique. *Investimento Social e negócios: uma união mais que perfeita*. Artigo publicado em material do Instituto para o Desenvolvimento Social – IDIS, março 2002.

PASSANANTE, María Inés; *Pobreza y acción social en la historia argentina. De la beneficencia a la seguridad social*; Editorial Humanitas, Buenos Aires, 1987.

PEREIRA, Custódio. *Captação de Recursos – Fund Raising – Conhecendo melhor por que as pessoas contribuem*. São Paulo, SP: Mackenzie, 2001.

ROITTER, Mario; *Estudio sobre el sector sin fines de lucro en Argentina*; CEDES (Centro de Estudios de Estado y Sociedad); Argentina, 2000.

SEVCENKO, Nicolau. *A corrida para o século XXI: no loop da montanha-russa*. 2a. reimpr. São Paulo: Companhia das Letras SP: Brasiliense, 2001 TEMPEL, Eugene R. and DURONIO, Margaret. *Fund Raisers – Their Careers, Stories, Concerns, and Accomplishments*. 1a. ed. California, USA: Jossey-Bass Inc. - Publicação da National Society of Fund Raisers Executives, 1997.

Thompson, Andrés; *El tercer sector en la historia argentina*; Documento CEDES 109 CEDES; Buenos Aires 1995.

VOLTOLINI, Ricardo; *Terceiro Setor; Planejamento & Gestao*; SENAC Editora; Brasil 2004.

YOFFE, Daniel; *Internacional Fund Raising for Not-for-Profits*; A country by country profile by Thomas Harris, John Wiley & Sons, Inc. USA. 1999.