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A Will in Search of a Way: Philanthropy in Education in Peru

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Peru's Economic Boom

- Peru's economic boom during the early 21st century → re-classified as an upper middle-income country in 2005 by the World Bank
- Per capita income in Peru tripled from 2001 to 2016
- Middle-income criterion assumes that per capita income is an adequate measure of development
- Middle income country = lower ODA
- Peru, as elsewhere in Latin America, is caught in not just a middle income but a social investment trap

Middle Income Social Investment Challenge

In an interview with El País in 2012, Bill Gates cited Peru as an example of a middle-income country that no longer needed development assistance.

EL PAÍS



“You can change many more things in poor countries than when you give aid to a middle income country like Peru ... it has its own mineral resources to exploit and could become as rich as any European country”

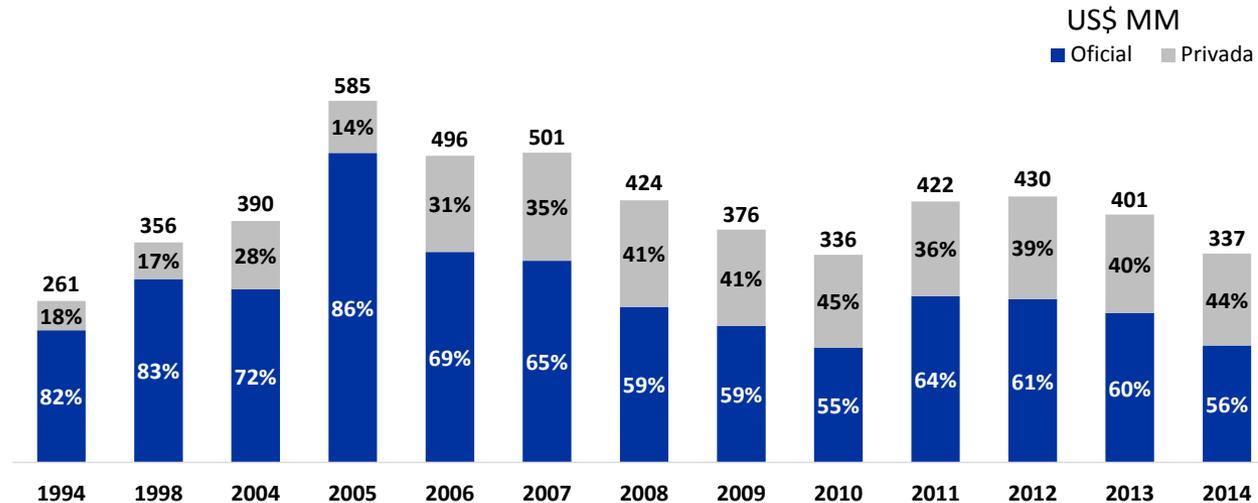
- Bill Gates
February 22, 2012

HDI

PISA

Should Peru pay for its own development?

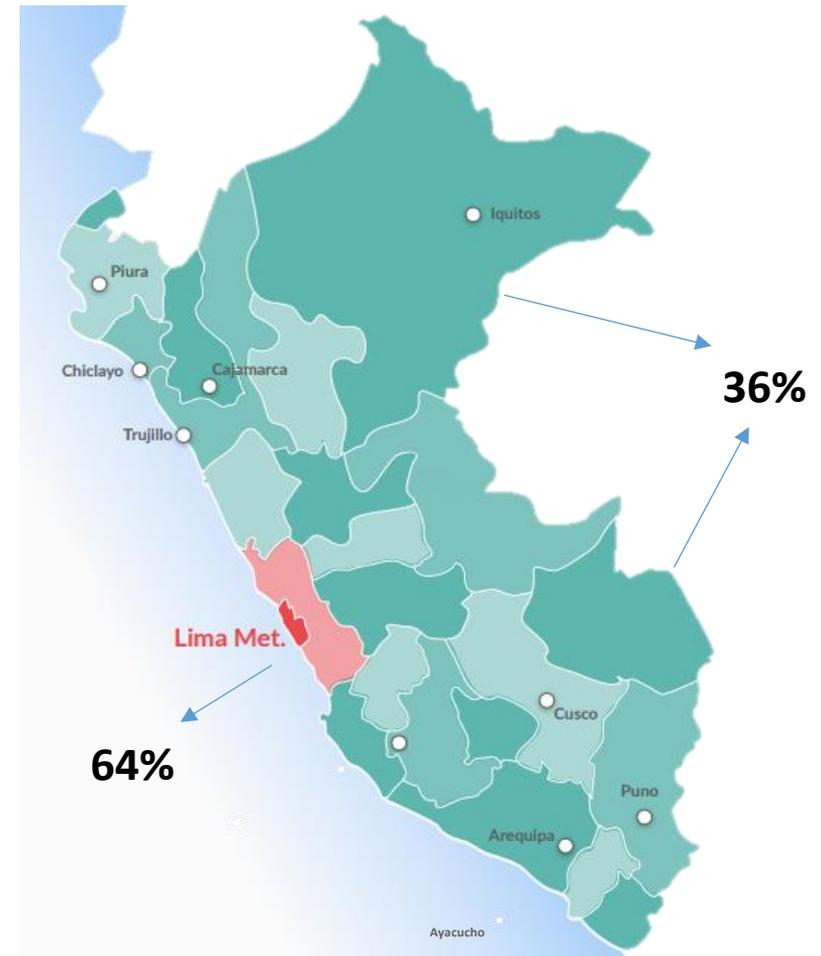
Peru faces challenges of inequality, poverty and hunger, but was Bill Gates wrong to say the country should be more self-reliant?



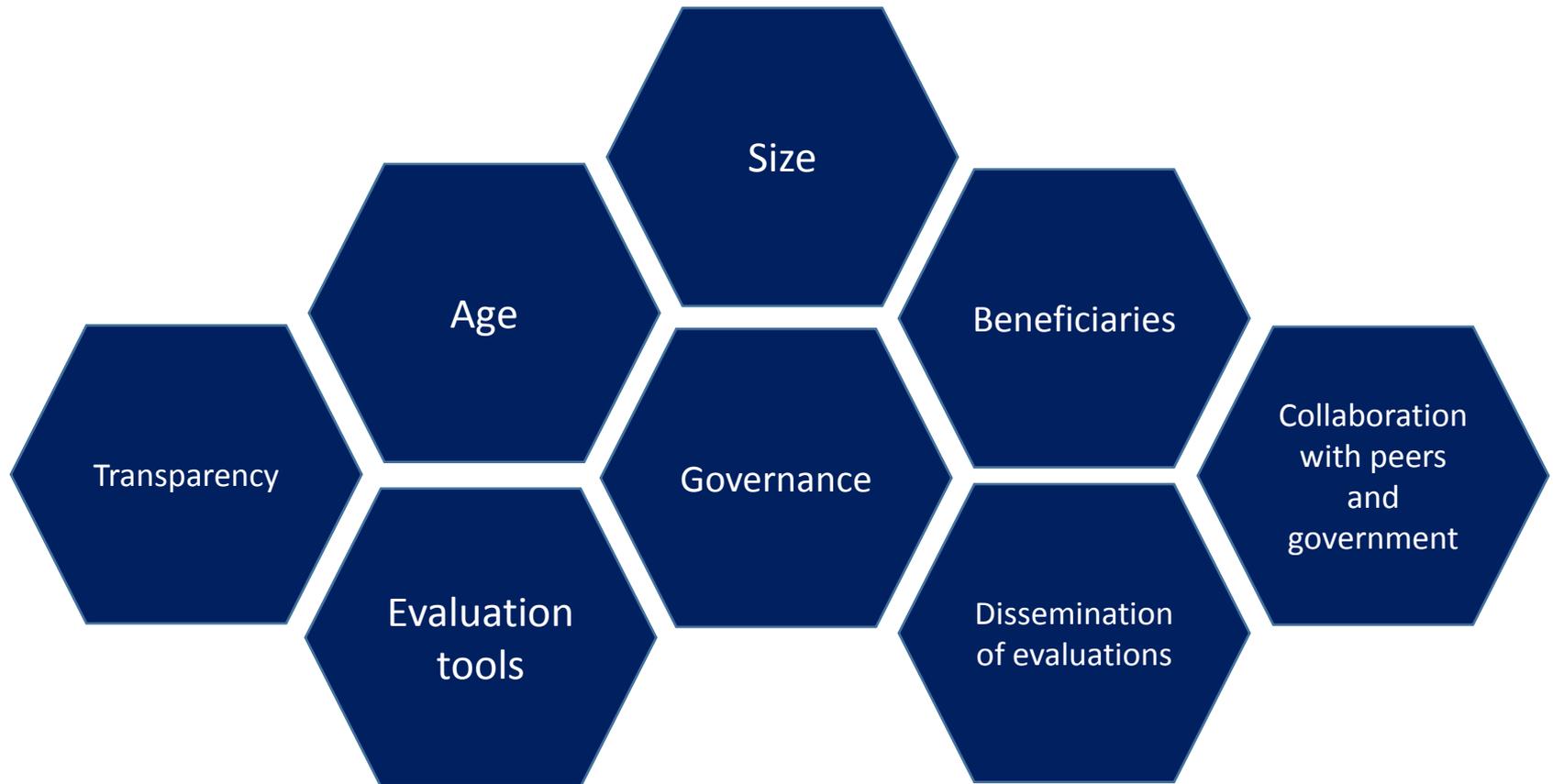
Has Peruvian Philanthropy Increased to Compensate the Shortfall?

Methodology

- In 2016, researchers from Peru and 23 other countries collected data to create the inaugural Global Philanthropy Report (GPR) developed by the Hauser Center of Harvard's Kennedy School
- Survey administered to 157 national philanthropic and social investment organizations in Peru
- About 2/3 Lima, 1/3 Provinces
- 87% of the surveys were administered in person between 3Q 2016- 1Q 2017
- Qualitative data collected via in-depth personal interviews with 34 leaders in the Peruvian philanthropic ecosystem, including CEOs, directors, philanthropists, government entities, and attorneys

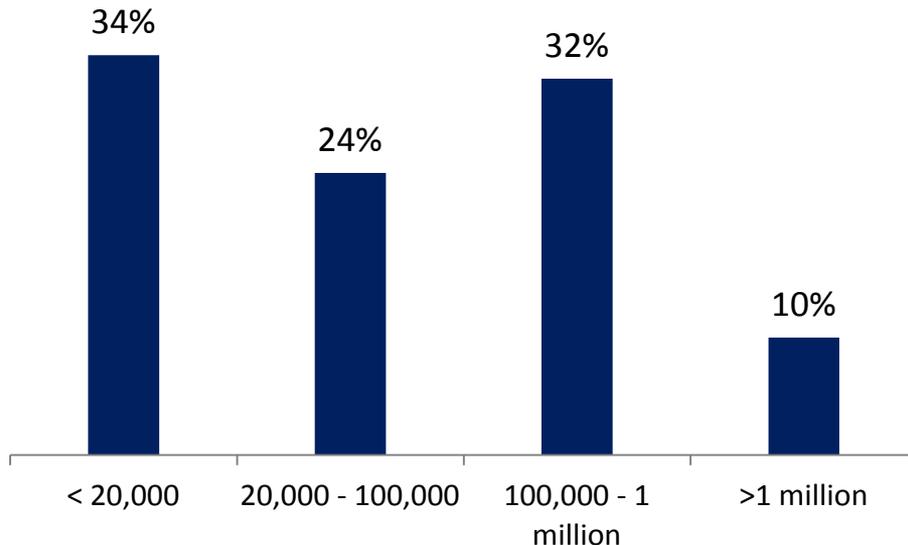


Mapping Philanthropy in Education in Peru



Size, Age, Scope

Size (% of organizations)



Investment Range (USD)

Revenue Model - Age

	% Sector	Average Age	Median Age
Corporate	32%	17	13
Family	27%	18	8
Local affiliates	9%	21	14
Self-sustaining	15%	30	22
Diversified	16%	32	26
Full Sample	100%	22	14

Beneficiaries by Model

	Early Childhood	Elementary	Secondary	Post-secondary
Corporate	42%	73%	62%	28%
Family	57%	62%	24%	24%
Local affiliates	57%	43%	29%	29%
Self-sustaining	67%	42%	25%	17%
Diversified	46%	77%	38%	38%
Full Sample	48%	37%	39%	30%

Transparency

Information

Information published	41%
Report of activities	100%
Audited financial statements	11%
List of beneficiaries	5%

Collaboration with peers and government

Focus on local communities	60%
Does not align with government	23%
Aligns only with local government	12%
Aligns only with national government	26%
Aligns local & national governments	40%

Governance

97% reported a governing body but:

- Not elected
- Few with fixed terms

Evaluations

Development and use of evaluations

Combination of evaluation techniques	66%
Evaluations performed externally	19%
Use of impact evaluations	25%
Use of external impact evaluations	17%

Dissemination of evaluations

Internal purposes	97%
Marketing	38%
Influence in public policy	29%
Fundraising	43%

We did not find a clear relationship between publishing audited financial information and conducting evaluations

Thoughts and Next Steps

How much have philanthropic organizations in Peru influenced education?



Small, young, locally-focused



How can they evolve to a regional benchmark with strong institutional quality?

Prescription for pathways to scale with impact

Why an Index of Institutional Quality for Philanthropic Organizations?

Rationalizes the philanthropic ecosystem – serves as a type of price signal

Quality benchmark for philanthropic organizations

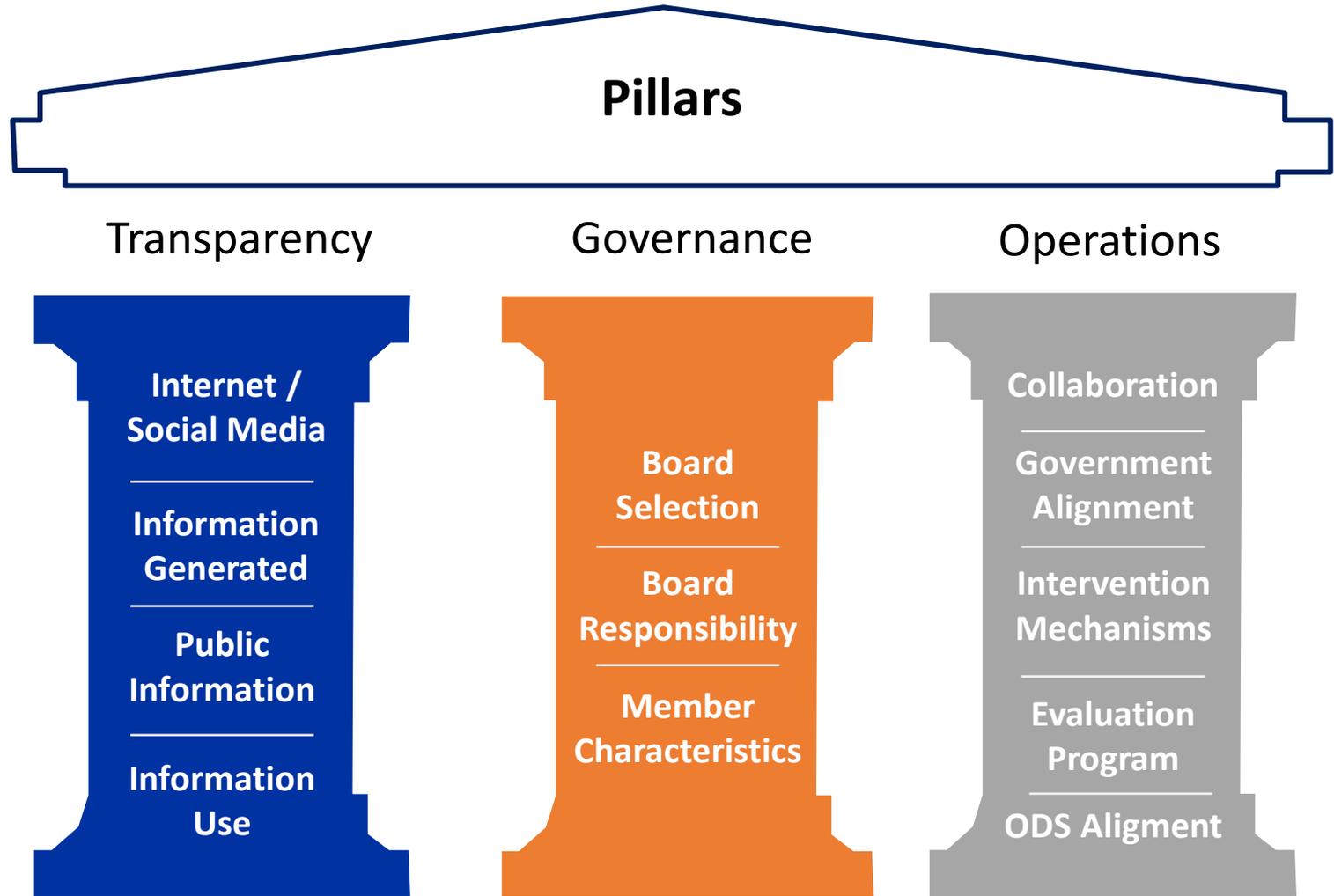
Better identify underserved sectors

Donors can better decide on targets and recipients

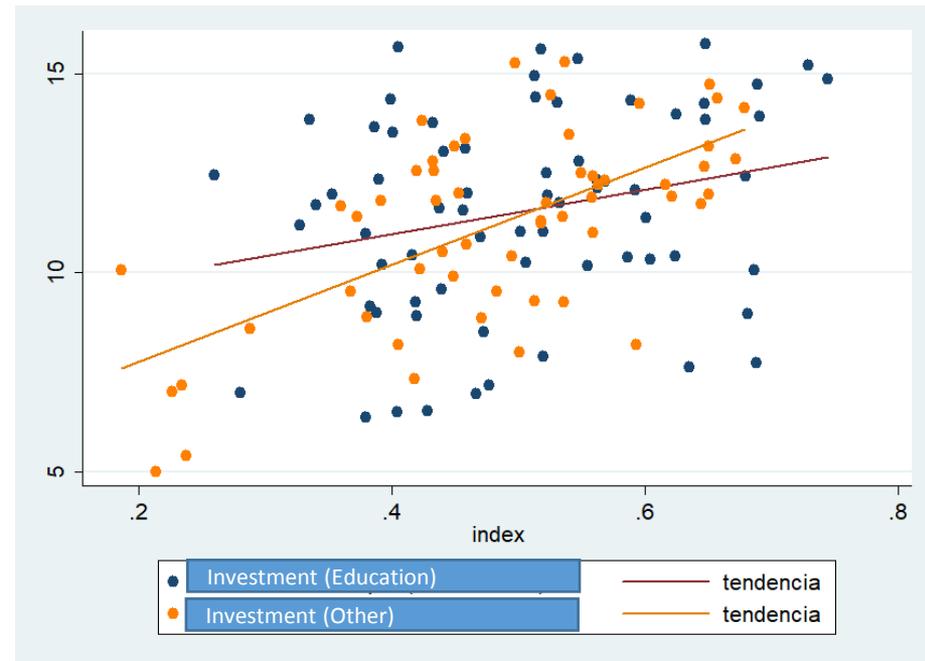
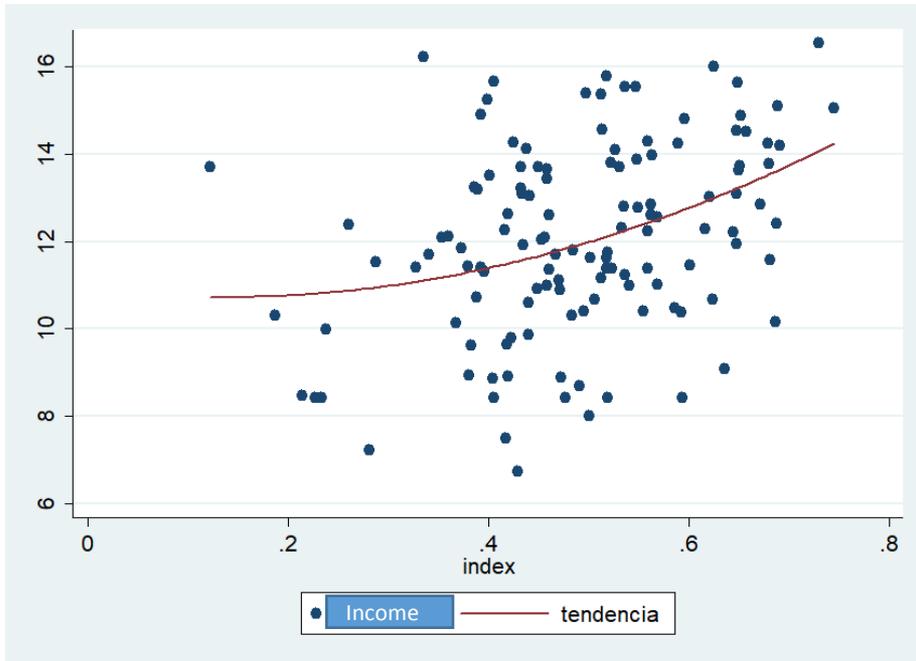
Regional Institutional Quality Index Initiative



Index of Institutional Quality



An Example from Peru



**Philanthropy in education represents only 0.01% of public spending in Peru
– and what is spent is of mixed quality**

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