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# Philanthropy is not only about giving money

*The way organizations and individuals practice philanthropy has changed tremendously over the past 10 years, and it is only the beginning. But does it change the purpose of philanthropy? Interview with Dr. Giuseppe Ugazio, UNIGE.*



## BRIGITTE PERRIN, UNIGE

Assistant professor in Behavioral Finance at the Geneva Finance Research Institute (GFRI), Giuseppe Ugazio and two colleagues\* are launching a new continuing education programme in *Strategic and Operational Philanthropy* this autumn at the University of Geneva. The objective is to gather practitioners and academics to analyze the complex journey of promoting societies' well-being and making smart decisions that consider both moral and financial principles. In this interview, he explains how to practice philanthropy efficiently in a constantly moving environment.

### What is philanthropy today and how has it changed in the past years?

Philanthropy is evolving, opening its horizons to new schemes, like social impact bonds and designing new partnerships models with the for-profit world, as in the case of blended finance. In the past decades, and particularly so after one of the largest financial crises in history about 10 years ago, the belief that

“business-as-usual” does not work has also been gaining traction in the financial world. Note that for example sustainable finance is growing every year. This evolution of philanthropy closely follows the shift in what people value: the way we want to use money, time and skills has been more and more focused not only on individual benefits but also on social purpose.

The tendency is no longer to solve problems, but to prevent them in the first place by tackling their root causes. New fields of philanthropy are developing today in this regard, like Strategic Philanthropy or Systemic Philanthropy.

Philanthropy has obviously also changed a lot during this very special past year with the increasing importance of digitalization. Direct personal contact was not possible anymore and we had to learn how to keep interactions going with partners, even if the largest organizations were still mostly relying on paper, mailings and flyers.

### We are in the middle of a global crisis. How does it impact philanthropic activities around the world? Are some sectors more at risk than others?

We observe different trends: on one hand individual donations have increased; more people wanted to be involved in philanthropy. On the other, it is possible that in the coming years, investments may be reduced in corporate philanthropy, as this activity is still perceived as a luxury. The use of capital will need to be more effective; companies and organizations will not be able to afford to waste money contributing to projects that cannot reach the right causes.

To respond to this need for effectiveness, we decided to create a new continuing education course at UNIGE for anyone who is practising philanthropy, to ensure recipients, funders and all stakeholders are involved and working hand in hand. Parachute philanthropy is over; we need to include different cultures and create a dialogue between donors and recipients.

### How do you relate philanthropy with sustainability? Can we say that the SDGs are “trendy” today in this domain?

International organizations, public sector, NGOs cannot work in siloes any longer. Everyone needs to work together to achieve the SDGs. Problems are too complex for one single entity to solve. It is necessary to learn from each other's experience to better understand each other, figure out how to build partnerships, consider diversity in regional costumes and approach organizations in an effective way.

Anything we do can be related to the SDGs, it is therefore easy to make it a trend. We need to provide generic language assorted with a common understanding to avoid the spreading of sustainability concepts that have sometimes led to greenwashing. The concept of transparency is key when we are invested in supporting a given goal/cause. What are the concrete steps taken to achieve this goal? By being transparent, organizations can lead by example putting pressure on

those who are least involved to “walk the talk”. We need to be careful not to point fingers at organizations; rather we should educate organizations and people about the SDGs not being only symbolic. Putting successful “champions” in the spotlight is a good way to educate organizations, notably in communication, because sending a wrong message can prevent finding the right partners. For this reason, our course has several modules that integrate the SDGs, how to measure impact and how to communicate about it.

**How can philanthropy have a lasting positive impact on societies in today’s globalized world?**

From my perspective, globalization can be really helpful if addressed properly. Globalization is not wrong per se; it becomes a problem when some take advantage of it to exploit others and it can damage the balance between regions. Philanthropy can help in two ways, first by making amends for what has been done wrong by giving back, second by teaching how to build winning models which lead to “good globalization”. Achieving this requires a global dialogue, involving all parties. That is why our course covers widely diversity and regional practices in philanthropy.

**What is the real impact of new technologies and fintech on philanthropy?**

Technology makes philanthropy easier; it mitigates risk if people know what they’re doing. Fintech and Blockchain make it safer because money can be tracked from end to end. People need to learn about these new technologies. Artificial intelligence will change the way fundraising and partner recruitment and management are carried out. For example, chatbots already

answer routine questions in for-profit organizations; philanthropy needs to catch up, the question is only how long it will take for philanthropic organizations to adapt. Many people do not know how to use these digital tools, and they are those who can benefit the most from them. Philanthropy needs to be at the forefront of these technological changes to promote the fairest and inclusive use of them.

**How do you see the future of philanthropy?**

In 10-15 years from now, I think that individuals will keep contributing their time and money as people seek to align their values with their actions. Foundations entirely dedicated to philanthropy will also remain necessary. However, I believe we will see an increase in hybrid entities, such as impact-investors. We will need to make the two approaches communicate and work together, make them talk the same language, and share their vision and what drives them. Technology can certainly help with this.

An important concept to clarify is that philanthropy is not only about giving money. If I decide not to have a car in order to protect the environment, I am already practising philanthropy! In a way it is flipping the perspective: many people are no longer primarily interested in earning as much as they can, sacrificing their health and family time. Instead, well-being is now being prioritized. It needs to be communicated better. When you act in a way that promotes a cause you believe in, and you forego lots of money for instance, this is already a philanthropic action in its deepest sense. People are already spontaneously doing philanthropy; it would just take a simple next step to do it in a more structured way.

Many organizations have already realized this and are transitioning from the “Give-money-to-project” approach to philanthropy to promoting initiatives for their personnel to engage in prosocial activities. Both ways are good ways and it is possible to make them work together. Crowdsourcing (different from crowdfunding!) is developing in that regard by asking for people’s time and knowledge, not their money.

**What is specific about doing philanthropy in Geneva? Are there regional differences?**

Geneva has a unique community of people invested in promoting social goals from many different professional angles, from banks to international organizations to NGOs, and cultural backgrounds. There are countless possibilities to untap the potential of this

network and benefit from all this diversity to develop philanthropic projects. ■

More information on the UNIGE Diploma: [www.unige.ch/formcont/cours/das-philanthropy](http://www.unige.ch/formcont/cours/das-philanthropy)

[philanthropy-gsem@unige.ch](mailto:philanthropy-gsem@unige.ch)

\*Co-directors of the UNIGE DAS in Strategic and Operational Philanthropy: Laetitia GILL, Geneva Centre for Philanthropy (GCP); Danièle CASTLE, Genevensis Healthcare Communications.