

Global Giving

November 2001

MATTERS

Global Giving Matters presents best practices and innovations in philanthropy and social investment around the world; it is an initiative of The Synergos Institute's Global Philanthropists Circle and the World Economic Forum.

Please let us know if you would like to subscribe to this newsletter, to unsubscribe, or to designate someone else in your organization to receive it in your stead.

In this issue

2 Feature: Educar – An Entrepreneur Applies His Talents to Philanthropy

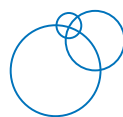
4 Global Giving Round-Up

- September 11: Unparalleled catastrophe generates unparalleled philanthropy
- ... but major non-profits feel the pain: Hundreds of charities affected
- Hilton 2001 Humanitarian Prize awarded after delay for Twin Towers tragedy
- ... and nominations are sought for 2002
- Real acumen: New non-profit fund supports social change organizations
- Quiet no more: Atlantic Philanthropies reverse “quiet” image
- Thai business leaders provide mobility and hope to hundreds of amputees
- Wired: Bangladeshi philanthropist brings cell phones to rural communities
- Eyes on the prize: New director named at Goldman Funds
- Italian novelist follows her heart: Susanna Tamaro creates global charity
- Building blocks in Botswana: Business leaders help homeless
- Using philanthropy to fight prejudice
- Ice cream mogul tries venture philanthropy
- Entrepreneurs and philanthropists for the future
- Philanthropy Ink

8 Resources & Links

- New venture philanthropy book launched
- Magazine focuses on European philanthropy
- Give more: Investment guru promotes increased giving
- Book encourages making philanthropy a family effort

9 Your Ideas Wanted



Synergos

9 East 69th Street
New York, NY 10021 USA
Tel +1 (212) 517-4900
Fax +1 (212) 517-4815
synergos@synergos.org
www.synergos.org

www.globalgivingmatters.org

comments@globalgivingmatters.org

FEATURE: EDUCAR – AN ENTREPRENEUR APPLIES HIS TALENTS TO PHILANTHROPY

A few years ago just 5% of primary schools and 10% of secondary schools in Argentina were wired for the Internet. Within the next year it should be about 25% for all. And in about three years, that number could triple. Why so much progress so quickly? You can credit **Martin Varsavsky**, an Argentinean telecommunications entrepreneur based in Spain. He has focused much of his seemingly limitless energy this past year on creating **Educar** (www.educ.ar), an educational Internet portal that has rapidly garnered international attention and imitators.

But it's not just another business for Varsavsky – it's philanthropy. And he has applied his ability to turn ideas into reality in much the way that he launched successful businesses – at least six of them – since he was 24: energetically and head-on. This year he turned 41.

Creating Educar was a particular triumph for Varsavsky. He was a teenager when his family fled Argentina in the 1970s because of political repression by the military regime. He settled with his parents and studied in the United States before eventually making a home for himself in Spain. His rapid successes made international news and drew the attention of Argentina's president, Fernando de la Rúa. Now he is a national figure in his homeland.

Moving into philanthropy

Here's how it happened. Last year, attending a World Economic Forum conference in Davos, Switzerland, President de la Rúa approached Varsavsky, one of WEF's Global Leaders for Tomorrow, for help on one of his priority projects: to bring Argentina's schools on-line and offer educational materials on the Internet. Varsavsky's business acumen was well-known. He currently runs Jazztel Telecommunications, Iberia's second largest alternative CLEC (Competitive Local Exchange Carrier), and he founded Ya.com, one of the 10 largest Spanish-language Internet portals in Europe.

President de la Rúa felt that Internet literacy was essential for Argentina's children to cope in the 21st Century. But the challenge was enormous. With limited funds and infrastructure, and a flagging economy, Argentina couldn't do it alone. With Varsavsky's know-how and energy he felt sure the project could get off the ground. Varsavsky agreed to look into it.

Ultimately de la Rúa got not only Varsavsky's expertise but his money, too: a donation of more than \$11 million, or \$1 for every student in Argentina. Varsavsky's gift was then leveraged with a \$237 million loan from the Inter-American Development Bank and donations of computers and software from companies such as Microsoft, Sun

Microsystems, Oracle and other firms in the US and elsewhere. (Although de la Rúa has been aiming for 100% coverage by 2004, Varsavsky projects a more realistic figure of 70% of schools wired, with 90% of students having access. The remaining schools are in isolated rural communities. In the longer term, Varsavsky believes that wireless technology now in development could even serve schools that lack electricity.)

Educar spin-offs soon followed Varsavsky partnered with Stephan Schmidheiny of the Avina Foundation (www.avina.net) and donated \$500,000 to create Educar Chile, which is up and running. Similar projects are under way in Bolivia and Costa Rica. George Soros has expressed interest in developing a model in Russia. (Varsavsky calls Schmidheiny his principal philanthropic role model. “He has taken philanthropy to a level of enterprise which is very efficient,” Varsavsky notes, and says that Schmidheiny has helped him learn how to measure the impact of philanthropy.)

In India, a group of young business leaders consulted with Varsavsky about importing his model. Their program, Shiksha (www.shiksha.com), was launched this year (*shiksha* is Hindi for “educate”). Varsavsky did not donate funds to Shiksha but met with business leaders in India and helped them develop a business plan. “When people copy you in business, you get angry,” he notes. “But when they copy you in philanthropy you get happy! I would never go to another country and tell people what I do in business, but here I wanted them to see my model.”

Philanthropy from an entrepreneurial point of view

Varsavsky’s approach to philanthropy draws directly on his entrepreneurial background. Here’s what it involves: First, the philanthropist needs a plan – much like the business plan he provided to Shiksha – with concrete objectives to achieve sustainable change, not just patch up a situation. Entrepreneurial philanthropists can instigate permanent change through their experience in addressing problems directly and solve them. “In my case it’s improving education through new technologies,” he says.

Second, he believes that philanthropists should be absolutely committed to the concept of “giving back” – but in a form that enables people to become self-sufficient in the long term rather than providing temporary aid, or *limosna* (“hand-outs”). “Justice isn’t made when you have \$100 million and others remain very poor,” Varsavsky says. “So you use your skills to redress basic imbalances in the world among the haves and have-nots.” Educar precisely addresses Varsavsky’s vision by providing tools to Argentina’s youth, no matter what economic background they come from, and it aims at producing long-term results, much like the immensely profitable businesses he has created.

Third, it is important for the philanthropy to be focused. For the time being, Varsavsky is concentrating on making Educar a success and is not active to such a hands-on degree with any other philanthropic initiatives. His other major involvement is as a board member and donor to Endeavor (www.endeavor.org), a New York-based non-profit that supports small business development in various countries in Latin America. He also takes part in civic activities in Madrid. Overall, Varsavsky says he

spends about three-fourths of his time “making money” and the rest in various not-for-profit activities, including speaking and writing as well as philanthropy.

New image

Varsavsky is better known in Argentina as a philanthropist, while people in Europe know him principally as a business leader. “I’d been a very private person until doing this project. It has made me a public person – there was a massive reaction – and it’s a super-well-known activity,” he says. “So in Argentina I’m not a private person anymore.”

In addition, being able to come back to Argentina as a guest of the president was a particularly poignant moment in his life. “I’d been thrown out and now I came back with a big gift and it was very positive,” he says. “They hang my pictures in schools – it moved people in Argentina. I might meet an Argentine who doesn’t know who I am, but everyone knows Educar because it became a national plan of the government and is going to be in every school. It has had incredible impact.”

GLOBAL GIVING ROUNDUP

Overviews of best practices around the world and links to learn more about them

Links to Web sites with more details are available at the online edition of Global Giving Matters at www.globalgivingmatters.org

September 11: Unparalleled catastrophe generates unparalleled philanthropy

Five weeks following the terrorist attacks on the World Trade Center, *The Chronicle of Philanthropy* reported that charitable organizations engaged in the relief and recovery effort had collected more than \$1 billion. The top fundraiser was the American Red Cross (www.redcross.org), at \$452 million. Internet donations surged in the first few weeks after the attacks, but then slowed down considerably. The Red Cross reports raising \$62 million on-line in the three weeks after the crisis, but just \$2 million since. (*Chronicle of Philanthropy*, October 16, 2001)

... but major non-profits feel the pain: Hundreds of charities affected

The international headquarters of Helen Keller Worldwide (www.hkworld.org), were located across the street from the World Trade Center and destroyed on September 11. The organization lost about \$500,000 in eyeglass lenses as well as computers, records and other materials. (*Chronicle of Philanthropy*, October 4, 2001)

Hilton Prize awarded after delay for Twin Towers tragedy

The Conrad N. Hilton Foundation’s (www.hiltonfoundation.org) annual Humanitarian Prize, which was to have been formally awarded at a luncheon and international conference in New York City on September 17, was rescheduled for November 30 following the World Trade Center tragedy. The 2001 Prize will be presented at an official

ceremony by United Nations Secretary General, Kofi Annan, winner of the 2001 Nobel Peace Prize, to London-based St. Christopher's Hospice. Established in 1967 by Dame Cicely Saunders, founder of the worldwide hospice movement, St. Christopher's is the world's first teaching hospice, and many leading doctors and nurses have trained there. Dame Cicely, who is now 83 and chairs the hospice, will be in New York to receive the award.

... and nominations sought for 2002 Hilton Humanitarian Prize

The Conrad N. Hilton Foundation is seeking nominations for the 2002 Hilton Humanitarian Prize, with a focus on an established nonprofit, charitable or non-governmental organization that has made extraordinary contributions toward alleviating human suffering anywhere in the world. Nomination packets are available on the Hilton Foundation website at www.hiltonfoundation.org. Nominations must be received or postmarked by December 15, 2001. Contact: Conrad N. Hilton Foundation, Hilton Humanitarian Prize, 10100 Santa Monica Boulevard, Suite 1000, Los Angeles, California 90067-4011, USA. Telephone: (310) 556-4694 Fax: (310) 556-8130.

Real acumen: New non-profit fund supports social change organizations

The Acumen Fund (www.acumenfund.org), a new non-profit fund, is being launched to enable philanthropists and investors to support non-profits and for-profit firms worldwide that are dedicated to social change. A partnership between the Cisco Foundation and The Rockefeller Foundation, the New York City-based fund, headed by Jacqueline Novogratz, will launch its initial portfolio this fall, with a focus on health and communications that aim to improve the lives of poor people in developing countries. (*NonProfitXPress*, August 15, 2001)

BuyAfrica.com – Linking African artisans with global markets

Ever look longingly at the exquisite beadwork, basketry, masks and other artwork, crafts and handiwork from Africa? In an innovative venture to make these products more widely available – and help expand employment and income opportunities in the continent – Johannesburg-based Hylton Appelbaum, who is a trustee of the Liberty Life Foundation, has helped to create BuyAfrica.com, a business-to-business Web site linking African artisans and small manufacturers with distributors in global markets. Appelbaum is a member of the Global Philanthropists Circle.

Quiet no more: Atlantic Philanthropies reverse “quiet” image

Until recently, Bermuda-based Atlantic Philanthropies (www.atlanticphilanthropies.org) kept a low profile. The Philanthropies recently reversed their disclosure policy so that grantees can use their name to help them fundraise from other sources. (*Education Week*, July 11, 2001)

Thai business leaders provide mobility and hope to hundreds of amputees

Since 1998, the Thai Industrial Development Forum in Bangkok has supported a project to make and donate artificial limbs to amputees around the world, using polyurethane products not conventionally associated with prostheses. Leaders of this initiative, who pooled their resources in different areas of the manufacture of products using polyurethane, credit altruism, Buddhist merit-making and reverence for the king of Thailand. Their project recently earned the Gold Prize in the annual Innovation Awards sponsored by *Far Eastern Economic Review*. According to the magazine, the business group initially encountered resistance from hospitals and government when they offered to provide the limbs, because of their use of new materials. Since their first effort, they have produced and given away hundreds – some to land-mine victims but most to road-accident victims. (*Far Eastern Economic Review*, October 18, 2001)

Wired: Bangladeshi philanthropist brings cell phones to rural communities

Bangladeshi investment banker Iqbal Quadir was honored earlier this year as one of the World Economic Forum's Global Leaders for Tomorrow for his innovation in creating GrameenPhone (www.grameenphone.com), a telecommunications company in Bangladesh that provides cellular phones to village entrepreneurs, who then charge a nominal fee to their customers to connect them to businesses or family members. GrameenPhone has already reached thousands of villages, providing income to the owners and saving users- who previously had to travel to nearby towns to make telephone calls – time and money. (*ADB [Asian Development Bank] Review*, Vol. 33, #2, April-June 2001; *The South Asian*, February 2001)

Eyes on the Prize: New director named at Goldman Funds

Robert T. Gamble, a public policy expert with extensive experience in local government, has been named executive director of the San Francisco-based Richard and Rhoda Goldman Charitable Funds (www.goldmanfund.org) as well as the Goldman Environmental Prize (www.goldmanprize.org), the world's largest award for grassroots environmentalists. Richard N. Goldman is a member of the Global Philanthropists Circle. (*Philanthropy News Digest*, July 30, 2001)

Italian novelist follows her heart: Susanna Tamaro creates global charity

European philanthropy has gotten a big boost from Italian novelist Susanna Tamaro, who has created the new Tamaro Foundation to support disadvantaged children, young people, women and the elderly in Italy, India, Bangladesh and other needy areas. The Zurich-based Limmat Foundation (www.limmat.org) is administering the foundation for Tamaro, whose best-seller, *Va' Dove Ti Porta Il Cuore* (Follow Your Heart), sold 800,000 copies in Italy. (*Philanthropy in Europe*, Issue #6, 4/2001)

Building blocks in Botswana: Business leaders help homeless

Business leaders in Francistown, Botswana, have formed a committee to address a housing shortage among the city's poor, including a fund-raising initiative to kick-start

brick-making and other income-generating businesses. (*Daily News, Botswana*, August 15, 2001)

Using philanthropy to fight prejudice

California-born George Aratani, the Japanese-American founder of Mikasa Chinaware and Kenwood Electronics, has been a “quiet” but high-impact philanthropist. As the result of his experience being interned with his family during World War II, Aratani decided, when he became successful, to fund institutions that address issues of prejudice and fear so many Japanese Americans lived through. (*Advancing Philanthropy*, July/August 2001)

Ice cream mogul tries venture philanthropy

Ben & Jerry’s co-founder Ben Cohen has formed an investment fund to buy companies in low-income neighborhoods as a way of raising wages and improving employee benefits. Cohen’s Barred Rock Fund is his first venture since he and partner Jerry Greenfield sold Ben & Jerry’s to Unilever for \$326 million last year and has already closed its first deal on a Philadelphia-based cleaning-products maker. (*USA Today*, August 6, 2001)

Entrepreneurs and philanthropists for the future

Some four years ago, Linda Rottenberg and Peter Kellner, former Yale Law School classmates, created Endeavor (www.endeavor.org), a non-profit development organization that supports entrepreneurship in emerging markets, with the thesis that successful entrepreneurs are the leaders – and philanthropists – of the future..

Philanthropy Ink

In an essay on August 12 entitled “Building their own private state departments,” *New York Times* editorial writer Tina Rosenberg muses on the roles of mega-donors Ted Turner, George Soros and Bill Gates in helping to shape global political and social policy through their philanthropic initiatives. She cites as an example Turner’s agreement to a request from President Clinton to pay \$34 million to the United Nations as back dues when the U.S. Congress refused to do so. And she notes how “in most countries, opponents of dictatorship or those struggling to build civil society can find help at the American embassy. But in nearly 60 nations, they might be able to get more direct support at George Soros’s Open Society Institute.”

RESOURCES & LINKS

Activities, Web sites and other cutting-edge information for global givers

Links to Web sites with more details are available at the online edition of Global Giving Matters at www.globalgivingmatters.org

[New venture philanthropy book to be launched](#)

NESST (Nonprofit Enterprise and Self-sustainability Team – www.nesst.org), an international development NGO headquartered in Santiago, Chile, launched its newest publication, *Not Only For Profit: Innovative Mechanisms for Philanthropic Investment* (in English and Spanish) at the recent International Venture Philanthropy Forum in Budapest in early October.

[Magazine focuses on European philanthropy](#)

Philanthropy in Europe is a new magazine that aims to be “Europe’s leading independent news source on philanthropy and foundations.” Among its features are profiles of major European donors, including their philanthropic (usually corporate) links. It is published by The Factory (www.factory.com), which has offices in the Bristol, United Kingdom, and Barcelona, Spain.

[Give more: Investment guru promotes increased giving](#)

California investment guru Claude Rosenberg has been a major philanthropist for years, but wants others to give more, too. His organization, NewTithing Group (www.newtithing.org), promotes a strategy to help donors give more effectively – and give more, period.

[Book encourages making philanthropy a family effort](#)

The Council on Foundations (www.cof.org) has published a book on family philanthropy entitled *The Giving Family: Raising Our Children to Help Others*, by Susan C. Price, which provides tips for parents, teachers and other people key to children’s lives on how to promote the spirit of giving.

YOUR IDEAS WANTED

Global Giving Matters aims to present information on best practices and innovations in philanthropy and social investment around the world. We encourage you to send us:

- Ideas about issues or people you would like to learn more about
- Examples of your own philanthropy
- Comments about this issue.

Write to us at comments@globalgivingmatters.org.

You may also give feedback online at:
www.synergos.org/globalgivingmatters/feedback.htm.

Global Giving Matters does not present solicitations of support for particular initiatives or organizations.