Argentina

From Prosperity to Purpose
Perspectives on Philanthropy and Social Investment among Wealthy Individuals in Latin America
Argentina at a Glance

Population
41.45 million

GDP
US$610 billion

GDP growth rate
2.9%

GDP per capita
US$14,715

Gini index
43.6 (2011)

UNDP Human Development Index
0.808 (49th of 187 countries)

Social Progress Index
70.59 (42nd of 132 countries)

Poverty headcount ratio at US$4/day
11.6% (2011)

Poverty headcount ratio at US$2/day
1.4% (2011)

Poverty headcount ratio at national poverty line
unavailable

Unemployment total (of total labor force, national estimate)
7.2% (2012)

All data from World Bank and 2013 unless otherwise noted.

This booklet forms part of a larger report which includes a general booklet as well as five additional country booklets focusing on Brazil, Chile, Colombia, Mexico and Peru.
Argentina: Country Context

Argentina has one of Latin America’s largest economies as well as some of its highest social progress indicators, particularly in basic human needs and personal opportunity.¹ The country’s GDP reached US$610 billion in 2013, up from US$344 billion in 2000,² with abundant natural resources and growing domestic industries having been and continuing to be the major drivers of growth. Once a major global economic power, Argentina has suffered prolonged periods of political and economic instability throughout most of the 20th century, which has had a damaging impact on the nation’s development and prosperity. Recent decades have witnessed efforts to rebuild through democratization, financial reform, and an increased focus on social development.

Unlike other countries in this study, Argentina has a sizeable Jewish population, with immigration dating back to the 16th century, when Jews expelled from Spain settled in the country. After subsequent waves of immigration — and some emigration during the repressive regime of the 1970s and 1980s — there is a Jewish community of approximately 182,000. In fact, Argentina has the largest Jewish population of any country in Latin America and the seventh largest Jewish population in the world, with Buenos Aires having the fourth largest Jewish community of any major city.³

The second half of the 20th century was plagued by political conflict and military interference, strongly marked by internal violence and instability. The election of Juan Perón in 1946 brought radical change to Argentina: nationalization of key industries, growing unionization, and large public expenditures that significantly diminished economic production over time. Growing discontent resulted in the exile of Perón in 1955 and introduced unstable, intermittent civilian and military rule for the next three decades. Violence intensified during a period known as the Dirty War during the late 1970s and early 1980s: under the military junta, an estimated 30,000 people disappeared or were killed – students, activists, unionists, and other alleged sympathizers who threatened military control.⁴ When the generals invaded the Falkland Islands (las Malvinas) to try to garner support from the populace, the ensuing defeat brought on their own demise. Democracy was restored in 1983, although the country continued to face severe economic struggles and emotional trauma.

In 2001, Argentina’s recurring economic crises peaked with rising deficits, inflation, external debt, and capital flight. By the next year, more than 45 percent of Argentines were living in poverty (on less than US$4/day), 23 percent were living in extreme poverty (on less than US$2/day),⁵ and the GDP growth rate had sunk to negative 11 percent.⁶ However, the country was able to recover quickly from this economic crisis and has been experiencing a booming economy in the last decade, due in large part to rapidly rising export levels and high levels of education. The country has also made efforts to link recent economic expansion with social inclusion and development, a strategy that has witnessed some success. By 2011, poverty had decreased more than 30 percent to 11.6 percent and extreme poverty to less than 2 percent.⁷ In the same period, unemployment dropped by more than 10 percent, to just over 7 percent.⁸ GDP averaged an 8–9 percent annual growth rate between 2003 and 2011, with the notable exception of the 2008 global economic recession, when growth decelerated to 0.1 percent.⁹ Per capita income stood at US$14,715 in 2013.¹⁰

Argentina’s economic growth has resulted in massive accumulation of wealth for the nation’s elite: the top 10 percent of the population held over 30 percent of the national income in 2011.¹¹ According to WealthInsight, there were 36,860 HNWIs in Argentina in 2013, holding a combined wealth of US$160 billion, more than a quarter of the country’s GDP. Thirty-six percent of this wealth was held abroad, likely due in large part to the country’s relatively recent economic instability.¹² At the end of 2014, Forbes included six Argentines in its billionaires’ list, with a combined net worth of US$10.7 billion.¹³ Although Argentina has a Gini index of 43.6, which is lower than most countries in this study, income distribution is still relatively unequal in terms of global comparisons.
Philanthropy and Social Investment in Argentina: Key Features and Trends

Today’s private giving in Argentina has been shaped by centuries of religious traditions, cultural norms, political histories, and economic conditions. In recent decades, Argentina’s stable democracy, steady economic growth, and accumulation of personal wealth have provided a foundation for philanthropic growth. Yet government and public perceptions regarding appropriate roles for private giving seem to limit its potential. While the environment for philanthropy continues to evolve, several current features and trends of the philanthropic landscape are noteworthy.

Faith-based Traditions Shape Giving
As throughout Latin America, Argentina has long-standing traditions of faith-based giving, and current giving continues to be influenced by these traditions. Similar to other countries with a strong Church tradition and large Catholic population, giving has long benefitted the Catholic Church. Perhaps more so in Argentina than other study countries, it appears that the Church’s institutions, leaders, and programs continue to be the primary beneficiaries of this charitable giving.

Argentina’s Jewish population also has deeply held traditions of charitable giving founded in the important Jewish tenet of tzedakah. While the Hebrew word refers to giving aid, assistance, and money to the poor or other worthy causes and is generally translated as charity in English, the nature of tzedakah is different, since it is based on a religious obligation to do what is right and just.14 The obligation to perform tzedakah is often fulfilled by giving money to synagogues and Jewish collective giving organizations such as Fundación Tzedaká (Tzedakah Foundation) in Buenos Aires.

Scale and Scope of Giving Largely Unknown
Similar to many countries in the region, there is limited data on giving in Argentina, and the scope and scale of philanthropy is largely unknown. While levels of giving are not measured, those interviewed believe that individual giving is low and sporadic, while corporate giving has been on the rise. The reasons for the low level of individual giving include: government attitudes toward civil society and philanthropy and the related legal and tax environment; individual attitudes toward the role of private social responsibility and action; the lack of a culture around fundraising and solicitation; and the relative newness of both democracy and economic prosperity in the country. Andrés von Buch, a prominent Argentine businessman, noted, “There are foundations, but many are not active. They put money into the foundations in a good year, but then stop in bad years and the foundation fizzles.”

Guillermo Correa, executive director of the Red Argentina para la Cooperación Internacional (Argentine Network for International Cooperation or RACI), underscored the limited culture of giving, “For the first time in 200 years we live in a democracy. Because this is new, there is a lack of awareness of what citizenship means and a limited culture of giving.”

The limited data that does exist corroborate these perceptions. According to a survey conducted by Argentina’s Grupo de Fundaciones y Empresas (Group of Foundations and Businesses or GDFE) in 2008, 75 percent of foundations indicated that their primary source of funding was corporations and that 80 percent of respondents’ social investment was concentrated in corporate social responsibility initiatives.15

Political and Policy Environment in Need of Development
The political and policy environment in Argentina is viewed as a barrier to the growth of philanthropy in Argentina. Many of those interviewed indicated that the government has a generally adverse attitude toward philanthropy, envisioning only a narrow role for civil society, civic action, or social investment in social change or economic development. Specific policy issues seen as particularly significant obstacles are the limited tax incentives for giving and the administrative difficulty in creating a foundation. One expert commented, “The Argentine people are generous, but this is inhibited by old legislation and lack of incentives.”
“It is politics, not economics that is limiting giving in Argentina. Change needs to start with the government.”

Anonymous

Several people emphasized the challenges posed by the strongly and widely held views regarding the appropriate roles for the state and civil society. As described, not only the government, but also much of the public, believes that it is the government’s responsibility to provide social services, address social challenges, and generally provide for the welfare of all Argentines, with a very limited role for private social investment and the nonprofit sector in these areas. Guillermo Correa noted, “After 2001 the government was broken and many private organizations began to provide social services. But in the last five years, the government has said, ‘Thanks, we’ll take over from here.’”

Low levels of political support for philanthropy are reflected in the government’s tax and legal policies. The scope of contributions that receive favorable tax treatment is narrowly defined: individuals are eligible to receive a tax deduction for donations – of up to just 5 percent of income – to a small pool of qualified nonprofit organizations operating in specific issue areas, or for the benefit of certain populations, such as children. In addition, there are considerable administrative and legal challenges to creating a philanthropic institution, including complex processes for registration, a required minimum endowment, and lengthy waits to receive relevant legal approvals and tax exemption.16

Experts largely attributed the growth in corporate giving to the growing practice of CSR in the country. Increasingly, corporate leaders have become aware of the competitive and other benefits of strong CSR programs that include social investing. Guillermo Murchison, CEO of the shipping and port service company Murchison, remarked, “Twenty years ago, one never heard of CSR – we thought it was most appropriate to create jobs. Now, people are understanding the value of CSR and social investment.”

Two foundations with strong corporate relationships that were repeatedly cited for their excellent work were Fundación Perez Companc (Perez Companc Foundation) and Fundación Mundo Sano (Healthy World Foundation or Mundo Sano). The Perez Companc Foundation was launched in 1959 and shares the same fundamental principles as the family-owned business group: it is centered on the community and on the empowerment of people to do their best. At the same time, it operates separately from corporate goals. As Juan Tomás Brest, executive director, explained, “The family believes in keeping business separate. For us, social responsibility is a people thing, not a business thing.”

Stronger Infrastructure Could Promote Giving

In Argentina there is some, but limited, infrastructure to encourage and support philanthropy, particularly in comparison with Brazil, Colombia, and Mexico.

GDFE is the principal organization that promotes philanthropy in the country. Founded in 1995 to mobilize private resources in support of the public good, GDFE now has more than 40 member foundations. Several of those interviewed for this study were members, while others were aware, but uncertain, of its services and resources. Some suggested that GDFE could better support the sector’s pressing needs and develop a more recognizable brand. One person noted, “There is a spirit of cooperation in GDFE that is good. They need to work on relevant issues that all foundations can benefit from – principles, transparency, quality, frameworks for operating.” Conversations with GDFE suggested that this would be a key focus for them in the coming years.

“For the first time in 200 years we live in a democracy. Because this is new, there is a lack of awareness of what citizenship means and a limited culture of giving.”

Guillermo Correa
While it does not have a mission to promote philanthropy directly, the Tzedakah Foundation is an important part of the infrastructure for Jewish philanthropy. Created in 1991, it is the principal platform for Jewish collective giving. Marcelo Mindlin, a former chairman of the board of the Foundation, described its importance in mobilizing both giving and volunteering among the Jewish population: the Foundation has over 6,500 donors and 600 volunteers.

Two other organizations, RACI and HELPArgentina also aim to promote giving, but both focus primarily on encouraging and facilitating international, rather than domestic, philanthropic funding.

Infrastructure to Support Giving and Social Investment

Grupo de Fundaciones y Empresas (Group of Foundations and Businesses, or GDFE). Founded in 1995 to mobilize private resources in support of the public good in the Argentina, GDFE now has more than 40 member foundations and corporations active in social investing. GDFE seeks to expand the presence and impact of philanthropy by providing tools and best practices for effective social investment, as well as promoting collaboration and public sector engagement.

HelpArgentina. Connecting international funders with high impact social organizations in the country, HelpArgentina provides services to corporations and foundations to develop strategic initiatives and promote effective engagement with the social sector. The organization has received nearly US$8 million in philanthropic contributions, primarily from international donors, for the support of more than 140 domestic nonprofits.

Red Argentina para la Cooperación Internacional (The Argentine Network for International Cooperation, or RACI). Created in 2004 to strengthen Argentina’s civil society sector and deepen its connection with international organizations and donors, RACI reaches more than 150 civil society organizations across the country helping them to expand the base of support from international organizations, foundations and Argentina’s diaspora community. Its objective is to increase transparency and accountability of the third sector, with the aim of supporting more (and more effective) giving.
Philanthropic Motivations and Influences

In Latin America and throughout the world, giving and social investing are highly personal practices that reflect a number of internal motivations and external influences. In Argentina, faith and family are particularly strong influences and for some, a sense of social responsibility or moral obligation is also a strong motivation for giving.

Family Values Underpin Giving
As in all study countries, many individuals emphasized the important influence of family members, especially parents, and the values they had instilled in them. In Argentina, there was also a particular importance attached to legacy, with philanthropic giving and institutions honoring both family members and the values they embodied. Among survey respondents, over 75 percent said that family values and traditions were either very important or important, and approximately 50 percent indicated that legacy was either very important or important. The individuals interviewed also underscored the importance of both role models and legacy.

Several individuals and families have established foundations or programs to honor their parents and provide a legacy of their work. Silvia Gold, the daughter of Drs. Roberto and Miriam Gold, explained that her family established Mundo Sano more than 20 years ago, and she assumed the presidency after her father’s death to continue his legacy. Roberto and Miriam Gold were pioneers in the pharmaceutical industry, and her father was particularly interested in childhood diseases. Over time, the Foundation has increasingly focused on tackling neglected diseases that impact both children and adults.

Dario Werthein, director of the Werthein Group and a board member of the Fundación Leo Werthein (Leo Werthein Foundation), explained, “Two years ago the family formed the Foundation named after our father to continue his legacy. He was always trying to help, to change the lives, of those in need.” He recalled, “When I was 15, I went to the forest with my father and encountered a small house made of mud. The farmer was making bricks with his son who was my age, but about half my size. My dad bought all of his bricks and contracted with him to make more. He generated work, wealth, and better well-being. The Foundation is a way to carry on his approach of helping others.”

An anonymous interviewee, who co-owns a major commercial company with his siblings, also highlighted the influence of his father on their current efforts social efforts. “When our father passed away we started a crusade to encourage everyone to undertake ‘one small gesture for another.’ It started on our father’s birthday. In the companies we held conferences to share experiences. Now, everyone gets a half-day off work to do good works. Some companies now do this once a month. There is a registry that collects these good deeds. The collective impact is remarkable.”

Faith-based Teachings Emphasize Helping Others
In Argentina, faith-based values and traditions continue to be very strong influences on both the priorities and practice of giving. Among survey respondents, over 50 percent said faith-based values were either very important or important. Interviewees also strongly emphasized these same values.

Many interviewees referenced Catholic doctrine and teachings that emphasize the obligation to help others. Both the Church’s Gospel and social teachings emphasize concepts of human dignity and of solidarity, and compel Catholics to contribute to the rights and development of all people. In describing the work of the Perez Companc Foundation, Juan Tomás Brest emphasized, “Deep Catholic values motivated the Perez’ whole approach to doing business. It has always centered on the people in the company, encouraged them to take care of each other, and empowered people to do their best. The Foundation is based on these same principles.”

Similarly, the Jewish population in Argentina is strongly influenced by the Jewish doctrine of tzedakah. As indicated earlier, in Judaism, assistance to disadvantaged people is not considered an act of goodness, but an ethical duty and obligation. There are five levels of tzedakah, and the highest level is to help a person so that he can support himself on his own, without charity or external assistance.
Social Responsibility Motivates Some to Give

While individuals felt that there was a limited sense of social responsibility in Argentina overall, a few described their own personal sense of obligation to act for the benefit of society at large. Luis Ovsejevich, the founder and former president of Konex-Canon Company, who founded the Fundación Konex (Konex Foundation) in 1980, said, “I have always thought we must act according to our social responsibilities in our community, doing our best so that the members of that society may develop most of their potential and eventually achieve all they deserve.” Silvia Gold described her upbringing: “I was educated in social awareness, and that is important to avoid a contradiction between our way of life and the community.” As Social Development Manager at Techint Organization, Carlos Tramutola supervises the company’s philanthropic efforts around the world, including Fundación Agustín y Enrique Rocca (Rocca Foundation). Tramutola described the Rocca family’s long history of social responsibility and community commitment. Paolo Rocca, CEO of Techint, is among Argentina’s most prominent businessmen and entrepreneurs. In the 1960s, his grandfather founded the first technical high school in the Buenos Aires province of Campana, and donated it to the state in 1978.
Philanthropic Priorities and Purposes

Study participants identified a wide variety of philanthropic interests, but the highest priorities clustered into a fairly narrower set of issues. Among survey respondents the top three priorities were education (90%), health (44%), and arts and culture (also 44%). Among those interviewed, these three, with the important addition of faith-based organizations and issues, also appeared to be the leading areas of interest. Other topics included the environment, housing, moral leadership, and several others.

In notable contrast, when asked what should be the top priorities for philanthropy almost 80 percent of survey respondents identified international and global affairs, and almost 70 percent said entrepreneurship. While 30 percent indicated that religion was a priority, only 10 percent thought that education and health were main concerns, and none indicated arts and culture as a priority.

The discrepancy between individuals’ current priorities and those that they believe should be the most important philanthropic areas is quite profound, especially compared with other countries in the study. While it is beyond the scope of this study to offer clear explanations for such differences, it is possible that it reflects the belief that government, not private philanthropy, should be responsible for basic services such as education and health; that people are eager to encourage Argentina’s future as a strong global player; and that entrepreneurship is viewed as a strong private sector approach to national development and prosperity.

Education Key to Individual Opportunity and National Prosperity

Similar to the findings in other countries, education was the top priority among study participants in Argentina. Education is described as key to individual advancement and critical for the continued growth and prosperity of the country. Put succinctly, there is a widely shared belief that education has the power to be transformative.

Much of the educationally-focused philanthropy focuses on providing educational access and quality for poor or marginalized youth. In addition, there is a notable emphasis on building new educational institutions to fill perceived gaps in the educational infrastructure.

Education for the Underserved and Disadvantaged

Several individuals and foundations have focused on providing quality education to underserved and disadvantaged youth. A number of individuals mentioned their support for Cimientos, a nonprofit organization that aims to prevent poor students from dropping out of school by providing one-on-one tutoring and coaching. Eduardo Franck, president of Cimientos, said, “The children we work with are among the poorest in the country, but they have immense potential. We work with education ministers, schools, and teachers to identify those kids and give them the support they need to be successful.” According to their most recent data, 48 percent of the students in their program complete high school without interruption or repeating a grade versus only 15 percent of their peers, and they are often the first in their families to graduate from high school. The Perez Companc Foundation also seeks to help youth stay in school, providing over 2,500 scholarships a year, many to children of the corporation’s employees.\(^1\)

In addition, there is a unique partnership between two Argentine foundations that addresses the challenge of quality education for rural populations. The Fundación Bunge y Born (Bunge and Born Foundation) was created in 1963 on the occasion of Bunge and Born Corporation’s 80th anniversary in Argentina. In 1973, recognizing the critical lack of quality education for rural youth, the Foundation began a program to provide books and educational materials in isolated rural primary schools. In 1999, the Perez Companc Foundation joined as a strategic partner, and since then each institution has contributed half of the program’s funding. While initially the program provided support materials, it was overhauled in 2009 to better address systemic challenges facing rural educators. The Foundations now jointly fund distance training courses for teachers and online support and training in school management systems to address challenges specific to teaching in rural or isolated environments.
New Institutions for Improved Education

Perceiving a critical gap in Argentina’s educational infrastructure, several individuals and family-based foundations have been instrumental in establishing new national educational institutions. The Perez Companc Foundation donated a new campus to support the establishment of the IAE Business School at Universidad Austral (Austral University) and has continued to support its growth and development for more than 10 years, including the training of 40 professors in the United States and Europe. In another example of institution building, Guillermo Murchison talked about his reasons for starting the Universidad San Andrés (San Andrés University) 25 years ago. He felt that Argentina needed a university that emphasized values and social work, especially training professionals who would be empathetic and principled: “There is little use in having brains without values.”

The Rocca Foundation recently began an ambitious initiative to develop new, innovative technical schools, not just in Argentina, but in several other countries where the Techint Organization operates. Carlos Tramutola described how, when he was hired as Social Development Manager, the Foundation was investing about US$25M around the world and funding 300–400 programs. However, it was uncertain about the impact of the various and diverse contributions. The Foundation was willing to invest more, but wanted to have a narrower focus, better strategy, and greater impact. Thus, it decided that education was the way to achieve real impact. “The problems in education tend to be similar in many countries: low salaries, unions, limited principals’ training and autonomy, low teacher motivation, and finally not enough caring about whether the kids learn. So some solutions can be developed and implemented. We can start a pilot in one place, then expand to others.” The Foundation chose to focus specifically on technical schools, which are viewed as critical for national development and also serve as an opportunity for individual advancement. The Foundation has begun building a network of seven technical high schools – modeled on charter schools – in seven different countries. The schools are designed for a range of students, with sliding fee scales depending on the ability to pay. The first school was opened in Campana in 2013; the next school is planned to open in Monterrey, Mexico in 2015. In addition, the Foundation helps public schools through STEP (Strengthening Technical Education Program), teacher training, infrastructure improvement, new equipment, and internships.

Institutions and Research to Promote Health Equity

A number of individuals, their families, and their philanthropic organizations are focused on health concerns and health care in Argentina. Interestingly, similar to the educational investments described above, a number of these initiatives focus on establishing or developing institutions; others focus on health research and health services. They all share, as a fundamental goal, the extension of equitable and quality health care for all Argentines.

The Perez Companc Foundation and family have been instrumental in establishing new health institutions and improving the services of existing health facilities. The Foundation started both a medical school and hospital just outside of Buenos Aires. Also, the Foundation is developing a trauma system for Argentina, in partnership with University of Miami. Eight hospitals in Argentina are now participating in the trauma system. In addition, Alicia Perez Companc – sister of Gregorio and Jorge Perez Companc – together with other donors established the Fundación para la Lucha contra las Enfermedades Neurológicas de la Infancia (Foundation for Combating Childhood Neurological Disease or FLENI), which included a new facility, new technologies, research programs, and training programs. Following her death, the Perez Companc Foundation has continued to sustain this legacy.

Mundo Sano was founded with the aim of improving the quality of life in Argentina through better health care. The Foundation’s initial focus was on Chagas disease, which continues to affect an estimated 2.5 million people in Argentina and eight to ten million throughout all of Latin America. Roberto and Miriam Gold were inspired by their pharmaceutical activities and commitment towards society to create a foundation through which they might help eliminate this highly infectious disease. In 2000, when Silvia Gold became president, the Foundation expanded to focus on prevention and control of other parasitic and transmittable diseases, including dengue fever, malaria, and several others. Today, its goal is to facilitate equal access to health and welfare among people who are vulnerable to these otherwise avoidable diseases. The Foundation is an active participant in a highly respected international coalition, which includes the Bill & Melinda Gates Foundation, the World Bank, the WHO, and the major pharmaceutical companies that coordinate the
In addition to its educational efforts, the Bunge and Born Foundation also focuses on a number of neglected diseases, including Chagas disease. In 2011, the Foundation financed a virtual training course for doctors, biochemists, and professional nurses who were working in Argentine regions where Chagas is endemic. The course trains people in the management of problems related to the disease from a clinical and community perspective. It also donates medical equipment to hospitals and other health institutions. A significant part of the Foundation’s efforts is also to recognize and support scientific research. Bunge and Born Foundation provides annual awards, subsidies, and grants to Argentine scientists, including those who focus on research that will benefit the health of the community.

**Interest in Social Entrepreneurship Growing**

The field of social entrepreneurship has been growing in Argentina and is attracting increased attention from individuals and social investors. While few of the individuals interviewed for this study mentioned current support for social entrepreneurs, there was enthusiasm about the approach and its potential impact. Among survey respondents almost 70 percent said supporting social entrepreneurship should be a priority for philanthropy in the future.

As discussed in the overview chapter, there are several likely reasons for the growing interest in social entrepreneurship. First, the work of social entrepreneurs focuses on large-scale and long-term social change, and the potential for sweeping impact with lasting, transformational benefit to society, appeals to many. Second, the interest in social entrepreneurship parallels and is probably influenced by the interest in business entrepreneurship. Both seek to improve systems by inventing and disseminating novel approaches and solutions that create new value. Moreover, both use similar business-based approaches to implement their activities. Third, there may be something inherently appealing about entrepreneurs; since they are often people with vision, commitment, and creative ideas about how to improve the lives of many.

Given the philanthropic environment in Argentina, there may be additional reasons for this interest in supporting entrepreneurs. In a culture where trust in institutions is quite low, investing in particular individuals, rather than supporting nonprofit organizations, may be far more appealing. Additionally, in a country with a strong belief that the provision of social welfare is the responsibility of the government, supporting innovation rather than basic services may seem like a particularly appropriate role for philanthropy.

Finally, there are several global organizations currently operating in Argentina, including Ashoka, NESsT, and Endeavor, all of which promote business and social entrepreneurship. Philanthropic sector expert and Director of the Centro de Innovación Social (Center of Social Innovation) at the School of Administration and Business at San Andrés University, Gabriel Berger, noted that Endeavor has played a tremendous role in promoting the importance of business entrepreneurship in recent years and that this may have influenced some people to look more closely at social entrepreneurship, as well.

Andrés von Buch is an important advocate for social entrepreneurship. He personally supports individual social entrepreneurs and helped to start the Center of Social Innovation. He commented, “Social entrepreneurship is all about impact. The social entrepreneurs that I support have to convince me of the value of their work. I pay attention to what they accomplish.” He also commented on the growing interest among others. When Ashoka sought to raise US$100,000 to support social entrepreneurs, von Buch was able to garner support from 10 people to meet this annual target and ensure ongoing sustainability through multi-year commitments.

Several people commented on the younger generation’s interest in social entrepreneurship and innovation. Gabriel Berger shared his perspective that “the new generation of wealth holders are not philanthropically inclined, but they are attracted to social entrepreneurship. They find these new ideas to solving social issues more appealing than funding charity.” Another expert suggested that the younger generation might see more demonstrable impact in social entrepreneurship.

“Social entrepreneurship is all about impact. The social entrepreneurs that I support have to convince me of the value of their work. I pay attention to what they accomplish.”

Andrés von Buch
Faith-based Giving Remains a Priority

Many study participants support faith-based organizations, generally as individuals rather than through a foundation. Among survey respondents, approximately one-third gave to religious groups or institutions and several indicated that their largest gifts supported religious institutions. Those interviewed also talked about supporting organizations related to their faith. Faith-related giving includes two strong aspects: direct support for religious institutions and programs as well as support for the community work that faith-based organizations undertake to benefit poor or marginalized populations. Examples of direct support include contributions to specific churches, individual priests, seminaries, and to the renewal of the Catholic Church in Argentina. Similarly, the Jewish community supports synagogues and their religious programs.

Several individuals also described their support for the community work undertaken by faith-related organizations. They emphasized that they give not just because they are faith-based organizations, but because they believe these organizations are doing good work. While confidence in many nonprofit organizations may be low, there is a high degree of trust in faith-based organizations and the work they are accomplishing. Guillermo Correa, executive director of RACI, commented, “People will continue to give through the Church. They trust the Church and the priests. There is very little trust in other institutions.” Although not a Catholic, Guillermo Murchison explained his own reasons for supporting Church-related organizations, “I support the Catholic Church in many ways. But I am not just giving ‘to the Church.’ I support Catholic organizations because they do good work; they are having an impact in the community.” Similarly, several individuals mentioned the high level of trust in the Tzedakah Foundation and the broad support for the Foundation’s non-denominational, community-based programs that help the poor and disenfranchised.
Philanthropic Platforms and Strategies

Throughout the region, individuals and families are employing and exploring a variety of platforms and strategies to conduct their giving and increase its impact. In Argentina it seems likely that much giving is undertaken directly, rather than through an institutional platform. At the same time, this set of interviews highlighted a number of foundations and philanthropic institutions using a variety of strategies such as direct service programs, awards and prizes, and partnerships.

**Individual Giving Remains Prevalent**

While many individuals participating in this study undertook at least part of their giving through a foundation established by them, their family, or a family-led corporation, most generally believed that individuals—not institutions—have done most of the giving in Argentina. The small number of identified foundations in Argentina suggests that if giving is taking place, this conclusion is probably correct.

In addition, much of the giving in Argentina appears to be undertaken anonymously, which is likely associated with the strong faith-based underpinning of much philanthropy. As described above, according to the Judaic concept of tzedakah, the second highest level of giving is one in which the donor does not know the one who receives the assistance and, in turn, the person who receives does not know the donor. The Tzedakah Foundation is thus an important collective giving platform because there is no direct link between individual donors and individual beneficiaries. Several individuals observed that few Jewish families in Argentina have established private foundations. It is possible that the concept of tzedakah, the importance of anonymous giving, and the existence of a highly respected collective giving platform all limit the number of private foundations.

In the Catholic Church, while there is not a strong doctrine to give anonymously, many Catholics feel that assisting the poor is undertaken as part of one’s faith. For, according to the Church’s teachings, it is right to help those in need and it should not take place to gain public recognition, which could detract from the benevolent nature of the assistance.

At the same time, there are additional reasons for anonymity in giving. Individuals pointed out that highly visible and significant gifts drew attention to one’s wealth, which is not looked favorably upon in the culture and could also raise personal security risks.

**Corporations Dominate Foundation Landscape**

Notwithstanding the paucity of data, there is a general consensus that most foundations in Argentina are institutionally related to a corporation, as well as a view that there are very few completely independent foundations. Experts who were interviewed expect that this trend will continue and that most philanthropic growth will come from the corporate sector. These experts, as well as foundation leaders, also described a trend towards professionalization within corporate foundations and, among some, an inclination toward aligning corporate foundations more closely with their corporate goals.

As described earlier, it is widely acknowledged that the distinction between corporate and family giving is often unclear, and there were divergent views among study participants on the most appropriate approach. Some interviewees described corporate-related foundation platforms through which the family made decisions personally, with the foundation’s giving not normally aligned with corporate strategy. However, they also believed that the strategy is often strongly associated with the communities or regions in which the company operates. As mentioned earlier, the Perez Companc Foundation views social responsibility efforts as “a people thing,” focusing its efforts on impacting individuals and communities, rather than aligning purely with corporate goals. In 2001, the leadership of the Bunge and Born Foundation intentionally separated the Foundation from the company to allow for greater independence and professionalism in achieving its mission, although the two entities still operate closely. Jorge Born Jr., president of the Foundation, described, “It is a company foundation without the company. However, we—the Foundation—develop a number of initiatives with the company, support its CSR programs, and work very closely together in its sustainability initiatives. The company is also a significant donor to the Foundation’s programs.”
Other foundations may be shifting towards greater corporate alignment. As noted previously, CSR activity in Argentina is growing. While currently CSR activities are generally carried out by company staff and are not related to the work of the corporate foundation, some corporate owners are considering whether their foundations should be more closely aligned with CSR goals and activities.

Foundations Demonstrate Increased Professionalism
Foundation leaders and philanthropic sector experts remarked on a trend towards professionalization in foundations. Foundation leaders were quick to acknowledge that many such entities began with more traditional giving to charities, but since then have intentionally developed a strategic focus and professional approach. Silvia Gold became president of Mundo Sano with a mandate to professionalize it. She explained, “My experience is as an entrepreneur, so we approach programs the same as we do our business: we plan the strategy, implement the work, and measure the change. We do rigorous field research to offer evidence for better health decisions.” In another example, when Jorge Born Jr. joined the Bunge and Born Foundation in 2007, he wanted to bring a more business- and outcome-based approach to all its work. He brought in an outside executive director to professionalize and manage their programs, which resulted in significant changes and far greater efficiencies. Notably, they developed a major evaluation effort, led by an external consultant, through which they measure and score every program using the same framework. Born explained “the results led to a complete overhaul of the Foundation’s projects. Now, we are much more focused on reaching actual outcomes and achieving impact.” The Perez Companc Foundation provides a third example. Juan Tomás Brest explains that he was hired in 1993 when the founder’s eldest son took over the leadership of the Foundation, launching a new era of internal professionalization, including new approaches to governance, strategy, management, and partnerships.

Philanthropic Institutions Favor Operating Programs
As in other countries, most Argentine foundations have established and operated their own major initiatives and as they professionalize, the trend towards implementation perhaps becomes even more predominant. One expert estimated that there might be at most 20 percent grants being made by corporate foundations. A few individuals in this study have a firm commitment to support nonprofit organizations: One philanthropic couple who wished to remain anonymous said, “We work with environmental NGOs. We believe in working with them because they, and not we, are specialists in their topics.”

As seen in other countries, a direct operating model can often lead foundations to attract or actively seek funding from multiple organizations and people. For example, the Bunge and Born Foundation was funded entirely by the corporate group when it was originally founded, but over time, has diversified its income and been able to attract new donations, which Jorge Born Jr. credits to the Foundation’s demonstrated impact and professionalism. He further elaborated that 100 percent of social investment initiatives are funded in partnership with other philanthropists or foundations that have shared objectives with the Bunge and Born Foundation in order to increase (doubling or sometimes tripling) the impact of the Foundation’s investment.

Experts and observers of the philanthropic landscape acknowledged that fundraising practices can greatly increase program impact. At the same time, there is a concern that such fundraising has sometimes limited the potential funding for other independent civil society organizations, with the nonprofits’ being put in the position of competing with endowed foundations for limited resources.

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“I instituted the Konex Awards with the intention of granting them on a yearly basis to distinguished persons in every national field. The purpose was to ‘sow in the present and reap in the future,’ rewarding those with great accomplishments and stimulating Argentina’s youth toward great achievement.”

Luis Ovsejevich

“Awards and Prizes Recognize Achievements
Several foundations have long-standing programs that provide awards and prizes in recognition of professional achievements and accomplishments. It appears that they are viewed as an effective way to encourage development, talent, and leadership in a given field. Two important and distinguished award programs are given by the Konex Foundation and the Bunge and Born Foundation.

The Konex Foundation has given awards for 35 years and in that time has conferred a total of 3,500 awards. The Konex Awards, created in 1980, were conceived as a way to reward Argentine individuals and institutions in different fields. Luis Ovsejevich explained, “I instituted the Konex Awards with the intention of granting them on a yearly basis to distinguished persons in every national field. The purpose was to ‘sow in the present and reap in the future,’ rewarding those with great accomplishments and stimulating Argentina’s youth toward great achievement.” The program includes awards to outstanding individuals in the areas of sports, entertainment, visual arts, science and technology, literature, popular music, humanities, communications and journalism, and classical music, as well as a separate award to recognize exceptional institutions, communities, or companies.

The Bunge and Born Foundation’s Prize for Argentine Researchers, given every year since 1964, recognizes individuals who have made significant contributions to progress and knowledge in the field of the sciences. The Foundation’s founders viewed scientific research and progress as an important element in Argentina’s development, and the award was established to shine a spotlight on the country’s scientific achievements and serve as a beacon for young scientists. In 2000, the Foundation established a second prize, the Incentive Prize for Young Scientists, which aims to discover and promote talent of young and emerging researchers who have already made significant contributions to their field.

Partnerships and Networks Increase Impact
There is a range of views on the value and feasibility of philanthropic partnerships in Argentina. Most of those interviewed had not developed substantial partnerships, with some notable exceptions. As described earlier, the Bunge and Born Foundation and the Perez Companc Foundation have had a long-term partnership to improve the quality of rural education in Argentina, and Mundo Sano is part of a large global partnership designed to address neglected diseases.

A couple of individuals emphasized the importance of partnerships and networks to scale impact. Discussing the Perez Companc Foundation’s work, Juan Tomás Brest observed, “Fifteen years ago, we operated alone. In the late 90s after the floods we created an aid program and learned we had the capacity to work with others. We moved from owner to catalyst to partner. We think the best we can do is to be part of a network.” In an anonymous interview, another individual also emphasized the importance of collaboration, “We should not always start our own projects; we should join networks and find people who know about the issues.”

In contrast, some individuals noted the difficulty and limitations of partnerships, particularly those involving government. As one individual active in the health sector explained, “There is a problem when working with the government. They want to say, ‘Give us money, give us in-kind contributions, and don’t bother us.’ But we want to contribute more. We want to lend expertise, help with programs, and be engaged with technical assistance.” Another person emphasized that, while official partnerships can prove difficult, it is more important to have good relations and open communications with government in order to bring ideas and enact change at the policy level.
Looking Ahead: Challenges and Opportunities

Many of the individuals interviewed in Argentina are engaged in thoughtful, highly strategic, outcome-oriented philanthropy and social investment. Their efforts are often focused on the country's critical social challenges, and aim to provide quality education, health care, and other services to the country's poor, vulnerable, or marginalized communities, with an overarching goal of providing equal opportunities for all.

Despite the exemplary philanthropic programs, most of the wealthy individuals and experts interviewed believed that philanthropy plays a very limited role in the country. They also enumerated several significant obstacles to developing more philanthropy and social investment in the near future. These included the widely held view that the government – not private individuals – should be responsible for providing for the social welfare of its people. In addition, they felt that, because of these attitudes, the consequent policy environment does not encourage philanthropic practice or growth, which in turn leads to a very weak philanthropic culture.

Notwithstanding these significant obstacles, individuals expressed some cautious optimism that, with the right inputs, philanthropic giving and social investment could evolve in Argentina. They noted that in the last 10 years Argentina has enjoyed strong economic growth, significant accumulation of private wealth, and the re-emergence of a democratic system – perhaps all prerequisites for a robust philanthropic sector. Many underscored that improved political attitudes would need to be the cornerstone of any change. At the same time they suggested that more evidence of philanthropic impact, advocacy from current social investors, and greater tax incentives could encourage greater levels of philanthropic engagement.

Perceptions of Sector Roles are Strong
Perhaps more than in any other country, interviewees emphasized the challenges posed by strongly held opinions regarding the appropriate roles for the state and civil society. As described earlier, the government, and much of the public, believes that it is the government's responsibility to provide social services, address social challenges, and generally provide for the welfare of all Argentines. The government – and many people – still envisions a very limited role for private social investment and the nonprofit sector. A leader of one prominent foundation explained, “The attitude of the government is that the government does welfare, the private sector does private interest. There is a sense that foundations shouldn’t exist, and that government should take care of all the issues.”

Other individuals described the broader context in which this attitude prevails. They explained that the current government wants to have strong central control over the entire private sector, including for-profits and nonprofits. Several emphasized that the government’s desire to maintain control is reinforced by public expectations of government-provided social welfare. Several interviewees of different generations mentioned that this generation is growing up accustomed to a strong social welfare system; a prominent businessman said, “Argentines expect a lot more from government – free education, health, basic support for the poor, network of social services.” Some attributed the lack of giving to this dependency, indicating that people see less and less reason to support private social services.

Some individuals expressed optimism, or at least hope, that these perceptions could be shifted. Marcelo Mindlin, president of Fundación Pampa Energía (Pampa Energy Foundation), noted, “Big change has to happen within the government, but as individuals, perhaps we can help encourage this.” Several others echoed this sentiment and shared related views, particularly around the value and importance of civil society and civic action; the power of individuals to achieve collective impact and influence policy; and the benefits of private investment (i.e., flexibility, efficiency) in solving social issues.
Policy and Tax Environment Needs Improvement
Given the government’s attitude toward private sector engagement in the provision of public goods, it is little surprise that the legal and tax policy environments in Argentina are not conducive to philanthropy and are thus considered by many to be a major challenge to the development of the philanthropic sector. As noted in an earlier section, there are limited tax incentives for giving and substantial bureaucratic hurdles to establishing philanthropic institutions.

Study participants suggested that the current government was unlikely to institute significant policy changes, while they were optimistic that if there were changes, it could help to unleash increased philanthropic giving. Although a majority of survey respondents said the policy environment was one of the top three challenges, half said that more favorable tax incentives would motivate them to give more.

Knowledge, Advocacy, and Infrastructure Crucial to Sector Development
As noted earlier, there is little knowledge regarding the scope, scale or impact of philanthropy and social investing in Argentina. Also, there are few individuals or organizations engaged in direct advocacy and development of philanthropy. Still, there may be opportunity to increase giving by creating more knowledge, demonstrating impact, providing space for peer engagement, and generally strengthening the infrastructure for philanthropy.

As in other countries, many individuals suggested that it would be invaluable to collect and communicate more knowledge about what people have been doing, particularly with respect to demonstrating impact. Over 70 percent of survey respondents said that more evidence that giving could help facilitate genuine change would motivate them to give more. According to Marcelo Mindlin, “in order to increase philanthropy, we need more knowledge about what people are doing.” Similarly, 70 percent of survey respondents averred that advocacy from current philanthropists could help significantly. A number of individuals spoke about the benefits of a stronger infrastructure to spearhead these issues and provide more opportunities for peer engagement and learning of best practices.

Capacity Building for a Stronger Civil Society
Several individuals noted that the lack of confidence in civil society was a challenge to philanthropic growth. While a couple of people said that there was a lack of trust in nonprofit organizations, most described the challenge as a lack of capacity, professionalism, and efficiency. One social investor working in health said, “The problem with the sector is lack of efficiency, not honesty. NGOs are not showing results, they are not validating results. So they are not offering the best destination for the money.” Eduardo Franck of Cimientos said, “We are bombarded by NGOs. It is not easy to draw up a list of big NGOs.” Added Guillermo Murchison, “There are lots of NGOs; many people want to start them, but what they should be doing is forming groups to work together and consolidate and coordinate. Moreover, there is very little analysis of results, and we need more of this.”

Many cited the opportunity to strengthen and professionalize NGOs, and some of those interviewed are actively doing so. One foundation leader said, “We realized that just giving them fundraising skills was not enough – we need to create a giving community.” He discussed how the foundation’s board underwent a mentality shift, prompting the foundation to promote and provide support for capacity building for its partners and beneficiary institutions, ranging from fundraising skills to technical assistance and alliance building. It is possible, though not guaranteed, that with significant capacity building work more individuals and organizations would be inclined to support individual organizations.

A Culture of Social Responsibility Emerging
Almost everyone interviewed expressed the belief that there was a limited culture of giving in Argentina. While acknowledging that there was faith-based and charitable giving and some limited social investment, individuals believed that it was far below the capacity of individuals to give. “In Argentina, it is very cheap to be considered a philanthropist. US$20,000 is considered significant philanthropy for many,” said expert Gabriel Berger. Low levels of giving may be attributable in part to the attitudes around sector roles and the unfavorable tax environment described above, but the reasons are certainly more complex and multidimensional.
It is possible that the lack of giving may be less about the culture of philanthropy and more about the culture of social responsibility, citizenship, and solidarity. Argentina has gone through recent and extensive political conflict, internal violence, and economic instability. As one individual noted, “We have lived through an era where we could only focus on ourselves and our families. We needed to keep low profiles. It was dangerous to be too engaged.” Experts underscored this sentiment, indicating that Argentines are generous, but that society is just now beginning to realize a true sense of political and economic stability. They noted that translating this stability into real increased levels of giving and social investing will likely be a slow process.

There is also palpable optimism about developing more social responsibility and social investment in the country, particularly among the next generation. One very prominent businessman, who wished to remain anonymous, said that there needed to be active encouragement of the new generation to become engaged, but acknowledged it could take 15–20 years to change the culture. Another corporate leader said, “We have to create a giving community. We need to figure out how to convene and convince younger people to give, to become donors. They are our country’s future.”

16 GDFE and RACI, Estudio de Inversión Social Privada Local y Cooperación Internacional en la Argentina, (N.p.: GDFE and RACI, 2013), 17–19.
17 GDFE and RACI, 17.
18 Fundación Tzedaká, https://www.tzedaka.org.ar