

# Philanthropy and Civil Society in Mexico and the United States: The Context for Collaboration

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# Mexico



Source: CIA Factbook 2007.

# United States



Source: CIA Factbook 2007. Border countries: Canada 8,893 km (5,525.85 miles) (including 2,477 km - 1,539.14 miles with Alaska), Mexico 3,141 km (1,951.73 miles).

# Basic Data

	<i>USA</i>	<i>Mexico</i>
<b>Population and ranking</b>	301,139,947 (#3)	108,700,891 (#11)
<b>GDP (Trillions of USD) and ranking</b>	\$13.13 (#1)	\$1.149 (#13)
<b>GDP per capita</b>	\$44,000	\$10,700
<b>*Poverty</b>	12%	40%
<b>People Living Under Poverty Line</b>	36,136,794	43,480,356
<b>Human Development Index (HDI) and ranking</b>	0.9848 (#8)	0.821 (#53)

Sources: July 2007 Estimates, CIA Factbook, and 2006 UNDP Human Development Report: <http://hdr.undp.org/hdr2006/pdfs/report/HDR06-complete.pdf>

# Globalization Works Both Ways

**In the US...** salsa outsells ketchup and tortillas beat out bagels.



**In Mexico...** the *torta* is losing out to hamburgers and pizza, tortilla consumption is dropping off, and Walmart is the #1 employer.



# Cultural Influences



# Comparative Data: Nonprofit sector

<i>Percentage (ranking)</i>	<i>USA</i>	<i>Mexico</i>
<b>Economically Active Population in Sector</b>	9.80% (#4)	0.40% (#36)
<b>Sources of Funding</b>		
<b>Fees for Services</b>	57% (#15)	85% (#2)
<b>Government</b>	31% (#25)	9% (#30)
<b>Philanthropy</b>	13% (#13)	6% (#24)
<b>GDP dedicated to Philanthropy</b>	1.01% (#2)	0.04% (#33)

Source: Salomon, Lester M., *Global Civil Society, Dimensions of the Nonprofit Sector*, Volume 2, Johns Hopkins Comparative Nonprofit Sector Project, Kumarian Press, 2004.

## ***What explains the differences?***

- Constitutional Origins
- Historical Trajectories
- Infrastructure for Civil Society and Philanthropy



# History: Constitutional Origins

- **First Amendment of the US Constitution:**

*Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.*

- **Article 9 of the Mexican Constitution:**

*The right to associate or peacefully assemble for any lawful purpose shall not be abridged; but only citizens of the Republic may do so in order to take part in the political affairs of the country. No armed gathering has the right to deliberate. No assembly or gathering that has as its object to make a petition or present a protest because of some act to an authority, shall be illegal or be dissolved, provided injuries are not suffered by the authority, nor use was made of violence or threats to intimidate it, or obligate it to respond in the manner desired.*

# U.S. History: 19th Century

Tocqueville: Democracy in America:

*Americans of all ages, all stations in life, and all types of disposition are **forever forming associations**. There are not only commercial and industrial associations in which all take part, but others of thousand different types – religious, moral, serious, futile, very general and very limited, immensely large and very minute.*

# Tocqueville: Government and Associations

*The more government takes the place of associations, the more will individuals lose the idea of forming associations and need the government to come to their help. That is a vicious circle of cause and effect [...]*

*The morals and intelligence of a democratic people would be in as much danger as its commerce and industry if ever a government wholly usurped the place of private associations.*

*Feelings and ideas are renewed, the heart enlarged, and the understanding developed only by reciprocal action of men one upon another.”*

# Mexico's Single-party State

Octavio Paz, *The Philanthropic Ogre*

*Civil society has almost completely disappeared: nothing and no one exists outside the state.*

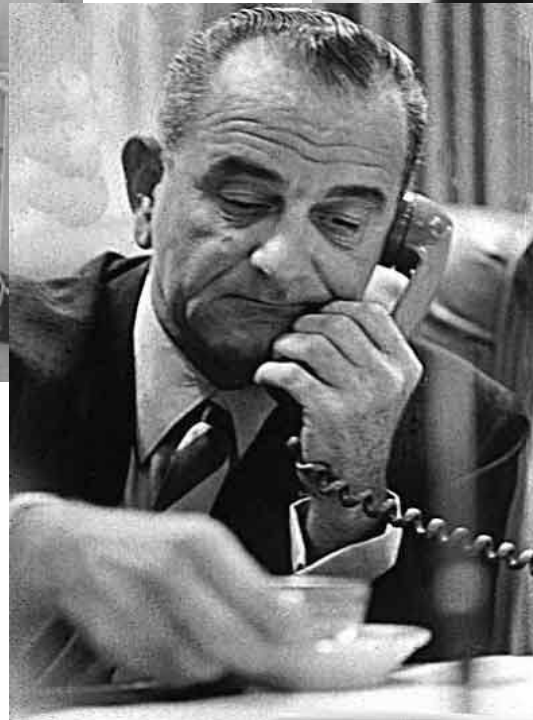
# History: 19th Century

Carlos A. Forment, *Democracy in Latin America*

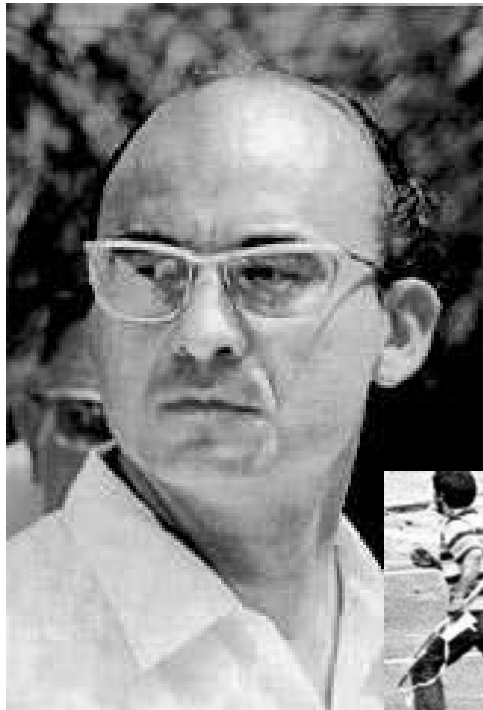
*The institutional structures of political society, including the government, church, and army, provided authoritarian groups with a way of propagating their practices in daily life.*

*Although these institutions were certainly fragile, they provided authoritarians with the additional support they needed to gain control of public life. **Latin Americans invested their sense of sovereignty horizontally in each other rather than vertically in government institutions, which created a radical disjunction between the two.***

# US History: 1968



# Mexican History: 1968



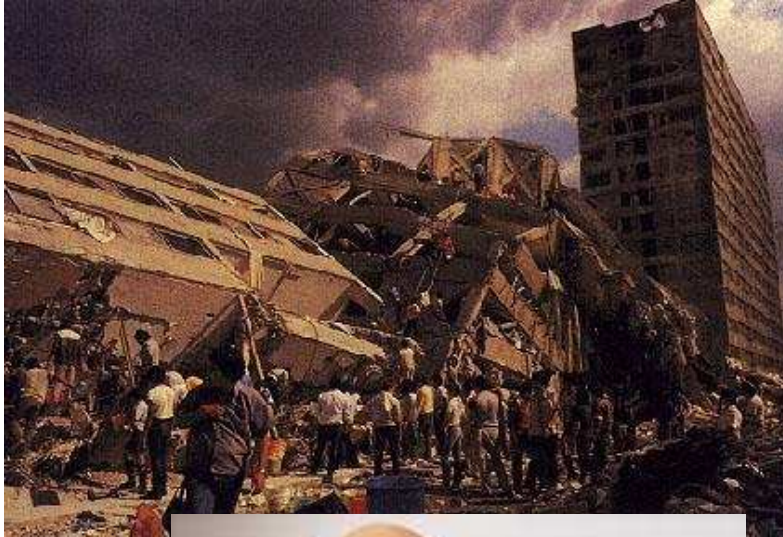


# US History: After 1968





# Mexican History: After 1968



# What explains the differences?

## ***Enabling environment for civil society***

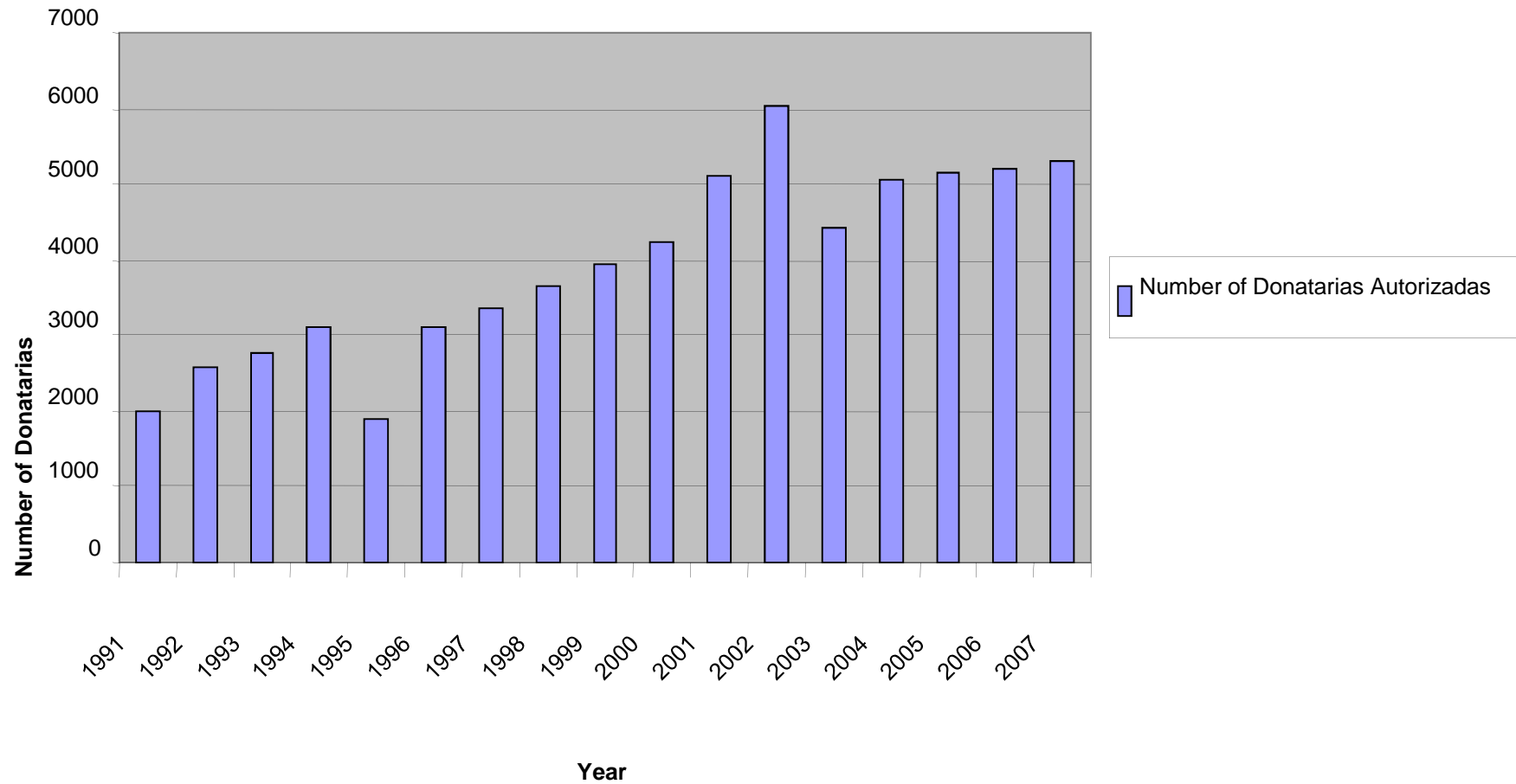
- A legal framework that empowers groups.
- A tax structure that provides incentives.
- An accountability system that builds confidence in civil society organizations.
- The institutional capacity to implement effective activities.
- The availability of resources.

Source:, Barry D. Gaberman, *Building the Global Infrastructure for Philanthropy*, Waldemar Nielsen Seminar Series, Georgetown University, Friday, April 11, 2003, p.6.

# Impact of Fiscal Incentives



## Number of Donatarias Autorizadas per year 1991-2000



Source: Servicio de Administración Tributaria (SAT )

# What explains the differences?

## ***The infrastructure for philanthropy***

- Donor institutions themselves.
- An accountability system.
- Institutions that capture learning.
- Support organizations for donors.

Source:, Barry D. Gaberman, *Building the Global Infrastructure for Philanthropy*, Waldemar Nielsen Seminar Series, Georgetown University, Friday, April 11, 2003, p.6.

# Fiscal Incentives

- USA
  - Income tax
  - Inheritance
  - In-kind
- Mexico

# Donor Institutions

	<i>USA</i>	<i># of Habitants per Institution</i>	<i>Mexico</i>	<i># of Habitants per Institution</i>
<b>Donor Institutions</b>	68,000	4,429	125	869,607
<b>501 (c )(3) – Donatarias Autoizadas</b>	1,400,000	215	5,206	18,732

Sources: For US:

[http://www.cof.org/files/Documents/International\\_Programs/2006%20Publications/IntlUpdateOct06.pdf](http://www.cof.org/files/Documents/International_Programs/2006%20Publications/IntlUpdateOct06.pdf)

For Mexico: Data from SAT, Excel Document on Donatarias Autorizadas 2006.

## Trust in Institutions (Mucha o algo)

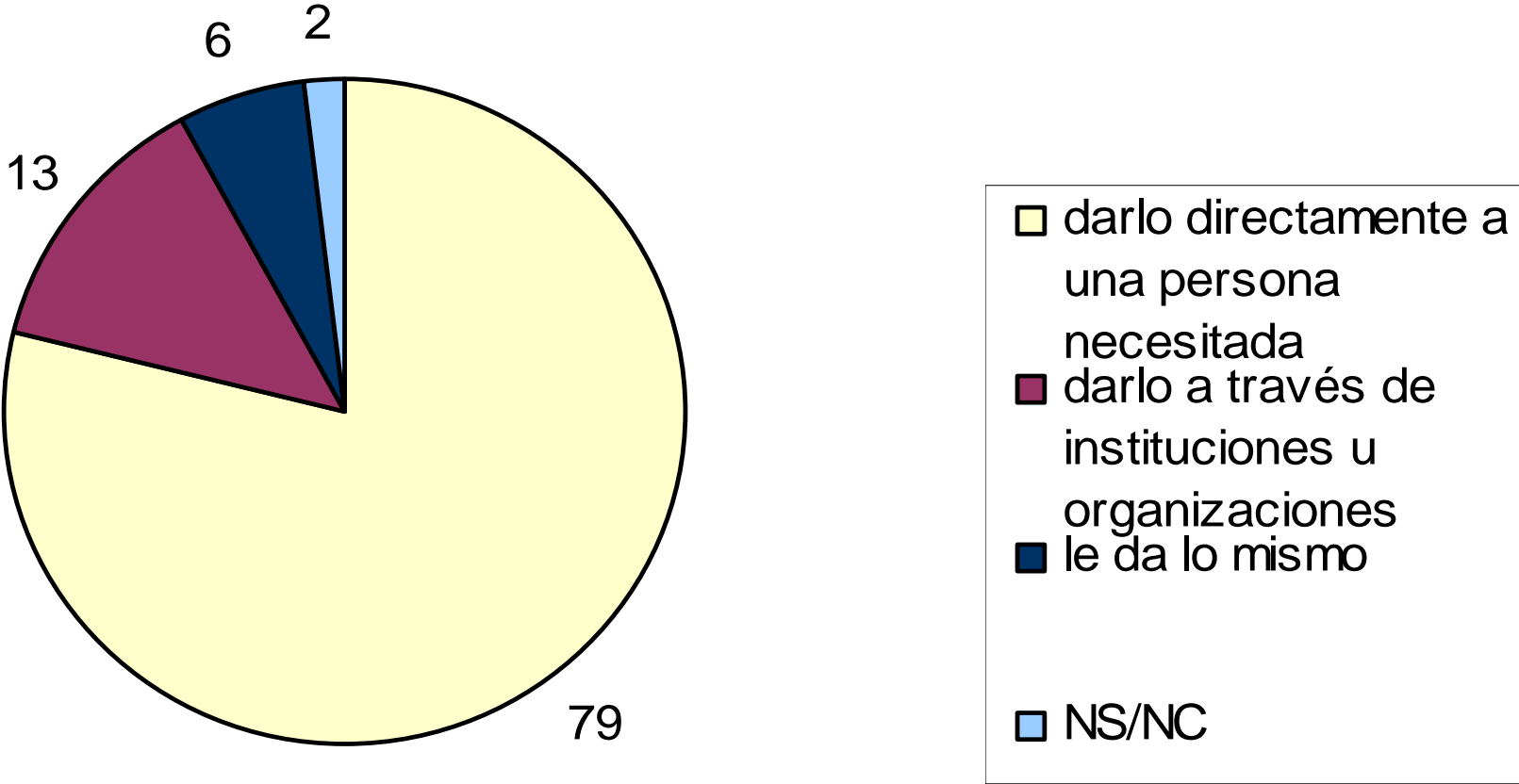


Source: ENAFI survey



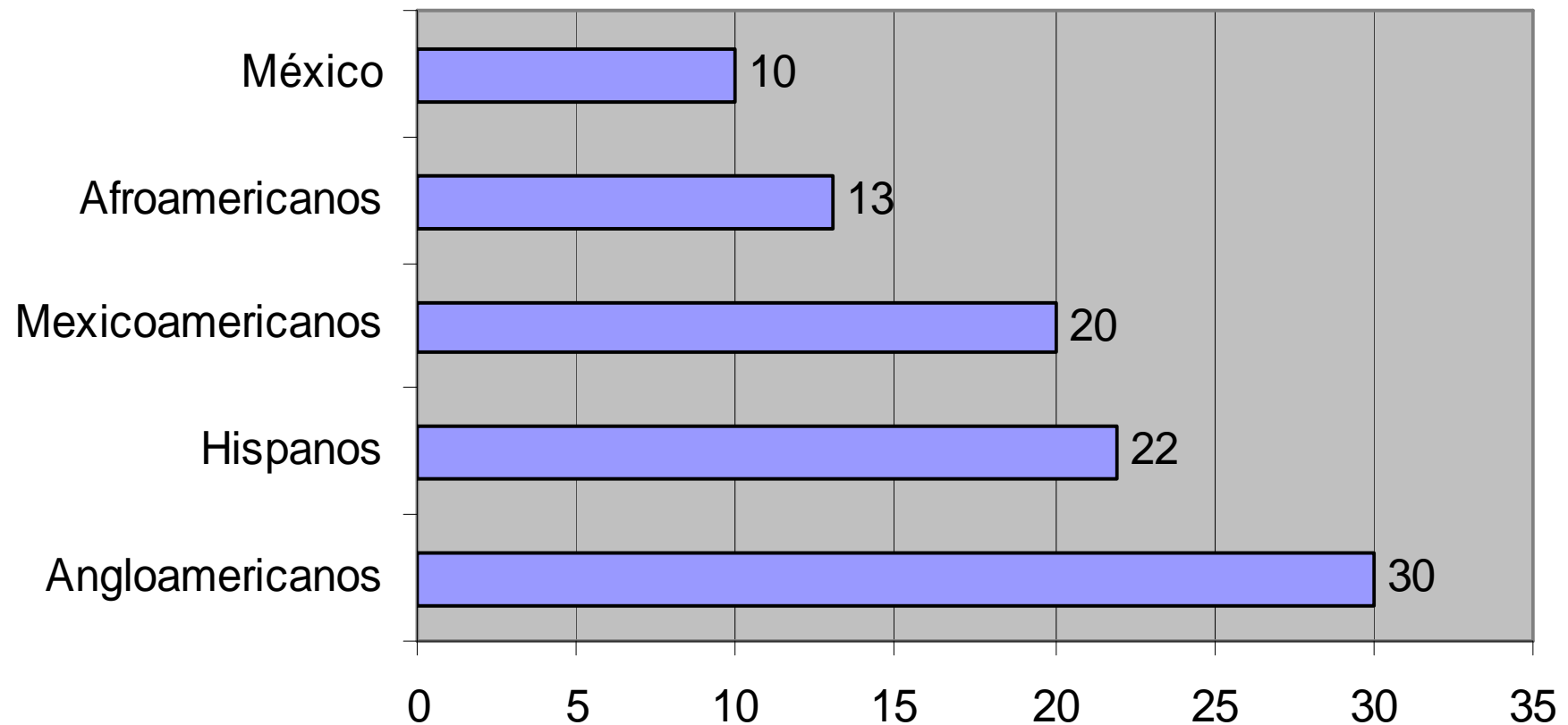
# Preference to Give to Needy Individuals

¿Cómo prefiere usted realizar aportaciones o dar ayuda?



Source: ENAFI survey

## Interpersonal Trust in Mexico and US



Source: Moreno, Alejandro, *Nuestros Valores, Los Mexicanos en México y en Estados Unidos al Inicio del siglo XXI*, Tomo VI, División de Estudios Económicos y Sociopolíticos Grupo Financiero Banamex, 2005, p. 145.

# Institutional Capacity and Capturing Learning

- Is there an inventory of 1. teaching programs and 2. research centers in both countries?
- Probably not: I will write provocative questions here.

¡Thank You!

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