

Community Foundations: main characteristics and trends – A comparison between Islamic Republic of Iran and Italy

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I. THE ETHICAL AND CULTURAL ROOTS OF FOUNDATIONS

«Community», «civil economy» and «territory» are the three key words inspiring the principles and values of the foundations. «Community» (“*communitas*” in Latin) means “reciprocal gift”, and they exist when people are willing to offer reciprocal aid. The word “civil” placed alongside the term “economy” refers to inclusion, such as *civitas*, which included everyone in Roman culture. Civil economy is inclusive; it includes everyone notwithstanding their public roles so they can make their contribution within the social-economic fabric. Otherwise, the individualist economy of the *homo oeconomicus* would prevail because «economic life undoubtedly requires contracts, in order to regulate relations of exchange between goods of equivalent value. But it also needs just laws and forms of redistribution governed by politics, and what is more, it needs works redolent of the spirit of gift»¹.

Finally «social innovation» to rectify the negative criticalities in post modernity and recover what has been lost, as the social doctrine of the Church teaches us.

The economic basis that inspires foundations, such as micro credit, non-profit, and the principle of subsidiarity, are not modern inventions as they originated in the Middle Ages to make the sense of *communitas* a tangible notion and to meet the needs of people in the local areas. On a political level, their actions have turned civil society into a protagonist, as American sociologist Jeremy Rifkin anticipated at the turn of the Nineties when he spoke of the white economy, namely the sector of the economy focusing on social assistance and help to individuals: «Work, as we know it, at a certain moment will end, because there will be a series of technological innovations, the third industrial revolution (and today we are at industry 4.0) and so the way we understand work will change»².

The economy of welfare and of social innovation comes from the meeting of people determined to add value to their capabilities in a horizontal network logic revolving around the “relationship asset”. This differs from the “goods asset”, not so

much for its intangible nature but for possessing a value that is infinite and not convertible into cash, because relationships have been intentionally put aside by the economy, which becomes «a sad science of numbers and statistics» in this way.

Civil economy has the merit of putting a logic of community welfare, associations, foundations, social cooperatives alongside the traditional welfare provided by the State. From this new viewpoint, welfare becomes a generative system where the individual citizen is an active entity because on the one hand he receives, while helping to produce services on the other. A process driven by the principle of gratuity, of “giving without losing and taking without removing”, of sharing an individual’s experience and know how made available to all³.

¹ Benedict XVI, *Caritas in Veritate*, n. 37.

² Jeremy Rifkin, *The end of work*.

³ Relations based on care and no charge represent the typical development of voluntary work, since learning to “take care of others” stimulates capabilities that would otherwise remain dormant. Encouraging volunteer work, namely “care of others”, brings the anthropological dimension to the surface forming our existence, and generates the model of “circular subsidiarity” where the private sector, civil society and the public sector work together for the good of collectivity inspired by a new model of cooperative culture.

II. THE MISSION OF FOUNDATIONS

Over the last 20 years, many local authorities have been supported and aided by an «anomalous political player», still relatively unknown in Italy: community foundations. They are non-profit agencies driven by a new sense of philanthropy founded on solidarity and the culture of giving. It is not a new model but it was previously linked to the English speaking world. The first community foundation was founded by Frederick Goff, the owner of the Cleveland Trust Company, on January 2nd 1914 in Cleveland, Ohio. This has since become one of the leading names in community philanthropy in the United States⁴. In the 1970s, this model of philanthropy also started to gain ground in Europe, especially England. In Italy, community foundations were founded after a law was issued to reorganize the Italian banking system that brought about a major change in how banking foundations were structured, as banks were now required to make a clear distinction between their lendings and charity work⁵.

There are currently 32 community foundations in Italy, concentrated mainly in the north of the country, that aim to recreate a network of *communitas* along with all the others operating in the territory⁶. Their aim is to collect donations and reallocate them with the ultimate purpose of improving the quality of life of all the people located in a given area. Their goal is not to simply accumulate or disburse funds but to collect them and gather resources and expertise in order to promote operations targeting local needs, actively involving public and private actors for the execution of projects useful for society: «They operate both as financial intermediaries and social intermediaries at the same time (Ferrucci 2010), and the focus of their work is the donation from and for the same community they intend to develop»⁷. In circumstances where politics is no longer able to organize itself - due to a lack of funds, or sense of community, or for other reasons - foundations build a common good thanks to the generosity of the general public. Social relations and a sense of solidarity for one's own local territory enable the building of networks consisting of donors, investors, institutions and third sector organizations based in the area.

⁴ In 2011, it reported assets worth over 1 billion 800 million dollars and disbursements worth approximately 80 million dollars.

⁵ The law in question is n. 218/1990, also known as the Amato law.

⁶ These entities were founded in response to an invitation made by Fondazione Cariplo to the territories: to accumulate assets worth 5 million Euros in ten years, by way of an initial input in order to receive a subsequent donation of 10 million Euros from Fondazione Cariplo itself to add to these assets.

⁷ L. Bandera, «Le Fondazioni di comunità: una nuova declinazione della filantropia», in F. Maino, M. Ferrera (ed.), *Primo Rapporto sul secondo welfare in Italia*, Turin, Centro di Ricerca Luigi Einaudi, 2013, 1.

Community foundations are established and flourish in environments where a territorial humus is created which is willing to put innovative welfare policies in place. They support themselves thanks to a charity trust fed by donations from the community (bequests, for ex-ample), from private businesses, religious organisations, or other institutions that choose to support the development of these specific entities.

This is a type of philanthropy that grows inconspicuously and is by no means outdated; in fact, there is a comeback of this type of approach founded on gifts. Italy had always had a longstanding tradition in philanthropic actions that was intentionally destroyed and uprooted after its Unification.

Over the passing years, community foundations have created a democratization process for philanthropy, making it accessible to everyone, even if each foundation has its own specific goals⁸. Their principal characteristics include: their wealth is not accumulated thanks to a single, large donation from a single or limited number of players, but is gradually built up thanks to many small and medium donations from members of the public who choose to support specific funds within the foundation itself. Respecting the wishes of the donor is a guarantee of security and flexibility

In order to encourage donations, to safeguard the philanthropic purpose, and guarantee transparent policies for the protection of donors, foundations offer benefits from the point of view of bureaucracy: any administrative charges and obligations associated with the donation (costs, taxes, documentation, feasibility, etc.) are borne by the foundation and do not fall on the donor. Second, the foundation certifies and guarantees the trustworthiness of the beneficiaries, relieving the potential donor of any risk of making contributions to beneficiaries that fail to live up to expectations. Third, community foundations allow the donor to change the manner and the beneficiary of their donation at any time, thus avoiding the risk of losing or wasting resources.

III. COMMUNITY FOUNDATIONS IN ITALY: AN OVERVIEW

There are an estimated 1,800 foundations based in over 46 countries, with 60% in the USA, Canada, Australia, and South Africa. In Italy, these institutions are an expression of civil society and started to gain ground in 1999 as a result of an intuition by Fondazione Cariplo, which sponsored 15 out of the current 32 community foundations in just 8 years⁹.

⁸ L. BANDERA, «Le Fondazioni di comunità: una nuova declinazione della filantropia», in F. MAINO, M. FERRERA (ed.), *Primo Rapporto sul secondo welfare in Italia*, Turin, Centro di Ricerca e Documentazione Luigi Einaudi, 2013, 2.

⁹ The first Italian community foundations to be founded were: Fondazione della Provincia di Lecco and Fondazione della Comunità Comasca in 1999; Fondazione della Provincia di Mantova, Fondazione di Comunità del Novarese, Fondazione della Comunità Bergamasca and Fondazione della Comunità di Monza e Brianza in

Fondazione della Comunità Veronese was founded in 2010 and is the only one not linked to a banking foundation, as it is the result of the ongoing coordination of its six founder members: the Diocese of Verona, Banca Popolare di Verona, Cattolica Assicurazioni, UCID (Unione Cristiana Imprenditori Dirigenti), Fondazione Segni Nuovi, and Fondazione Beato Tovini.

The general public regard them as supporting local government and acting as a lifeline for the policies in their areas. The sense of affection for one's own area is what enables foundations to grow and remain in touch with what the territory needs, working with people who are aware of the needs of civil society and are capable of promoting its involvement in order to find the solution for such problems. In this way, a local community marked by lots of different elements, such as its economy, history, and culture, has the possibility to express itself through an institution whose focus is primarily on the territory where it operates.

Fondazione Cariplo has supported more than 30,000 projects offering social benefits, and currently operates in four distinct areas: environment, art and culture, scientific research, and services for people. These foundations are based on the principle of endowment, the initial ad hoc funds provided by Fondazione Cariplo in order to structure its internal organization in a professional manner. In 2012, the overall assets of the 15 foundations established as part of the Community Foundations Project reached 227 million Euros, the equivalent of approximately 3 percent growth compared to the previous year.

As well as the first 15 ventures into community philanthropy, other entities have been founded over the years that are worth mentioning on account of their commitment and their operations conducted in favour of social inclusion in their local area.

Fondazione di Comunità del Novarese was founded on April 19th 2000 and is the largest in Italy with assets worth approximately 23 million Euros divided into 70 funds, consisting of donations from businesses, families, individuals, religious organizations and public agencies that have chosen to give their donations to this foundation alone.

The governing body reflects the most significant players in the area: the committee consists of the President of the Province, the Mayor, the Prefect, the Bishop, the Presiding Judge of the Court, the presidents of several professional orders

2000; Fondazione della Provincia di Cremona in 2001; Fondazione di Comunità del Varesotto, Fondazione della Comunità di Brescia, Fondazione della Provincia di Pavia, Fondazione della Provincia di Lodi and Fondazione Pro Valtellina in 2002; Fondazione Comunitaria del Ticino Olona, Fondazione Comunitaria del Verbano-Cusio-Ossola and Fondazione Comunitaria Nord Milano in 2006.

(accountants, notaries, and lawyers), the Area Commissioner for Fondazione Cariplo, and the President of the Chamber of Commerce. Its powers are limited to appointing the members of the Board of Directors once every three years, consisting of thirteen directors, three auditors and a general secretary.

In general, calls for applications are the preferred tool for supporting projects and safeguarding transparency of delivery to the non profit agencies stipulating this. Community foundations have adopted a tool known as "calls for funding", enabling not only transparency in the delivery of resources but also the multiplication of the amounts.

Over the last five years, Fondazione di Comunità del Novarese has become less frequently identified for its "money approach" but for taking a line based on a "community approach" instead, similar to the system in Canada where «local difficulties are approached through the creation of community and leadership skills, helping the community to improve how it handles problems».

Raising funds is not seen as a fundraiser but as a landraiser, a creator of *communitas* whose efforts are focused on gathering resources in favour of local projects. The virtuous experience consists of identifying difficulties in one's local environment and of offering concrete projects to overcome them.

Similarly, Fondazione Comunitaria del Ticino Olona invests in education for young adults and in social aid linked to microcredit in support of families at risk of poverty; the "Famigliamoci" project promoted by Fondazione Provinciale della Comunità Comasca connects non profit organisations in order to produce a single programme at provincial level in support of families in hardship; the "Sostenere la genitorialità" project promoted by Fondazione di Monza e Brianza encourages the culture of dialogue in the relationship between parents and children, involving representatives of private social aid, educators, teachers, psychologists and parents.

IV. NON-GOVERNMENTAL AND NON PROFIT ORGANISATIONS IN IRAN'S HISTORY

Mosques, Takaya, religious bodies and cafes are considered by traditional Afghan non-governmental organizations, and after that, the funds for borrowing money, charities, Islamic associations and even graduation courses in later periods, and then unions, guilds and trade and engineering systems, etc., are more recent forms of civil institutions.

The Regulations for the Establishment and Activities of NGOs and Foundation on February 29, 2005, during the last days of the government of Seyyed Mohammad Khatami, were approved by the Ministry of Intelligence on the basis of Article 138 of the Constitution, and were adopted on the basis of Article 138 of the Constitution. Organizations can be

networked or join international organizations with the subject of their activities and objectives, in accordance with the rules.

Obviously, in terms of private non-profit social non-governmental initiatives before the revolution existed as charity or in a more traditional way related to religious communities. Nonetheless, nonprofit organizations with proven social and cultural character remained in quantitative terms in the minority. But instead after the Revolution and especially after the law of 2005 and in particular the last 10 years social and cultural commitment on the part of private and non-governmental organizations in many areas from health to education, social finance and charity are growing strongly. Numbers show that there are 3049 non-profit organizations which 41% of them are financial institutions of Islamic finance, 22% are charity, 14% health, 10% for rehabilitation, and 13% for education and culture.

Even today, this topic at an organizational and structural level has a long way to go in Iran even if it is in a situation of strong growth and development.

V. CULTURAL FOUNDATIONS AND NON-PROFIT ORGANIZATIONS IN IRAN. BEFORE THE ISLAMIC REVOLUTION NON-PROFIT FOUNDATIONS CONTROLLED BY ROYAL FAMILY

Organizations headed by Farah Pahlavi has presided over a number of medical, cultural, sports, educational and social welfare organizations. The Farah Pahlavi Specialist Office has had forty employees and four sections until 1979, which included: education, healthcare, social welfare and culture and art. Obviously, the will of Farah Pahlavi and her cultural background and her attention to art and culture, coincided with Shah's interests of waking the long and ancient history of the country and restore its power and pride at the international level. Also, the socio-cultural situation of Iran in that time, and above all the economic position of the country, and the growth of the oil price have created a great atmosphere of the modernization of the country in all aspects, especially through foundations and non-profit cultural organizations, still supervised by the Royal Family and in particular Farah Diba. These organizations had a complementary function of the government and with the sovereign control of Royal Family could achieve their goals faster than the governmental and ministerial organizations that had to go through bureaucracy and...

Below is a list of some of the art and culture foundations and non-profit organizations that were created or directly related to Farah Pahlavi's office.

The Center of Intellectual Development of Young Children and Adolescents. Is a non-profit organization founded in 1965 Institute for the Intellectual Development of Children and Young Adults better known as Kanoon is an Iranian institution with a wide range of cultural and artistic activities in the field of mental and cultural development for children and young adults. The organization was at the center of the vanguard of cultural production in the late 60s and early 1970s and is the platform through which many of Iran's most regarded artists

and filmmakers, launched their careers. The program, led by one of Farah's close friends Lili Amir-Arjomand, involved building a network of both permanent and traveling libraries across the country in order to pro-mote culture and literacy. During this period, Kanoon's publishing consisted only of translating and importing western classics such as Hans Christian Andersen. Eventually, Kanoon began producing and publishing its own books and soon after grew to be not just a social organization, but also a prolific producer of many kinds of materials for children. Many these materials toured with the traveling libraries. Within the walls of Kanoon, there was an unprecedented amount of freedom and support provided to the artists involved. Under these circumstances Kanoon turned into a sort of quasi-utopian hub, or incubator or laboratory for an incredible group of artists, many of whom worked across several media (most of the major protagonists were designers and also illustrators and would experiment with animation or filmmaking if they chose to). To have this type venue available at this pivotal moment when Iran is transitioning into modernity in terms of its visual culture was absolutely crucial. After the Revolution the institution has become a public company, first Supervised by the Ministry of Culture and Higher Education and then transferred to the Ministry of Education.

The Iran Cultural Foundation. 1964 The Iranian Culture Foundation was a research institution founded to protect, expand, and advance the Persian language. The Iranian Culture Foundation was a nonprofit organization with legal personality. Parviz Natal Khanlari was the general secretary of the Iranian Culture Foundation. It was also stated in the Foundation's constitution that the Iranian Culture Foundation was founded to promote and expand the Persian literature and chestmaster's "Cultural heritage of Iran. After the Islamic Revolution, in 1981, the Iranian Culture Foundation and eleven other cultural and scientific institutes merged together, and from all of them, an institution called the Institute for Cultural Studies and Research, affiliated to the Ministry of Culture and Higher Education, which is now the Institute of Humanities And cultural studies called.

The Tehran Philharmonic Society founded in 1953, nonprofit organization and from 1963 to the supreme chairman Farah Pahlavi to sup-port the Philharmonic Tehran income. The Tehran Philharmonic Society was a nonprofit and popular institution and all its revenues were used to expand and popularize scientific music through organizing concerts of the Tehran Philharmonic Orchestra. The Tehran Philharmonic performed concerts with world-famous musicians and music leaders such as Herbert von Karajan , Jewish Manohin, Zubin Mehta and Isak Sternan . After the Islamic Revolution, The Philharmonic Society of Iran, with the support and follow up of Dr. Abdolhossein Mostofi, has been reopening since 1994, and subsequently the Tehran Philharmonic Orchestra, with the determination to create an entrepreneurial and efficient environment for graduate students in music schools and music education centers.

The Imperial Society of Philosophy. In 1974, nonprofit organization, Farah Pahlavi Empress of Iran commissioned her personal secretary Hossein Nasr, Head of the Empress's Private Bureau, to establish and lead the Imperial Iranian Academy of Philosophy. It was the first academic institution to be founded upon the principles of philosophical Traditionalism. Nasr was a Professor of History of Science and Philosophy at University of Tehran. After the Revolution of 1979, the activities of the association were suspended until 1982. In 1982, the Society of Philosophy of Iran and 12 other institutes under the supervision of the Ministry of Science and the Institute for Cultural Studies (Institute of Humanities and Current Cultural Studies).

Other and cultural nonprofit Foundation under the Patronage of Farah Pahlavi Office have been The Touss Festival (epic traditional arts) - The Cultures Dialogue Organization - The Isfahan Festival (popular art) - The Asian Institute of Pahlavi University - The Shiraz/Persepolis Festival of Arts - The National Association of Cultural Relations - The Shahbanou Farah Cultural Society - The book publishing and editing foundation - The National Iranian Folklore Organization.

VI. AFTER THE 1979 REVOLUTION AND THE BIRTH OF THE ISLAMIC REPUBLIC

As we mentioned in the previous paragraph part some of the foundations and non-profit organizations after the revolution of 79 have no longer worked but instead most of them with no changes have continued their lives but with a quite radical change.

Before the revolutions these foundations and non-profit organizations worked in parallel and the complementary part of the government with the partial participation, and supervision of the office of Farah Pahlavi (Royal Family), which was quite independent from the government and had a more feasible and quick managerial character,-

After the revolution of 79 most of these organizations have held the non-profit character at the governmental level, they have become an integral part of the government under the guidance of ministries of their business sector.

They have thus become para governmental organizations with the same managerial characteristics of the government that is bureaucratic, less feasible and fairly linked to governmental changes. But considering this para governmental aspect of foundations and non-profit organizations, after the revolution of 79 other art and culture Foundations have been established, that in some periods they have managed to achieve good results. Below are some examples

The Farabi Cinema Foundation founded 1983 is governed by the statute of a non-governmental, non-profit organization under the auspices of the Ministry of Culture and Islamic Guidance and acting as the executive arm of the ministry in the field of cultural and artistic policy and orientations. In addition to producing and distributing films at home and

abroad, the foundation also provides investment and production support, technical services (including lab, editing, sound studio, dubbing, etc.). About 30 percent of the annual production of Iranian cine-ma is the product of the Foundation. Farabi Cinema Foundation Festival Office is the organizer of the Fajr International Film Festival, the International Festival of Children and Young Adults, and in general any professional film festival held under the guidance of the Ministry of Guidance in Iran.

The Iranian Youth Cinema Association is the largest filmmaking association in Iran, The Iranian Youth Cultural Society was established on 1977 as a nonprofit organization. It was not officially active before the victory of the Islamic Revolution, and it has been inactive for some time since the revolution. In 1985, with the changes that took place in the cinema and audiovisual department of the Ministry of Islamic Guidance, in order to promote the national cinema and gain experience in the activities and effects of amateur cinema and in the establishment of the Islamic Center for film education, the Cinema Center Experimental, Farabi Cinema Foundation and the Iranian Youth Cine-ma Association were set up as a platform for the development of a national cinema with a specific mission in the form of consolidated duties for each organization to explore the bright talents of humanity among the youth of Islamic countries.

Rudaki's Cultural and Art Foundation started its activities in November 2003 with the approval of the Islamic Consultative Assembly in the form of non-governmental and nonprofit public institutions. The activities of the Rudaki Foundation began with the merger of two sets of which the people of Tehran and Iran became acquainted with these collections for many years. Rudaki Hall is one of the most equipped and the largest opera houses in Iran's musical and theater, which was built by Yogiya Aftandilians, based on the Opalin of Vienna in 10 years, and opened in 1965. On the other hand, Azadi Tower is one of the most memorable monuments in the world, dating back to 1964 AD. This year, the designation of the symbol of Iran was put in place between the architects of our country and eventually the design of engineer Hossein Amanat, this tower was exploited in 1972, and after the Islamic Revolution, the Ministry of Culture and Islamic Guidance was entrusted.

VII. SOME PRELIMINARY FINDINGS

In conclusion, in an era marked by an economic downturn like now, spreading the experiment of community foundations represents an important driver of development towards innovative forms of second welfare, capable of providing a tangible response to new needs. Nevertheless, if banking foundations are capable of playing an important role, politics must retain the precedence of decision-making. Not just because their resources are marginal compared to public and private re-sources, but because the funds distributed by foundations can be used for strategic investments, such as interventions in emergency situations, the experimenting of innovative solutions, the deployment of additional resources,

raising awareness and advocacy, development of non profit agencies and the promotion of the collective impact.

Their role must remain ancillary so as not to create “a form of plutocracy”. Facilitators but not fixers; change must be guided by politics, which is not measuring up to its duties at the moment, and by civil society and non profit organizations in particular, which concentrate mainly on their operations and are lacking in this point of view.

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