

Newsletter

ISRAELI CENTER FOR THIRD SECTOR RESEARCH

GUILFORD GLAZER FACULTY OF BUSINESS AND MANAGEMENT

BEN-GURION UNIVERSITY OF THE NEGEV

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The 15th spring conference: **Generating Change – Volunteering and Political and Social Engagement of Young Persons in a time of Change**

The emergent social protest of the summer, led by young activists outside the perimeter of the known social change organizations, and forming a decentralized and variegated social movement, is without doubt, the most dramatic

development that Israeli civil society and nonprofit sector have seen in decades. The dynamics of the summer and the continuing dynamics since, moving between decentralized protest and attempts to form an organized movement, plus

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Endowment and Asset Management

Payout Policies and their Financial, Managerial and Intergenerational implications

Prior to the introduction of a new legislation which will regulate the status of foundations in Israel for the first time, ICTR convened experts from around the world for a symposium which gave Israeli foundation and investment managers, from the third sector and the financial sector, the opportunity to learn and discuss the complex structures and different financial strategies foundations use. The financial strategies used to manage the newly formed foundations in Israel will have direct impact on a host of social issues.



From right to left: Mr. Alan R. Feld, Mr. Tim Otto, Mr. Tony Proscio, Prof. Peter Frumkin, Dr. Hagai Katz and Prof. Simon Benninga

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March, 27th 2012

ICTR's 15th spring conference on

**Generating change –
volunteering and political
and social engagement
of young persons in a
time of change**



Ben-Gurion University Of The Negev

Director's Column

Dr. Hagai Katz

“Predictions can be very difficult—especially about the future”.

— Niels Bohr, Quoted in H. Rosovsky, *The University: An Owners Manual* (1991), 147

The great philosopher of science, Karl Popper, has long warned us about the value of predictions in the social sciences. He names two reasons for his warning: “The first is that the historicist does not, as a matter of fact, derive his historical prophecies from conditional scientific predictions. The second (from which the first follows) is that he cannot possibly do so because long term prophecies can be derived from scientific conditional predictions only if they apply to systems which can be described as well isolated, stationary, and recurrent. These systems are very rare in nature; and modern society is surely not one of them¹”.

The events of the last summer in Israel's public sphere and particularly in civil society are a refreshing reminder of how limited is our ability to predict even the nearest future. We weren't alone when we predicted the decline of popular public participation in the public sphere in Israel. Terms such as the institutionalization and legalization of protest, arguments that the peace movement has lost its mass mobilization capacity, that the public has become indifferent

and won't get out on the street, that Israeli civil society is too fragmented, too neoliberal and too dependent on capitalists and politicians to generate a viable protest on shared concerns other than security ones; all these appeared in our and in others' publications. Last summer's events contradicted all these predictions. The findings that we had beforehand failed to bring us to such predictions. Since hindsight is always 20:20, we can point out now all sorts of processes that brought about the events of this summer: distrust of politicians, continuing decline in the confidence in institutions, deepening socio-economic gaps, rising housing prices, the awakening of popular protest in our region. It was a spontaneous unorganized mass mobilization that actively refrained from attempts of organization and institutionalization, kept away from the courts and demonstrated on the streets, was able to bring together diverse interest and those who represent them, despite having never worked together in the past. It expressed a social-democratic agenda and demanded placing social justice issues above security concerns.

What does this mean for us, those who study the third sector and civil society? First they teach us some humility. But this shouldn't make us weak at the knees. We should continue to study current events in their historic, macroeconomic and macro-social contexts. As Popper said, we need to base our understandings on

historic conclusions within their context, pursue research that examines the reality before us within as broad a context as we possibly can, taking into account dynamics in values and attitudes, global processes and their local implications, historic processes and long term time series of data on important social parameters. That is, we must combine micro-level research on organizations and their management with macro-level processes. That is what ICTR's research agenda should be.

This summer's protest had another effect on our research work – it brought the conceptualization of civil society and the third sector back to the fore. Public discourse in the summer and since then drew a distinction between civil society and third sector organizations as if the latter aren't part of the former. Writers and critics argued that the protest was an unorganized spontaneous event, and that civil society organizations weren't behind or alongside this protest since their institutionalization, alienation from the public, and dependence on government and capitalists did away with their capacity to produce social change. The truth of course is much more complex. The known social change organizations and others as well, were involved in the protest from the very start. Many acted behind the scenes, understanding that the popular nature of the protest is something to preserve. They assisted the protest in many ways – logistic, funding, rhetoric, mobilization, and

1 Karl R. Popper (1959). Prediction and Prophecy in the Social Sciences. In Patrick Gardiner, ed. *Theories of History*. (New York: The Free Press), 276-285

▶ Director's column

leveraging contacts with politicians and others of influence. Evidence show that even organizations that have very tight connections to government – financial and ideological – in one issue, acted in defiance of government on the protests' issues.

In one way the writers and critics that I mentioned above are right. The academic discourse of civil society focused on the organized aspects of civil society and nearly neglected the unorganized aspects of civil society. Hence, we need to explore and investigate the new patterns of popular participation in civil society, the roles of social networks (human and virtual) in mobilization and action, and

the complex relations between mass protest and organized civil society.

This summer, with its civic turmoil, and the following autumn with the doubts it brought concerning the effectiveness of the summer's protest, leaves us with many unanswered questions. One is the question of mass protest effectiveness – how can it be translated into sustainable social and political change? What role exists for civil society organizations in this process? Another question is whether it is possible to return the masses to the streets? In a symposium hosted by Sheatufim, Prof. Avia Spivak estimated that following disappointment from

the outcomes of the Trachtenberg committee, the masses will go out on the street again, but this time they might not be so polite. Will they? Is the momentum still there? Do Israelis still believe in their ability to bring about change? Was the change in the composition of activism in Israeli civil society that we saw just a temporary one? All these questions remain open, but they are an opening and an opportunity for scholars of civil society in Israel, as they are wind in the sails of Israel civil society organizations.

As said: *"The best way to predict the future is to invent it"*. — Alan C. Kay, Quoted in Financial Times (1 Nov 1982). ●

The conference will be held in Hebrew

[Registration](#)

March, 27th 2012

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ICTR's 15th spring conference on

**Generating change –
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Ben-Gurion University Of The Negev

Social protest and legitimization

Dr. Noam Hofstadter

During this past year dramatic struggles took place between the Israeli ruling elite and groups of citizens and social change organizations. It's not an exaggeration to say that the Israeli 'social contract' has been recreated; it's also difficult to presume that the social unrest is a passing phenomenon. In the midst of a host of interpretations and speculations, Giddens's theory of structuration (Giddens: *The Constitution of Society*; 1984), provides an interesting key to defining the occurrence. Due to the limited length of this article, I will expound two major sources of strength which Giddens identifies in every social system:

legitimization and signification. These major forces, which Giddens recognizes in every social system, provide the legitimization and authority to mark are dynamic in the system and are not the sole propriety of a certain agent.

Giddens's social system, like Bourdieu (and others), is based on a host of social structurations which are comprehended as the objective reality, duplicated and assimilated in every action. In this structure, signification and legitimization are a creative force which provides meaning.

Giddens' relevancy for Israel's civil society today

The social struggles of summer 2011 came in the midst of a state campaign to de-legitimize different sectors of society, and a growing signification of outcast sectors— pivoting around the

right-left and the Jewish Arab rift. The struggle was preceded by attempts to constrain Arab civic participation in Israel; attempts to curb the activity of civic and human right organizations; and pressure applied by political actors on non-political organizations such as universities, cultural institutions, and individuals to adopt criterions of 'loyalty' and ideological identification in their work.

In the midst of this de-legitimization wave, a significant part of the public, much larger than that which was directly targeted, reacted against the existing order. The Israeli public, it would seem has had enough of the old dividing discourse, and has instead brought wider social-economic issues to the public debate. The social protest was supported by 90% of the public – a strong message of public de-legitimization for the ▶

Dr. Noam Hofstadter is a social activist and a postdoctoral researcher of nonprofit organizations at ICTR



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Social protest and legitimization

governing economic policies. Social gaps, poverty, cost of living and the disappearance of public services, led to the first wave of protest which was short, intensive, widespread and nonviolent.

In the face of such wide public de-legitimization, the ruling coalition turned defensive and tried to neutralize the social protest, while at the same time continuing to promote its neo-liberal agenda (for example passing a National Housing Committee Bill). The government refused to seriously discuss the protest and retorted with de-legitimization by ridiculing the protesters (calling them sushi guzzlers and Hookah smokers, etc.), by personally intimidating the radical leadership of the protest, and by blaming the protest as not being authentically representative of the public or as lacking sensitivity to national security circumstances.

The de-legitimization attempts were not successful and signification was then activated in full force through the establishment of a committee, which separated the government from the protesters demands, reframing

the public's radical demands with a conservative interpretation to the demand for 'social justice'. The committee came up with several sectoral solutions, which divided the protest groups by political interest, religion, social status, distress and poverty levels, even re-enforcing the current governing system. Immediately thereafter, the major media corporations proclaimed the protest as eroding, defining the summer protest as its peak. Along with its media induced demise, reorganization and 'second stage' efforts, many eulogized the protest as dead (that is the demand for justice, the protesters and the outcome were re-branded and the story, retold: the protest has ended and even when it existed, it did not really represent widespread rebellion against the system and the government).

Space will not allow me to lay out the diverse plots of this tale (including the regional and global ones). Since the protest declined the government is doing its utmost to prevent any possibility of it reoccurrence. Delegitimizing legislation based on ethnic and

political inclinations, gender and religion; growing restriction of civic activities; escalating police brutality against protesters; journalists who criticize the system are fired and the government is strengthening its hold over the major communication corporations (de-legitimization no longer differentiates between protest against the occupation and protest against privatization).

To the ruling elite and to those following it in view of the protest it is clear that an Israeli social movement is a given fact. It encompasses institutions, new groups, networks and individuals, from every walk in society. It is networked both virtually and physically, it is expanding and learning. It has an activity base, a growing leadership, its own independent communication means, and a growing self esteem. The movement demands a more humane economic sphere and a society based on values such as 'fairness' and 'honorable living', 'solidarity' and 'sustainable living'. It's also preparing for the next round.

Israel's civil society is in one of its most impressive periods since its establishment, but its power reinvigorates the ruling elite which will not willingly surrender its physical or symbolic resources.

In the battle for legitimization and signification, unionizing and incitement, the tools that we activists have require special responsibility. A responsibility not for a specific position, but rather to a firm standing against every attempt to expropriate civil society from its moral stance and its precedence to that of the state and government, as well as a responsibility to win over naked force in the practice of humanistic and value based politics. ●



Volunteering and values

Dr. Mike Naftali



In the past few years recognition of volunteering is increasing, but the phenomenon itself remains largely unexplained and undervalued. In fact often the strong relationship between voluntary activities and peace and human development is ignored, as is the recognition of the contribution of volunteering to the quality of life and human welfare in its widest sense, as one of the missing ingredients in the developmental paradigm which places economic growth at its core. To quote the UN Human Development Reports, "People are the real wealth of a nation", and economic growth is just one way to expand their choices.¹

1 Human Development Reports. (n.d.). The Human Development concept.

As I mentioned, volunteering is a sphere of activity whose importance is yet to be fully understood and determined, and one which is not present in the dialog on development, especially concerning the UN's Millennium Development Goals.

This does not invalidate the substantial progress achieved since the UN's 2001 International Year of Volunteering Declaration, especially regarding developing countries, on goals such as recognition, support and networking of volunteering. Many governments developed a list of recommendations to advance volunteering (those can be found in UN Resolution 56/38 from 2001² with additional resolutions added since, additionally, these recommendations were highlighted in later reports published by the UN General Assembly.³

The State of World Voluntarism Report - Universal Values For Global Well Being

The Report which was launched around the globe recently, clearly reflects the changes in the importance and contribution of volunteering to society, the individual and culture-wise in this past decade.

The Report's importance is that it can be used as a guide which examines and offers a 'roadmap' for activities such as the strengthening public responsibility for appropriate public services, diminishing the differences between nations and framing volunteering as a partnership with the government.

2 National Commission for Human Development, United Nations Volunteers

3 & the UN System in Pakistan (2004, December). International conference

The Report clearly indicates the importance of volunteering as a major tool for basic civil society values in democratic countries, and offers related suggestions for implementation, making societies more socially aware and communities more resilient, so to ensure civic and social rights.

A decade after the UN Volunteering Day was proclaimed, the Report has substantial importance in the public discourse on the nature of the society which we and the future generation would desire to live in.

Globalization quickly changes social and cultural norms bringing its best to some while excluding and repressing others. People feel that they have lost control over their lives⁴. Volunteering is one of the ways that allows people to integrate in the community and society in which they live. Volunteering gives them a sense of belonging and control over their lives.

There is no similar point in history when people were given a greater opportunity to become players, not minor players but influential voices in their communities, influencing the shape of their destiny. In Latin America in the 1980's, in Eastern Europe in the 1990's, and just this past year in the Arab states, aided by the rapid expansion in digital communications, people expressed their desire to participate actively in democratic practices through social protest and activism based on voluntary activity.

Today we feel the importance of bringing the issue of volunteering to the forefront of discussions on development in the national, regional and global spheres.

The interest in the various facets of volunteering has risen

4 on volunteerism & the Millennium Development Goals [Final report], Islamabad,

Dr. Mike Naftali, A consultant and entrepreneur, founder of a social enterprise, 'Platforma for Civil Society', Lecturer and researcher at the School for Social Work at the Tel-Aviv University and the Tel Hai College.

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Volunteering and values

dramatically in the last few years. This is evident in the development of academic research, varied discussion forums, and mainstream press coverage, especially at times of natural disasters and global sports events such as the Olympics and the World Cup. Governments too are showing signs of supporting volunteering as a social inclusion tool, intended not only to support service provision but to promote social values such as cohesion and social harmony. While the interest in the UN Volunteering year in 2001 was limited, many volunteering endeavors extended from it.

The State of World Voluntarism Report wishes to portray a vision of volunteering and examine it in face of the challenges of peace

and development. The examples quoted in the report are mostly from developing countries, a noteworthy challenge in which we correct a clear academic imbalance.

Nonetheless, the report is global in its findings, conclusions and recommendations (UN resolution 56/38 includes detailed recommendations on the means governments and the UN bodies can support volunteering)⁵. Among the major considerations are:

- Avoiding the inclusion of volunteering in social-economic policies could result in ignoring a valuable asset and undermine important traditions which enable individual cooperation

⁵ Pakistan.

and community building⁶.

- A single universal model for volunteering does not exist⁷.
- What might work perfectly in one country may not work in another where culture and tradition are significantly different.
- Supporting volunteering activities does in no way mean support in government policies in which volunteers take the place of or reduce paid work⁸.

⁶ United Nations Development Programme and Evaluation Office (2003). Volunteerism and development, In Evaluation Office (Ed.), Essentials. New

⁷ York, NY: UNDP and EO.

⁸ United Nations Development Programme (UNDP). (1990). Human Development

The State of World Voluntarism Report – Universal Values For Global Well Being

2001 was declared by the UN as the Year of Volunteering. In the past decade institutions and governments have worked to expand volunteer activities, and volunteering as a leading force in development, peace making and conflict resolutions. Two years ago, the UNV initiated a world wide report on the place of volunteering in the world. The Report was presented to the UN on December 5th, 2012 (World Volunteering Day), the report was presented around the globe, and in Israel on the 23rd of January, 2012 by Ms. Moriag Henderson, Deputy Chief of the UNV Peace Division.

Core messages*

- 1) New Development Architecture
 - Volunteerism should become an integral part of the New Development Consensus
 - Volunteer action is essential for the way forward
 - People-centred approaches and partnership are key to delivering on the sustainable development agenda
- 2) Well-being
 - Well-being should be an essential part of a New Development Architecture

- Discourse on well-being has to recognize the reciprocal values of volunteerism

3) Measuring and universality of volunteerism

- Reliable data and the addressing of misconceptions are vital for moving volunteerism forward
- There is a pressing need to compare and benchmark volunteerism at regional and global levels

Additional messages

- 1) Volunteerism in the 21st Century
 - New forms of volunteerism contribute significantly to Human Development
 - New opportunities to volunteer are excellent news for the social fabric of our societies
- 2) Sustainable livelihoods and social inclusion
 - Volunteerism plays an important role in overcoming barriers
 - Links beyond the community are needed to tackle poverty and supportive legislation is required to eliminate social exclusion
- 3) Violent conflict and disasters
 - Volunteer action is an essential asset in the face of war and disaster
 - Volunteer action increases the resilience of societies

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Volunteering and values

Volunteering in Israel

In Israel, until recently, few steps were taken to advance volunteering. Yet, recent months have seen significant progress, as the Prime Minister's Office together with the Welfare and Social Services Ministry have issued a call for participation in a new venture to develop and advance volunteering in Israel. The plan is

based on the 'Volunteering and Giving as a Way of Life' program which was presented to the Tri-Sectoral roundtable at the Prime Minister's Office. The new venture, led by the JDC Israel together with various organizations promoting volunteering will be funded by the government and the JDC in equal shares. This venture will face major challenges, not

unlike in developing countries, due to the partial professional infrastructure, outdated legislation and limited academic research, a limited database and lack of funding for new initiatives and inter-organizational cooperation. All this is exacerbated by fatigue among a large part of the Israeli public that has become wary and cynical, while others believe they ►

From a report to a blueprint?

Contemplating the UNV's State of the World Volunteering Report

Dr. Hagai Katz

The UNV's State of the World Volunteering Report did not arrive without controversy. It is very important to properly define and locate it in the volunteering discourse, so that the opportunities that it brings aren't missed. As a participant in the process of developing the report (I participated in the Middle East regional consultation, together with representatives from Lebanon, Syria, Turkey, Sudan, Morocco and Saudi-Arabia, in a memorable weekend near Istanbul), I already knew, before the report saw light, what not to expect. This is not a research document, and it doesn't summarize a systematic comparative multinational survey as some of my researcher colleagues might have expected. Neither is it conceptually groundbreaking or innovative, as most of what it says has been discussed before. Nonetheless, the report has great merit that requires proper understanding and framing. It is an ideological declaration of principles, published by a pivotal international agency in today's globalized world – the United Nations. The UN's immense declarative and symbolic power, now bestowed on volunteerism, increases the legitimacy of volunteering and volunteers in the global social-economic policy circles. It provides those who wish to promote volunteerism (or the third sector, nonprofit sector, civil society, whatever the terms we wish to use) with a manifesto to back them up as they create a blueprint or a working plan to promote volunteering, research on volunteering, or develop databases on volunteering, in Israel, and elsewhere around the globe.

In Israel this report should be a tool in the hands of the leaders of the newly founded national



volunteering initiative to increase the recognition of volunteering in all levels of government. For the UN too, this mustn't be an isolated move. The United Nations Volunteers (UNV) must integrate the perceptions and principles expressed in this report to other UN agencies and initiatives. The UNV must see how they can work with the UN statistical agency to promote the application of a nonprofit sector satellite account in the national accounts of more countries. They can collaborate with the International Labor Organization (ILO) in promoting the addition of volunteer work in labor market surveys throughout the world. And they mustn't remain only within the perimeters of the UN alone – they can promote the integration of volunteering in World Bank collaborative development projects, expand the consultative status system of the World Trade Organization, and the OECD international aid criteria.

The time is now.

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Volunteering and values

are struggling to gain the very basic of rights.

Conclusion

The State Of World Voluntarism Report is both a description and an endorsement of the positive influence of volunteering, especially among societies ravaged by poverty, social exclusion and security issues. We,

as practitioners and visionaries hope to be able to increase the interest in volunteering among activists and researchers, including those that are already involved. We would like to supply information for future discussion on peace, development and welfare issues and influence decision makers into including this important resource which in

most cases remains obscure and not utilized properly, yet.

The basic assumption throughout the Report is that the value incorporated in volunteering has a huge potential for human development. This includes values such as solidarity, social inclusion, empowerment, self-fulfillment, and personal and social wellbeing.

These values have been an integral part of the UN's work. Despite its huge contribution, volunteering has been almost completely excluded from the organization's peace and development agenda. This situation should be amended. Volunteering should be acknowledged as a renewable powerful global resource, and an integral part of every nation's human resources, as it incorporates a potential for creating change on most issues on the global agenda today. We hope that the Report will contribute to a better evaluation of the potential of volunteering and encourage strategic thinking and planning which includes volunteering in major peace and development policy directives. ●



Dr. Mike Naftali moderating the presentation of the State of the World Voluntarism Report, in Israel, which he initiated. Ms. Moriag Henderson Deputy Chief of the UNV Peace Division, was the guest speaker at the gathering.



The universal values of volunteering in an Israeli framework, a panel discussion moderated by Dr. Mike Naftali, (on the right) sitting from right: Ms. Haya Daskal, Ms. Ronit Bar, Dr. Eli Jaffe, Adv. Yoram Sagi Sachs, Mr. Sholom Dushi and Mr. Kaynan Rabino

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The 15th spring conference: **Generating Change – Volunteering and Political and Social Engagement of Young Persons in a time of Change**

the pivotal role of young persons in these processes, demand that we reopen many question on civil society, on social change and the political system, and even on our foundational assumptions concerning the structure of power in Israeli society and polity. It quickly became evident that this should be this year's conference theme. Just on time, we are completing now a series of studies on the civic engagement of young adults, which we began three years ago, when we recognized the early manifestations of the dynamics overt today.

The conference will feature three debates around this topic. The first will be based on the findings from ICTR in three studies – youth volunteering, young social entrepreneurs and mission based young communities. We will look into motivations for participating in such civic activities, and try to expose their main characteristics, in an attempt to find ways to promote them.

The second debate will begin with Prof. Yael Yishai's keynote lecture, whom we are very proud to host at our conference. A short while ago, Prof. Yishai published in ICTR's journal a criticism of Israeli civil society, in light of processes of neoliberalization, political indifference and the tyranny of the market. Recent events brought Prof. Yishai to reconsider her criticism (much in line with the skepticism about our predictive capacity expressed in the director's column of the current newsletter). Two emerging scholars will discuss Prof. Yishai's recanting; Dr. Danielle Shani from the Mandel Foundation whose

doctorate research examined the sources of political activism and participation; and Dr. Noam Hofstadter, whose analysis of the practice of values in human rights organizations resulted in a model of legitimacy in civil society, and who has also been a prominent activist in the social protest. Noam is now doing his postdoctoral research on the nexus between the unorganized protest and organized social change organizations.

The third discussion takes a more pragmatic direction. The panel in this session will try to discuss how we can encourage young persons' civic engagement, and how it can be more effective. In light of the tensions evident in the protest movement between core and periphery and between organization and decentralization, the composition of the panel reflects the different sides of these dilemmas. Alon-Lee Green, one of the original leaders of the protest, is well aware of these tensions and how they were expressed on the ground. Nitai Schreiber, CEO of Gvanim in Sderot and now among the organizers behind an attempt to organize nationally the very local mission driven communities, bridges these two gaps. Safi Ibrahim, CEO of Horizons for the Future in Maghar in the north, will express the experiences of activists in a both geographic and socio-political periphery. MK Gila Gamliel, Deputy Minister in the Prime Minister's Office, and in charge of young persons in the government, has much to say about the way government sees the new rise in young activism, and what is the government's

role vis-à-vis this phenomena. Dr. Ronit Amit, CEO of the Gandy Foundation which is a prominent actor in the development of young persons in Israel, can provide us with a special view on these processes, as well as provide the angle of philanthropy on this matter.

Naturally, we will not miss the opportunity to be updated on new research on the third sector in Israel. The parallel sessions will feature a few of the many articles that were submitted this year. The topics are varied, starting from the bridging role of third sector organizations in building social capital, through dilemmas of dependence and legitimacy in civil society organizations and effectiveness dilemmas in organizations trying to translate vision into action, and concluding with philanthropy, this time mixing historic and contemporary analyses.

See you at the conference! ●



Israeli Center for Third Sector Research
Guilford Glazer Faculty Of Business And Management

Ben-Gurion University Of The Negev



15th Annual Spring Conference

March, 27th 2012

Tuesday

Ben Gurion University, Marcus Family Campus, W.A. Minkoff Senate Hall

Generating Change: Young Adults Volunteering and Social and Political Engagement in a time of Social Protest

09:00-10:00

Registration

10:00-10:15

Opening and Greetings

Prof. Ayala Malach-Pines, Dean, Guilford Glazer faculty of Business and Management
Prof. Pierre Kletz, Director of the Social Leadership MBA, Vice-President, Mandel Foundation

10:15-11:45

Social Engagement by Young Adults in Israel – ICTR Research Findings

Chair: Dr. Hagai Katz, Director, ICTR
Dr. Uzi Sasson: Recruiting youth volunteers and youth volunteers' motivations
Ms. Avital Schlanger: What makes the entrepreneur? Young social entrepreneurs
Ms. Shelly Sharon: Young mission-based communities

11:45-12:15

Coffee

12:15-13:45

Parallel Sessions: New Research on the Third Sector in Israel

Third sector organizations as social bridges and junctions
Vision to results – paths towards effectiveness
Dependence, control and legitimacy in civil society organizations
Philanthropy – now and then

13:45-14:30

Lunch

14:30-16:00

Keynote: Is Israeli Civil Society Crumbling? What's Changed Since Summer 2011?

Prof. Yael Yishai, School of Political Science, Haifa University
Chair: Prof. Ayala Malach-Pines, Dean, Guilford Glazer faculty of Business and Management

Discussants:

Dr. Danielle Shani, Staff Member and Program Development, Mandel Foundation
Dr. Noam Hofstadter, ICTR

16:00-16:30

Coffee

16:30-18:00

Panel: Young Persons and Social Change – Bottom-Up? Periphery vs. Center?

Chair: Dr. Varda Shiffer, President, Mandel Foundation, Israel

Panelists:

MK Gila Gamliel, Deputy Minister at the Prime Minister's Office, in charge of the issue of young persons in the government

Dr. Ronit Amit, CEO, Gandyr Foundation

Mr. Safi Ibrahim, CEO, Horizons to the Future, Maghar

Mr. Alon-Lee Green, the New Social Movement, of the summer protest leadership

Mr. Nitai Schreiber, Co-Executive Director, Gvanim

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Endowment and Asset Management Payout Policies and their Financial, Managerial and Intergenerational implications

While in other countries in which foundations are legally formed, one can usually find diversity in types of foundations, in Israel where the funding sources are scarce, their influence on third sector activities is expected to be substantial. Accordingly, it is necessary to raise questions, before the legislation is enacted, concerning their correct life span, spending policies and the connection between mission, financing and vision.

The conference brought together four experts from abroad, together with Israeli specialists from the third sector, financial and philanthropic sectors. Mr. Alan R. Feld, Senior

Managing Director, Bernstein Global Wealth Management, and a Trustee of the Avi-Hai Foundation, New York. Mr. Feld spoke about the payout policies of foundations and trusts. Mr. Tim Otto, the CFO of the Van Leer Group Foundation from The Hague presented a case study about Van Leers' spending policies and decision making process. Mr. Tony Proscio, a foundation planning, evaluation and communication consultant and a lecturer at the Center for Strategic Philanthropy and Civil Society at Duke University, NC, lectured about the Limits of Time: The Opportunities, and the

Dangers of Investing Everything Now. Prof. Peter Frumkin, Professor of Public Affairs and Director of the RGK Center for Strategic Philanthropy and Community Service at the Lyndon B. Johnson School for Public Administration at the University of Texas, Austin, spoke about Understanding Foundation's Payout Strategies.

Discussants on the Israeli context were Dr. Nisan Limor from Van Leer Institute; Adv. Yaron Keidar, formerly the Registrar of Nonprofit Organizations; Mr. Meir Mishali, Partner, Government & Not-for-Profit Services Leader Office at Kesselman-PWC Israel. ►



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Endowment and Asset Management Payout Policies and their Financial, Managerial and Intergenerational implications

Heading the panel was Prof. Simon Benninga, Professor of Economic Finance at the Max and Stephanie Pearlman Faculty of Management, the Recanati Business School at the Tel Aviv University.

A panel of discussants chaired by Dr. Hagai Katz debated the multi generational consequences of the management strategies in foundations and philanthropic assets. Discussants were Ms. Atar Razi Oren, Head of the Philanthropy Center at Sheatufim; Dr. Tamar Akret-Milo lecturer, Family Business at Tel Aviv University and consultant at AMI Family Business; and Ms. Nava Michael-Tsabari, Academic Director of Family Business Program at Lahav Executive Education, Recanati Business School, Faculty of

Management, Tel Aviv University.

Mr. Tony Proscio's lecture examined the dimension of time, its limitations and the risk and opportunities in the relationship between foundations' life-span and the distribution of the foundations assets. Among the models Proscio presented were the Perpetual model of standard distribution of funds throughout the years, the Steady State Model in which the foundation donates affixed sums which will bring to its closing at a given time, and the Big Finish Model in which the foundation, at a certain point in time decides to distribute all its resources and shut down. Other models shown were the Big Start model in which the foundation distributes a large amount of money at its initiation and

gradually shrinks, and foundations which respond to opportunities and whose distribution policies are not consistent.

Prof. Peter Frumkin lectured on the compatibility between financial and strategic giving policies in foundations. In his lecture he noted the steep rise in the American philanthropies from 5,000 foundations distributing 300 million USD in 1965, to 71,000 foundations distributing 41 billion USD today. The foundations' giving is 15% of the total annual donations in the US, the most common type of foundation being the Independent Foundation. The biggest challenges to foundations today, he told the conference participants, are increasing effectiveness, outcome measurement and the connection ▶

Montreal Magbit Leadership visit to ICTR



On February 7, 2012 ICTR hosted a visit of the Montreal Canada Magbit Leadership. The visitors heard a lecture by Dr. Hagai Katz on the state of the third sector in Israel and in the Negev, and possible future collaborations were discussed

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between financial strategies and fund distribution. Prof. Frumkin discussed the timing of fund distribution. The case for limiting the distribution to 5% of the foundations assets pivoted around the lack of stability of the financial markets, the expertise needed for this kind of distribution, and the expectation for unknown future social needs, for which the foundation will require assets. On the other side, those in favor of distributing the funds during the donor's life argue that early intervention will solve future social ills, today. Life-time giving models enhance equality among generations between expenditure and tax relief, and that new philanthropic money is expected to take the place of the current one when it is spent out.

Also, advocates claim that it is a more precise way to achieve the donor's purpose.

Mr. Tim Otto of the Van Leer Group Foundation examined the allocation making process at the Foundation, and provided a rare and unique opportunity to learn about the financial considerations for conserving the asset value of the foundation while allocating annual funds. Among other considerations Otto spoke about the balance between the expenditure and the cash flow, updating administrative costs, cost of investment, special projects and the long term changes in the foundations' goals, financial considerations such as inflation and currency rates, and the hybrid investment formulae needed to conserve a steady cash flow. The

foundation, Mr. Otto explained, uses Monte Carlo simulations (Mathematical Risk Calculations), which enable it to examine potential outcomes of investment in order to reach decisions in a state of uncertainty.

Mr. Alan Feld spoke about the payout policy and its financial, managerial and multi generational implications. Most foundations were established as perpetual foundations, which is the reason behind the 5% distribution concept, as part of an attempt to keep asset values from being eroded by inflation. Feld also spoke about the tension between the desire to allocate steadily and the need to invest to keep assets for the long term. The key, he explained is in the investment policy and the asset allocation. His company's method when consulting foundations is to calculate the goals, resources and risk and time factors and examine them in comparison to the allocation policy, in order to provide predictive models.

The second panel, headed by Prof. Simon Benninga, discussed the Israeli foundation management case in light of the legislation currently in progress. It did not present an overly optimistic outlook concerning the investment and flexibility of the Israeli foundations, as discussed in preliminary meetings with the authorities in charge. The legislation will regulate the foundations to use a conservative policy, similar to the one placed on nonprofit organization today, and require them to distribute a high percent of their assets, annually. ●