



The South African Institute for  
**Advancement**

MEDIA STATEMENT BY INYATHELO – THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT

For Immediate Release: 3 November 2009

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## **New challenges face philanthropists**

Well known philanthropist and supporter of the Red Cross Children's hospital in Cape Town, Amanda Bloch, has criticised the tunnel vision of government departments and called for the South African Revenue Services to develop policies that support philanthropy.

Speaking this afternoon at the Inyathelo conference on Our World: Our Responsibility in Cape Town, Bloch said the biggest challenge in her work had been navigating the apparent "insurmountable bureaucracy and lack of collaboration on the part of government".

Bloch, who was awarded the 2007 Inyathelo Award for Philanthropy in Health, said another challenge faced was "the sense of entitlement which appears to permeate through the public, recipient organisations and their beneficiaries, as well as government and their operators. This mindset is counter-productive to change and harmful to developing philanthropy."

She added that government "feels that the rich are obligated to hand over money to alleviate the responsibilities it cannot fulfil and take on those it has delegated (to them)," while NGOs feel entitled to support from government, business and the public because they are doing good.

Turning to the role of business, Bloch said that there were still too many in the corporate world "who are so far removed from the reality of people's daily lives that they are totally out of touch with what consumers really want and expect, part of which is good corporate citizenship. Many brands are perceived as elitist, uncaring and living off the disadvantaged without giving back in a meaningful and sustainable way – merely engaging causes for defined periods of time with financial assistance which has shrunk significantly as a result of the economic crisis."

However, Bloch indicated that a new kind of corporate social investment was emerging in response to a public that wanted institutions and companies that care for their staff, customers, stakeholders, communities in which they operate and the country's disadvantaged in general.

She said that businesses that did this stimulated demand for their product attracted and retained ethical consumers, investors and staff better than those businesses that stick to the old rules of doing business.

"Businesses are realising that there is a financial as well as a social return on being a good corporate citizen. The question is therefore no longer whether or not to become responsible, but how to do it in a way that is good for business at the same time."

One of the ways to do so was to establish social enterprises of which Grameen Danone is an excellent international example. She added that the rise of social entrepreneurs brought about positive social

change through organisations that assessed success in terms of the impact on society as well as in profit or return.

In South Africa, Danone Clover Danimal operated in a similar sphere, offering small entrepreneurs the opportunity to become micro-distributors. This enabled sustained social and economic opportunity for those at the middle and bottom of the world's economic pyramid.

Social entrepreneurs was another important entity that had developed recently – one that fell “somewhere between altruistic individuals and business”.

“Rather than maximising shareholder value, the main aim of these social enterprises is to generate profit to further their social and/or environmental goals. The existence of this model has encouraged many non-profit organisations to use social enterprise as a way of reducing their dependence on charitable donations and grants while others view the business itself as the vehicle for social change.”

Bloch pointed out that social enterprise had taken off globally. In South Africa the best-known examples were The Big Issue, Streetwires, shonaquip and the Johannesburg Housing Company.