

**SouthMed CV Regional Conference
3 – 4 December 2017, Amman, Jordan**

Building a sustainable cultural system in the Southern Mediterranean region

- *Social, economic and political changes in the region*
- *Culture in public policies and cooperation strategies*
- *New participatory models in policy-making: participative arts councils, public-private partnerships, etc.*
- *The role of funders in building a cultural system*

Key note speech: Oussama Rifahi, Board Member, AFAC (15')

Experts:

- Carole Gürtler, Head of Department Levant, Drosos Foundation (10')
- Helena Nassif, Executive Director, Al Mawred Al Thaqafi (10')
- Hicham Bouzid, Artistic Director, Think Tanger (10')
- Christiane Dabdoub, Team Leader, Med Culture (10')



First, I want to state my admiration for the **resilience** of our sector, in arts and culture, when I look at the valuable work that is being accomplished by each one of your institutions, in those various parts of the Arab region in spite of the **challenging** conditions you face, be it, on the social, political or financial fronts.

Then I want to express my **gratitude** to the funders and partners of this initiative, who poured in generous amounts of time and personal energy, in following up with your projects, while also reflecting on how to make such efforts sustainable going forward.

We want to talk this morning about “**building a cultural system in the Arab region**”. I have taken the liberty of substituting the word Southern Mediterranean region with Arab region. In any case, we do not want to be bound by definitive geographies nor boundaries, even if these are becoming more physical, more threatening, more divisive. Today, it is impossible to make abstraction of the larger global context we are living in, and not to see how our region is both reaching out north of the Mediterranean into Europe and south, deep into sub-Saharan Africa.

I would like to zoom out a bit, in time and space and reflect on the state of Arts and culture today along two dimensions: **Relevance** and **Financial Sustainability**. These are two different sides of the same coin, more interlinked with one other than what we tend to think.

First, what is the relevance of arts and culture to our communities and societies today? how important, how necessary and critical is the work that you do in your institutions, to the public in general, to governments, to the private sector?

Second, when we talk about sustainability, and we automatically think of funding. How do we fare today in terms of variety of sources and amounts available to fund the cultural institutions in the region? Are we in a better place? Is the future more secure? Have we reached a steady-state cruise mode?

The world we are living in has grown to be very **complex**, and we struggle to make sense of it. Our daily lives are rocked by instability, political, social, economic, environmental. The forces that dictate our lives whether we in Beirut, Tangier or Barcelona, seem to outwit our understanding. In trying to understand our world, we have relied on **traditional media**, that has undergone a notable consolidation over the last 10 years, that is most news are coming from the same sources; and over the last decade ever more on social media which has become an integral part of our lives in our interaction with the rest of the world.

Information has become instantaneous and readily available to all. At any point in time, we are bombarded with the latest news, commentaries, opinions from all over the globe, in real time. But the media that we are presented with is edited outside our control, and has pushed us more and more into a **polarized world**, a world of us and them, right and wrong, black and white with very few shades of grey in between. We consume information about the world, that has been processed for us, in simple or simplistic ways. It has become more difficult to be certain about facts, and distorted realities have had a significant impact on critical political events, here in our region as well as internationally.

Censorship today works not by withholding information like in the past, but by flooding people with irrelevant information. The paradox of our time is that **we know a lot less about much more**, and that it has become much more difficult to maintain a critical distance to the events that are shaping our world.

In such context of increased complexity and misinformation, artists, whether individuals or in small cultural institutions like yours, remain at the forefront of **challenging injustices**, giving voice to the marginalized, **raising awareness through storytelling**, and inviting us to embrace complexity and to question oversimplifications; artists push back against the debilitating influence of mass mainstream media and help us unpack the contradictions we experience on a daily basis; they help us think for ourselves, question the givens, and provide us with alternative food for thought. This is in my opinion the **critical argument** for relevance of our sector today: It is an argument that we have to brag about, be proud of, to make the case for why our work is critical and necessary to support.

And this brings up to funding and sustainability. I assume that most of you have been successful at raising funds from international foundations, **but the unknown or undiscovered terrain, that remains to be explored**, is that of sustainability from the inside. From sources within the Arab region, from individuals, also from corporations. This is what will truly allow us over the longer term to become sustainable. And by fundraising from these sources, I do not mean asking them for money, or begging, rather developing a relationship with investors, ones that are convinced of the RELEVANCE of your work.

What is the current state? Globally, giving away money has become very fashionable among the rich and famous. The new enthusiasm for philanthropy is largely a consequence of the rapid wealth-creation of recent years, and ironically, of inequality and uneven distribution of resources on the planet. **Over the last 10 years, the number of billionaires has doubled to 2,000.** Regionally, we are seeing the same trend of wealth accumulation, although the statistics are not available.

But some studies say that in the six Gulf states alone were home to more than 5,000 people worth \$30 million or more in 2016, with a combined wealth of \$994 billion. But Gulf donors value their privacy. A private bank and wealth management firm, tracked just 20 donations of > \$1M in 2015. That compares with 355 such donations in the U.K alone. **So, most of the philanthropy goes under the radar.**

Other studies expect the super-rich in the Middle East to hand **(\$16B per year)** to the next generation over the next 10 years. What they do with it could make a big difference to the region. Shortcoming of current philanthropy models is that many continue to give in unimaginative way, support traditionally institutions such as their universities, elite schools, concert halls, large museums and religious groups.

This is the group that we want to tap into in the future, and to whom we need to give ideas about what better to do with their giving.

So what is their Motivation for Giving? Religion has always played a major role in philanthropic. Zakaat (prescribed offerings) and sadaqaat (voluntary offerings) have been a part of the giving culture for many centuries. It is quite similar for other religions, for example, In America, religious giving accounts for 62% of total donation. In the Arab world, it is in the order of 80%. Religions giving doesn't play a major role in arts and culture, so in essence, we are looking for other types of **individual donors with other motivations**. There are fewer of them, but they are there.

Now of course, many of us are worried of such gifts, suspecting them of having hidden business or political motives, or feeling guilty about how they have made their money, enjoying an ego trip fueled by generous tax breaks, or maybe they are under peer pressure from friends and competitors. Nonetheless, we know that the search for

morality through philanthropy is there. Becoming very rich fulfills old ambitions but gives a need for new ones. A search for a narrative about making a difference with your life and wanting to “give something back”.

Such money will come with an added complexity on our shoulders. We have now to audit donations from rich individuals. Last month, news unveiled how the **Sackler family**, a major donor of large international museums made their fortune in the pharmaceutical business with a painkiller that got millions of patients addicted, the opioid scandal.

Fundraising from these individuals will come with the necessity for us to scale up our knowledge, and our update Vocabulary.... See our sector has started to adopt some of the jargon familiar from the world of business. Philanthropists now talk about “social investing”, “venture philanthropy” and “social entrepreneurship. The new approach to philanthropy is “strategic”, “market-conscious”, “knowledge-based”, and always involves maximizing the “leverage” of the donor’s money. There is a need for us to get familiar with this jargon.

Additionally, in recent years, a host of new firms, institutions and individuals have started to provide the infrastructure of intermediaries of a philanthropic capital market, an efficient way for philanthropists to get their money to those social entrepreneurs and others who need it. **DAF - Donors Advisor Funds** is a new sort of funders, where individual donors pool their contributions and the DAF attributes money directly. This is a model that we will see more in the future.

In changing of our vocabulary, we have to start with ourselves too. We are often denoted as Non-Profit Organizations. But it is important that we to promote ourselves by what we stand for: Institutions that benefit the public sector at large, as public benefit organizations **PBOs**—(الا معلم الا نفع ذذانتت ال جم عيبانتت) so that we leave out the label of “charity”. “Charity” connotes to most people, organizations that are needy. We are not needy: we meet needs. It is important that we shift our thinking when we fundraise, from asking or begging to **Development**, a Process of Uncovering Shared Values with an Investor, rather than a donor. You have to become such institutions.

This will not come without its set of challenges. For once, some philanthropists want to **implement their own projects** rather than investing in existing initiatives. Many of us see this phenomenon negatively, as it seems to divert resources away from their own institutions. Some have opened their own cultural centers, and spend all their money there, doing the same thing that other institutions have been doing for years.

Another issue is what I call the Gates-ization of (in reference to the Gates Foundation) Increasingly, private philanthropists are collaborating to pool resources for ‘**maximum impact**’. Resources are allocated to big scalable projects, mostly aimed at services with measurable outputs, such as eradicating diseases. (doesn’t apply to Arts and Culture unfortunately) ‘Philanthropists are being drawn to large-scale causes, partly by conviction, partly because of the brand association.

But now for the good news: There is an ever-increasing number of young givers

The move from “old wealth” to “new wealth”. People are getting wealthy sooner and young people are increasingly engaging in philanthropy. They are your future BEST FRIENDS.

Now I will conclude by looking into the Future:

- Large amounts of wealth will be available for our work
- Donors will become more sophisticated and demanding
- Crowdfunding and E-giving will grow
- Corporations will give more to PBOs
- Our Fundraising will get more scrutiny

Tip 1 – Disrupt - Develop innovative donor platforms, we are in the creative sector anyway;

Tip 2 – Become Tech-savvy and e-Connected, something we have to learn;

Tip 3 – Use DATA, researching donors, projects, models of giving;

Tip 4 – Cultivate Major Gifts – Include in your development strategies Major Gifts, they provide for better return on investment of your time and resources;

Tip5 – Become experts in Development and find Investors, fundraising from donors.

Oussama Rifahi, Amman 3 December 2017