Morgan Stanley
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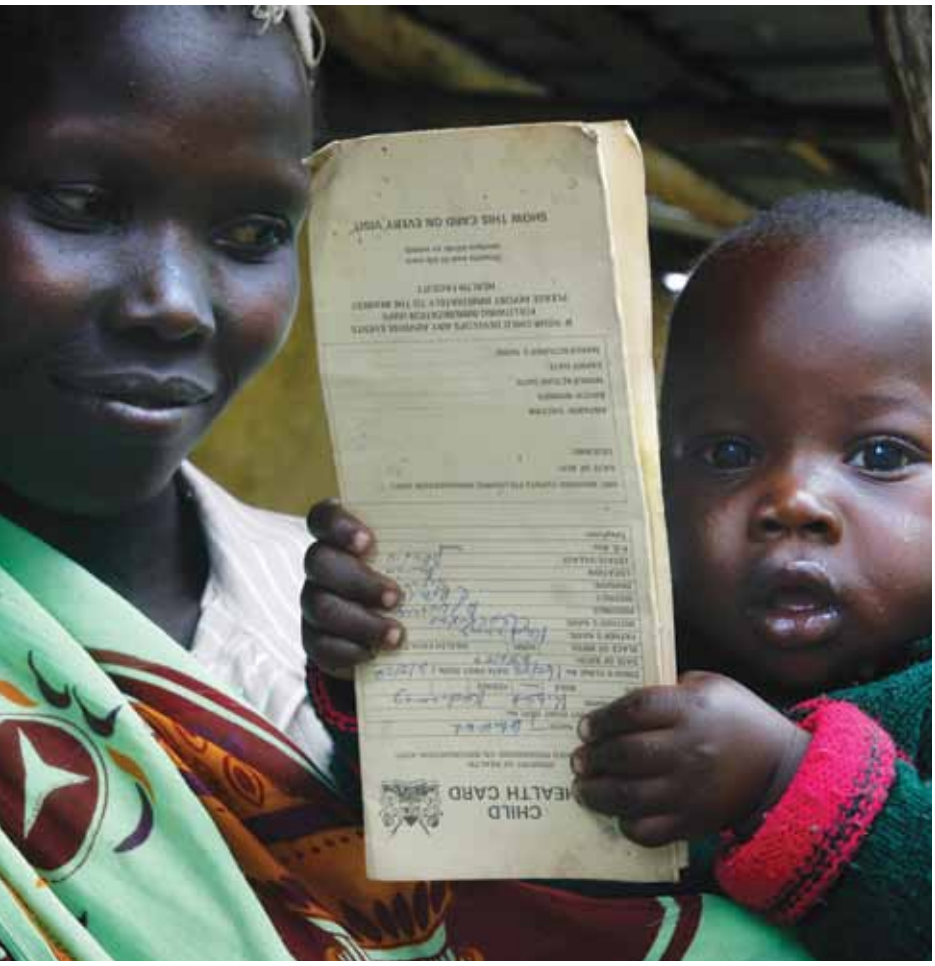
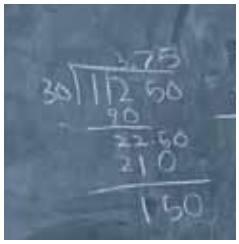


PERSPECTIVES IN PHILANTHROPY

Stories of generosity from valued clients and advisors

International Giving

WINTER 2010



I am delighted to share with you our Winter Edition of *Perspectives in Philanthropy,* a quarterly journal highlighting stories of generosity from valued clients and advisors and a broad bandwidth of opinions from recognized professionals in the philanthropic field.

This edition focuses on overseas philanthropy. The statistics are staggering—almost half the world, over three billion people—live on less than $2.50 a day.[1] It is estimated that 25,000 children die each day due to poverty.[2] And, nearly a billion people entered the 21st century unable to read a book or sign their name.[3] Without the basic necessities of food, potable drinking water and primary healthcare, people are unable to be economically productive and have little, if any, hope for upward mobility.

Natural disasters pose another threat to populations already at risk. Who wasn't touched by the magnitude of the earthquake that hit Haiti—the most powerful to strike the country in 200 years. Tens of thousands of people have already been confirmed dead, and it's estimated that up to 3 million people could be affected by this natural disaster.

As Doug Balfour points out in his article, "Why Give Internationally", many of these pressing issues can be addressed with very little money. For example, it is estimated that more than 1.4 billion people have parasitic and bacterial infections that result in tropical diseases that disfigure, blind, disrupt the cognitive and physical development in children and significantly reduce economic productivity among adults. Many of these diseases are not only curable, but also preventable, and at an incredibly low price—often less than one dollar per person treated.

Donna Goodman, in her article, "A Climate for Change… harnessing an unparalleled opportunity for all", points out that 2.2 billion people are under the age of 18. With this being the case, the brunt of global warming will fall on today's generation of children. She offers a number of pro-active solutions that corporations, governments and individuals can take to create an era of climate prosperity.

Sarah Marder interviewed Bob Forrester, President and CEO of Newman's Own Foundation, an organization that sponsors eleven camps around the world for children suffering from life-threatening illnesses. These camps host 17,000 children annually, free of charge. As Sarah points out, behind all of the fun, the camp programs are designed to enable the children to find newfound strength to deal with their illnesses.

Finally, included is an excerpt from "Half the Sky—Turning Oppression into Opportunity for Women Worldwide", a new and highly-praised book by Pulitzer Prize winners Nicholas D. Kristof and Sheryl WuDunn. From two of our most fiercely moral voices, Kristof and WuDunn make a passionate plea to end the oppression of women and girls in the developing world. Kristof and WuDunn echo the belief shared by other authors in this issue that even a little help can help transform lives and fight global poverty.

As always, we look forward to hearing any of your comments about this issue and ideas for future ones.

Generously yours,

R. Michael Armstrong
Managing Director
Head of International Private Wealth Management
and MSSB Global Head of Capital Markets

[1] Shaohua Chen and Martin Ravallion, "The developing world is poorer than we thought, but no less successful in the fight against poverty", World Bank, August 2008.

[2] Poverty Facts and Stats—Global Issues, website http://www.globalissues.org/article/715/today-over-25000-children-died-around-the-world

[3] The State of the World's Children, 1999, UNICEF

PERSPECTIVES IN PHILANTHROPY WINTER 2010

ON THE COVER: A Kenyan mother and her child get a check up from a HealthRight Mobile Clinic in the rural and mountainous North Rift Valley of Western Kenya. Photo courtesy of HealthRight International.

Why Give Internationally?

Private philanthropic efforts can be the catalyst for making the world a significantly better place for the world's poorest residents—and at a cost that's less than you might think.

BY DOUG BALFOUR

The statistics tell the story: US citizens are among the most generous in the world. Private (non-government) giving exceeded $300 billion dollars annually in 2007 and 2008.[1] Let's put that into perspective: US private charitable giving is greater than the GDP of Finland or Ireland or more than 140 other countries. If private giving in the US were measured as GDP, it would rank among the world's 35 wealthiest countries![2]

So, where on earth—literally—does all that money go? You might be surprised to learn that the vast majority—more than 90% of all grants from US foundations—went to US-based charitable organizations.[3] In essence, most private US philanthropic gifts stay in the US and benefit US charities and charitable causes. Statistics on the percentage of personal giving directed to overseas causes are hard to come by. However, according to a report by the Foundation Center and the Council on Foundations, in 2007 between 5 and 6 billion of philanthropic giving from foundations was directed toward international purposes.[4] That's a lot of money, to be sure, but it's a small fraction of all US charitable giving. It's true that charity begins at home and that there are many worthy causes in the US. However, there are also some very compelling reasons why US donors should consider increasing their overseas giving, and some potentially incredible outcomes as a result of relatively small philanthropic investments.

FACTS AND EXAMPLES

Private philanthropic efforts can be the catalyst for making the world a significantly better place for the next generation of the world's poorest residents. Consider the following: Nearly half the world—more than 3 billion people—lives on less than $2.50 a day.[5] Most of those 3 billion people lack basic sanitation. Many of them don't enjoy the basics such as sufficient food or safe drinking water, much less education, health care and all the other resources that are fundamental to economic stability. Malnutrition, contaminated water and poor sanitation affect the health of people living in many of the world's poorest communities, which drains their potential for economic productivity. Lack of education keeps children from being equipped for better opportunities in the modern world. Families living at subsistence levels don't have the seed money needed to start small businesses which could raise them out of poverty. Yet many of these issues can be addressed—and for a lot less than you might think.

Let's look at a few examples. Tropical diseases disfigure, blind and otherwise disable, disrupting cognitive and physical development in children and significantly reducing economic productivity among adults. It is estimated that more than 1.4 billion people, most of whom live on less than $1.25 per day, are infected by a group of parasitic and bacterial infections that result in tropical diseases.[6] Fortunately, many of these diseases are not only curable, but also preventable, and at an incredibly low price—often less than one dollar per person treated.[7] Dedicating just one tenth of one percent of US private charitable giving, which would be 300 million dollars, to addressing these diseases could help treat at least 300 million people, or roughly the at-risk population in more than 10 African countries with some of the world's highest prevalence rates.[8] Treatment and prevention would have a significant impact on long-term health and productivity, increasing the ability of future generations to escape the cycle of poverty for good.

Another significant health challenge is the high rates of infant mortality and maternal mortality (IMR and MMR) in many developing countries. Worldwide, more than 500,000 women die of complications related to childbirth each year, with 99% of deaths occurring in developing countries.[9] In countries with the highest IMR and MMR, birth-related deaths among women are 10 to 25 times higher than those of the US.[10] Yet a combination of health education and increased access to basic obstetrical care can significantly reduce risks for both mother and child. At Geneva Global, we've connected donors to locally based non-profits which provide these very services in Bihar, one of India's poorest states, lowering infant and maternal mortality rates, at a cost of about ten dollars per mother and child who benefitted.[11] Assuming an average cost of ten dollars per expecting mother,[12] the same one tenth of one percent of private US giving could potentially provide services to over 30 million women per year, measurably reducing infant and maternal mortality rates the world over.

Access to education and economic empowerment are levers which can help people to lift themselves out of poverty. Over 120 million children worldwide are currently not attending school and the majority of these children are girls.[13] At Geneva Global, we've worked with donors to identify exceptional, innovative education programs in some of the world's poorest regions. In West Africa, out-of-school children can attend a program that equips them to pass public school entrance exams so they can then enter the school system and continue their education. In Bangladesh, adolescent girls who were not able to attend school learn to read and write, benefit from life-saving health information, and are given vocational training, transforming their lives and changing community perceptions about the value of girls. In urban slums in many of the world's poorest communities public schools don't exist, or are of very poor quality. Here, low-cost private schools—embraced by the community's members as a preferred alternative to poor quality public schools—are providing children with a better education. Each of these programs can provide a child with all the benefits an education allows, at costs ranging from $55 to $200 per year per child who benefits.[14] Compare

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> "Private philanthropic efforts can be the catalyst for making the world a significantly better place for the next generation of the world's poorest residents."

> Research has shown that in developing countries, 90 cents of every dollar a female brings home goes directly to improving the standard of living for her family, compared to an average of 40 cents per dollar a male brings home.

that against the average of over $11,000 we spend per child per year on public education in the US,[15] and you could help as many as 200 children for the same investment.

Research has shown that in developing countries, 90 cents of every dollar a female brings home goes directly to improving the standard of living for her family, compared to an average of 40 cents per dollar a male brings home.[16] A model referred to as self-help groups is designed to increase the economic status of poor women across the world. In weekly meetings, groups of approximately 10 women gather to learn life-saving health information, to become literate, to gain marketable skills, and to contribute to and borrow small loans from a shared savings account. As these women, once trapped in poverty, are given the opportunity to borrow small micro-loans and become creative entrepreneurs in their own communities, the results are remarkable: increases in family income mean that school fees can be paid so that children can attend school; families can improve their diets, and afford basic health care—all of which significantly increase a family's well being. Establishing these programs can cost as little as $25 per women helped,[17] and the impact benefits the entire family. Investing one tenth of one percent of US private philanthropic giving into establishing self-help groups could benefit over 12 million women, giving them the tools needed to help raise their families out of poverty.

Consider International Giving

As the examples above illustrate, overseas charitable contributions allow each dollar to go further and achieve more. Giving that addresses the root causes of poverty, including access to safe water, treatment and prevention of disease, education, and economic empowerment, help equip the world's poor with the tools they need to make their own way out of poverty, creating a better future for themselves and their children. So why don't Americans dedicate more of their philanthropic dollars to overseas causes? Some don't give out of fear that their dollars will end up in the pockets of corrupt officials or worse, in the hands of terrorists. But today, these concerns should not prevent donors from engaging in international philanthropy. Stringent US government regulations on giving to overseas charities are designed to prevent charitable gifts from ending up in the wrong hands. Giving to well-established and respected US charities working overseas can reduce the risk of fraud or corruption. Working with an international philanthropic advisory service like Geneva Global can provide the same assurances and direct your money to carefully selected, locally-based organizations at a reduced overhead, ensuring that more of your money goes to those you want to help.

Already giving to international causes? Great! Consider increasing the percentage of your philanthropic portfolio dedicated to improving the plight of the world's poor and encourage others to do the same. Not yet giving internationally? Take the first step by dedicating a portion of your charitable giving to programs that allow people to lift themselves out of poverty. As we've seen, even a fractional increase in overseas giving can make a world of difference. And the return on investment might surprise you: the satisfaction of knowing that you are helping create a brighter future for people who just need an opportunity, which is exactly what your giving provides. ■

Doug Balfour
CEO, Geneva Global

For more than a decade Geneva Global has been applying an investment mindset to philanthropic giving, helping clients to identify, qualify, fund, monitor, and evaluate exceptional opportunities in international philanthropy.

[1] http://www.givingusa.org/press_releases/gusa/GivingReaches300billion.pdf

[2] http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf

[3] http://foundationcenter.org/gainknowledge/research/pdf/intlgmiv_highlights.pdf, p. 3

[4] http://foundationcenter.org/gainknowledge/research/pdf/intlgmiv_highlights.pdf, p. 2

[5] World Bank Development Indicators, 2008

[6] http://gnntdc.sabin.org/about-ntds

[7] http://globalnetwork.org/just50centsvideo. GNNTDC estimate 50 cents per person treated. To be conservative, we doubled that figure.

[8] From Professor Alan Fenwick's research, as director of Schistosomiasis Control Initiative, which is a founding collaborator of the Global Network, Neglected Tropical Disease Control (GNNTDC). $300 million would actually cover much more than 10 countries. Assuming costs of $1 per person treated, based on population at risk (see Excel document), for the following 10 countries: DR Congo(49.35 million), Tanzania(29.55), Kenya(27.68), Uganda(22.73), Ghana(17.18), Mozambique (15.68), Cameroon (13.58), Burkina Faso(10.73), Malawi (10.2), Niger (9.68) See Excel attachment, most populous countries highlighted in red and yellow.

[9] http://www.unicef.org/publications/files/SOWC_2009_Main__Report__03112009.pdf, p. 6

[10] http://hdrstats.undp.org/indicators/98.html

[11] Please see Geneva Global's 2008 Annual Report on East India Health Initiative. Average cost per life impacted in year 1 was $4.62. That figure was more than doubled to arrive at a conservative estimate for cost per mother and child impacted.

[12] As the language in the article indicates, this figure is an assumption. Assuming costs in other countries was equal to or less than double the cost per life impacted in the Geneva Global East India Health Initiative, cost per expectant mother would be below $10 per life impacted.

[13] http://www.unicef.org/media/media_21716.html

[14] Based on cost per life impacted for the following programs: 2008 Annual Report West Africa Children's Education Initiative Speed School Program ($150 per child impacted) and 2008 Annual Report on Bangladesh Education Shonglap program ($100 per girl impacted). Additional figures from Dr. James Tooley on private education for the poor (see The Beautiful Tree Education Fund document.)

[15] http://nces.ed.gov/programs/digest/d08/tables/dt08_181.asp

[16] http://beta.worldbank.org/climatechange/node/3700

[17] Based on cost per life impacted in Geneva Global's West Africa Women's Economic Empowerment Initiative (2008 Annual Report). Total costs for the first 2 years of the program were $1.567 million USD, with over 3,400 Self-Help Groups (SHGs) formed consisting of over 77,940 women; result is an average cost per woman impacted of just over $20.10. If you divide actual program costs dedicated to establishing and equipping SHGs by the number of women, costs would be as low as $15 per woman impacted.

Putting on a play at a Dynamo Camp

Paid to 'Give It All Away'—An Interview With Bob Forrester, President and CEO of Newman's Own Foundation

Before passing away, Paul Newman entrusted Bob Forrester with the responsibility of carrying on his legacy of giving away every penny earned from the Newman's Own, the food company that Paul Newman started.

BY SARAH MARDER

Dynamo Camp is located within a wildlife reserve in the hills outside of Pistoia, a remote area in northern Tuscany. With its 2200 acres of breathtaking, pristine nature, Dynamo is one of the eleven Hole in the Wall camps around the world, together with five in the United States plus one in France, Hungary, Ireland, Israel, and the UK. There are also special Hole in the Wall programs in Africa and Southeast Asia.

Each camp is specially equipped to host children suffering from life-threatening illnesses and offers therapeutic recreation programs that allow children to gain confidence, self-esteem and independence. Behind all the fun, the camp's programs are designed to enable the children to experience success and discover newfound strength

and courage to cope with their illness. Together the eleven camps around the world annually host over 17,000 children, free of charge, in their camp programs, and another 10,000 in the hospital outreach program.

Paul Newman founded the first Hole in the Wall Camp in Connecticut in 1988 and the international network of camps is a major piece of the late actor's philanthropic legacy.

Before his passing, Newman entrusted Bob Forrester, his long-time friend and adviser, with the responsibility of stewarding his philanthropic activity into the future. The man who now heads Newman's Owns Foundation has forty years of wide-ranging experience in international philanthropy and has played a part in countless humanitarian efforts, including aiding Nelson Mandela's bid to lead South Africa out of apartheid.

Forrester, based in Connecticut, had come to Dynamo at the end of August 2009 for a three day visit, to help an unprecedented group of campers settle in. On August 23, the children arriving at Dynamo, together with their parents and doctors, were from Iraq. The seeds of this visit were first planted in 2003, when Paul Newman expressed an interest in helping the Iraqi population.

Now it's your job to carry on Paul Newman's philanthropic legacy. How would you describe what he was trying to achieve?

First, it is important to understand that I view myself as a steward of Paul's philanthropic legacy. It's not about me or my wishes, it's all about nurturing Paul's legacy and staying true to his values.

Paul believed in sharing his good fortune with others in need and, in his own quiet way, used his influence and funds to advance many social causes. He was a real pioneer. The perfect example is Newman's Own, the food company he started. He insisted from the beginning on using only natural ingredients, which at the time was a maverick move. He also decided from the start "to give it all away", donating to charity every penny he ever earned from the company, making him a social entrepreneur before the term even existed. He created Newman's Own Foundation in 2005 to continue, when he was no longer around. Over the years, personally or through the Foundation, over $280 million has been distributed to thousands of charities around the world. As Paul was fond of saying, "that's a lot of salad dressing."

Paul Newman seems to have had strong views on many aspects of philanthropy. How do you convey these to colleagues and partners?

That's a good question, and Paul and I talked quite a bit about this. He wasn't one to sit down and write out his philosophy, although sometimes I wish he had. [laugh] While having very good legal documents is a must, transmitting a culture is best done through storytelling. Paul would tell stories to explain his thinking, and now I tell stories, often about Paul. We don't just make decisions, we also share the thinking behind them.

Basically, I want to ensure that Paul would approve of how people are thinking. He'd want them to be enjoying what they're doing, not taking themselves too seriously or making non-profits crawl on their hands and knees. Also he'd want them to take risks, not trying to box everything, while still being responsible.

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> "Philanthropic people of all cultures are very impressive; their actions embody the Greek roots of the word "philanthropy", which means "to benefit mankind". I believe it's in the DNA of our species."

Is working abroad riskier than working in the United States?

That depends on what country you're speaking about, but in general, the answer is yes, because in the United States there is a great deal of transparency required of our charities. While there can be special challenges, with the right people and attitude, these can often be overcome. We believe that making grants is very much like making investments, and we first look at the people involved. If we don't feel good about them, we don't go the next step. If we do, we then conduct a due diligence process to be certain the organization complies with the laws and policies governing our grant making. We are not making the charities "do it our way", simply being sure they will be good stewards of our funds.

Wouldn't most donors want more control than that?

Maybe. I think it's dangerous, though, to tell non-profits how to carry out their mission. People and organizations with experience in the trenches know what they're doing. Once we believe in them, we want to give them the fuel they need and interfere as little as possible while they're working. Afterwards, of course we'll ask for feedback, so we know the money is being used responsibly. This is as it relates to mission and program delivery. We are more engaged in a constructive way with business aspects for which our experience can be helpful, and usually is welcomed.

Does American philanthropy differ from that in other places?

Some people think Americans are more generous than other peoples. But people are philanthropic everywhere. It just gets expressed in culturally specific ways.

Philanthropic people of all cultures are very impressive; their actions embody the Greek roots of the word "philanthropy", which means "to benefit mankind". I believe it's in the DNA of our species.

People who start from that premise are humble, have fun doing what they're doing and do whatever is necessary to fulfil their plans. Although the work can be exhausting, it also fills up your tank with optimism.

Paul was that way, although if he were sitting here he'd roll his eyes at hearing me say this...

That said, America is unique in its philanthropy in that our society was founded on the basis of having a strong alternative to government... which is philanthropy and volunteerism. As a nation, we donate vastly more to charity in absolute terms and as a percentage of GDP.

Do you need a lot of money to be philanthropic?

We, as a culture, tend to think of philanthropy as big checks. We do need the big checks but leadership in giving should also be measured in relative terms, based upon what people have to give.

Our camp in Ireland is a perfect example of giving in relative terms. When we first set it up, Ireland was still the poorest country in Europe, so we needed to look for outside funding, a great deal of it from the States. That said, the local community offered tremendous support, in relative terms. Families donated a pair of Wellington boots or a blanket or whatever else they could spare. Taxi drivers wouldn't take a fare from someone going to the camp. These many acts of generosity demonstrated local support in concrete and poignant ways. As the camp got going, many major donors from Ireland itself began to come forward also.

If someone is considering a foray into international philanthropy, what advice would you give them?

While it's an oversimplification, you need an open mind to understand how things are done in that place. You can say how you'd do it, but you also need to ask how they'd do it.

You also need to know yourself. Some people need a lot of feedback and metrics. Others less. Some want to help children, others the impoverished, an endangered species or the environment. Some want to support the home country of their ancestors. Many want to support their local community. Most people do a mix. There's no right or wrong. It just depends upon what's right for that particular person. You also must listen to your own intuition and experience. If something appeals to you emotionally, but does not measure up on the business side—question it.

There are now many organizations in the States with strong experience in international philanthropy, and most, including ourselves, are happy to share that experience. Ask questions.

Americans tend to be quantitative and analytical. How does that translate in other cultures?

Being overly focused on numerical benchmarks sometimes causes donors to overlook worthwhile organizations. As an example, consider the percentage of money spent on fundraising efforts as an indicator of efficiency and they'd like to see it as low as 5%.

I see it differently; I view this activity as key to ensure an organization's long-term sustainability. When I see a number much lower than 15% of fundraising results dedicated to fundraising efforts, I begin to question that they might be under-investing now and exposing themselves to a future risk. Home and abroad, I suggest people use numbers as the starting point for a conversation, rather than judging by numbers alone.

The whole concept of summer camp seems rather American. Did the model need to be modified to work in other countries?

While not all countries have summer camps, a lot of aspects of the camps translate perfectly from country to country. Kids everywhere like to have fun. Paul really wanted these camps to give kids a break from the often grim existence of being hospitalized or under treatment, where they could escape the fear, pain and isolation of their conditions. Camp activities allow the kids to do things they never dreamt they could do. When, with our staff's help, a child reaches the top of a climbing wall or mounts a horse, he suddenly discovers unknown capabilities, and this increases self-confidence, energy and optimism. It works time and time again, like a little bit of magic.

Of course, camp is one thing, but sending a child to camp suffering from a life threatening condition is an entirely different challenge. In this regard, we depend greatly on the confidence of the medical community. We take great pride in our medical standards and safety.

And in economic terms, how do the camps work?

From the very beginning, Paul made a commitment to having children come free of charge, regardless of their ability to pay. Camp is about not having barriers, physical or psychological. If he'd let the wealthy pay, it would have created two populations.

His goal was that "no child should

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"Kids everywhere like to have fun. Paul really wanted these camps to give kids a break from the often grim existence of being hospitalized or under treatment, where they could escape the fear, pain and isolation of their conditions."

> "Luckily, once people get involved with the camps, they discover how much they receive from the kids and this generates a desire to support the camps."

be denied the opportunity". This has allowed us to expand over the years and involve other countries, including populations that might have been overlooked. Most recently we've involved kids not only from Iraq but also Vietnam, Cambodia and Africa.

This means, of course, that the camps rely totally on the generosity of donors and volunteers. Luckily, once people get involved with the camps, they discover how much they receive from the kids and this generates a desire to support the camps. I call this effect "spontaneous generosity", as opposed to "spontaneous combustion". Paul respected generosity in others and I do too.

Can you give me an example of how one of your camps has touched the life of a camper?

Gosh. There are so many it'd be hard to know which one to choose. I'll tell you the story of a girl named Francesca, who came here to Dynamo Camp. Francesca is suffering from cancer and when she first heard of Dynamo, she thought it was too good to be true. Could she actually go to a place for a whole week where there would be no hospital beds, no tubes, where she could go for a swim or on a climbing wall or on a horse?

Francesca's mother was, understandably, anxious about sending Francesca away for a week but decided to overcome her fears, seeing how Francesca's eyes lit up every time she heard the camp mentioned and also given the assurances she had received from Francesca's doctors.

While Francesca was at camp, her mother called every day and talked to the staff to get news on how she was faring. While every day the report was good, nothing prepared her for the Francesca she'd find once the week was over.

On the last day of camp, when her mother came to pick up her daughter, after the hugs and kisses, Francesca started showing her mother some of the new dances she had learned at camp. She did all the moves, including jumps up into the air. "You're jumping," her mother said, with big tears in her eyes, because she knew very well that Francesca had no longer been able to jump.

These are the little things that we might take for granted, but they're actually really big things, indicative of the changes that can take place inside these children in one short week. These kids leave our camps with new energy and strength to face their illnesses. That's important stuff. And it happens all around the world.

That's really touching. Thank you so much for sharing that with me.

Speaking of "all around the world", I understand that Dynamo is about to widen its geographic reach, by hosting a group of Iraqi children. That sounds like a real example of international philanthropy, surely complex to arrange…

You're right about that. The arrival of these children represents the fruition of six years of work across three continents, a true international effort.

It fits in with our "no child denied the opportunity." It's an opportunity for us, to touch other children's lives in a positive way.

Why and how did you get involved in Iraq?

The impetus was Paul's intuition. Back in 2003, when the US troops went into Iraq, Paul expressed concerns about the suffering of the Iraqi population and wondered if we could alleviate a little bit of it. We looked into it and discovered that Iraq's children had alarmingly high rates of cancer compared to the Western world, with horrendous mortality rates,

largely due to poor medical conditions. Then we knew we wanted to do something, if we could.

But you probably can't just roll into Iraq, saying you're there to help sick children...

You're right. It takes time. In a situation like this we look for ways to build partnerships. The mere process of asking questions creates some momentum and awareness.

Over time we connected with a number of partners, including King Abdullah and Queen Rania, who were terrific, the King Hussein Cancer Center in Amman, Jordan, managed by the National Cancer Institute and Project Hope. In partnership with them, we were able to bring more than 100 Iraqi children over for treatment. We've also brought Iraqi doctors and nurses there for training, to help restore medical standards directly in Iraq, which had fallen under Saddam Hussein's regime.

Why Dynamo?

For lots of reasons. Italy has wonderful children's hospitals, the climate is good, the distance the children had to travel was reasonable, and the Italian people are very welcoming. In this partnership, Dynamo offered the perfect location.

How are the children settling in?

I was a little concerned they'd be timid and also tired after their long travel. Yet they're the most active kids imaginable. They're out riding horses, running around the dining room...

I also just had a very moving talk with one of the medical doctors who said how beneficial it was for him to see the children having fun. He said you never see this in the hospitals, particularly in Iraq, where they have all these other problems. He'll go home seeing them as children rather than just patients. It'll change the way he interacts with them. And it works the same way everywhere.

Was it difficult to get the Iraqi children here?

There were more difficulties than I could name. Just to mention one, until several days before their arrival was due, they hadn't received their visas, and about 10 children didn't even have passports. The leadership of Dynamo in Italy got on the phone, and their Embassy in Baghdad expedited the process. Wonderful things can happen when people care about children.

It sounds like you've taken some big risks with this project.

To some degree. We want to take some risk, though. Otherwise there all sorts of things we'd never do, just because the apparent risks are too great. As with the visas, the risks can often be overcome, even against great odds.

Paul Newman was an incredible risk-taker. If he could see these children who have arrived here today, he'd be thrilled. You know what? So am I. ■

Sarah Marder is a consultant and project manager for matters of social importance. She lives in Milan, Italy, with her husband and four children.

Addis Ababa, Ethiopia, Mother Theresa Clinic, Dr. Rick Hodes examines a pediatric spinal patient

A World Without Borders: A New Global Service Movement

With more and more young Americans seeking out volunteer opportunities around the world, there is a growing trend toward service—and there is increasing excitement among philanthropists and institutions to perpetuate it.

BY NAOMI L. SAGE

Over the past five years, I've led over 400 young Americans on service projects in countries ranging from Argentina to Kazakhstan, Israel to Rwanda. I have watched these young people transform, returning home with new knowledge and commitments, and acting on those commitments through ongoing service and activism. As a professional at the largest Jewish humanitarian aid organization in the world (the American Jewish Joint Distribution Committee–JDC), I can tell you—I have seen the impact first-hand.

Yet what I am seeing is not unique to the Jewish community, or to other faith-based communities. With more and more young Americans seeking out volunteer

opportunities around the world, there is a growing trend toward service—and there is increasing excitement among philanthropists and institutions to perpetuate it. But numbers and increases aren't the only thing worth taking note of. So what is it about service that really merits our attention—and even more—our support?

At its core, philanthropy is largely about investing in change, and support for volunteer service can amplify the investment and assemble an army of change-makers. We can see the evidence of such 'change' in our own history. Service has always been central to America's values and driven by key moments that have led to surges in American volunteerism.

The first national service initiative was created in the 1930's with the establishment of the Civilian Conservation Corps, or President Franklin D. Roosevelt's "army enlisted against nature," which engaged two and a half million men in rural conservation work. American volunteerism grew with the establishment of the Peace Corps in 1961, and gained additional momentum in the early 1990's, when Congress passed the National and Community Service Trust Act, leading to the creation of AmeriCorps, a network of national service programs.[1]

Today, we face another of those moments. According to a recent study, 61% of "millennials"—the generation born between 1980 and 2000—feel responsible for making a difference in the world.[2] Over the past several years, young Americans have also shown unprecedented interest in service. Last year, the Peace Corps received three applications for every available position; 35,000 applied for only 4,000 Teach for America positions;[3] and AmeriCorps applications tripled.[4]

Alternative Break programs for university students, or "volunteer vacations," are growing, with Break Away, an organization that trains and helps colleges promote these programs, reporting an 11% increase in participation between 2008 and 2009.[5]

Many have posited reasons for this growing sense of responsibility, among them: the horrors of 9/11 and Hurricane Katrina, the "Obama effect," and the recession.[6] In addition, this generation is searching for meaning. For an intensely individualistic demographic driven by the instant gratification of Facebook, unparalleled access to education, wealth, and the world, hands-on service is uniquely compelling. For young Americans, who are searching for connection and purpose, "hands on" service offers a chance to engage personally with communities and challenges around the world, seeing and feeling the impact of their efforts almost instantaneously. Further, for a demographic largely unable to contribute financially to the causes they care about, service presents an opportunity for meaningful action.

Clearly, the desire to serve is there and those with the power to harness that desire are also increasing opportunities to do so. President Obama is hoping to accomplish this with the Serve America Act, which, among other things, proposes to expand AmeriCorps from 75,000 to 250,000 in less than a decade. Private investors and institutions are also taking up the cause. For example, the Duke University Endowment and the Bill and Melinda Gates Foundation recently contributed $15 million each

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"At its core, philanthropy is largely about investing in change, and support for volunteer service can amplify the investment and assemble an army of change-makers."

> But beyond the numbers, something much more personal has increased civic engagement and global activism. Namely, the power of identity. While young people are searching for meaning in their lives, philanthropists and institutions are also thinking much longer term.

to endow DukeEngage, a program that will provide financial aid to Duke University students who wish to pursue service around the world.[7]

In the Jewish community, too, we see trends toward service, both in local community life and around the world. While the obligation to repair the world has always held an important place within Jewish tradition, young American Jews are increasingly looking to service as a central expression of Jewish identity. Where in 2001, there were 14 Jewish service programs, by 2006, there were 62 Jewish service programs with participant numbers increasing an average of 21% per year.[8]

This remarkable growth has captured the attention of American Jewish leaders. In an unprecedented step, several of the country's largest Jewish foundations and organizations recently came together to found Repair the World, a national platform, which according to its director Jon Rosenberg, will seek "to make service a normative part of Jewish identity and to support excellence and growth among the programs that engage Jews in service."

So, if the interest and support for service continues to grow in numbers, what is the deeper value of these programs making it worthy of our investment?

For one, service not only has lasting impact on those served, it has the potential to stir a new generation of active citizens. Research has shown that service increases participants' sense of social responsibility, connection to community, and understanding of issues and challenges facing populations served. It also increases civic engagement, with volunteers proving more likely to vote, voicing their views publicly, and participating in community organizations. Additionally, it encourages their belief in effecting change and, in turn, a pursuit of future service and activism, including service-oriented careers.[9]

I have seen these trends play out in each young person I have encountered through my experience. Take Joy Sisisky, who spent a year with JDC's Ralph I. Goldman Fellowship in International Jewish Service. Joy addressed two very different sets of needs in Ethiopia and Ukraine and broadened her outlook and understanding of international development issues.

"Ethiopia changed my picture of the real world," Joy shares. "So did Ukraine. Elderly Jews who are forced to choose between food and medicine and street children who bathe in the gutter are now such an overwhelming part of my consciousness, I will never look at things in the same way again." Joy now directs a Jewish women's foundation, and explains that the fellowship not only "changed my personal outlook on life," but "served as a hands-on professional development opportunity." And her experience was not one-sided; while in Ukraine, Joy implemented the country's first-ever volunteer resource center and website to grow infrastructure to build a national system of volunteering. In a place that lacks a culture of philanthropy and volunteerism as a result of Soviet rule, Joy was an invaluable resource. Communities around the world benefit from the skills, resources, and exchange of ideas that young volunteers can bring.

Another example is Erin Taylor, a Tufts University undergraduate who spent 10 days this past summer working with orphans of genocide at the JDC-created Agahozo-Shalom Youth Village (ASYV) in Rwanda. She reflected: "because of some of the conversations we had on our

trip, I've been thinking a lot about my responsibility. What eventually came to my mind were Rabbi Hillel's three famous questions, 'If I am not for myself, who will be for me? If I am only for myself, who am I? If not now, when?'" Erin and her peers went on to pledge to raise $18,000 for ASYV, and have now raised 85% of this through letters to friends and family and a large scale Race for Rwanda fundraiser, which took place in early November.

But beyond the numbers, something much more personal has increased civic engagement and global activism. Namely, the power of identity. While young people are searching for meaning in their lives, philanthropists and institutions are also thinking much longer term. While they no doubt are believers in the immediate change young volunteers can bring to the world around them, they are also seeking avenues to perpetuate the values and ideals that they hold dear. The growth in support of service, and the increase in interest among potential volunteers, is in part spurred by the impact of service on identity. Identity-driven communities within America — whether faith-based, cause-oriented, or other—are not only seeing a change in their constituents, they are also finding that service, when done in connection with a particular community, deepens participants' sense of place and commitment to that community.

Research within the Jewish community, for example, has shown that volunteerism through Jewish organizations leads to an increase in Jewish observance.[10] For identity-driven communities, service presents an opportunity to increase affiliation, spurring the kind of change they want to see within their community, while at the same time, perpetuating the change they want to see in the world.

For philanthropists, who care about the future of both the communities with which they identify as well as the causes they hold dear, growing a culture of service presents an opportunity to engage a next generation of philanthropists, leaders, and activists who by engaging communities around the globe can come home refreshed and ready to tackle the challenges they face in their own backyard. ■

Naomi L. Sage is the Senior Program Director for Next Generation and Service Initiatives at the American Jewish Joint Distribution Committee (JDC).

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Clinica del Pie Roberto Mejia in Managua, Nicaragua

From Microfinance to Social Venture Capital—What a Foot Care Clinic in Managua Teaches Us About Fighting Global Poverty

Small business owners, who hold the key to creating quality jobs, products and services that help the poor, find it difficult to raise capital from conventional, marked-based sources of funding

BY BEN POWELL

Like most Nicaraguans, Roberto Mejía and his wife Zayda Rivas come from very humble beginnings. By the time they were adults they had five children and the responsibility of caring for Roberto's aging mother. For a time they survived by selling bread on the streets of Managua living hand to mouth. Today, they have created an entire cottage industry that continues to thrive.

Their transformation has as much to do with Roberto's fierce drive to succeed as it does with a powerful new, entrepreneur-driven strategy to fight global poverty that is being supported by some of the world's most innovative foundations.

In 1995 Roberto Mejia caught a break that changed his life—an entry-level job in a Dr. Scholl's foot

care clinic. Soon after he started, the company sent him to Mexico for an advanced training program. Upon returning to Nicaragua and honoring his five-year commitment, he resolved to launch his own clinic. In a cycle that repeats itself every day, he couldn't find a bank that would give him a loan. So he turned to his family, and his brothers, living in the U.S., lent him $2,000.

Five years later, his clinic had three locations in Managua, eleven chairs (retrofitted ingeniously from seats from abandoned trucks), 12 workers, about $75,000 in revenue, and a lot of uncertainty. The clinic was a modest success—but he was one of the millions of small businesses across the planet that needs both investment and good business strategy in order to survive and grow.

In 2007 Roberto knew he needed more cash, but he was still too risky a loan for any bank. He had become part of the "missing middle" a group of small business entrepreneurs too big for microfinance but too small for traditional banks. Even though small businesses are the key drivers of job growth and local competition, conventional aid and market-based sources of investment dry up when it comes to the Roberto Mejias of the world. Representing neither the poorest of the poor, nor the local business elite, Roberto is caught in a development blind spot. This blind spot impacts millions of ambitious entrepreneurs in poor countries who, facing an unforgiving entrepreneurial climate and extreme difficulty in raising capital, fail to reach their entrepreneurial potential. The squandering of human potential and absence of socio-economic mobility is a major reason why poor countries remain poor. Roberto's story, as we will see later, shows what can happen when strategies are put in place to unleash the full energy of entrepreneurs to improve their communities, even in the poorest countries.

The central insight of microcredit—that the poor are bankable—has improved the lives of millions of people across the globe, all because a few visionaries started experimenting with tiny loans. It is now time to extend this powerful insight from informal microenterprises to men and women operating small businesses in the formal economy. It is here, in the formal economy, where immense potential lies to create quality jobs, products and services that help the poor, and a new entrepreneurial middle class that can help spur economic growth, rebuild civil society and protect democratic capitalism. The challenge, of course, is how, and the answer is not yet fully known.

A New Global Strategy to Fight Poverty

The good news is that we are living in an era of unprecedented experimentation and innovation. Governments, and mission-driven organizations alike are blending development assistance with market-based strategies to solve social problems. Over the last ten years, scores of new organizations have been launched to provide entrepreneurs with the training, mentoring, consulting, community building, and capital that is central to this approach to development.

Seeing a new opportunity to use finance to address the world's pressing challenges, many of the world's most respected foundations have banded together to create a coherent global industry dedicated to supporting socially useful small businesses across the world.

Focusing primarily on large investors,

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"The central insight of microcredit—that the poor are bankable—has **improved the lives of millions of people across the globe,** all because a few visionaries started experimenting with tiny loans."

From Microfinance to Social Venture Capital

> "What is truly transformative about the success of Clinica del Pie Roberto Mejia's is its **broader impact on the community** and the example it provides to other entrepreneurs who are hungry to make an impact, despite the odds experimenting with tiny loans."

the Global Impact Investment Network, an initiative launched by the Rockefeller Foundation, is seeking to create the transparency, trust, and shared metrics that can drive billions of dollars into investments with clear social and environmental impact. This initiative is centered on large pools of investment capital that are looking for the social impact equivalent of a Leadership In Energy and Environmental Design (LEED) certification for their investments.

Targeting intermediaries and smaller funds, the Aspen Network of Development Entrepreneurs (ANDE) is a newly formed association which in less than a year has attracted over 75 diverse members from across the globe. All work to help enterprises fight poverty, protect the environment, and create wealth. The goal of ANDE is to bring more capital, talent, and knowledge into this emerging field and to make the case for the entire sector, again following the playbook of microfinance.

Many of the organizations within ANDE are focused on solving social problems, but have decided they can accomplish their mission best through markets, often in the form of social investment funds strategically partnered or integrated with non-profits. Root Capital, a leader in the industry, provides trade finance to allow cashew farmers in Mozambique and coffee growers in Guatemala the chance to sell their products reliably, and at higher prices. E+Co fights climate change by investing in small alternative energy companies in the developing world. Agora Partnerships and its affiliated fund focus on small businesses in Central America.

All of the organizations previously mentioned benefit from high engagement philanthropy from sophisticated foundations and individuals who believe professional, innovative non-profit intermediaries are needed to meet the demand of small businesses and support the missing middle.

To see how these organizations work in practice, let's return to Roberto Mejia. It's 2007 and he needs a loan to modernize his business and can't get one. He also needs basic strategy consulting—pricing, marketing, accounting, leadership. From a bank's perspective, Roberto is too risky, has no business assets, and requires too much work for too little gain. For microfinance institutions, Roberto needs over 75 times the average microfinance loan in Nicaragua. Paying for a management consultant is far too expensive and not a common business practice in Nicaragua. The business is stuck, even though the quality of Roberto's service far surpasses the competition.

Through a friend, Roberto learned about the work of Agora Partnerships and sought a loan. Agora's local team recommended an investment from an affiliated social venture capital fund designed to invest equity and long-term debt into small companies that can generate economic and social returns. The fund approved an investment of $35,000 into the company as a loan with quasi-equity—a percentage of royalties on sales. This investment was a business transaction—not charity—designed with the idea of helping Roberto's business create impact in its community while generating a return.

What happened next represents the impact of the social venture capital model, when it succeeds.

Working intensely with local Agora staff, Roberto raised prices (underpricing is a common mistake made by small service businesses), invested in infrastructure, brought in a new accountant, and learned new management techniques like empowering his employees to offer suggestions on how to improve the business. As profits improved, he wondered if the time was right to start selling franchises. Agora connected him with a volunteer consulting team of MBA students from Duke's Fuqua School of Business. Through a structured consulting engagement, they performed an in-depth analysis and recommended against it—helping to keep him focused and improving internal processes. With help from Agora, Roberto got the chance to talk about his experience as an entrepreneur on TV and to present a case study to students at INCAE business school, one of the top business schools in Latin America.

Two years after obtaining the investment, and despite the global economic crisis, sales have nearly tripled at Clinica del Pie Roberto Mejia, as have the taxes he pays to the government. The company has gone from 12 employees to 25. His treatment chairs are now state of the art, and he is thinking about expanding to Panama and Costa Rica.

Having learned from Agora the benefits of equity financing, Roberto sold a small part of the company to a local investor, enabling him to further capitalize the business and buy a house for his extended family.

But that is only the beginning.

Social Impact

What is truly transformative about the success of Clinica del Pie Roberto Mejia's is its broader impact on the community and the example it provides to other entrepreneurs who are hungry to make an impact, despite the odds.

In 2007, there were only four small foot clinics in Managua, now there are ten. Most of the new clinic owners are former employees of Roberto—taking a risk to start their own ventures just like Roberto himself had done, bringing more competition to the market, and keeping him on his toes. Though the scale may still be small, it is not an exaggeration to say the clinic has created a whole new cottage industry that continues to grow.

The clinic provides a critical health service to nearly 2,000 customers, 80% of whom have foot troubles that require medical treatment. Roberto sees his role as a community and business leader, and he and his staff volunteer their time providing treatment at local orphanages, community health centers, and the women's penitentiary outside of Managua.

Of course, not all partnerships with small businesses in poor countries succeed—this kind of work is risky and fraught with all sorts of challenges, which development funders should not shy away from. The creative construction, innovation, and risk-taking now taking place in the global development industry is a healthy sign for an industry that desperately needs new approaches—and fast.

The lessons of the microfinance industry tell us that there is an opportunity to use strategic investing and targeted subsidies to make local markets work better and bring more competition to static, uncompetitive markets. Now, as new organizations take these lessons and apply them to small businesses, there is a real chance to help create a new generation of entrepreneurial leaders committed to solving social problems through business—and with the support and investment to actually pull it off. This generation ultimately may prove the decisive force in how the world responds to the threats of severe poverty, climate change, and radical extremism.

As Roberto Mejia says, "If there is one thing all the donors should do to fight poverty and help poor countries like mine it is to support small business entrepreneurs. That is the single best way to fight poverty and move ahead." ■

Ben Powell is Co-Founder and Managing Partner of Agora Partnerships. Agora Partnerships is a nonprofit, social mission organization dedicated to providing talented entrepreneurs in developing countries with the tools, networks and financing necessary to launch successful, socially responsible businesses.

Realizing the Full Promise of Microfinance—a Call to Action

While the vast majority of microfinance clients are women, microfinance has yet to fulfill its promise of giving women an equal opportunity to earn income and improve their well-being and that of their families.

BY SARITA GUPTA

In many parts of the developing world, being female is synonymous with being poor. As with clean water, education and food, a lack of access to basic financial services is a fundamental barrier to improving a household's livelihood and providing a better future for one's children. Approximately a billion people are 'unbankable' in the eyes of the formal banking system because they lack collateral and regular paychecks, or live in remote areas.

Microfinance, which began some 30 years ago as a not-for-profit movement, was the innovation that figured out how to lend to the poor. By many measures it has been successful: 155 million poor[1] being served by an estimated 10,000 providers with a loan portfolio of well over $35 billion. Since the vast majority of microfinance clients are women, it has also been lauded for increasing women's economic and social power.[2]

But there is no room for complacency. These women, even with newfound access to basic financial services, often still struggle to have a voice in the family's financial decision making. In many societies, women have access to microloans but have limited say in how the loan or its income is used. Everywhere, women's businesses have bigger barriers to growth than men's, not the least of which are women's lower education and skill levels.[3]

Donors should care about this issue because of microfinance's dual mission: providing financial access to the unbanked, as well as being an effective means for women's empowerment. To a large extent, microfinance is well on its way to reaching the billion unbanked due to the ready availability of commercial monies and new technologies that will increase operational efficiency. But it has yet to fulfill its promise of giving women an equal opportunity to earn income and improve their well-being and that of their families.

This article considers what steps—however small—donors and microfinance organizations can take to ensure that women are truly benefiting from microfinance.

The Challenge

Microfinance has targeted poor women because, for a host of reasons, women make better clients than men: they bow

more to the peer pressure of paying back the loan, are less mobile and more risk-averse. The international donor community encouraged the focus on women because ample studies showed that when they earn, they are more likely to invest in their families' well-being. Today millions of women are receiving small loans, usually under $200, and buying basic income-generating apparatuses: a sewing machine, a cow, beauty or food preparation equipment. They are using the proceeds to educate their children, improve their homes, save, and pay for health care.

But despite this success, it seems that women are not necessarily gaining more control over their finances, financial decision-making and assets. Take rural communities, where the vast majority of the world's poor reside. Men traditionally raise cash crops, so they are targeted by the limited number of providers who offer agricultural lending. Women bear significant responsibility for producing food for their families' consumption but are usually overlooked as potential borrowers. Land and land titles are for the large part passed down to men from their fathers. The stark fact is that worldwide, women produce 50% of the food and own 1% of the farmland.[4]

Cultural and social mindsets are difficult to change and will require a concerted effort from a host of players, including educators, policy makers, religious leaders and civil society organizations. But microfinance can play an immediate role in improving women's economic participation and power. For example, some providers are adding the wife's name to the land title when the couple applies for a loan. Others simply stop asking for land titles as a guarantee for a loan in cultures where virtually no women have access to land titles. Without an alternative, most married women must obtain their husbands' approval to use his property as a guarantee, preventing them from making independent decisions regarding access to financing and further legitimizing the husband's right to use the loan for his purposes. Providers can also be more innovative: some in sub-Saharan countries allow women to build up savings as a form of collateral, as this is the easiest form for women to provide.

Even when a woman is able to obtain a loan, her income-generating activity might not result in a sustainable business. When a poor household faces an unexpected financial event, it is usually the woman who retreats from profitable projects, bears excessive risk and de-capitalizes her business. Microfinance can also address the barriers to sustainable business growth that women face primarily because of their gender.

Barriers Affecting Growth of Women's Businesses

Women's World Banking is a global network of 40 microfinance providers, diverse in their size and structure but united in their belief that global poverty can be best addressed by focusing on poor women entrepreneurs. In the 28 countries in which Women's World Banking operates, most women borrowers are crowded into low value-added, highly competitive sub-sectors of the economy. We similarly observe that women's economic activities are generally located inside the family home, and because the market is limited to the neighbors, sales are

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"Cultural and social mindsets are difficult to change and will require a concerted effort from a host of players, including educators, policy makers, religious leaders and civil society organizations."

> "Another practical step to improve the impact of microfinance on women would be to reduce the double burden they face in managing a household and business."

mainly on credit as opposed to cash. Entry barriers are low and revenues tend to be seasonal in nature, which is one reason why women diversify into three or four activities instead of growing just one. Typical activities include petty trade, sewn goods manufacture, beauty and food preparation. Contrast this to men's businesses, which are typically located outside the home, sell on cash to the general public with revenues consistent throughout the year, and are larger and better financed.

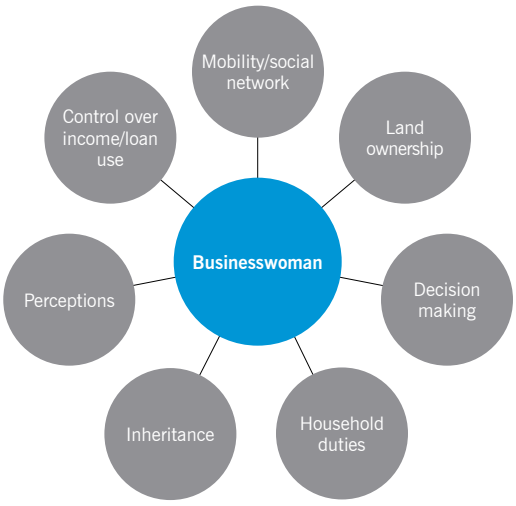
WWB's original research in six countries shows that women face a number of barriers affecting their ability to not only manage their loans, but also have control over the income generated from their businesses. The severity of these barriers varies significantly across income levels, regions (urban and rural), and countries, and is influenced heavily by cultural, religious, and legislative contexts. These barriers are represented in the schemata below.

The Case for a More Gender-Responsive Microfinance Sector

Many microfinance providers are now well run, credible, profitable, commercial and sustainable. Some have migrated from being not-for-profits to becoming regulated financial entities. A few have IPO'd and returned profits to their investors. Yet their products are largely interchangeable and generic with little or no gender sensitivity—even when their clients are primarily women. Most providers lack even basic knowledge about the nature of women's businesses and the best ways to provide financial services to support them. They expressly want to reach more women clients but their outreach strategies are essentially gender blind.

WWB works with its network members to customize their products to suit local market dynamics, and more importantly, to enhance women's access to their products and services.

FACTORS AFFECTING THE GROWTH OF WOMEN'S BUSINESSES



Women's World Banking 2009

For example:

- Women are the savers in poor households. WWB's research shows that when considering a savings account, women value confidentiality over the interest paid because of the pressure they face from husbands and family members to use the savings for a household emergency. These data can give a provider an edge in attracting more women clients.
- Women face huge time constraints, so a provider that reduces transaction time as well as costs will fare better in a competitive market.
- Women generally have lower literacy rates, so simplifying application forms and offering financial literacy go a long way in building a loyal customer base.

Another practical step to improve the impact of microfinance on women would be to reduce the double burden they face in managing a household and business. Women generally continue to be responsible for all the domestic work even as they are increasingly responsible for generating some, if not all, of the household income. As a result, the majority of women have expanded their workdays. At the same time, not only have men failed to take on household duties, but many women report that men have reduced their financial contribution as women have increased theirs.

Several microfinance providers have begun to offer innovative ways to reduce women's drudgery. For example, an Indian microfinance provider negotiated with a manufacturer of gas stoves and a gas connection company to halve their prices in exchange for a large number of new clients. The provider then offered loans to its clients to secure this service. 70,000 women signed up within six months, saving themselves the three hours a day it took to collect fuel.

Role of Donors in Supporting Gender-Responsive Microfinance

Microfinance began as a not-for-profit movement supported largely by donor funds. It has now become a commercially viable sector and, some would argue, an asset class. Even as the need diminishes for donated funds as lending capital, there is a continuing critical role for donors to play in funding innovation, advocacy and life skills. Donors can go where investors fear to tread:

- Promote product innovation so that the poor have access to savings, insurance and pension products in addition to credit;
- Advocate for legislation that both protects depositors and makes it easier to reach the 'unbanked';
- Invest in social marketing campaigns that change societal perceptions about women's roles and abilities;
- Encourage business development and financial literacy for women.

Conclusion

Microfinance is delivering on one-half of its promise, that of helping more poor people access basic financial services. It now needs to focus on the other half, improving the lives of poor women. The stark fact remains: women around the world are denied access to economic assets, power and participation in much greater numbers than men. Microfinance has already proven that modest changes in an individual's economic status can have profound—and rapid—impact on a family's well-being. It can be an even stronger poverty alleviation tool by becoming more responsive to women's financial access and the educational and social barriers that impede such access. Investing in women leads to transformed lives, not just for themselves but for generations to come. ■

Sarita Gupta is the Vice President for Global Resources and Communications for Women's World Banking. WWB seeks to alleviate global poverty by expanding the economic assets, participation and power of the poor, especially women. WWB is a global network of 40 microfinance institutions, working in 28 countries to bring financial services and information to poor entrepreneurs. The network serves 20 million micro-entrepreneurs, over 70% of whom are women.

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Ensuring Accountability in Overseas Philanthropy

Practical steps and tools that can help you confirm that overseas nonprofits are using their philanthropic dollars wisely and effectively.

BY DAVID ROTH

Accountability, transparency, due diligence, monitoring, effectiveness, measuring impact, and substantiating results are terms that have become increasingly prominent in the philanthropic world.

In the past, donors were content to entrust community leaders to allocate their charitable dollars, or were happy to contribute directly to a nonprofit organization without expectation of anything in return.

Increasingly, donors want to know that their philanthropic dollars are being put to good use; that funds are being used for their intended purpose; that financial resources and programs are being managed efficiently and effectively; that programs are evaluated with appropriate measurement tools; and that participant outcomes are indeed being met, thereby demonstrating that the organization is fulfilling its social and charitable mission.

When supporting a local agency, donors are generally capable of utilizing a number of means to carry out due diligence, monitoring, accountability, and to substantiate results. Their proximity makes it easier to request proposals and reports, go on site visits, speak with key stakeholders, review existing evaluation reports, hire philanthropic consultants, and more.

Such efforts are inherently more complex when funding a project overseas. Following are two main challenges:

Legal[1]—individual donors who wish to contribute to a project overseas may be eligible for an income tax deduction if the organization meets the definition of a "qualified organization" under section 170(c) of the Internal Revenue Code.[2]

Foundations and other grant-making organizations who wish to make a philanthropic investment to a project overseas can either grant the funds to a U.S. public charity whose mission includes funding and/or operating programs overseas, e.g. "American Friends Of" organizations[3]; or, directly fund the overseas entity by either exercising expenditure responsibility or carrying out an equivalency determination.

The USA PATRIOT ACT of 2001 is another factor to weigh when funding overseas. Regardless of the method, however, the primary criterion is that funds must be used exclusively for charitable purposes, and documentation must exist to demonstrate this to the U.S. government.

Cultural—despite the effects of globalization, cultural differences continue to exist between the United States and the rest of the world. If this is true with regard to English-speaking and other western countries like the UK and France how much more so with regard to developing countries in Africa, Asia and the Middle East?

These differences include language, social norms and customs, religion, currencies, political systems, methods of doing business and banking, as well as other local laws and regulations. In addition, the physical distance between the United States and much of the world makes it much harder to pop by for a visit to the funded program. Finally, the relationship of government to the philanthropic/nonprofit sector can greatly affect the success and sustainability of a project.

How can U.S. funders monitor the projects they are funding overseas? How can they confirm that the overseas nonprofits are using their philanthropic dollars wisely and

effectively? How can they ensure accountability and substantiate results? How do they know if the organization is making a difference?

Following are several practical steps and tools to help you fund overseas:

Focus—strategic philanthropists concentrate their funding efforts so that they can maximize the use of their charitable dollars. The same applies to overseas funding. Unless you plan on contributing to a centralized U.S.-based agency that operates and/or funds projects throughout the world, focus on a particular country or region. Trying to "do it all" by scattering your funding around the world will prove costly and time consuming, and is usually not effective.

Learn—funders of overseas projects should make an effort and take the time to learn about the country's history, culture, politics, laws, customs, how things work, funding opportunities and needs. Misunderstandings, frustration and outright antagonism can prevail when cultural issues are not properly put on the table and addressed—preferably prior to making a philanthropic investment.

Partner—you are probably not the only one funding in the overseas country or region. Find out which other U.S. foundations and philanthropists are already operating in the region, and explore ways to leverage your funding and gain from their expertise. Partnering and collaborating reduce the need to reinvent the wheel and allow you to learn from the mistakes of others.

Visit—go in person to visit the country as part of your efforts to develop an overseas grant-making program. Make an effort to come back and visit on a regular basis to monitor the project, enjoy the fruits of your labors, and cultivate your relationship with local nonprofit leaders and stakeholders. Try not to rely solely on information provided by the organization, such as written reports, photographs and videos.

Philanthropic consultants—to maximize the impact of your overseas funding, ensure that your dollars were put to good use, and that the program is achieving the desired results, hire on-site philanthropic consultants in the overseas country. As your representative, consultants are loyal to you and oversee your interest.

Look for consultants who can bridge the cultural divide between the U.S. and the other country. Seek out consultants who have professional training and experience in philanthropy and nonprofits. Ideally, locate consultants who are bi-cultural and bi-lingual; e.g. Americans now residing overseas.

Philanthropy is a gift that enables us to use our financial resources for the wellbeing of others. Overseas philanthropy provides us with additional opportunities to improve the world, known in Hebrew as *tikkun olam*. Our resources can be used to affect social change, address environmental issues, humanitarian needs, and much more. Yet, overseas philanthropy comes with its own unique set of legal and cultural challenges. Fortunately, these can be met when we focus our efforts, partner with others, learn about and visit the country, and utilize philanthropic consultants. Donors and other funders should be encouraged to continue to engage in overseas philanthropic efforts. ■

The author is a philanthropic consultant based in Jerusalem, Israel.

[1] The information is provided for the purpose of this article, and should not be construed as legal advice. For more information on overseas philanthropy check with the Council on Foundations (www.cof.org) and other national organizations.

[2] Section 170 (c) of the Internal Revenue Code

[3] The author wrote an M.A. thesis on the topic of "American Friends Organizations of Israeli Nonprofits". To obtain a copy, please e-mail him at dtroth@netvision.net.il.

Global Water, Health and Philanthropy

Promoting safe drinking water and sanitation are not only cornerstones of public health, but research indicates may result in more girls going to school, more social entrepreneurs owning viable businesses and more progress in alleviating the poverty endured by millions of people.

BY JOHN OLDFIELD

A woman from a small village in India recently approached a nonprofit leader to thank him for helping to provide her community with a borewell and handpump for safe drinking water. She told him proudly: "Now I feel like a woman," meaning that she no longer had to bear the burden of hauling buckets of water up from a deep hand-dug rope well. Equally importantly for the woman, her palms were no longer callused from pulling the rope and she felt feminine and dignified.

It is widely recognized that safe drinking water and sanitation are the cornerstones of public health, human dignity, and global sustainable development. In fact, the British Medical Journal released a poll of its readers in 2007 that found that sanitation is the "greatest medical milestone since 1840," ahead of antibiotics, anesthesia and vaccines.[1]

Safe water and sanitation also contribute positively to other development challenges beyond public health, including environmental conservation, nutrition/food security, children's education, gender equality, and economic development. The task is daunting, with almost one billion people around the developing world without safe drinking water, and over 2.5 billion without toilets. How can private foundations expect to have a positive, meaningful impact?

Ultimate responsibility for meeting the water and sanitation needs of these communities rests squarely in the hands of their governments. However, the international donor community, led by private foundations, is playing a vital catalytic role in this challenge. Private foundations and philanthropists are financing creative, strategic partnerships with each other, and with corporations, civic groups, and US and foreign governments to help communities meet safe drinking water and sanitation needs. The best such efforts result in more than just boreholes, toilets, and handwashing with soap, all immensely valuable by themselves. The best efforts also result in more girl children in school, more social entrepreneurs with viable businesses, more engaged and responsible local governments, and more progress with poverty alleviation for millions of people. For each $1 invested in safe drinking water initiatives in developing countries, the Return on Investment (ROI) ranges from$3 to $34.[2] Most of this return comes in time and costs savings from

not being sick (or not having to take care of sick children), and from actually being able to work. The equivalent ROI of $1 invested in basic sanitation is approximately $9.2.[3]

The ROI to the international donor—individual, foundation, corporation or otherwise—can be determined in a number of ways:

- Process measures, e.g. counting noses (# of people provided with water and sanitation)
- Health outputs, e.g. less diarrheal disease mortality and morbidity
- Broader output measures, e.g., less malnutrition
- classrooms full of children, particularly girls
- women leading village water committees and having their first opportunity to participate in civil society
- families using excess water to grow backyard banana crops and add significantly to their annual income
- less burdened healthcare infrastructures, because the rates of severe diarrheal disease have decreased.

To see what this really looks like on the ground, I first encourage readers to visit in person a water and sanitation program in a developing country. I am less concerned that you see the gravity of the problem, and more concerned that you see the solutions underway, and the catalytic multiplier effects water and sanitation have on a community. [There are many organizations in the sector which organize donor tours.] I am confident that you will come back not only with an understanding of how solvable the water challenge is, but of the complementary/multiplier effects those solutions can have on your current development priorities in global health, education, girls' empowerment, poverty alleviation, social entrepreneurship, environmental conservation or other.

The solutions you will see include in many cases relatively simple interventions:

- borewells with handpumps,
- rooftop rainwater harvesting systems,
- simple but effective pit latrines,
- teachers passing out bars of soap and showing their students how to properly wash their hands.

Point-of-use water purification solutions are also popular, as are microfinance and water programs, and community-led total sanitation campaigns aiming to reduce open defecation.

I penned a more extensive piece on this topic for the Woodrow Wilson International Center for Scholars titled Community-Based Approaches to Water and Sanitation: A Survey of Best, Worst and Emerging Practices. Although I continue to question my use of the term 'best practices' because every solution must be different and appropriate to the local context, there are lessons to be learned from the more successful and sustainable water and sanitation initiatives:

Sustainability: Water programs need to be designed and implemented in a fashion that is sustainable technically, financially and socio-culturally:

Technically, the community must understand how to use, repair, upgrade and/or replace the system.

Financially, the community must be able to afford a portion of the capital costs, and to maintain the project. There must not only be someone available locally to repair the system, but there must be financial resources available to hire that person to do so. This community engineer may not own shoes—think of the 'barefoot mechanic' approach—but must be able to either craft the replacement parts or to access a supply chain to purchase them. Money must also be available for simple things like purchasing diesel to run the generator/pump.

Perhaps most importantly the entire program must be managed in a fashion that is appropriate for the local sociocultural context. If it is not, no one will use the borewell (e.g. because they fear angering the local river god), and latrines for which no demand exists may be used to store cow dung or maize instead of for their intended purpose.

Many of the leading stakeholders—both nonprofit and for profit—in the sector utilize an "educate-implement-educate" approach. If longterm sustainability is your goal—as it should be if we are all to "work ourselves out of a job"—start with the software, with the behavior change. Then move on with the community to the hardware phase, then continue to work with the community over the medium term (e.g. three-five years) to ensure the behavior change.

Decentralized ownership: The ownership of each water and sanitation project must be decentralized down to the lowest possible level. From day one, each project must be owned by the local community, whether a village or a neighborhood. This means both that they must consider it their own intellectually (and thus take better care of it) but must also actually have a direct financial stake in its success by paying for at least some of the project's capital costs in cash.

Role of women: The women haul the water, and the women take care of their sick children, so they clearly understand the primacy of water and sanitation. Plus it has been seen

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> Significant progress has been made over the past few years in the global water sector, but there are clearly opportunities to continue to improve and bring this work to scale.

that women are more concerned about the longterm health outputs of improvements to water and sanitation and thus more concerned about the sustainability. It is important to bring women into leadership positions, on village water committees for example, but not push men out.

Find the right partner: There are some obvious questions to ask about finding the right partner: are they active in the country(ies) where you wish to fund programs? Do they have the capacity to effectively partner at the appropriate scale and scope? Other tougher questions: Should you consider building a network of implementing organizations? Should you consider partnering with the U.S. government, e.g. USAID, in a public-private partnership? Should you consider partnering with other donors to both reduce duplication of effort and multiply the return?

Three-legged stool approach: Safe drinking water is a pretty easy 'sell': everyone wants it. It is tougher to build demand for sanitation and handwashing with soap. However, most research has shown that greater health benefits accrue to communities with all three legs of the stool in place.

Play to strengths: Organizations and individuals have differing strengths and interests. I advocate for a Buffett-esque approach to investing in philanthropy: find an organization doing effective, sustainable work, and facilitate that process. Whether your strengths and interests are in direct service provision, capacity-building, behavior change / social marketing, advocacy, innovative finance, or perhaps simply in a specific country, you will be able to find a capable partner for that approach, or perhaps pull together a number of partners with complementary strengths.

The White Space: Opportunities in the Water Sector

Significant progress has been made over the past few years in the global water sector, but there are clearly opportunities to continue to improve and bring this work to scale. I encourage the international donor community to take risks by focusing less on short-term metrics like the number of liters of safe water delivered, or number of handpumps installed. Instead, consider the health outcomes that large-scale, long-term (e.g. 5-10 year) commitments can enable; most prominently those results include reduced waterborne disease mortality and morbidity (e.g. fewer incidents of diarrheal diseases and 25+ other water-related diseases including trachoma, Guinea Worm and malaria).

One can quickly and accurately count how many ladles of soup are delivered at the corner charity on Thanksgiving, the number of antiretrovirals provided for a country, or hectares of avoided deforestation. The most impactful outputs of a WASH program might become visible only after five years or longer.

The global water sector is pre-critical mass. Most donors are beyond the denial phase—everyone acknowledges there is both a problem and a solution. However, many donors may be in the 'despair' phase, in which they don't see how they can play an impactful role in a global challenge that impacts billions of people. My job at Water Advocates is to manage the needle between denial and despair, and help donors address and fund parts of the solution which are 'bite-sized' according to their appetites. We position our small group as a confidential advisor to those

philanthropists wishing to engage in the sector, to help them structure their water-related programs, and put them in touch with the best-suited nonprofit implementing partner(s).

There are many opportunities for the private donor community to provide both direct programmatic support and thought leadership:

Can the world community stand on the shoulders of the successful smallpox eradication campaign of the 1970s, (and what we hope will be successful polio and Guinea Worm eradication campaigns) and craft a global partnership which "takes the die out of diarrhea"? No child should die from a disease that is easily preventable in the first place, and easily treatable when it does occur.[4]

Can the international donor community catalyze a situation whereby no child goes to a school without safe water and toilets? Can your foundation itself ensure that 100% of schools in one district in Guatemala, Vietnam or Malawi have access to safe water and gender-specific sanitation facilities?

Can a private foundation create a network of developing country advocacy groups who will pressure their own governments to better prioritize public sector investments in water and sanitation? A recent publication from the Water and Sanitation Program highlighted that the lack of sanitation cost the Lao People's Democratic Republic 5.6 % of annual gross domestic product.[5] Those governments should clearly prioritize water, and their own electorate can push them in the right direction.

Climate change is likely to exacerbate the global water challenge, and water can be part of the solution, not just the victim. Rainwater harvesting, for example, is a millennia-old climate change adaptation mechanism. Tip O'Neill said "All politics is local." The same could and should be said about water. If the international donor community can assist communities and countries in harvesting and storing rainwater at households, communities and watersheds, this will help those communities adapt to less predictable climatic conditions and rainfall patterns.

Approximately 50% of the world's deaths from malnutrition are due not simply to a lack of food, but a lack of safe water. The food security specialist's job is to make sure that each body has a certain number of calories put into it each day. The water and sanitation specialist's job is to make sure that those calories stay in those bodies by reducing the prevalence and severity of waterborne, calorie-stealing diarrheal disease. There is a thought leadership opportunity for a private foundation to highlight this overlooked linkage.

Less tangibly but perhaps most importantly, the provision of safe drinking water, sanitation and handwashing is at its core an issue of human dignity. The international donor community is in a position to enhance both human dignity and basic public health for billions of families around the world by increasing its focus on this often overlooked development challenge. ■

John Oldfield is Executive Vice President at Water Advocates, the first US-based nonprofit organization dedicated solely to increasing American support for worldwide access to safe, affordable, and sustainable supplies of drinking water and adequate sanitation. Water Advocates, which is fully funded, serves as a pro bono philanthropy advisor and corporate social responsibility consultant for private foundations and corporations engaged in solving the global safe drinking water and sanitation crisis.

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The New Security Net

Grassroots women leaders, even from remote villages, are harnessing growing internet and mobile phone access to report sexual violence, receive market and health care information, organize, and reach the world with their stories.

BY JENSINE LARSEN

Several years ago I was reporting at the G-8 in Scotland and I stopped to interview a trio of tall, laughing African women leaders who were attending the conference to pressure world leaders to commit to ending poverty.

"Oh you are from the US?" they said, looking at me with furrowed brows. "We are so sorry, we know how difficult it is for women in your country. The child obesity, the suicide rate, the depression, and the prisons—and only 16% women in government!" (South Africa has 44% women parliamentarians, Rwanda 56%).[1] The women leaned closer, and one put her arm around my shoulder. "But don't worry," she squeezed. "We are here for you. Call on us. We are all here for you, yes?"

As the women nodded confidently I felt the genuine warmth of their support spread across my shoulder. At that moment, my concept of security turned upside down. I realized that if economic and political conditions worsened in my own country the bonds of friendship that we forged with women in other nations could become a vital web of support.

Today, thanks to the communications revolution, that initial vision of a collaborative network of women leaders acting as an international "security net," is more possible than ever before in history.

Over the past few years, as the founder of an international media organization, I have increasingly witnessed a new generation of grassroots women leaders, even those from remote villages, begin to harness growing internet and mobile phone access to report sexual violence, receive market and health care information, organize, and reach the world with their stories. Surprisingly, in developing countries in particular, access to the web is galloping. Across the 50 most impoverished nations mobile phone access has grown by 70% every year since the turn of the century. By 2011, it is estimated that the next billion mobile phone users will be 90% in the Global South.[2]

Women's increasing participation in a wired world of information, resources, and social networking has the potential to turn traditional top-down development and philanthropy

on its head. This phenomenon enables women who were previously "off the map" to speak for themselves and drive the development destiny of their own communities and nations.

The potential is revolutionary considering that there is now near universal consensus among development organizations and world leaders that women are the most effective engines of sustainable economic development.[3]

Even in the United States the new administration has acknowledged the importance of women's role in economic development by creating the position of ambassador-at-large for global women's issues and establishing the White House Council on Women and Girls.

Yet women still remain some of the most unheard, isolated, and under-resourced on earth. There is no country in the world where women have equal voice, and women and girls represent 70% of the earth's poor.[4] Governments, businesses, large NGOs, tribal chiefs, and husbands still overwhelmingly speak for, and set policy for, women.

As women's voices increasingly rise from the ground up, we are seeing a parallel rise of citizen philanthropy on the web, such as the online microcredit and charitable websites—the Kivas and the Global Givings—that aggregate and channel small amounts of money to grassroots projects and entrepreneurs. Add to the mix the fact that women now comprise the bulk of internet users (52%) and philanthropic givers (56%) in the United States.[5] Suddenly we have a recipe for an unprecedented two-way web of empowerment and support across borders by using the web to directly link women with skills, financial resources, and desire to make a difference to their counterparts in emerging nations.

I have seen the exciting life-changing power of these linkages firsthand. After working as an international journalist at age 19 with women in the Ecuadorian Amazon and on the Burma-Thai border I founded World Pulse, a nonprofit global media company that covers global issues through the eyes of women. We started with a print magazine, but after being deluged with emails from women writing from the forests of Colombia to villages in Iran who wanted coverage and support for their small initiatives, we realized we couldn't cover and connect them all.

So, in 2007 we branched out and built a social networking site, called PulseWire on worldpulse.com, designed to serve as both a newswire and a community for women globally. We theorized the potential, but didn't fully know what to expect. So few people were pioneering web 2.0 with women's empowerment, and most people thought we were crazy.

Today, women from over 140 countries are using PulseWire to share their underreported stories from the field and collaborate across borders to solve global challenges.

Every morning, before I pour myself a cup of coffee, I can't resist peeking on the site to witness the connections that have happened overnight. I find my jaw continually dropping as I witness the eruption of an eco-system of empowerment that women are creating.

"As women's voices increasingly rise from the ground up, we are seeing a parallel rise of citizen philanthropy on the web, such as the online microcredit and charitable websites."

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> For women especially, the web can be profoundly liberating as they overcome societal constraints to share their ideas freely and meet others who share their dreams.

For example, microfinance leader Chingwell Mbutu from the Democratic Republic of Congo met a funder through PulseWire and is today expanding her programs to thousands of women. Educators in Kenya are matching illiterate women with virtual pen pals across the globe to teach them writing skills, and US and Canadian women are finding meaningful international volunteer opportunities.

Our editors are receiving breaking stories from mobile phones of arrests in Bolivia, violence in Sudan, and protests in Moldova. Unprecedented dialogues are taking place surrounding the conflict zone of Kashmir, across a "virtual barbed wire fence" between Kashmiri, Pakistani, and Indian women.

One HIV+ leader and mother of 5, Leah Auma Okeyo, heard of our site via word of mouth in her impoverished Kenyan town in 2007. Today Okeyo is a true citizen journalist for her community with a robust network of contacts, business mentors, a donated laptop, proficiency in the use of Skype, and international speaking engagements and scholarships lined up—all a result of her determined networking on PulseWire. "I have so many dreams, and now I am going to do them all," she said.

Whether from Topeka, Kansas or Lima, Peru, women are daily reporting changed lives, reduced depression, increased self-confidence, and reverence for our combined collective power. They no longer feel alone.

For women especially, the web can be profoundly liberating as they overcome societal constraints to share their ideas freely and meet others who share their dreams. The benefits are also exponential. We are seeing that once a woman breaks free of caste or religious and political limitations and has been connected to resources and a support network, she often shares her knowledge and increased confidence with her community.

"Yesterday my neighbors didn't want to hear anything from me but today the world is waiting for my voice," says Sunita Metha, a young leader from Nepal who has received morale-boosting feedback and is now networking online to organize women in her own country.

Although these linkages are still nascent, if nurtured and unleashed through the application of new advances in communications technology, in the coming years the collective power of women will dramatically accelerate a shift in political and economic agendas for a sustainable global future.

I could never have known what would be possible so long ago in

Scotland with those kind African women. However, I know now that when I log on to talk with women from Bangledesh to Cairo in the span of 10 minutes, I feel what could be compared to the warm sensation of an arm wrapped around my shoulder. I feel valued, supported, safe, and capable of changing the world. ■

Jensine Larsen is a social media entrepreneur who was inspired to start a magazine covering world issues from a woman's angle at age 28 after many years as a freelance journalist reporting in Burma and the Amazon.

Since founding *World Pulse* Magazine in 2003 with just a vision and no prior publishing experience, Jensine has turned her eye to the future of communications technology in the developing world, and is now building an interactive global media company designed to connect women worldwide.

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Robin Richman visiting the Dakota tribe, Tanzania

Philanthropy and Vacations: Two Experts Answer Questions

Two professionals in the area of philanthropic trips answer a range of questions on how to make such trips as meaningful as possible for the entire family.

BY ROBIN RICHMAN AND MARYANN FERNANDEZ

How can I find rewarding and meaningful vacations with philanthropic itineraries?

(Robin Richman) Just as there are as many variations of doing good trips, there are different ways to find these opportunities. You can look up organizations working on issues that you want to get involved with (example, hunger) and see if any of them have opportunities where you can volunteer. For example, Unite for Sight, offers a program to assist doctors in eye clinics around the world.

Finding the right opportunity can take a lot of time. But there are companies that do the work for you and are knowledgeable about various volunteer and service opportunities. There are specialized travel consulting agencies such as ours that customize trips for families, small groups or

foundations based on their goals and needs. These companies also handle and manage all customer expectations before and during the trip; create an itinerary filled with meaning, adventure and fun; oversee safety and quality and coordinate flights, accommodations, insurance, and special needs. You can also find full service trips or missions from charities or foundations that you are involved with or want to become involved. Often in order to build awareness about the work they do or sometimes just to develop a stronger humanitarian aspect of their organization, foundations will arrange special trips for their donors or members. Your wealth manager or philanthropic advisor is often aware of these opportunities.

Many travel companies also incorporate service projects into their overall itineraries for those who are interested in voluntourism.

What should individuals and families consider before planning a philanthropic trip?

(Maryann Fernandez) Before planning this type of journey, people should look inward first—to their philanthropy and the type of commitment they are looking to make. Whether you are giving serious thought to expanding your philanthropy to a different region of the world or area of interest, looking to engage and train other members of your family in the grant-making process, or interested in identifying and evaluating a variety of organizations within a specific interest area, these are all examples of scenarios where a philanthropic trip planned with a knowledgeable consultant can be of tremendous benefit.

Steve Toben, Executive Director of the Flora Family Foundation, who has organized multiple trips during his seven year tenure, says that "It is a worthwhile endeavor and should be done." Since the family is interested in international grant-making and does not have a field presence in other countries, this is a critical part of their evaluation process.

A trip should be planned only if there is a seriousness of intent, especially because of the time invested not only by the donor but for the organizations and other experts they'll meet on the ground. Not-for-profits invest in such visits resources that they often need to run their day to day activities. And to be respectful of that, individuals/families should look upon a trip like this, as an expression of their serious consideration.

How do I know which trip is best for me?

(Robin Richman) To determine the best option, you need to take a hard look at your values, comfort level and objectives. At Do Good Adventures we use an assessment tool with all our clients to match the right trip to their needs. You can do a self-assessment that will help you get the answers you need. Here are some key questions: What is motivating you and what do you want to get out of it? What do you want to accomplish and how do you want to accomplish it? What level of comfort do you require? How adventuresome are you? What are the key causes you are interested in? How physically active do you want to be? What health restrictions do you need to consider?

Our assessment tool includes all members who are traveling together. This is very important when planning a group trip because you want everyone to be excited about participating. One family contacted us regarding a

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"Before planning this type of journey, people should look inward first—to their philanthropy and the type of commitment they are looking to make."

Philanthropy and Vacations: Two Experts Answer Questions

> We are passionate advocates of multi-generational vacations, particularly when combining philanthropy with a pleasure trip. Busy parents get to spend valuable vacation time with their kids while giving back to the community.

volunteer vacation because the parents were interested in conveying a message about environment conservation. The children wanted to sleep in the middle of the jungle. When we presented trip options, the one that excited the kids the most was a nature project in the Amazon which required them to sleep in tents. The kids were excited about it, but the mother was not enthusiastic. With a little coaxing from the family and extensive preparation from us, the family stayed in tents for four nights.

Everyone walked away with new values about saving the environment. But, beyond that, there was new respect and bonding between parents and children. The kids saw their mother do something she wasn't comfortable doing, and they knew it was because she wanted them to get the most from the experience. They also saw that she managed to find the best parts of camping, and this was a valuable lesson in making the best of situations as well. One comment we received back, "My mom is really a cool person."

We've heard the term "poverty tourism" associated with travelers visiting projects. How do you ensure respectful interaction with organizations on the ground and their beneficiaries?

(Maryann Fernandez) For Philanthropy Indaba, every part of our process is done to ensure respectful interaction for all concerned. It starts with evaluating our clients' interests and intent then successfully identifying projects that match a client's values, interest areas and objectives. In other words, let's make sure we're not aimlessly visiting anything and everything.

From there, it's about how we prepare our clients for a visit: background on country and culture, context of the visit, people we will be meeting, and cuing them on things like protocol and photography. We find that other philanthropy-focused groups like Active Philanthropy in Berlin who have run a variety of group expeditions, also find that providing a strong context for the journey from the outset is key: "The purpose of the visit is about the Non-Governmental Organization (NGO) and the target community and how they can be supported." In other words, we must guide our clients towards purposeful observation so that they can make informed decisions about grants.

Should I take the kids?

(Robin Richman) We are passionate advocates of multi-generational vacations, particularly when combining philanthropy with a pleasure trip. Busy parents get to spend valuable vacation time with their kids while giving back to the community. The trip provides opportunities for meaningful conversations about important personal and social issues. Kids don't often see a parent's generosity when they write a check to a foundation, but on a vacation where they can witness their parents in action, parents have the opportunity to pass on key values to their children, such as global citizenship and responsibility, compassion and kindness. Travel and learning about another culture is a great teacher about the world and engaging in a team project that makes a difference in people's lives is a wonderful confidence builder. Philanthropic travel makes us grateful for what we have, especially if working with orphans, impoverished communities or the sick. There's nothing like volunteering to put our own problems into perspective.

What questions should philanthropists ask as they choose a service provider or consultant?

(Maryann Fernandez) It's really about finding the right fit for you/your family and the objectives of your philanthropy. In interviewing a variety of philanthropists, here are just a few of the elements that were important to them.

Ask for a biography or inquire about the background of the person working directly with you in planning the trip. Transparency: They want to know why a service provider wants you to go on a trip. Or in other words, a general understanding of how they make their money. So, using Philanthropy Indaba as an example, we're a consulting company, not a travel company, so we are paid a consulting fee by our clients to work in their best interest, as a quarterback for bringing all the elements of their trip together.

How does the service provider identify projects for you: how are projects vetted and how are they matched to you? Again, for committed individuals, these elements are very important because they are looking to find longer term partners in solving issues that are very important to them.

I could go on here, but I think that if you start off with these questions, you should have a good head start on finding a service provider to suit your needs.

If I don't want to be part of a structured trip, is it possible to just make arrangements once we are there, like bringing supplies to a school or orphanage?

(Robin Richman) It's possible because a tour guide or a hotel can probably make arrangements for you. However, we would highly discourage it because sometimes the good intentions can be more harmful than good. The organizations that make these arrangements have prepared the community and have set expectations for them. In some of the areas where we work, we can't go into an orphanage unless we will be there at least a week and have a specific job to do because the children have a hard time with people coming and going in their lives. A visit to a school can be disruptive to the day's lesson, unless the teacher has planned it into the curriculum.

What kind of considerations should you make with regard to security?

(Maryann Fernandez) When considering places to visit, you should do some research on the stability of the government and any recent violence or crime. While bodyguards are often not necessary in visiting most places, your service provider should be taking cues from the ground as far as appropriate security measures, especially individuals who are very familiar with the communities you will be visiting. Some projects are not located in well-trafficked places or tourist areas, so you really need people familiar with the community to weigh in here.

With regard to managing information, for obvious reasons, I can't be too specific here. Things to consider are limiting the number of people who have access to your itinerary, especially your full itinerary, and other information. Also, keeping a fairly low profile while on the ground; we talk our clients through all this.

I'm not mentioning tremendously difficult things here, but simple steps can go a long way in ensuring your safety on a trip. ■

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A Climate For Change...Harnessing an Unparalleled Opportunity for All

All over the world, children, adolescents and young people, representing nearly one-third of the global population, are concerned with the increasing threat posed by rising global carbon emissions, the changing climate and environmental degradation.

BY DONNA L. GOODMAN

"This is the moral challenge of our generation. Not only are the eyes of the world upon us. More important, succeeding generations depend on us. We cannot rob our children of their future."

United Nations Secretary General, Ban Ki-moon
Address to the High-Level segment of the UN Climate Change Conference; Bali, Indonesia, 12 December 2007

The new vision for children in the 21st century foresees a world where children survive and grow up to their full human potential, capable of living a long and healthy life, with opportunities for learning, earning and participating in social, cultural and civic endeavors. It is a world where children are seen and treated as citizens with valid claims on the attention and resources of society, as respected participants, and as people who hold and exercise rights at the same time as they learn to respect and uphold the rights of others.

Recognizing that the world's population is young, with some 2.2 billion people under the age of 18[1], this article is intended to underscore the impacts of climate change on children and most vulnerable populations of the world, while seeking to offer positive and pro-active solutions that can be taken by corporations, governments and each and every individual expressing their 'Power of One' toward an empowered era of climate prosperity.

Why climate change?

Climate change is a process caused by increasing levels of greenhouse gases in the atmosphere, including the carbon dioxide released when we burn fossil fuels. These gases act like a blanket around the planet, trapping heat in the atmosphere. As a result experts on the Intergovernmental Panel on Climate Change (IPCC) estimate that average global temperatures will rise by between 1.8° C and 4.0° C by the year 2100. However, because weather systems are complicated and inter-linked, climate change can also mean more rain and decreased temperatures in some areas and an increase in the intensity and in some cases the number of extreme weather events, such as hurricanes, cyclones and severe storms.

Wealthy and rapidly growing countries are the major consumers of fossil fuels and other resources, yet, most of these countries are located in the northern hemisphere and are not yet experiencing the brunt of many climatic changes that have already been set into motion.[2] Today's impacts of climate change are often felt more in poor countries in the south, where many people are already more vulnerable and struggling to deal with environmental circumstances linked with chronic poverty, such as the scarcity of water, food and clean energy, most notably:

Access to fresh water is essential for life, health and livelihoods. Climate change is expected to bring more droughts, floods and rising sea levels which will make finding clean and fresh water more difficult. Droughts and flooding affect water quality by damaging water pipes and depleting reserves, causing human waste to leak into water supplies and increasing salinity of groundwaters. Less available freshwater means that people will save it to drink and use it less to wash hands and keep clean, thus increasing the prevalence of water-related illness. Fully preventable diarrheal disease caused by dirty water is one of the world's biggest killers of young children.

Damage to food crops is brought about by drought, temperature variations, wild fires, severe weather events, pests and diseases and floods. These events are already adding to the world's food crisis, as staple crops like rice, wheat and corn are affected in many places. Worsening malnutrition severely impacts the health and survival of women and children.

Diseases such as malaria and dengue fever,[3] which are carried by insects are also affected by changing temperatures because the insects will be able to breed in areas where they were not able to in the past. Pools of stagnant water, left by floods and cyclones become breeding grounds for mosquitoes.

Increases in the intensity of extreme weather events linked to climate change, such as droughts, floods, cyclones and tornadoes also put people in danger, often destroying the places where they live and work, and leaving behind damaged crops, contaminated water supplies and broken families.

Displacement and migration of families almost always have a negative impact on children. They increase the possibility of child abuse and trafficking. In the aftermath of disasters, children may be pulled out of school and put to work to help their families recover.

Smoke and fumes from burning fossil fuels in homes, buses, cars and factories increase greenhouse gas emissions, making climate change worse, while also directly increasing serious respiratory health problems by polluting the air we breathe. Smoke and fumes from burning biomass (i.e. wood and coal) cooking stoves also worsen respiratory health problems and release harmful CO_2 emissions into the atmosphere.

All over the world, children, adolescents and young people, representing nearly one-third of the global population, are concerned with the increasing threat posed by rising global carbon emissions, the changing climate, water scarcity, environmental degradation and increasing natural disasters. Many are already

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"Access to fresh water is essential for life, health and livelihoods. Climate change is expected to bring more droughts, floods and rising sea levels which will make finding clean and fresh water more difficult."

A Climate for Change…

> We may not be able to completely stop the changes to our climate that are already occurring, but we can take action to reduce the extent of its current and future impact by empowering and educating our children and preparing our communities to deal with its consequences.

experiencing the impact of these threats and are being forced to leave their homes and find other ways to adapt to rapidly changing circumstances.

Yet, climate change offers humankind an amazingly wonderful opportunity to change our ways! It is an exciting time in which we can shift a global society of nations away from a paradigm of degradation, inequality and scarcity. It is an opportunity to become an international community that embraces abundant and renewable resources and values the interdependent nature of all sentient beings and forms of life, with each one understanding and taking responsibility for her/his own actions under the stewardship of confident, creative thinkers and doers.

We may not be able to completely stop the changes to our climate that are already occurring, but we can take action to reduce the extent of its current and future impact by empowering and educating our children and preparing our communities to deal with its consequences. We can take individual and collective action to reduce use of energy and the release of carbon dioxide that we are responsible for. We can take action to reduce the chances of our community being affected by shortages in food and water, and the spread of diseases.

Some actions do both. For example, creating school gardens can help tackle greenhouse gas levels (since vegetables grown there can be used in place of produce driven or flown in from far away), and can also increase food security for the community, while instilling a sense of personal responsibility and accountability associated with daily tending to the garden. Another example is a school disaster risk-reduction program which engages students in community mapping activities while restoring degraded environments and learning what to do if a natural disaster does occur, and how we can help those around us.

This is a model of engaged and empowered citizenry, an emerging era of renewing and renewable resources, including political will and personal commitment, enhancing our collective ability to adapt to unexpected change and make informed lifestyle choices which will lead to an equitable and sustainable future. It is critically important for the unique vulnerabilities, rights and capacities of children and young people to be addressed in these emerging developments and initiatives.[4]

Realizing this vision for children

will require the identification and development of catalytic and creative interventions that build on positive values, cultural knowledge and local initiatives, while challenging attitudes and practices which are detrimental to the rights and development of the child. It will also require existing partnerships to be strengthened and new ones forged that will deliver essential resources, care, protection and services to children where they live, in the home and community. One such catalytic and creative intervention is called The Power of One School—an initiative which enhances the ability of one school to serve as a community leader and global citizen by partnering with and inspiring other schools around the world to co-create a peaceful and sustainable planet.

Power of One Schools will seek to establish a unique and innovative business model for financing its school kits fueled by the Power of One Dollar, which is a new financing paradigm which builds on the ability of any individual, young or old, rich or poor, to contribute one dollar (per hour, day, week, month, or year) to mobilize financing from grassroots initiatives and matching contributions from governments, corporations and foundations for the Power of One school kits. ■

Donna Goodman is the Executive Director of the Earth Child Institute, an international NGO dedicated to supporting governments, the private sector and UN system partners to develop and build local capacity to implement holistic, rights-based inter-sectoral educational solutions as a mechanism for community-based adaptation to climate change, water and environmental sustainability.

[1] UNICEF, State of the World's Children, 2008, Table 6, p. 137

[2] Intergovernmental Panel on Climate Change (IPCC) Working Group II. Climate Change 2007: Impacts, Adaptation and Vulnerability, Policymaker's Summary, page 9.

[3] Akachi, Yoko, Donna Goodman, David Parker (2009), Global Climate Change and Child Health: A review of pathways, impacts and measures to improve the evidence base. Innocenti Discussion Paper No. IDP 2009-03. Florence: UNICEF Innocenti Research Centre.

[4] UNICEF, Climate Change and Children: a Human Security Challenge, 2008.

Introduction (The Girl Effect)

From the book *Half the Sky, Turning Oppression into Opportunity for Women Worldwide*

BY NICHOLAS D. KRISTOF AND SHERYL WUDUNN

What would men be without women? Scarce, sir, mighty scarce.

— *Mark Twain*

Srey Rath is a self-confident Cambodian teenager whose black hair tumbles over a round, light brown face. She is in a crowded street market, standing beside a pushcart and telling her story calmly, with detachment. The only hint of anxiety or trauma is the way she often pushes her hair from in front of her black eyes, perhaps a nervous tic. Then she lowers her hand and her long fingers gesticulate and flutter in the air with incongruous grace as she recounts her odyssey.

Rath is short and small-boned, pretty, vibrant, and bubbly, a wisp of a girl whose negligible stature contrasts with an outsized and outgoing personality. When the skies abruptly release a tropical rain shower that drenches us, she simply laughs and rushes us to cover under a tin roof, and then cheerfully continues her story as the rain drums overhead. But Rath's attractiveness and winning personality are perilous bounties for a rural Cambodian girl, and her trusting nature and optimistic self-assuredness compound the hazard.

When Rath was fifteen, her family ran out of money, so she decided to go work as a dishwasher in Thailand for two months to help pay the bills. Her parents fretted about her safety, but they were reassured when Rath arranged to travel with four friends who had been promised jobs in the same Thai restaurant. The job agent took the girls deep into Thailand and then handed them to gangsters who took them to Kuala Lumpur, the capital of Malaysia. Rath was dazzled by her first glimpses of the city's clean avenues and gleaming high-rises, including at the time the world's tallest twin buildings; it seemed safe and welcoming. But then thugs sequestered Rath and two other girls inside a karaoke lounge that operated as a brothel. One gangster in his late thirties, a man known as "the boss," took charge of the girls and explained that he had paid money for them and that they would now be obliged to repay him. "You must find money to pay off the debt, and then I will send you back home," he said, repeatedly reassuring them that if they cooperated they would eventually be released.

Rath was shattered when what was happening dawned on her. The boss locked her up with a customer, who tried to force her to have sex with him. She fought back, enraging the customer. "So the boss got angry and hit me in the face, first with one hand and then with the other," she remembers, telling her story with simple resignation. "The mark stayed on my face for two weeks." Then the boss and the other gangsters raped her and beat her with their fists.

"You have to serve the customers," the boss told her as he punched her. "If not, we will beat you to death. Do you want that?" Rath stopped protesting, but she sobbed and refused to cooperate actively. The boss forced her to take a pill; the gangsters called it "the happy drug" or "the shake drug." She doesn't know exactly what it was, but it made her head shake and induced lethargy, happiness, and compliance for about an hour. When she wasn't drugged, Rath was teary and insufficiently compliant—she was required to beam happily at all customers—so the boss said he would waste no more time on her: She would agree to do as he ordered or he would kill her. Rath then gave in. The girls were forced to work in the brothel seven days a week, fifteen hours a day. They were kept naked to make it more difficult for them to run away or to keep tips or other money, and they were forbidden to ask customers to use condoms. They were battered until they smiled constantly and simulated joy at the sight of customers, because men would not pay as much for sex with girls with reddened eyes and haggard faces. The girls were never allowed out on the street or paid a penny for their work.

"They just gave us food to eat, but they didn't give us much because the customers didn't like fat girls," Rath says. The girls were bused, under guard, back and forth between the brothel and a tenth-floor apartment where a dozen of them were housed. The door of the apartment was locked from the outside. However, one night, some of the girls went out onto their balcony and pried loose a long, five-inch-wide board from a rack used for drying clothes. They balanced it precariously between their balcony and one on the next building, twelve feet away. The board wobbled badly, but Rath was desperate, so she sat astride the board and gradually inched across.

"There were four of us who did that," she says. "The others were too scared, because it was very rickety. I was scared, too, and I couldn't look down, but I was even more scared to stay. We thought that even if we died, it would be better than staying behind. If we stayed, we would die as well."

Once on the far balcony, the girls pounded on the window and woke the surprised tenant. They could hardly communicate with him because none of them spoke Malay, but the tenant let them into his apartment and then out its front door. The girls took the elevator down and wandered the silent streets until they found a police station and stepped inside. The police first tried to shoo them away, then arrested the girls for illegal immigration. Rath served a year in prison under Malaysia's tough anti-immigrant laws, and then she was supposed to be repatriated. She thought a Malaysian policeman was escorting her home when he drove her to the Thai border—but then he sold her to a trafficker, who peddled her to a Thai brothel.

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Introduction (The Girl Effect)

> So this book is the outgrowth of our own journey of awakening as we worked together as journalists for *The New York Times*.

Rath's saga offers a glimpse of the brutality inflicted routinely on women and girls in much of the world, a malignancy that is slowly gaining recognition as one of the paramount human rights problems of this century.

The issues involved, however, have barely registered on the global agenda. Indeed, when we began reporting about international affairs in the 1980s, we couldn't have imagined writing this book. We assumed that the foreign policy issues that properly furrowed the brow were lofty and complex, like nuclear nonproliferation. It was difficult back then to envision the Council on Foreign Relations fretting about maternal mortality or female genital mutilation. Back then, the oppression of women was a fringe issue, the kind of worthy cause the Girl Scouts might raise money for. We preferred to probe the recondite "serious issues."

So this book is the outgrowth of our own journey of awakening as we worked together as journalists for The New York Times. The first milestone in that journey came in China. Sheryl is a Chinese-American who grew up in New York City, and Nicholas is an Oregonian who grew up on a sheep and cherry farm near Yamhill, Oregon. After we married, we moved to China, where seven months later we found ourselves standing on the edge of Tiananmen Square watching troops fire their automatic weapons at prodemocracy protesters. The massacre claimed between four hundred and eight hundred lives and transfixed the world. It was the human rights story of the year, and it seemed just about the most shocking violation imaginable.

Then, the following year, we came across an obscure but meticulous demographic study that outlined a human rights violation that had claimed tens of thousands more lives. This study found that thirty-nine thousand baby girls die annually in China because parents don't give them the same medical care and attention that boys receive—and that is just in the first year of life. One Chinese family-planning official, Li Honggui, explained it this way: "If a boy gets sick, the parents may send him to the hospital at once. But if a girl gets sick, the parents may say to themselves, 'Well, let's see how she is tomorrow.' "The result is that as many infant girls die unnecessarily every week in China as protesters died in the one incident at Tiananmen. Those Chinese girls never received a column inch of news coverage, and we began to wonder if our journalistic priorities were skewed.

A similar pattern emerged in other countries, particularly in South Asia and the Muslim world. In India, a "bride burning"—to punish a woman for an inadequate dowry or to eliminate her so a man can remarry—takes place approximately once every two hours, but these rarely constitute news. In the twin cities of Islamabad and Rawalpindi, Pakistan, five thousand women and girls have been doused in kerosene and set alight by family members or in-laws—or, perhaps worse, been seared with acid—for perceived disobedience just in the last nine years. Imagine the outcry if the Pakistani or Indian governments were burning women alive at those rates. Yet when the government is not directly involved, people shrug.

When a prominent dissident was arrested in China, we would write a front-page article; when 100,000 girls were routinely kidnapped and trafficked into brothels, we didn't even consider it news. Partly that is

because we journalists tend to be good at covering events that happen on a particular day, but we slip at covering events that happen every day—such as the quotidian cruelties inflicted on women and girls. We journalists weren't the only ones who dropped the ball on this subject: Less than 1 percent of U.S. foreign aid is specifically targeted to women and girls.

Amartya Sen, the ebullient Nobel Prize–winning economist, has developed a gauge of gender inequality that is a striking reminder of the stakes involved. "More than 100 million women are missing," Sen wrote in a classic essay in 1990 in The New York Review of Books, spurring a new field of research. Sen noted that in normal circumstances women live longer than men, and so there are more females than males in much of the world. Even poor regions like most of Latin America and much of Africa have more females than males. Yet in places where girls have a deeply unequal status, they vanish. China has 107 males for every 100 females in its overall population (and an even greater disproportion among newborns), India has 108, and Pakistan has 111. This has nothing to do with biology, and indeed the state of Kerala in the southwest of India, which has championed female education and equality, has the same excess of females that exists in the United States.

The implication of the sex ratios, Professor Sen found, is that about 107 million females are missing from the globe today. Follow-up studies have calculated the number slightly differently, deriving alternative figures for "missing women" of between 60 million and 101 million. Every year, at least another 2 million girls worldwide disappear because of gender discrimination.

In the wealthy countries of the West, discrimination is usually a matter of unequal pay or underfunded sports teams or unwanted touching from a boss. In contrast, in much of the world discrimination is lethal. In India, for example, mothers are less likely to take their daughters to be vaccinated than their sons—that alone accounts for one fifth of India's missing females—while studies have found that, on average, girls are brought to the hospital only when they are sicker than boys taken to the hospital. All told, girls in India from one to five years of age are 50 percent more likely to die than boys the same age. The best estimate is that a little Indian girl dies from discrimination every four minutes.

A big, bearded Afghan named Sedanshah once told us that his wife and son were sick. He wanted both to survive, he said, but his priorities were clear: A son is an indispensable treasure, while a wife is replaceable. He had purchased medication for the boy alone. "She's always sick," he gruffly said of his wife, "so it's not worth buying medicine for her."

Modernization and technology can aggravate the discrimination. Since the 1990s, the spread of ultrasound machines has allowed pregnant women to find out the sex of their fetuses—and then get abortions if they are female. In Fujian Province, China, a peasant raved to us about ultrasound: "We don't have to have daughters anymore!"

To prevent sex-selective abortion, China and India now bar doctors and ultrasound technicians from telling a pregnant woman the sex of her fetus. Yet that is a flawed solution. Research shows that when parents are banned from selectively aborting female fetuses, more of their daughters die as infants.

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Introduction (The Girl Effect)

> In the nineteenth century, the central moral challenge was slavery. In the twentieth century, it was the battle against totalitarianism.

Mothers do not deliberately dispatch infant girls they are obligated to give birth to, but they are lackadaisical in caring for them. A development economist at Brown University, Nancy Qian, quantified the wrenching trade-off: On average, the deaths of fifteen infant girls can be avoided by allowing one hundred female fetuses to be selectively aborted.

The global statistics on the abuse of girls are numbing. It appears that more girls have been killed in the last fifty years, precisely because they were girls, than men were killed in all the wars of the twentieth century. More girls are killed in this routine "gendercide" in any one decade than people were slaughtered in all the genocides of the twentieth century.

In the nineteenth century, the central moral challenge was slavery. In the twentieth century, it was the battle against totalitarianism. We believe that in this century the paramount moral challenge will be the struggle for gender equality in the developing world.

The owners of the Thai brothel to which Rath was sold did not beat her and did not constantly guard her. So two months later, she was able to escape and make her way back to Cambodia. Upon her return, Rath met a social worker who put her in touch with an aid group that helps girls who have been trafficked start new lives. The group, American Assistance for Cambodia, used $400 in donated funds to buy a small cart and a starter selection of goods so that Rath could become a street peddler. She found a good spot in the open area between the Thai and Cambodian customs offices in the border town of Poipet. Travelers crossing between Thailand and Cambodia walk along this strip, the size of a football field, and it is lined with peddlers selling drinks, snacks, and souvenirs.

Rath outfitted her cart with shirts and hats, costume jewelry, notebooks, pens, and small toys. Now her good looks and outgoing personality began to work in her favor, turning her into an effective saleswoman. She saved and invested in new merchandise, her business thrived, and she was able to support her parents and two younger sisters. She married and had a son, and she began saving for his education.

In 2008, Rath turned her cart into a stall, and then also acquired the stall next door. She also started a "public phone" business by charging people to use her cell phone. So if you ever cross from Thailand into Cambodia at Poipet, look for a shop on your left, halfway down the strip, where a teenage girl will call out to you, smile, and try to sell you a souvenir cap. She'll laugh and claim she's giving you a special price, and she's so bubbly and appealing that she'll probably make the sale.

Rath's eventual triumph is a reminder that if girls get a chance, in the form of an education or a microloan, they can be more than baubles or slaves; many of them can run businesses. Talk to Rath today—after you've purchased that cap—and you find that she exudes confidence as she earns a solid income that will provide a better future for her sisters and for her young son. Many of the stories in this book are wrenching, but keep in mind this central truth: Women aren't the problem but the solution. The plight of girls is no more a tragedy than an opportunity.

That was a lesson we absorbed in Sheryl's ancestral village, at the end of a dirt road amid the rice paddies of southern China. For many years we have regularly trod the mud paths of the Taishan region to Shunshui, the hamlet in which Sheryl's

paternal grandfather grew up. China traditionally has been one of the more repressive and smothering places for girls, and we could see hints of this in Sheryl's own family history. Indeed, on our first visit, we accidentally uncovered a family secret: a long-lost stepgrandmother. Sheryl's grandfather had traveled to America with his first wife, but she had given birth only to daughters. So Sheryl's grandfather gave up on her and returned her to Shunshui, where he married a younger woman as a second wife and took her to America. This was Sheryl's grandmother, who duly gave birth to a son—Sheryl's dad. The previous wife and daughters were then wiped out of the family memory.

Something bothered us each time we explored Shunshui and the surrounding villages: Where were the young women? Young men were toiling industriously in the paddies or fanning themselves indolently in the shade, but young women and girls were scarce. We finally discovered them when we stepped into the factories that were then spreading throughout Guangdong Province, the epicenter of China's economic eruption. These factories produced the shoes, toys, and shirts that filled America's shopping malls, generating economic growth rates almost unprecedented in the history of the world—and creating the most effective antipoverty program ever recorded. The factories turned out to be cacophonous hives of distaff bees. Eighty percent of the employees on the assembly lines in coastal China are female, and the proportion across the manufacturing belt of East Asia is at least 70 percent. The economic explosion in Asia was, in large part, an outgrowth of the economic empowerment of women. "They have smaller fingers, so they're better at stitching," the manager of a purse factory explained to us. "They're obedient and work harder than men," said the head of a toy factory. "And we can pay them less."

Women are indeed a linchpin of the region's development strategy. Economists who scrutinized East Asia's success noted a common pattern. These countries took young women who previously had contributed negligibly to gross national product (GNP) and injected them into the formal economy, hugely increasing the labor force. The basic formula was to ease repression, educate girls as well as boys, give the girls the freedom to move to the cities and take factory jobs, and then benefit from a demographic dividend as they delayed marriage and reduced childbearing. The women meanwhile financed the education of younger relatives, and saved enough of their pay to boost national savings rates. This pattern has been called "the girl effect." In a nod to the female chromosomes, it could also be called "the double X solution."

Evidence has mounted that helping women can be a successful poverty-fighting strategy anywhere in the world, not just in the booming economies of East Asia. The Self Employed Women's Association was founded in India in 1972 and ever since has supported the poorest women in starting businesses—raising living standards in ways that have dazzled scholars and foundations. In Bangladesh, Muhammad Yunus developed microfinance at the Grameen Bank and targeted women borrowers—eventually winning a Nobel Peace Prize for the economic and social impact of his work. Another

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"More and more, the most influential scholars of development and public health—including Sen and Summers, Joseph Stiglitz, Jeffrey Sachs, and Dr. Paul Farmer—are calling for much greater attention to women in development."

Bangladeshi group, BRAC, the largest antipoverty organization in the world, worked with the poorest women to save lives and raise incomes—and Grameen and BRAC made the aid world increasingly see women not just as potential beneficiaries of their work, but as agents of it.

In the early 1990s, the United Nations and the World Bank began to appreciate the potential resource that women and girls represent. "Investment in girls' education may well be the highest-return investment available in the developing world," Lawrence Summers wrote when he was chief economist of the World Bank. "The question is not whether countries can afford this investment, but whether countries can afford not to educate more girls." In 2001 the World Bank produced an influential study, Engendering Development Through Gender Equality in Rights, Resources, and Voice, arguing that promoting gender equality is crucial to combat global poverty. UNICEF issued a major report arguing that gender equality yields a "double dividend" by elevating not only women but also their children and communities. The United Nations Development Programme (UNDP) summed up the mounting research this way: "Women's empowerment helps raise economic productivity and reduce infant mortality. It contributes to improved health and nutrition. It increases the chances of education for the next generation."

More and more, the most influential scholars of development and public health—including Sen and Summers, Joseph Stiglitz, Jeffrey Sachs, and Dr. Paul Farmer—are calling for much greater attention to women in development. Private aid groups and foundations have shifted gears as well. "Women are the key to ending hunger in Africa," declared the Hunger Project. French foreign minister Bernard Kouchner, who founded Doctors Without Borders, bluntly declared of development: "Progress is achieved through women." The Center for Global Development issued a major report explaining "why and how to put girls at the center of development." CARE is taking women and girls as the centerpiece of its antipoverty efforts. The Nike Foundation and the NoVo Foundation are both focusing on building opportunities for girls in the developing world. "Gender inequality hurts economic growth," Goldman Sachs concluded in a 2008 research report that emphasized how much developing countries could improve their economic performance by educating girls. Partly as a result of that research, Goldman Sachs committed $100 million to a "10,000 Women" campaign meant to give that many women a business education.

Concerns about terrorism after the 9/11 attacks triggered interest in these issues in an unlikely constituency: the military and counterterrorism agencies. Some security experts noted that the countries that nurture terrorists are disproportionally those where women are marginalized. The reason there are so many Muslim terrorists, they argued, has little to do with the Koran but a great deal to do with the lack of robust female participation in the economy and society of many Islamic countries. As the Pentagon gained a deeper understanding of counterterrorism, and as it found that dropping bombs often didn't do much to help, it became increasingly interested in grassroots projects such as girls' education. Empowering girls, some in the military argued, would

disempower terrorists. When the Joint Chiefs of Staff hold discussions of girls' education in Pakistan and Afghanistan, as they did in 2008, you know that gender is a serious topic that fits squarely on the international affairs agenda. That's evident also in the Council on Foreign Relations. The wood-paneled halls that have been used for discussions of MIRV warheads and NATO policy are now employed as well to host well-attended sessions on maternal mortality.

We will try to lay out an agenda for the world's women focusing on three particular abuses: sex trafficking and forced prostitution; gender-based violence, including honor killings and mass rape; and maternal mortality, which still needlessly claims one woman a minute. We will lay out solutions such as girls' education and microfinance, which are working right now.

It's true that there are many injustices in the world, many worthy causes competing for attention and support, and we all have divided allegiances. We focus on this topic because, to us, this kind of oppression feels transcendent—and so does the opportunity. We have seen that outsiders can truly make a significant difference.

Consider Rath once more. We had been so shaken by her story that we wanted to locate that brothel in Malaysia, interview its owners, and try to free the girls still imprisoned there. Unfortunately, we couldn't determine the brothel's name or address. (Rath didn't know English or even the Roman alphabet, so she hadn't been able to read signs when she was there.) When we asked her if she would be willing to return to Kuala Lumpur and help us find the brothel, she turned ashen. "I don't know," she said. "I don't want to face that again." She wavered, talked it over with her family, and ultimately agreed to go back in the hope of rescuing her girlfriends.

Rath voyaged back to Kuala Lumpur with the protection of an interpreter and a local antitrafficking activist. Nonetheless, she trembled in the red-light districts upon seeing the cheerful neon signs that she associated with so much pain. But since her escape, Malaysia had been embarrassed by public criticism about trafficking, so the police had cracked down on the worst brothels that imprisoned girls against their will. One of those was Rath's. A modest amount of international scolding had led a government to take action, resulting in an observable improvement in the lives of girls at the bottom of the power pyramid. The outcome underscores that this is a hopeful cause, not a bleak one.

Honor killings, sexual slavery, and genital cutting may seem to Western readers to be tragic but inevitable in a world far, far away. In much the same way, slavery was once widely viewed by many decent Europeans and Americans as a regrettable but ineluctable feature of human life. It was just one more horror that had existed for thousands of years. But then in the 1780s a few indignant Britons, led by William Wilberforce, decided that slavery was so offensive that they had to abolish it. And they did. Today we see the seed of something similar: a global movement to emancipate women and girls.

So let us be clear about this up front: We hope to recruit you to join an incipient movement to emancipate women and fight global poverty by unlocking women's power as economic catalysts. That is the process under way—not a drama of victimization but of empowerment, the kind that transforms bubbly teenage girls from brothel slaves into successful businesswomen.

This is a story of transformation. It is change that is already taking place, and change that can accelerate if you'll just open your heart and join in. ■

Final Comments from the Editors

We hope that you've enjoyed our international edition of Perspectives in Philanthropy. One of our primary goals is identifying and showcasing individuals and organizations that are making a sustainable impact in philanthropy. We are grateful to our contributing authors who shared their remarkable stories with us in this issue.

Our Spring edition of Perspectives in Philanthropy will focus on global healthcare. Topics will focus on the impediments to bringing life-saving drugs to market; the challenges of extending modern science to people worldwide; and personal stories of clients and colleagues who are coping and beginning the lifelong process of healing following an illness or death. We look forward to bringing this edition to you in June.

Please send us your comments, suggestions and/or ideas for future issues at **philanthropy@citi.com.**

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