

Philanthropy in Argentina

Argentina ranks 21st in the ranking of the most generous countries in the world according to the World Giving Index 2022 prepared by CAF, where insights of the global giving landscape and the effects of social and geopolitical phenomena, such as the health crisis, in the generosity of countries, are shown through a set of key questions.

To illustrate this, regarding the question: "Did you help a stranger or someone you did not know who needed help?" Argentina ranked 12th. Moreover, to the question: "Did you donate money to a charity organization?" Argentina ranked 56th. Finally, to the question: "Did you volunteer your time to an organization?", 24th.

When looking at the index from 2021, Argentina ranked 74th whereas in the 2022 report, our country was considered to be amongst the most generous countries in Latin America, alongside Brazil.¹

Furthermore, it is important to take into account the Global Philanthropy Index², a study conducted by Indiana University Lilly Family School of Philanthropy which measures the state of philanthropic action in different countries around the world and the factors encouraging or inhibiting its success³. According to this study, in the Latin American region, few countries actively promote ease of operation and better political and socio-cultural environments for the philanthropic sector, resulting in insufficient regional growth in these areas.

Regarding Argentina, the report reveals that:

The average time to register a philanthropic organization in Argentina is over 90 days while the average cost of registration is: 100 USD⁴.

Likewise, we see that the highest scores are in the item: "ease of operating a philanthropic organization", with 4.00 points, where the following questions are: a) to what extent is there governmental discretionality in the closing of Philanthropic Organizations? 4.5 points and, b) To what extent are philanthropic organizations free to operate without excessive government interference? 4.0 points.

¹ Ranked 18th (Global Giving Index, 2022).

² Available at: <https://philanthropy.iupui.edu/>. GPEI evaluates countries and economies in a five-points scale (1.0-5.0). According to its website, IUPUI is dedicated to improving philanthropy to improve the world by educating and empowering students and professionals to be innovators and leaders who create positive and lasting change. The school offers a comprehensive approach to philanthropy through its undergraduate, graduate, certificate and professional development programs, its research and international programs, and through The Fund Raising School, Lake Institute on Faith & Giving, the Mays Family Institute on Diverse Philanthropy and the Women's Philanthropy Institute.

According to the institution's dean Amir Pasic the Global Philanthropy Index provides "the tools that global leaders need to understand how and where the philanthropic environment is changing and evolving and - more importantly - to provide the context in which philanthropy works to solve the most pressing challenges.

³ Available at: <https://globalindices.iupui.edu/environment-index/regions/latin-america/index.html>

⁴ Canova, Guillermo (2022) The 2022 Global Philanthropy Environment Index Argentina. Available at: <https://scholarworks.iupui.edu/bitstream/handle/1805/28340/2022GPEIArgentina.pdf> [Consulted on November 19, 2022].

This is followed by "socio-cultural environment", which includes the following question: To what extent are socio-cultural values and practices favorable to philanthropy?⁵ with a score of 3.30.

We can also see that the score goes down when we analyze the tax incentives for carrying out philanthropic activities, with 3.00, where questions as: a) To what extent is the tax system favorable to making charitable donations? and b) To what extent is the tax system favorable for philanthropic organizations to receive charitable donations? were included.

Regarding the political environment, the study asks: a) To what extent is the political environment favorable to philanthropy? And b) To what extent are public policies and practices favorable to philanthropy? where Argentina obtained a score of 2.5 in both questions.

Finally, as for the topic "economy", to the question: To what extent is the economic context favorable to philanthropy? and the section related to cross-border philanthropic flows, Argentina scored 1.5 points.



Regarding the individual philanthropy of high-net-worth individuals, a study by Gabriel Berger, Nicolás Ducoté and Lorena Reiss⁶ indicates that the philanthropic actions of these individuals are focused on specific projects; while in very few cases donors make institutional contributions to strengthen the integral management of organizations.

Regarding the preference of the type of resources donated, many point to their own time as a precious asset to which they give relevance in comparison with money and products.

⁵ Thus, if we weave a relationship between the World Giving Index 2022 mentioned above and this study, we would have a socio-cultural context conducive to philanthropic behavior.

⁶ Berger, G., Ducoté, N, y Reiss, L. (2004) Filantropía individual en la Argentina: Estudio de Opiniones, Actitudes y Comportamiento Filantrópico de Personas de Alto Patrimonio.

Moreover, a key element of philanthropy, according to the responses given in the survey, is that donors seem to prefer keeping a low profile and making their philanthropic behavior not very visible. It appears as if when it comes to issues related to personal security, religious ideas or ideological conceptions of how philanthropic action should be carried out, although anonymity is not always a requirement, many prefer their donations to be anonymous.

Among the conclusions of the aforementioned study, we can highlight that in Argentina, the predominant donation approach amongst high net worth individuals seems to be the reactive model, in response to requests, based on prior knowledge of the applicant, and financing specific, one-off projects.

If to this general approach we add the little attention paid to financing institutional capacity building, which does not allow increasing the scale and impact of donations and improving the installed capacities of organizations, the prevailing model seems to be an attempt against the growth of the third sector through the support it can receive from individual philanthropy.

However, there was also a predisposition to make larger donations if the project is attractive, there are several institutional obstacles to be overcome in order to achieve a greater boost to individual philanthropic activity in Argentina. It seems that, in line with the Global Philanthropy Index, the difficulties of an institutional environment that allows "philanthropic investments" with a medium and long term time horizon, the perception of a climate of legal insecurity and the absence of clear governmental rules make it difficult to create a context in which it is possible to promote medium and long term philanthropic actions.

Even in such a scenario, it seems that in the midst of this complex context, the socio-cultural disposition continues to be to bet on philanthropy, and therefore, individual philanthropy of people of some wealth "has enormous potential as a source of funding for third sector organizations and for strengthening the institutional fabric of civil society"⁷.

In line with this,, RACI does advocacy to promote improvements and changes in the legal and fiscal framework, which is essential to strengthening the sector.

We invite you to learn more about our work in our website:
<https://raci.org.ar/incidencia/>

⁷ Berger, G., Ducoté, N, y Reiss, L. (2004) Filantropía individual en la Argentina: Estudio de Opiniones, Actitudes y Comportamiento Filantrópico de Personas de Alto Patrimonio.