

# PHILANTHROPY IN TURKEY:

CITIZENS, FOUNDATIONS AND THE PURSUIT OF SOCIAL JUSTICE

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## II. Trends in Foundation Practice

### A. OBJECTIVES OF THE STUDY

This research study ultimately aims to obtain a profile of foundations' characteristics and their internal functions, as well as their relationships with beneficiaries, and the state.

Given that this survey was conducted in tandem with the individual giving survey, this study also aims to provide some comparative perspective between the two respondent populations.

### B. METHODOLOGY

The sample of foundations to be surveyed was selected by first obtaining a full list of all foundations<sup>1</sup> across all provinces in Turkey (from the General Directorate of Foundations<sup>2</sup>). All foundations under the control of the state or state officials were eliminated (approximately n=1500) since the objective was to examine only privately owned/formed foundations (n=3268). Of these, 452 foundations were selected and successfully interviewed. The sampling methodology for this segment of the research was the same as for the individual giving survey described in the first part of this chapter, by adopting the State Institute of Statistics' classification of Statistical Region Units. As such, 26 regions were used in the sample selection. Target interviews were determined according to these region's shares within the total number of foundations. The respondents for this survey were mainly high-level officers/staff members of selected foundations, also referred to as 'foundation managers' in this report. For further information on the methodology, please refer to Appendix 1: Methodology.

**TABLE 1. MAIN DEMOGRAPHIC INDICATORS-RESPONDENTS (%)**

TABLE 1. MAIN DEMOGRAPHIC INDICATORS-RESPONDENTS (%)			
Age Groups		Languages spoken	
18-24 years old	0.2	Kurdish	4.4
25-39 years old	13.6	Arabic	13.3
40-54 years old	40.5	Number of individuals living in the household	
55+ years old	45.6	Average	3.3
		Ownership Status	
Mean age	53.4	House/apartment	76.5
Education		Car	64.2
Illiterate	0.0	Phone (land line)	97.3
Literate but no formal schooling	0.0	Dishwasher	86.1
Primary school	4.9	Automatic washing machine	98.2
Middle School	4.9	Personal Computer	71.9
High School	16.8	Cellular phone (for personal use)	90.3
University +	72.3	Credit card (for personal use)	81.6
Marital-Status		Monthly Total Reported Household Income (USD)	
Unmarried	8.8	Less than 113\$	0.0
Engaged	0.4	113-189\$	0.0
Married	85.0	113-265\$	0.4
Widowed	2.9	265-340\$	1.5
Divorced	2.0	340-416\$	1.8
Number of Children		416-567\$	9.1
No children	3.4	567-757\$	13.3
1	20.2	757-1135\$	15.7
2	41.6	1135-1513\$	13.5
3	20.0	1513-2270\$	15.9
4	8.9	2270-3783\$	9.3
5+	5.7	3783\$-7566\$	5.1
Sex		More than 7566\$	4.2
Female	17	NR	10.2
Male	83	Average Total Monthly Household Income (\$)*	1440

\*Calculated assuming that those who gave no response to this question were distributed across all income categories with equal probability.

<sup>1</sup> Only post-Republican Era or 'new' foundations were included in this sample.

<sup>2</sup> General Directorate of Foundations in the regulatory organ for foundations in Turkey linked directly to the Prime Ministry of Turkey.

### C. DEMOGRAPHICS

The main characteristics of the sample are provided in Table 3. The average age of the foundations in this sample is 14.7 years. The youngest foundation in this sample is two years old, while the oldest is 56 years old. The average age of respondents was 53 years, and predominantly male with 83% (375) and only 17% (77) female.

The distribution of the position/status of respondents in this survey is summarized in Table 4. The ultimate aim to interview a high level officer and/or management staff was achieved given that approximately 31% were at the General Manager level, 25% Chairman and 17% Board Members. This was important given that many of the questions related to the functioning of the foundation and respondents occupying these positions were most likely to be able to respond to the questions in the survey.

**TABLE 2. DISTRIBUTION OF RESPONDENTS POSITION IN THE FOUNDATION (%)**

Founder	13.6
Salaried General/Executive Manager	30.9
Member of the Board of Directors/ Trustees	17.3
Volunteer Manager	3.9
Chairman & Vice Chairman	24.9
Manager of Finances/Accountant	3.7
Executive Secretary	0.7
Others	5.0
Total	100.0

### D. CHARACTERISTICS OF FOUNDATIONS

One of the main purposes of this survey was to obtain some understanding of foundations' organizational characteristics such as their establishment, structure and management, objectives and purposes, activities and finally, financial capacity.

As such, this section outlines outcomes which provide some insight on these aspects of foundation management and functioning.

#### i. Establishment

In order to understand how the foundation was established, respondents were asked to indicate the number of original founding members at the establishment of the foundation.

As indicated in Table 3, only about 8% of the foundations in this sample reported to have a single founding member while the rest have multiple founders, with one case reporting as much as 1,500 founding members. **On average the foundations in this sample reflects and average of 35 founding members, indicating a change in the traditional practice of single family/person founders, and hinting at the changing nature of foundation establishment in Turkey.** The trend of 'multiple founders' is particularly unique to Republican Era/modern foundations in Turkey, especially during the late 1980's and early 1990's (which also correlates with the age of foundations in this sample).

**TABLE 3. AVERAGE NUMBER OF FOUNDING MEMBERS IN FOUNDATIONS (%)**

1	8.2
2 to 10	33.2
11 to 20	20.6
21 to 30	9.3
31 to 40	7.1
41 to 50	5.8
51 to 100	8.0
1001+	6.4
NR	1.5
Maximum founders' size	1,500
Average founders' size	35.1

When asked to explain why the foundation was established with multiple

founders (Table 4), 16% of respondents reported that this was needed in order to meet the minimum endowment required by law. Nearly 19% state that longer-term funds creation was the main consideration for forming a multiple founder foundation. In total, about 35% of the sample had a financial reason for this. **However, a majority of the responses (42%) indicate that the main purpose was to create a larger pool of people and intellectual resources.**

TABLE 4. REASONS FOR FORMING MULTIPLE FOUNDING MEMBER FOUNDATIONS	
To bring together the necessary funds to form a foundation	16.3%
To create more funds in the long run with larger number of people participating	18.9%
To work with larger number of people's labour and intellectual capital	42.5%
Other	18.7%
NR	3.6%

In an effort to further analyze the implications of establishing foundations with multiple founders, the survey queried to what extent multiple founders contributed to the foundation's initial endowment (Table 5). Results indicate that 39% obtained equal contributions from each founder, where as 42% indicate that some founders contributed more than others. 4% state that initial contributions were in-kind so respondents were not able to determine exact value of the contribution.

TABLE 5. HOW DID MULTIPLE FOUNDERS CONTRIBUTE TO THE START UP CAPITAL?	
Everybody contributed equal sums	39.2%
Some contributed more	41.5%
Do not know	6.9%
In kind and other contributions were made so evaluation is difficult	4.2%
No answer	8.2%

For respondents which stated unequal amounts of contributions at the establishment of the foundation, the survey aimed to uncover if all founders had equal decision making weight in the foundation's administration according to its charter. Only 10% reported that those who contributed more have more 'voice' in decision making (Table 6).

This may implicate that on paper at least, equality among founding members is assured in some, but not all foundations. Respondents were also asked to report if, despite stipulations in the charter, it was perceived that all founding members have an equal say in the foundation's administration. We see yet again a very similar picture.

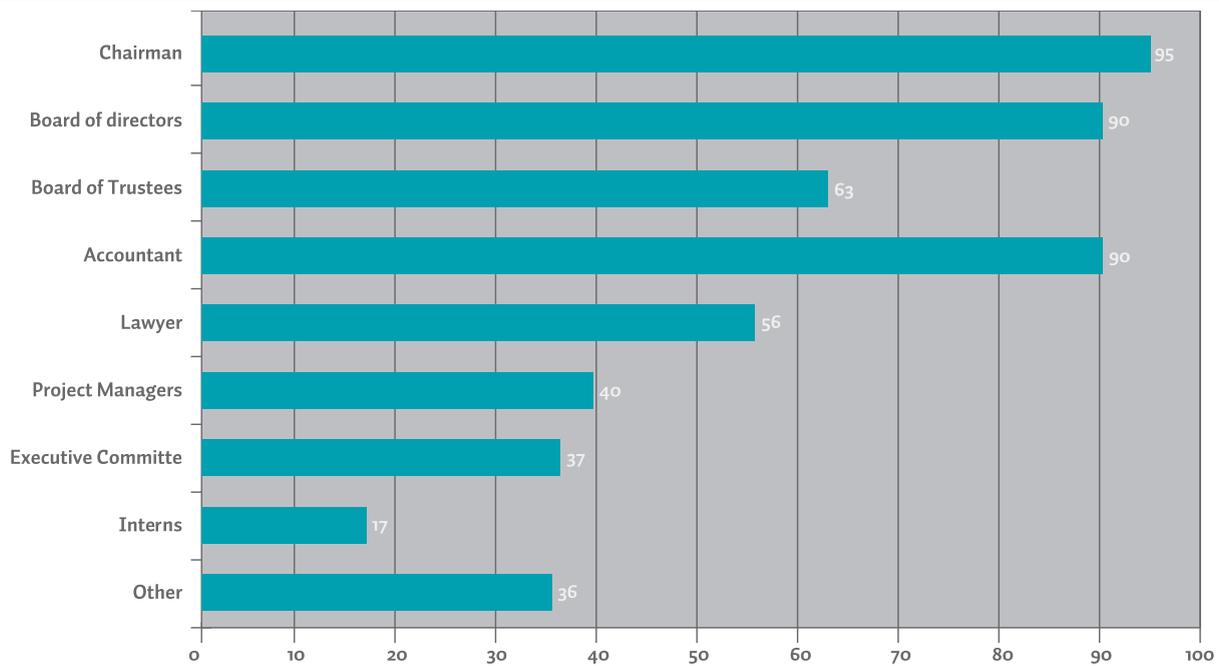
**In short, it can be said that for a majority the sample that indicated unequal contributions at the establishment of the foundations endowment, all founding members generally have an equal voice in the decision making and management of the foundation.**

TABLE 6. ARE ALL FOUNDATION FOUNDING MEMBERS GIVEN EQUAL SAY IN THE ADMINISTRATION		
	Charter requirements reported	Perception of the interviewed manager
Yes, all founding members are given equal say	84.6	85.6
No, those who contributed more have a larger say in the administration	9.6	10.1
Do not know	2.1	0.0
Other	3.7	4.3
	100	100

## ii. Structure and Management

As Figure 1 indicates, nearly all foundations interviewed reported to have a Chairman (95%), and Board of Directors (90%). In terms of staff, 90% of respondents reported having an accountant, a lawyer (56%), project managers (40%) and interns (17%). However, only 63% reported to have

**FIGURE 1. ORGANIZATIONAL STRUCTURE (%)**



a Board of Trustees and an executive committee (37%).

On average, foundations sampled in this survey have approximately 25 staff. Of these 25, on average approximately 2 are salaried managers, 14 are volunteer managers, 3 are salaried staff and about 5 are volunteer staff (see Table 7).

**TABLE 7. NUMBER OF PEOPLE WORKING FOR FOUNDATIONS (AVERAGE)**

Total	25.0
Salaried managers	2.4
Volunteer managers	13.7
Salaried staff	3.0
Volunteer staff	4.8

**iii. Objectives and Purposes of Foundations**

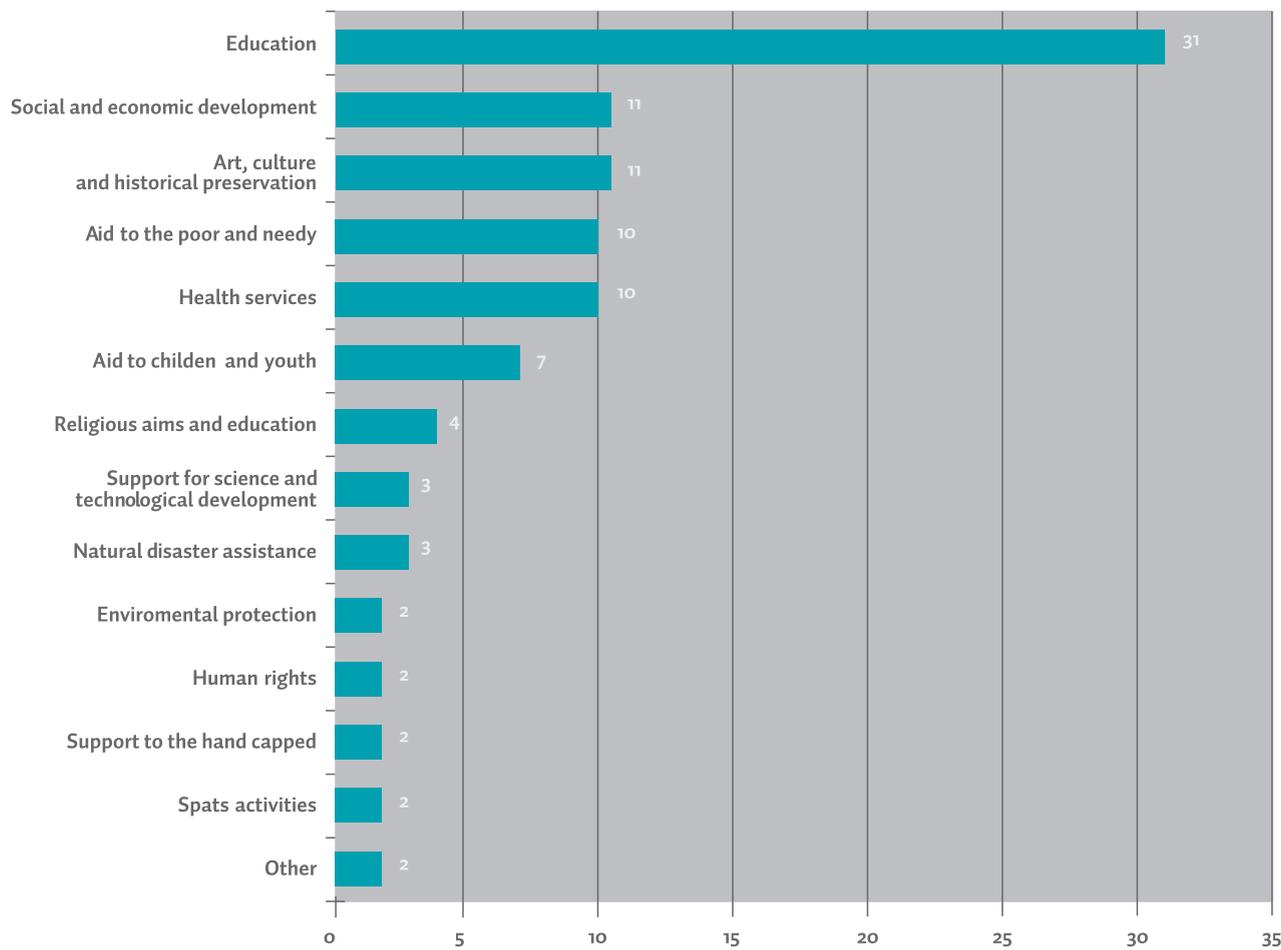
When asked about the founding objectives or purpose of the foundation (Figure 2), education is by far the most common (31%) followed by social and economic development (11%) and art, culture and historical preservation

(11%). Aid to the poor and needy (10%), health services (10%) and aid to children and youth (7%) follow sequence. It is interesting to note that among least common objectives were environmental protection, human rights, technology development and support for the handicapped.

Since the establishment of the foundation, 37% of this sample reported that by-laws (legal establishment documents, or charter, which indicate purpose, organizational structure and other core details of the foundation) were changed at least once (Figure 3). According to the results, the average foundation has changed its charter about twice since the original establishment (or in other words, in the past 15 years, given the average age of this sample).

When asked about the reasons for these changes (Figure 4), 40% indicate changing foundation objectives, while the remaining indicate that legal regulations (28%) as well as organisational changes (22%) necessitated changes in the foundation by-laws. A small percentage indicated that the decision to start a

**FIGURE 2. OBJECTIVES OF FOUNDATIONS (%)**



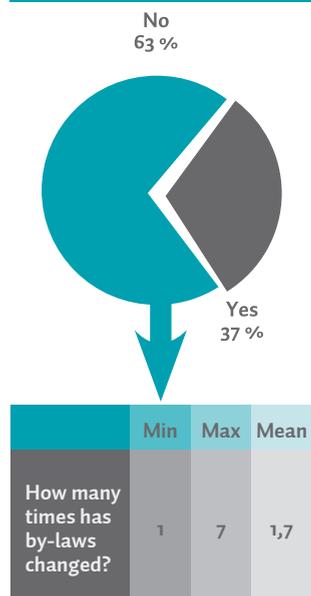
commercial activity (5%) also required a change in the by laws.

**iv. Foundation Activities**

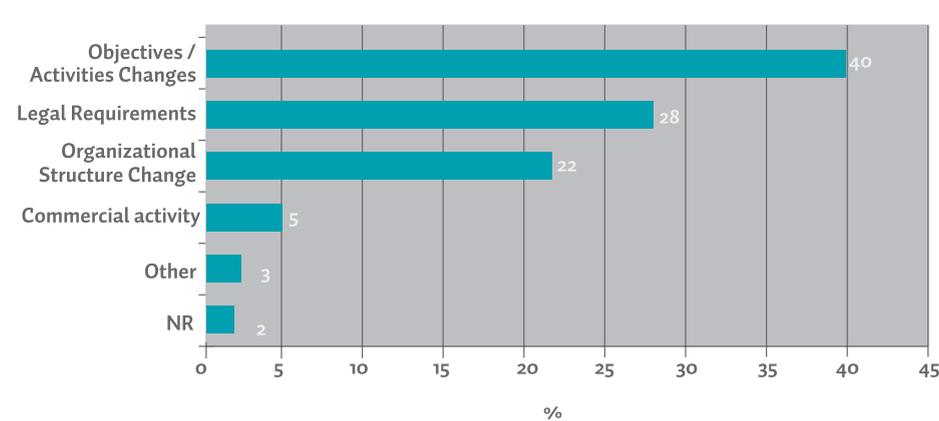
Findings from open-ended questions regarding foundation activities complement results about the nature of service provision. 726 activities were

mentioned by respondents, and then coded into two categories for further analysis as such: (1) Activities focused on individual benefits, financial or in-kind aid, such as scholarships, free medical care and diagnosis, etc., and (2) activities that aim to reach a mass target group such as seminars, training, education,

**FIGURE 3. CHANGING BY-LAWS AFTER ESTABLISHMENT**



**FIGURE 4. REASONS FOR CHANGING BY LAWS**



publications and policy reforms (Table 8). According to this rough categorisation, only **about 22% of all activities mentioned target a mass group.**

TABLE 8. FOUNDATION ACTIVITIES %	
Activities focused on individual benefits such as financial and in kind aid	73.8
Activities focused on target group benefits such as publications, training etc.	21.9
Missing	4.3
	100

### v. Cooperation with other NGOs and Foundations

When asked about cooperation with other foundations and NGOs during the course of their activities (Table 9), about half of the respondents reported some form of engagement. **A majority of the cooperation or engagement (48%) was in activity coordination, followed by joint project development (32%).** However, a much more limited segment reports any sort of financial interaction in the form obtaining funding, or funding another's activities and projects (2% and 3% respectively).

In order to understand foundations managers' orientation toward more formal forms of cooperation, respondents were asked about their views toward

TABLE 9. ARE YOU IN ANY KIND OF RELATIONSHIP WITH OTHER FOUNDATIONS OR NGOS?	
Yes, we are	50.0
(If some relation exists) What kind of relations do you have with other foundations or NGOs?	
We try to coordinate our activities	48.2
We produce projects together	32.7
We exchange views and knowledge	6.6
We provide funding for them	3.1
They provide funding for us	1.8
We have social relations with them	1.8
Other	4.0
NR	1.8

a federation type organization for foundations in Turkey (Table 10). **About half of the respondents express positive views and support for a federation-like structure, and of this segment, 64% expect this structure to assume a coordination role, where as one third expect this organization to resolve common problems of foundations.**

**TABLE 10. CURRENT LEGAL ARRANGEMENTS ALLOW FOUNDATIONS TO GET TOGETHER IN THE FORM OF A FEDERATION TYPE ORGANIZATION. WOULD YOU CONSIDER PARTICIPATING IN SUCH AN UNDERTAKING?**

Yes, we would	50.2
(if interested in such an organization) What would be your primary expectation from such an organization?	
Coordination of activities for foundations with similar objectives	64.3
Resolution of the problems for foundations with similar objectives	34.8
NR	0.9

### vi. Financial Profile

#### Perceived Sufficiency

This section provides an analysis of the outcomes regarding how foundations' perceive their financial capacity, and followed by a detailed section on financial activities, estimated revenue of these activities, and expenditure.

Respondents were asked to what extent they feel foundation assets (financial, human, and relationships with beneficiaries, Figure 5) are sufficient to fulfil stated objectives of the foundation. Not surprisingly, almost half (49%) feel a sense of financial insufficiency.

However, foundations also tend to rely on other resources in their environment to help achieve their objectives. As such, social capital as distinct from the conventional financial capital may be a

critical basis for foundations. In this case, respondents report that relations with beneficiaries (71%) and administrative capacity (80%) are quite sufficient in supporting them to achieve objectives.

### vii. Financial Activities and Revenues

An important segment of this survey was dedicated to understanding the financial activity and capability of foundations. Respondents were first asked to indicate the income generating activities of the foundation, and then asked to provide more specific detail regarding each activity reported. It should be noted that this data was obtained by interviews with respondents not by analysis of official documents or reports. **As such, the data presented in this survey should be considered rough estimations and not exact numbers.**

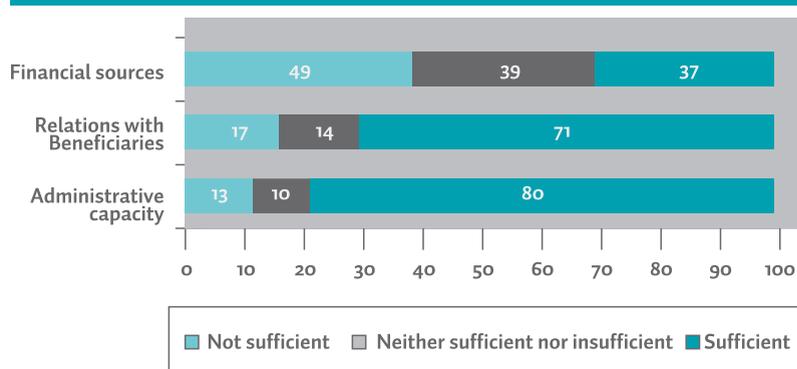
#### Overall Annual Revenue

When asked to provide estimated total annual revenue for 2002, 64.5% of the sample (or 296 respondents) were able to report a figure. It is likely that those unable to respond did not have this information available at the time of the survey. However, of those that did provide a response, the results are quite evenly spread out: **29% report an annual income of 12,000US\$ or less; 28% are between the 12,000US\$-48,000US\$ range; and 27% have an annual income between 48,000US\$ and 250,000US\$.** A much smaller segment (16%) reported annual income above 250,000US\$ (Table 11).

#### viii. Type of Financial Activity

In order to obtain further understanding of foundation's financial picture, respondents were asked two key questions: The prevalence (Figure 6) of different income generating activities, and estimated contribution of respective activities (Figure 7) to total annual revenue.

**FIGURE 5. PERCEIVED SUFFICIENCY (%)**



**TABLE 11. TOTAL REVENUES OF FOUNDATIONS IN 2002 (ANNUAL)**

	N	%	Valid* %
Less than 12,000 US\$	86	19.0	29.1
Between 12,000US\$ and 48,000US\$	83	18.4	28.0
Between 48,000US\$ and 250,000US\$	80	17.7	27.0
Between 250,000US\$ and 1,000,000US\$	27	6.0	9.1
Above 1,000,000US\$	20	4.4	6.8
<b>Total reported</b>	<b>296</b>		<b>100</b>
Missing data	156	34.5	
<b>Total number of foundations</b>	<b>452</b>	<b>100</b>	
<b>Total Revenues Reported (US\$)</b>	<b>111,845,244</b>		
<b>Average Foundation Revenue (US\$)</b>	<b>377,856</b>		

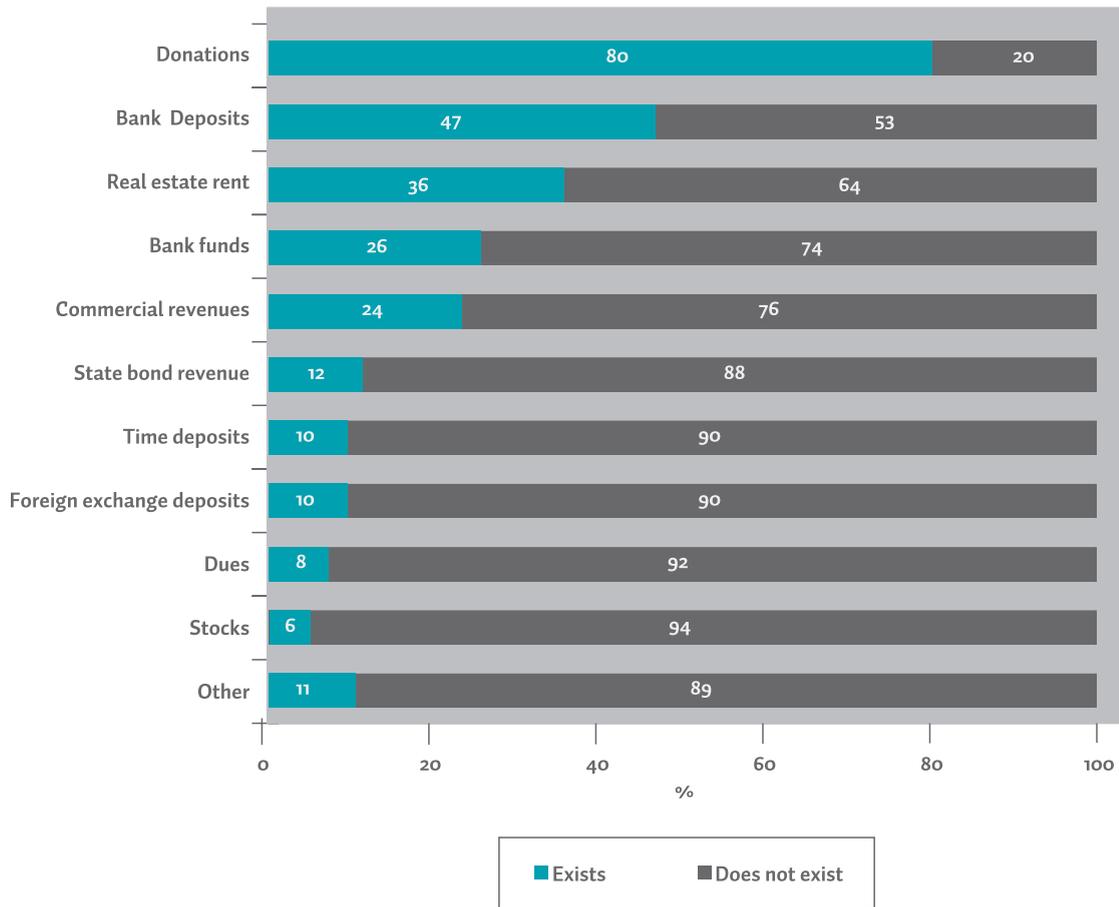
\* Valid percentage only takes into account the total number of foundations that reported and does not include the missing data.

According to respondents, **the three most common income generating activities are donations (80%), demand deposits (47%) and real estate rent (36%).**

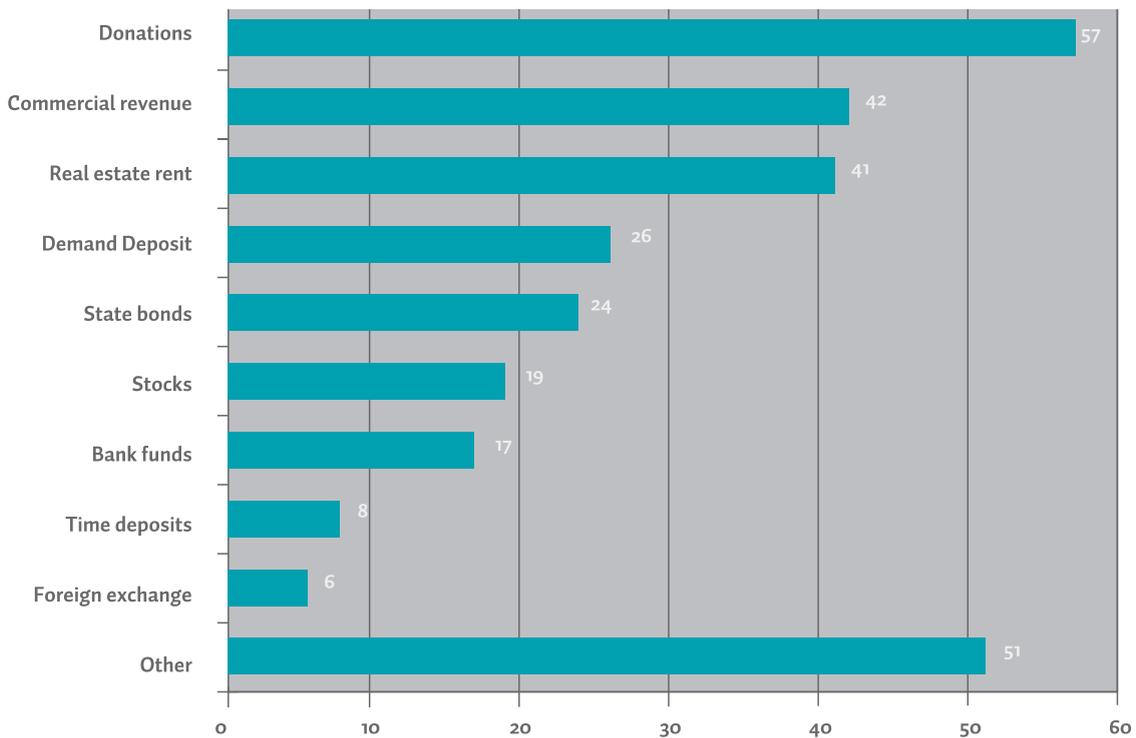
However, when asked about the estimated contribution of each (relative to overall income), a slightly different picture emerges (Figure 7). **Donations are cited to account for a majority of annual income(57%), followed by commercial activity (42%) and real estate rent (41%).**

The following section provides a detailed analysis of each of these sources of income.

**FIGURE 6. PREVALENCE OF INCOME GENERATING ACTIVITIES (%)**



**FIGURE 7. ESTIMATED AVERAGE REVENUE (OF TOTAL BUDGET) PER ACTIVITY (%)**



### ix. Donations to Foundations: An In-depth Analysis

As expected, donations play a significant role in foundation finances. **According to 80% of respondents, donations are a source of income, and account for an average of 57% of total overall income.**

The fact that donations are prevalent for a majority of the sample is not too striking perhaps, but it does also point to some important factors about the foundation sector. A majority of the foundations in this sample are *not providing funds to other initiatives but rather raising funds to allocate to their own activities.*

The remaining 20% which did not report collection of donations as an activity are likely to fall into 2 groups: Those who *could be* collecting donations but do not (perhaps they have not created such a strategy, or do not know how to go about it), or those who do not need/intend to collect donations (for example, foundations which have earned income, investments, or other income sources which are allocated to programs or objectives such as family and/or corporate foundations).

Given that a majority of the respondents noted the importance of donations as an activity and income source, the survey probed this issue a bit further to obtain further details about the **overall average income from donations, type of donation, perceived motivation of donations, method of collecting donations, and practices of accountability to donor and / beneficiaries.**

#### Average Annual Income from Donations

Respondents were asked to report the *estimated average amount* received in donations for 2002. Table 12 presents the distribution of donations of 237 foundations which reported figures.

According to this, foundations which reported donation figures received an average of 137,000 US\$ from donation

activity in 2002. It should be noted that the average amounts are slightly skewed due to the 6 respondents which reported income for donations over 1,000,000 US\$.

**As such, in 2002 about 45% of those that reported a donation figure received less than 12,000 US\$ and 33% received somewhere between 12,000US\$ and 48,000US\$.**

**TABLE 12. TOTAL DONATIONS TO FOUNDATION IN 2002**

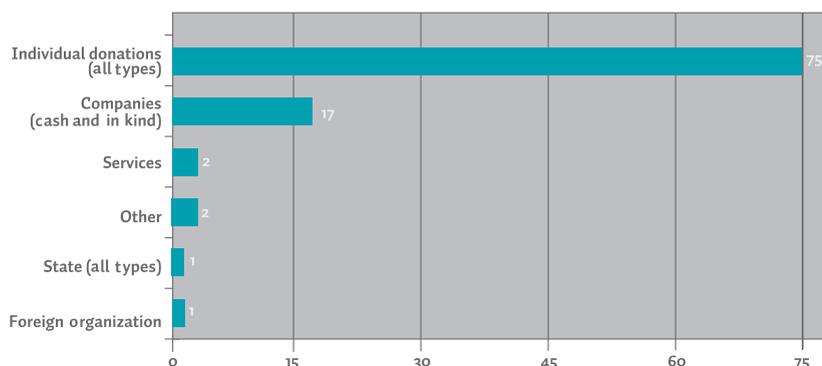
	N	%	Valid %
Less than 12,000 US\$	107	23.7	45.1
Between 12,000US\$ and 48,000US\$	79	17.5	33.3
Between 48,000US\$ and 250,000US\$	32	7.1	13.5
Between 250,000US\$ and 1,000,000US\$	13	2.9	5.5
Above 1,000,000US\$	6	1.3	2.5
<b>Total reported</b>	<b>237</b>		<b>100</b>
Missing data	215	47.6	
<b>Total number of foundations</b>	<b>452</b>		
<b>Total Donation Revenues Reported (US\$)</b>	<b>2,494,543</b>		
<b>Average Donation Revenue (US\$)</b>	<b>137,108</b>		

#### Type of Donations and Donors

Figure 8 presents the sources of donations by type of donor. **Individual donations seem to be the main source of support for foundations (75%), followed by companies (17%).** Very small amounts are being received from provision of services (likely to have been reported as a donation by some foundations in return for a service, but not considered a commercial activity), the state, and foreign organizations.

Respondents were also asked to share their perceptions regarding different types of individual donations (Figure 9). Within this category, **foundation managers claim that non-religious in cash donations (38%) are the primary source of donations, followed by non-religious in-kind donations (16%).** According to perceived motivation, *religiously motivated* giving such as zekat and sadaka accounted for only 10% of donations to foundations.

**FIGURE 8. TYPE OF DONOR (%)**



Although it is difficult to decipher clearly between religiously and non-religiously motivated donations, other segments of this research (see Chapter on qualitative profile of foundations in Turkey) make reference to foundations receiving donations in the form of zekat as problematic for foundations. Religiously inclined foundations seem constrained by receiving zekat donations due to restrictions for the purposes and forms in which these donations can be used.

**Members Dues and Donations**

Only 8% of the sample reported that dues from “members” are a source of income, which requires some explanation. In most countries (and by ‘industry standard’ in the foundation

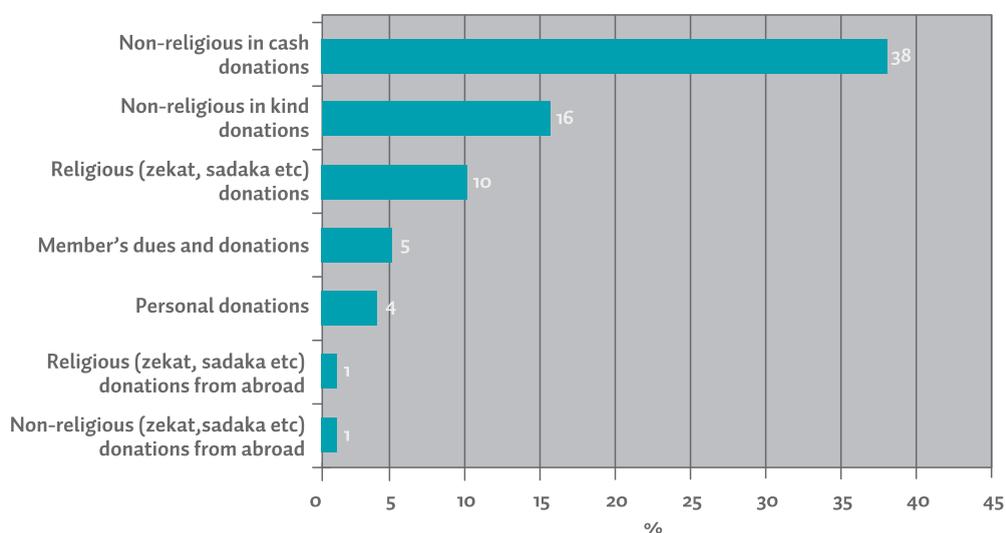
sector), legal frameworks of foundations do not account for ‘membership’ since foundations are a collection of assets, not people (as associations are). However, as found in some other developing countries, the foundation structure has increasingly been used as an alternative ‘legal form’ for citizens to engage in philanthropy and/or civic activities in Turkey. As such, the existence of “members” in foundations is a reflection of various political, social and economic circumstances since the 1980s (as mentioned in the executive summary of this publication). However, this sample did not reflect a significant number of foundations with membership.

Respondents were asked to differentiate between the estimated amount of restricted and unrestricted donations received by their foundations (Figure 10). **On average, only about 16% of donations received were restricted donations, where as a majority of donations (84%) were received in an unrestricted form, free to be used in whatever way the foundation needs (e.g. operational costs or activities, etc.).**

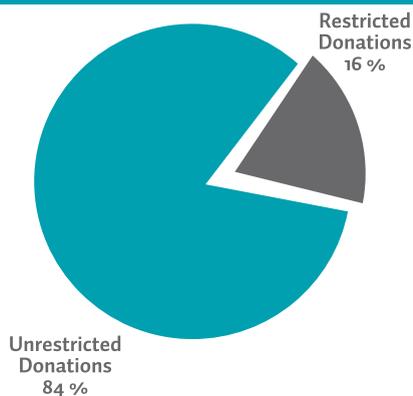
**Methods of Collecting Donations**

Respondents were asked to indicate if they systematically/regularly collect donations (Figure 11). **A majority (67%)**

**FIGURE 9. INDIVIDUAL DONATIONS (DETAIL)**



**FIGURE 10. RESTRICTED/ UNRESTRICTED DONATION INCOME**



report that they do not have any system in place to regularly collect donations.

An important fact to consider is that Turkish foundations, perhaps as a result of tradition, only accept donations when donors are willing to give (for example, a soup kitchen, a scholarship fund, etc) and do not actively aim to seek donations.

**Accountability to Donors**

Looking at the foundations from the perspective of organisational accountability, responsibility and transparency some interesting patterns are observed. **94% of respondents claim that they inform their donors as to how the donations are used (Figure 12). This implies that foundations know who**

their donors are, and are able to reach them in order to report back to them (although to what extent this reporting is done on a regular basis and open to transparent monitoring is not clear from this study).

When asked about issues which are important in collecting donations (Figure 13), foundation managers seem to think that **promoting activities or services which are most relevant (e.g. address their needs) to beneficiaries is most important (22%)**. “Showing donors that their contributions are used in the way they want” (19%) and “making sure that donors can see how foundations work and what they do” (15%) also seem to be important factors for foundation managers in collecting donations.

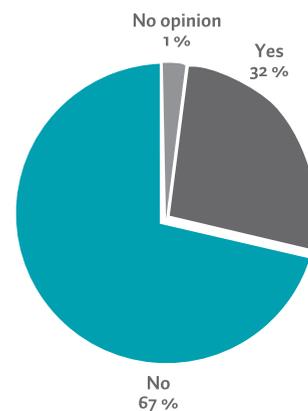
As such there is significant awareness of the importance of keeping in touch with donors- but to what degree strategies and systems to actually realize this exist is not so clear.

**x. Commercial Activities**

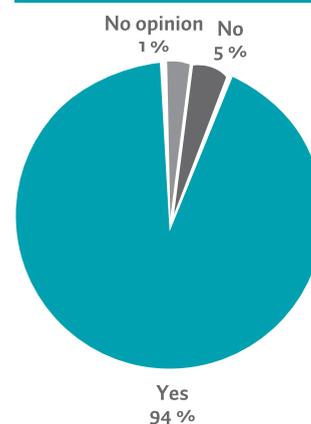
**Total Revenue**

The second most prevalent source of income for foundations (going back to Figure 7) was reported to be commercial activities, or in other words, earned income. Respondents which indicated that their foundation engages in

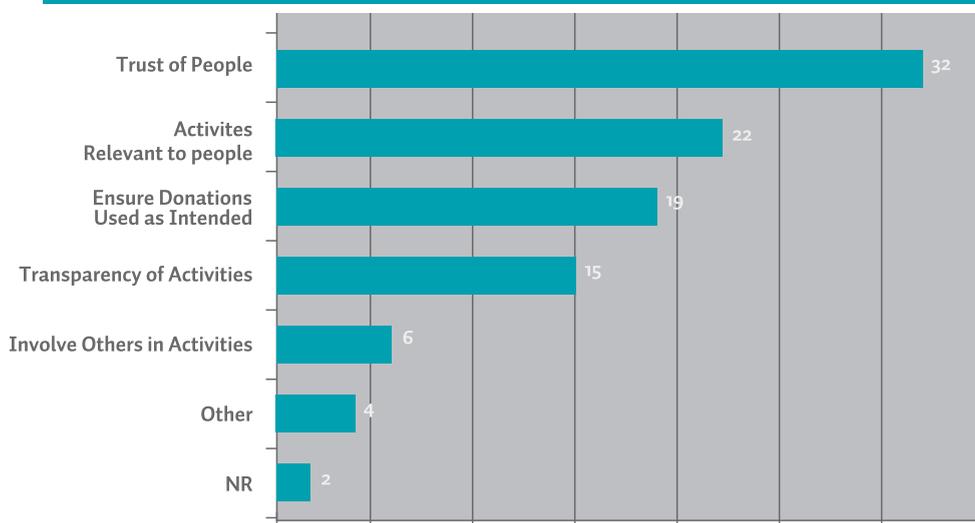
**FIGURE 11. FOUNDATION REGULARLY COLLECTS DONATIONS**



**FIGURE 12. INFORMING DONORS**



**FIGURE 13. ISSUES IMPORTANT FOR COLLECTING DONATIONS (%)**



**TABLE 13. TOTAL REVENUES OF FOUNDATION COMMERCIAL ACTIVITIES IN 2002**

	N	%	Valid %
Less than 12,000 US\$	20	4.4	35.7
Between 12,000US\$ and 48,000US\$	20	4.4	35.7
Between 48,000US\$ and 250,000US\$	12	2.7	21.4
Between 250,000US\$ and 1,000,000US\$	2	0.4	3.6
Above 1,000,000US\$	2	0.4	3.6
Total reported	56		100
Missing data	396	87.6	
Total number of foundations	452	100	
Total Commercial Revenues Reported (US\$)	22,585,094		
Average Commercial Revenue (US\$)	403,305		

However, due to a few foundations with significant income which skews the average, when distributions of revenues are examined more closely, the data indicates that **fewer foundations earn a significant amount from commercial activities. In other words, 70% of those that reported any commercial revenue derived somewhere up to 48,000 US\$ in 2002.**

#### Type of Commercial Activity

When the types of commercial activities are examined more closely, a majority of these are reported to be in the service sector. General services account for 25%, followed by education (15%) and health (12%).

#### Real Estate

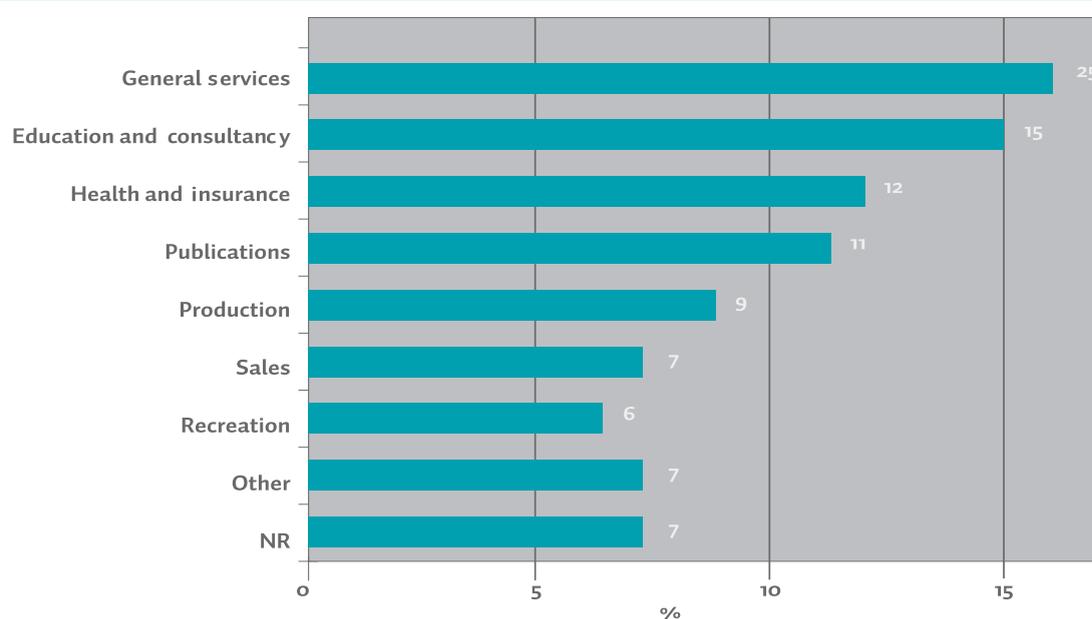
The third most prevalent source of income for foundations in this sample was reported to be real estate related income (e.g. rent). As such, 36% of respondents which reported this activity claims that it accounts for about 41% of their total annual income.

Respondents were asked their perceptions of real estate assets as a viable source of income. Figure 15 indicates that 44% of the respondents do

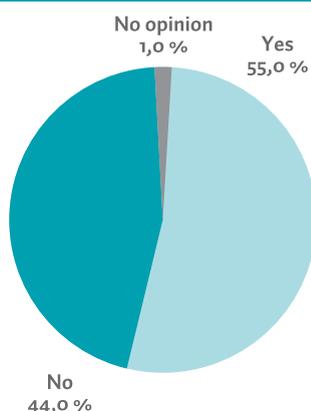
commercial activities (24%) also reported that these activities account for an estimated 42% of total annual income. This indicates that when commercial enterprises do exist, they become an important source of revenue for foundations.

Table 13 provides some detail on the estimated amount of earned income revenue. Of the foundations, which reported to have any commercial activity (24%), 2002 income on average amounted to about 400,000 US\$.

**FIGURE 14. TYPE OF COMMERCIAL ACTIVITIES (%)**



**FIGURE 15. EFFECTIVE RETURNS ON REAL ESTATE INCOME**



not think their foundations are getting the highest possible revenue from their real estate. However, of those who declared that they do not get the highest possible revenue, only 26% declared that they would consider selling their real estate to create additional financial resources for their foundation. Of this 26%, a very small number (13%) of respondents reported that they did not know what to do in order to sell these assets, which, under current Turkish foundation law, requires extensive authorizations from the regulatory departments and officials (Figure 16).

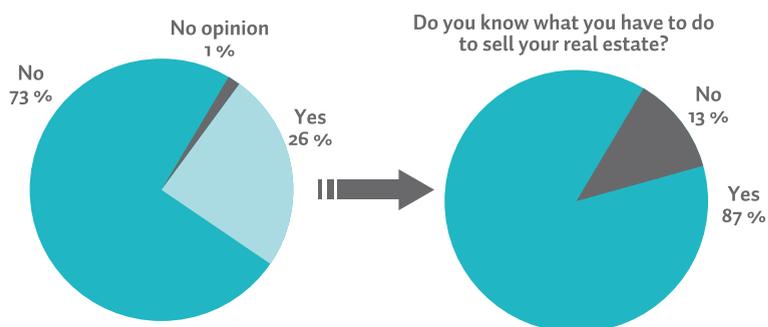
**Other Activities**

A significant segment of foundations in this sample report to rely on banking activities (26% for demand deposits, 24% for state bonds, 17% for bank funds, 8% for time deposits and 6% for foreign exchange). Given the current legal restrictions and obstacles regarding foundation’s banking activities, these results are expected.

**Stock Shares and Stock Ownership**

According to 6% of respondents, stock ownership accounts for an estimated 19% of total annual revenue. Of these 27 foundations 17 hold stocks that have no organic relation to their foundation and 8 hold stocks of companies that are somehow related to their foundation (Table 14). One third of these foundations

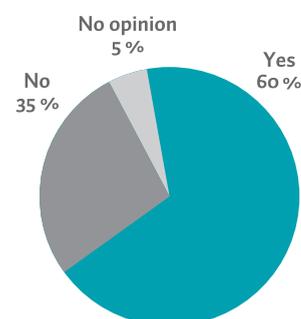
**FIGURE 16. WOULD CONSIDER SELLING REAL ESTATE**



hold stock of industrial companies. All in all stock market investment does not seem to be a prevalent modality of using foundation assets.

This is not too surprising given the limited number of private commercial initiatives turning into foundations or forming organic links with foundations. In addition, the nature of the Turkish market system where family enterprises dominate the business sector and only a limited number of companies’ shares are traded in the stock exchange.

**FIGURE 17. ARE RETURNS FROM BANK DEPOSITS EFFECTIVE?**



**TABLE 14. STOCK EXCHANGE INVESTMENTS OF FOUNDATIONS**

	N	%
Total number of Foundations that have stocks	27	
Are these stocks of a company owned or related to your foundation?		
Yes, they are	8	29.6
No, they are not	17	63.0
NR	2	7.4
Which sector’s stocks does your foundation hold?		
Industry	9	33.3
Commerce	2	7.4
Banking	2	7.4
Construction	2	7.4
Telecommunications	1	3.7
Health	1	3.7
Plastics and glass	2	7.4
Transportation	1	3.7
NR	7	25.9
Approximately how much contribution these stocks brought to your foundation?		
Average stock revenue reported by ten foundations (US\$)	93,813	
Minimum reported (US\$)	151	
Maximum reported (US\$)	539,636	

**TABLE 15. TOTAL EXPENDITURE OF FOUNDATIONS IN 2002**

	N	%	Valid %
No expenditure	25	5.5	8.2
Less than 12,000 US\$	105	23.2	34.3
Between 12,000US\$ and 48,000US\$	77	17.0	25.2
Between 48,000US\$ and 250,000US\$	59	13.1	19.3
Between 250,000US\$ and 1,000,000US\$	21	4.6	6.9
Above 1,000,000US\$	19	4.2	6.2
Total reported	306		100.0
Missing data	146	32.3	
Total number of foundations	452		
Total Expenditure Reported (US\$)	122,969,586		
Average Foundation Expenditure (US\$)	401,861		

**TABLE 16. FOUNDATION EXPENDITURE**

	N	(%)
Rent payments		
Yes, pays rent	145	32.1
No, does not pay rent	307	67.9
	452	100
Maintenance, repair expenditure		
Yes	266	58.8
No	181	40.0
No Answer/Not Relevant	5	1.1
	452	100
Average rent share in total yearly expenditure		10.5
Average maintenance and repair share in total yearly expenditure		12.5
Average salary payments' share in yearly expenditure		15.9

### **xi. Foundation Expenditure**

A total of 306 foundations reported an estimated figure for total expenditure in 2002. Of these, 25 respondents reported no expenditure, whereas a **majority of respondents (34%) report less than 12,000 US\$** (Table 15). Again, given the few respondents in the sample with significantly high income and expenditure, providing an average expenditure figure produces a skewed estimate.

According to these outcomes, total revenues reported amounted to 112,000,000 US\$. *Total reported expenditures are exceeding total revenues by about ten percent.* Perhaps this is due to the underestimation on the revenue side or an over estimation on the expense side. Nevertheless, the fiscal analysis of public benefit foundations also supports these observations in that 20% of foundations with tax exempt status had an excess of expenditures over their revenues between 2000 and 2002 (see chapter on fiscal analysis of public benefit foundations).

### **Type of Expenditure**

While only 32% of foundations pay rent, maintenance and repair expenditure are binding for at least 58% of the sample. Within total expenditure foundations report that the largest share goes to salaries (15.9%), followed by maintenance and repair (12.5%) and rent (10.5%). Accordingly, nearly 39% of yearly expenditure go to these three items leaving nearly 60% of their expenditure for activities for activities and programmes (Table 16).

Table 17 summarises comparative figures on revenues and expenditure. **Reported revenues and expenditure, together with total revenues, are observed to exceed the total expenditure.** As such, it should be noted that as an overall figure, it reflects a limited level of economic activity. Considering the fact that this sample only covers about 13.8% of the relevant beneficiaries of private foundations excluding those under the control of state or state officials, we reach a ballpark figure of about 800,000,000-900,000,000 US\$. **Compared to our 1.9 billion US\$ worth of estimated donations (see section on individual giving survey), this figure is miniscule.**

### Future Expectations

As an overall evaluation of foundation's finances, respondents were asked a retrospective evaluation question. Table 18 indicates favourable disposition, as only 15% report that expenditure could not be met by revenues. However, this evaluation does not take into account potentially beneficial activities that foundations could not undertake due to lack of funds.

Expectations about the future indicate that a **sizeable portion of foundation managers think that things will by and large remain unchanged or improve slightly in the coming year.**

### xii. Relationships with Beneficiaries

This section provides some insightful data regarding how foundations reach their beneficiaries (and/or vice versa), **how they determine eligibility** (if such criteria exists), **and finally, how they obtain feedback (if at all).**

#### Reaching Beneficiaries

The survey provided seven different modes to be evaluated by respondents in terms of how beneficiaries reach their foundation (or vice versa). According to Figure 18, **the most frequently cited response was that "people who know the foundation directly applied" (79%)** or that "those who are in need are found within the foundation's network" (67%). Applications to public announcements/advertisements are **not common** (35%) nor are web based applications (28%). Local headman (muhtar3) (20%), municipalities (19%) or mosques (10%) are less likely to be used as intermediaries.

#### Determining Beneficiaries

When asked about the modalities of connections between foundations and their beneficiaries (Figure 19), nearly half the respondents (48%) claim that beneficiaries must meet certain eligibility

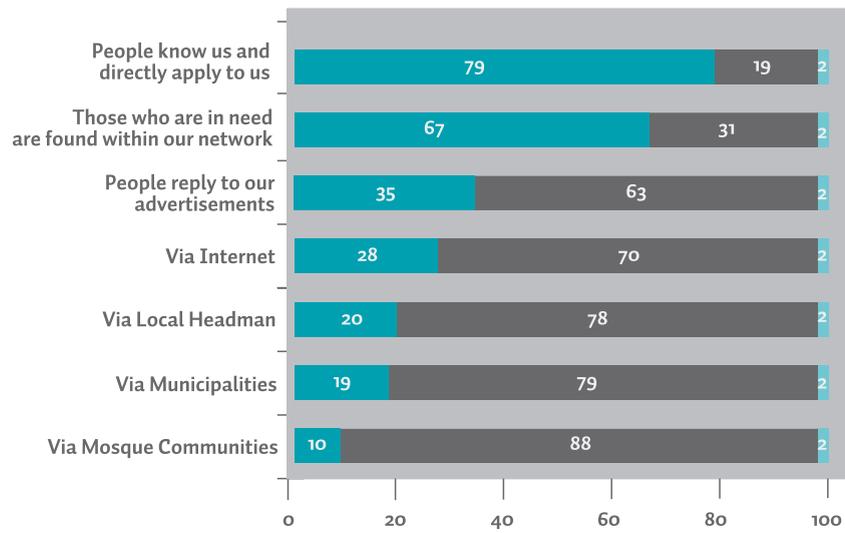
Total Revenues Reported (US\$)	111,845,244
Total Commercial Revenues Reported (US\$)	22,585,094
Total Donation Revenues Reported (US\$)	32,494,543
Total stock revenue reported by 10 foundations (US\$)	938,130
<b>Grand total</b>	<b>167,863,011</b>
Total Expenditure Reported (US\$)	122,969,586

How were the finances of your foundation over the last year?	
	(%)
Revenues were short of our expenditure	15.0
Revenues were enough to meet expenditure	49.1
Foundation's funds were further developed	35.0
NR	0.9
	100
How will the finances of your foundation develop over the next year?	
	(%)
Will be much worse	3.1
A little bit worse	8.4
Remain the same	36.7
A little bit better	40.7
Much better	9.5
NR	1.5
	100

conditions (e.g. below a certain income level, from a certain region, etc.).

Respondents were also asked to provide rough estimations of the number of beneficiaries served **which do not have eligibility requirements (also referred to as non-conditional beneficiaries).** Due to the inclusion of a few foundations (7) which claimed between 100,000 and 4,000,000 beneficiaries, providing an average number of beneficiaries served for all foundations for this sample does not yield realistic results. However, when the specific distribution is examined (Table 19), **nearly 60% of**

**FIGURE 18. HOW DO BENEFICIARIES REACH THE FOUNDATION? (%)**



**TABLE 19. REPORTED NUMBER OF NON-CONDITIONAL BENEFICIARIES SERVED (NO SPECIFIC ELIGIBILITY REQUIREMENT)**

Number of Beneficiaries	N	%	Cumulative %
Between 2-500	82	44.1	44.1
Between 500-1,000	29	15.6	59.7
Between 1,000-5,000	39	21.0	80.6
Between 5,000-100,000	29	15.6	96.2
Between 100,000-4,000,000	7	3.8	100.0
<b>Total</b>	<b>186</b>	<b>100</b>	
Total reported number of beneficiaries from 186 foundation activities=			7,288,579

the 186 foundations that answered this specific question indicated that they serve less than 1,000 non-conditional beneficiaries, while 44% between 2

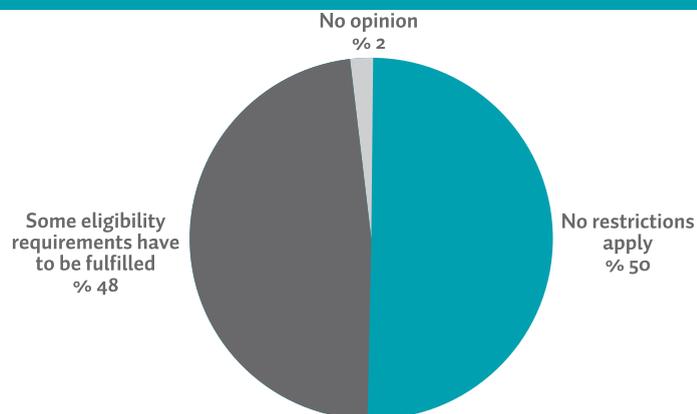
- 500 non-conditional beneficiaries.

**Feedback from Beneficiaries**

In an effort to understand if, and how foundations communicate with beneficiaries, respondents were asked about the methods they employ in requesting evaluations and/or feedback. According to the results, 80% claims that they actually request evaluations of their services from beneficiaries (Figure 20).

However, when asked about the methods employed to obtain this feedback, results indicate that the process is not systematic or institutionalised. The most frequently noted method is non-solicited feedback

**FIGURE 19. BENEFICIARY ELIGIBILITY**



from beneficiaries (90%), followed by regularly and orally solicited feedback (72%) and irregular solicited feedback in written form. Only 30% indicate that feedback/evaluations are solicited on a regular basis in written form.

### xiii. Relationships with the State

In this section of the survey, respondents were asked to share their perceptions of the role of state, and the degree to which the legal regulations and frameworks poses an impediment to their activities, if any.

#### Perception of the Role of the State

When asked to describe the role the Turkish state should play with regards to foundations (Figure 22), a majority of respondents (33%) reported that the state should play a supportive role and create more incentives to promote foundations activities. A smaller segment (19%) expects the state to assume a primary role in regulating foundations activities and finances (8%).

In addition, respondents expect the state to provide information (13%) and training (12%), to help foundations function more effectively. Only a small segment (3%) indicated that the state should provide financial assistance (3%) and tax incentives (1%). 2% of respondents

indicate that the state should play a role in lessening cumbersome bureaucratic procedures, and 1% reported that the state should not have any role at all regarding foundations- regulatory or otherwise.

#### Legal Regulations as an Impediment to Foundation Activities

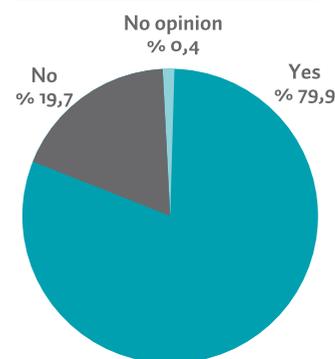
A majority of respondents (65%) report that current legal regulations create an impediment on foundation activities (Figure 23).

When asked in detail which specific areas foundation managers feel these impediments, (Figure 24) the list is long, and covers almost every aspect of a foundation's operational life.

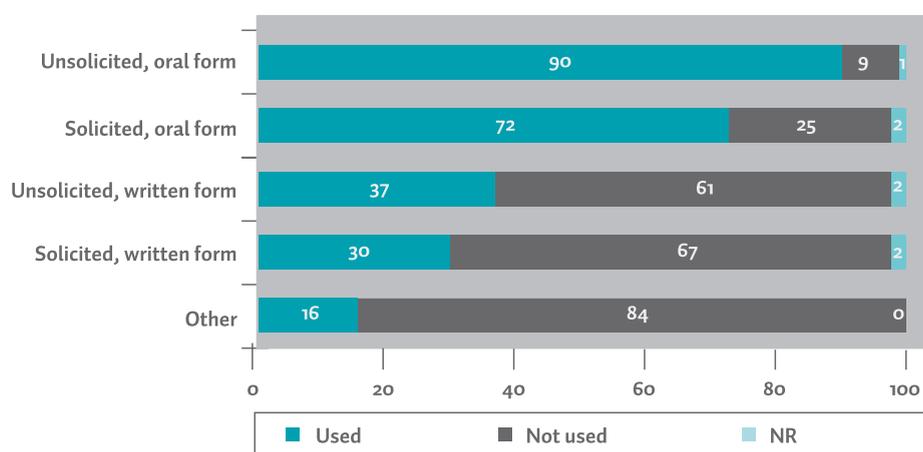
Respondents most frequently cite tax exemption status (14%), collection of donations (13%), minimum start-up capital requirements (13%) and creating/obtaining alternative financial resources (excluding donations) (12%).

Other difficulties mentioned are with regards to the acquisition and sale of real estate (11%) and tax regulations (9%). Relationships in developing partnerships/relationships with international counterparts (5%), financial regulations (5%), collection of dues and membership registration (4%) are also mentioned as impediments as a result

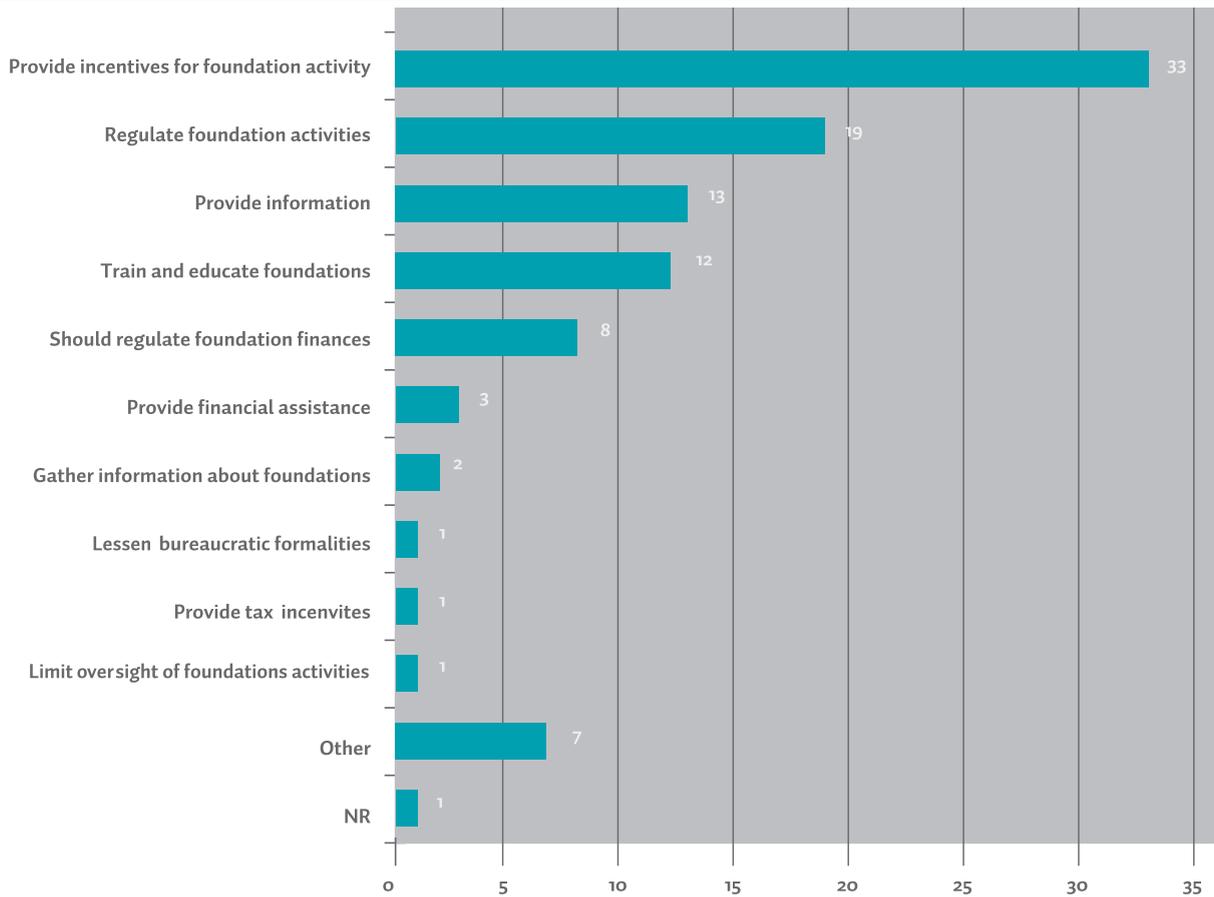
**FIGURE 20. FEEDBACK PROVIDED TO BENEFICIARIES?**



**FIGURE 21. METHODS EMPLOYED BY FOUNDATIONS TO SOLICIT FEEDBACK/EVALUATIONS FROM BENEFICIARIES (%)**



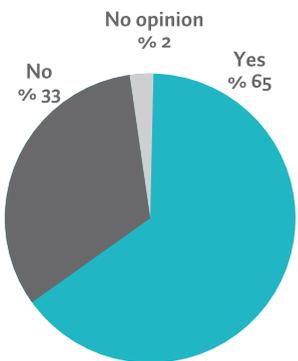
**FIGURE 22. WHAT SHOULD BE THE PRIMARY ROLE OF THE STATE REGARDING FOUNDATIONS? (%)**



of current legal regulations. It is also important to note that during the time this study was conducted, foundations law required prior authorization for engaging in international relationships. In addition, the provision of tax exemption status is extremely political and non-transparent, and very difficult to obtain. While the current draft of the new law (April 2005) promises to remove the prior authorization for international relationships, there are no specific steps being taken to reform the tax exemption status application process or conditions.<sup>4</sup>

one in every three foundations (32.5%) cooperates with municipalities and the office of the provincial education administration, while slightly less so with the governor’s office (29%). Cooperation with the office of the provincial governor takes place in about 19% of our foundations and only about 9% report to us that they cooperate with the mufti’s office. **As such, highest rate of foundation cooperation is reported with municipalities and the office of the provincial education administration, closely followed by the governor’s office.**

**FIGURE 23. ARE LEGAL REGULATIONS AN OBSTACLE?**

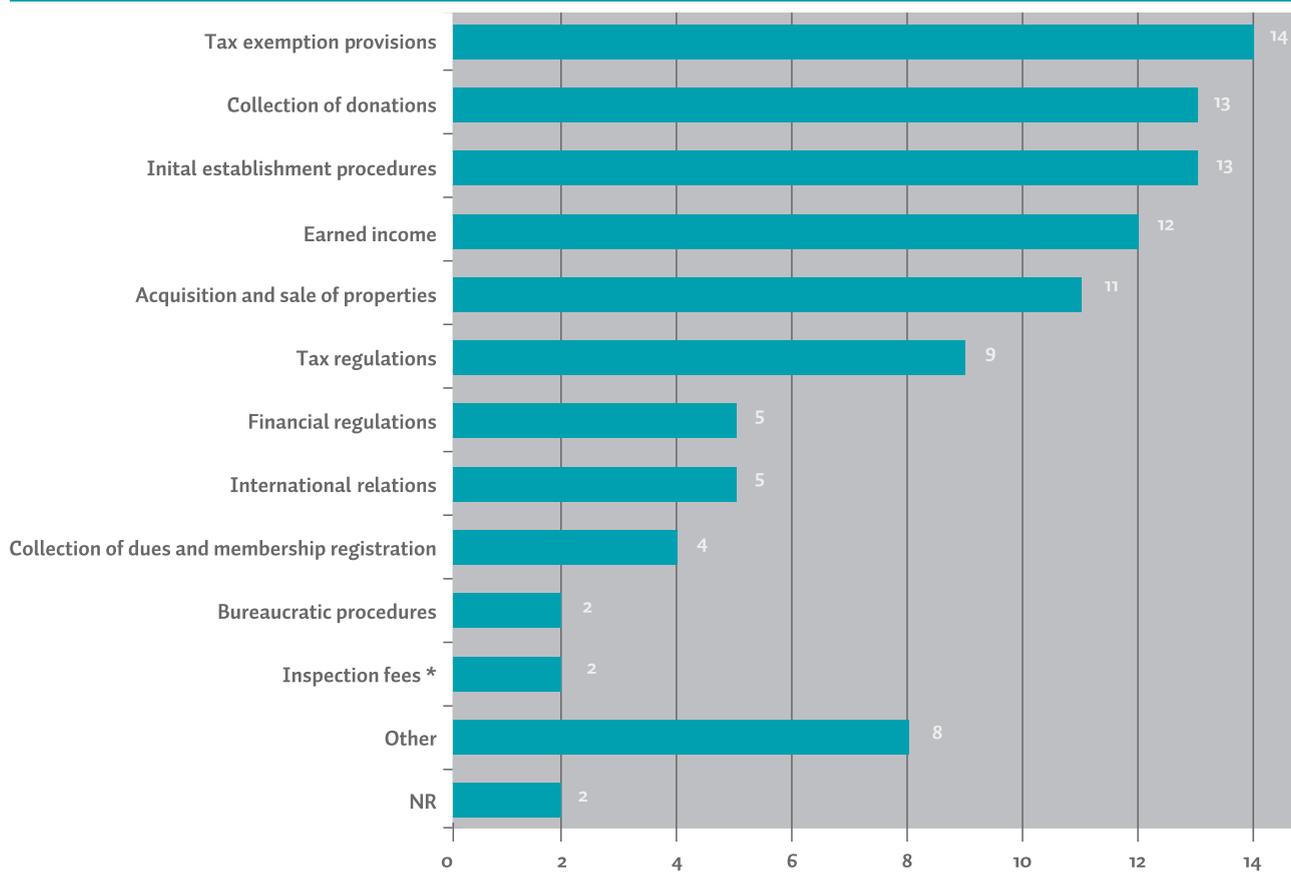


**Cooperation with the State**

Respondents were asked about their cooperation with the state during the course of their work. **Overall, a majority (55.8%) report having some form of cooperation with at least one state agency.** The first line of the table below (Table 20) indicates that

When asked the type of cooperation with state institutions (question in open ended format), a wide variety of responses are obtained. **The municipalities and the governor’s office seem to attract the most diverse types of cooperation with foundations.** Not surprisingly mufti’s (religious officer) office and the office of

**FIGURE 24. IN WHICH AREAS ARE LEGAL REGULATIONS AN OBSTACLE? (%)**



\* Under the current Foundations Law, foundations are required to pay an annual inspection fee to the General Directorate of Foundations. This fee is determined in proportion to (usually around 5%) the foundation's total annual revenue, yet the calculations are extremely complicated. Most foundations pay the fixed amount the Directorate determines for this fee each year (in 2005 it was approximately 3500 USD). The new Foundations Law that was adopted at the National Assembly foresees the cancellation of this inspection fee.

**TABLE 20 COOPERATION WITH THE STATE (%)**

	Municipality	Governor's office	Provincial Governor's office	Mufti's office	Office of the Provincial Education Administration
Currently cooperates	32.5	29.2	18.8	9.1	32.5
Areas of cooperation					
Provision of scholarships, education etc.	6.0	11.7	8.2	3.3	53.5
Exchange of information	6.0	10.4	8.2	3.3	4.7
Infrastructure services	6.0	1.3	-	-	-
Real estate, registration of real estate etc.	12.0	2.6	-	3.3	1.2
Environmental and traffic arrangements	8.0	2.6	2.0	3.3	1.2
Foodstuff provision	2.0	1.3	-	-	-
Official correspondence, permits etc.	8.0	15.6	22.4	3.3	9.3
Socio-cultural activities	17.0	15.6	20.4	13.3	14.0
Various issues pertaining to aid provision	11.0	13.0	8.2	10.0	3.5
Administration, project and organisational issues	14.0	15.6	14.3	13.3	3.5
Various needs of the Mosque	-	-	-	33.3	-
Other	10.0	10.4	16.3	13.3	9.3
	100	100	100	100	100

**THE CURRENT DEBATE ABOUT WHAT CONSTITUTES A ‘REAL’ FOUNDATION IN TURKEY (GENERALLY ASSUMED TO BE FORMED BY ONE PERSON/FAMILY/ COMPANY WITH AN ENDOWMENT) VERSUS THIS NEWER TREND (DIFFERENT PEOPLE FROM DIFFERENT SECTORS/ BACKGROUNDS PUTTING IN A CONTRIBUTION TO ESTABLISH THE ENDOWMENT) CONTINUES TO PRESIDE.**

**THE MAIN ISSUE THAT STANDS OUT IS THE EXTREME LACK OF GENDER BALANCE IN FOUNDATION MANAGEMENT LEVEL POSITIONS.**

the provincial education administration predominantly limit their cooperation to the areas of expertise (mosques and educational offices respectively). Foodstuff provision does not appear to be a significant area of cooperation. *In kind service provision in the form of infrastructure services, environmental and traffic arrangements appear mostly but not exclusively for the municipalities and governor’s offices.* Provincial governor’s offices appear quite active in cooperative projects with foundations in the areas of helping with the official correspondences, socio-cultural activities as well as administration, project and organizational issues (though no further detail is provided on this). Least frequent responses are in the area of information sharing.

## **E. CONCLUSIONS**

This extensive survey yields a number of interesting outcomes and respective conclusions, which have direct implications on *organization and management* (e.g. organizational characteristics), *activities and programmes* (e.g. relationship with beneficiaries), and *legal frameworks and regulations* (e.g. relationship with the state).

### **Organizational Characteristics Establishment**

The most striking point with regards to establishment is that 85% of the foundations included in this sample were established with an average of 35 founders. While there are several legal, political and economic factors contributing to this trend, it is important to discuss some of the current and future impacts of this practice. The current debate about what constitutes a ‘real’ foundation in Turkey (generally assumed to be formed by one person/ family/company with an endowment) versus this newer trend (different people from different sectors/backgrounds putting in a contribution to establish

the endowment) continues to preside, leading both practitioners and academics to question the real purpose of foundations (as a legal form), and the distinctions between associations, foundations and the newly emerging term “NGO” or Non-Governmental Organization, which in Turkey, can mean either association or foundation.

### **Organizational Management**

A critical factor within all organizations is human resource. As mentioned in the sample demographics section, this survey was conducted mainly with management level representatives from foundations. The demographic indicators point to the fact that foundations are overwhelmingly managed by males (83%), in the age range of 44 to 55+ years (86%), and holders of university and/or post-graduate degrees (72%). The main issue that stands out is the extreme lack of gender balance in foundation management level positions, which requires some attention regarding the accessibility and openness of these foundations to females.

In addition, average number of paid-employees (5.4 managers and staff) is quite low, indicating that foundations are working on a very limited and small scale. Financial indicators (see below section) certainly suggest that these foundations can afford very few full time paid staff.

### **Frequent Changes in By-Laws**

There are two possible explanations for the frequent changes observed in foundations’ by laws. One is the dramatic change in Turkey’s social and economic development agenda, leading foundations to adjust their objectives to new needs of the population. The second is the frequent changes in foundation law over the past 15 years, which required foundations to make necessary adjustments.

### **Activities and Programmes**

The survey indicates that a majority (74%) of the foundations in this sample provide individual type support such as school scholarships, and financial aid to the needy in various ways. As such, the numbers of foundations conducting activities at a broader level (community, society) are not as evident. This outcome is not very surprising, given the constant 'gap' in services provided by the state, requiring private sources/institutions to subsidize basic needs and services for citizens. As such, together with the discussion on why foundations in Turkey are not working to address the root cause of such problems, the issue of continued lack of capacity of the state to meet immediate needs of citizens must be taken into account.

### **Financial Capacity and Income Activities**

It is observed that the perceived insufficiency of financial sources of foundations aligns with the reported income and revenue figures, and average annual income (for 2002). Although the figures were reported in estimation by respondents, additional fiscal analysis confirms the extremely limited financial capacity of foundations. Almost 30% of the sample reported revenue between 0US\$ and 12.000US\$, which makes them barely operational. The remaining segment of the sample indicates that (excluding 16% which reported figures between 250.00US\$ - 1.000.000US\$ and above) foundations are not financially prepared to make a significant contribution in their areas of focus, and are likely to be working on a very small and limited scale.

Another result which supports this possibility is the fact that 80% reported donations collections as an income generating activity. By this we can conclude that a majority of

the foundations in this sample do not have their own resources to allocate to a specific objective (such as a family or corporate foundation), but rather, are fundraising (much like an 'NGO' or associations) to achieve their objective. This could also explain the limited financial capacity of foundations as observed in this sample. In addition, while respondents report that donations contribute an estimated 57% to overall annual revenue (75% of which are donations from individuals), 45% report that total revenue from donations is between 0US\$ and 12.000US\$ for 2002. As such, setting aside the prevalence of donations as a source of income, the actual amount received (and/or raised) is quite limited. Other survey results point toward the fact that foundations do not employ targeted strategies or systems to collect donations, which also has implications on the total level of income. When combined with the lack of human and financial capacity to develop these institutional strategies, it is understandable why foundations are so limited in their ability to function.

With regards to other income generating modalities, foundations' commercial activities have remained quite low and in the inflationary environment of the country this has led to continual deterioration of their finances. Having said this, it can be noted that only a limited number of foundations have developed commercial enterprises and thus are not diversifying their sources of income (and only relying on donations). As such, the extent to which the management and staff of these foundations are developing financial sound organizations is also under question. Based on these outcomes, it can be concluded that a majority of this sample reflects a financially weak foundation sector, which creates many other restrictions on their capacity to

**FOUNDATIONS ARE NOT FINANCIALLY PREPARED TO MAKE A SIGNIFICANT CONTRIBUTION IN THEIR AREAS OF FOCUS, AND ARE WORKING ON A VERY SMALL AND LIMITED SCALE.**

**A MAJORITY OF THE FOUNDATIONS IN THIS SAMPLE DO NOT HAVE THEIR OWN RESOURCES TO ALLOCATE TO A SPECIFIC OBJECTIVE (SUCH AS A FAMILY OR CORPORATE FOUNDATION), BUT RATHER, ARE FUNDRAISING, MUCH LIKE AN 'NGO' OR ASSOCIATIONS TO ACHIEVE THEIR OBJECTIVE.**

**A MAJORITY OF FOUNDATIONS IN THIS SAMPLE DO NOT UNDERTAKE LARGE-SCALE OPERATIONS WHICH REACH OR SERVE MANY BENEFICIARIES.**

**FOUNDATIONS SEEK A MORE ‘SUPPORTIVE’ ROLE OF THE STATE (PERHAPS BECAUSE MUCH OF FOUNDATIONS’ ACTIVITIES ARE ACTUALLY REPLICATING AND/OR FILLING IN GAPS OF STATE SERVICES WHICH DO NOT REACH CITIZENS OTHERWISE?).**

*3 Local headman is popularly elected and has no executive powers of any sort. He or she keeps a record of the neighborhood residents, provides them with documents concerning their residence and on the basis of the records kept by muhtars voter registration is updated, announced and the central Higher Election Council runs the elections with help from them.*

*4 Please refer to TUSEV Newsletters and Reports on [www.tusev.org.tr](http://www.tusev.org.tr) for a more detailed treatment of this issue.*

make an impact in their stated field of work.

### **Relationships with Beneficiaries**

According to this study, a majority of the foundations (41%) estimated reaching between 2 and 500 beneficiaries. Given the financial and human capacity as stated above, this result is expected. Half of the sample only provides services to a certain beneficiary type (target group), which may also limit the number of beneficiaries reach.

However, when examined from this perspective, it is understandable that foundations do not employ methods to attract a mass amount of beneficiaries and generally rely on either direct applications, or reaching people through their immediate network. As such, systematic forms of obtaining feedback and evaluation are also not in place for such a small group of beneficiaries.

In summary, a majority of foundations in this sample do not undertake large-scale operations which reach or serve many beneficiaries and as such, they do not have institutionalized mechanisms for expanding their reach or assessing their services/programmes. As long as financial and human capacity of foundations remain limited, this is unlikely to change and as such, they will not be able to undertake activities and/or programmes which will be of significant impact to the community or society at large and remain largely as small-scale organizations providing individual-to-individual support (e.g. scholarships, financial assistance).

### **Relationship with the State**

Perhaps the most telling aspect of this research was the overwhelming difficulties reported by foundations about legal regulations and the state.

As such, it is observed that foundations seek a more ‘supportive’ role of the state (perhaps because much of foundations’

activities are actually replicating and/or filling in gaps of state services which do not reach citizens otherwise?).

Legal regulations are reported to be an impediment for 65% of the sample, in almost every single functional area of foundation management- from establishment, asset management, fundraising, to international relationships and taxation. These outcomes reflect perfectly the actual technical problems with the existing law, which is currently being reformed (as of May 2005) to address a majority of the problems identified in this survey. As such, it can be concluded that foundations are indeed emerging from an era of restrictive regulation, which very well may have limited their ability to establish and sustain financial strong organizations. However, it is expected that the new law will ease cumbersome procedures and excessive oversight, and indeed provide a more ‘supportive’ environment for foundations to thrive and achieve stated objectives.

# Trends in Foundation Practice in Turkey

## Appendix 1: Methodology

Similar to the household survey, a total of 20 sub-regions were created and one province per each sub-region was selected as the representative of those sub-regions. Table A1 shows the distribution of foundations across these regions after elimination of state foundations from the total list of foundations. The same provinces used in the household survey are used for the foundation survey as well. Table A2 shows the selected provinces and their total number of interviews.

Once the total number of foundations to be contacted in each province was determined, the list of foundations for each province was used to randomly contact foundations. The fieldwork team first contacted these foundations by telephone to set up an appointment. If the selected foundation could not be reached by phone then the foundation's was visited in person to make an appointment. At that stage the Third Sector Foundation of Turkey (Türkiye Üçüncü Sektör Vakfı-TÜSEV)

TABLE A1. DISTRIBUTION OF PRIVATE FOUNDATIONS ACROSS PROVINCES					
	Level 1	Level 2	Provinces	Number of Foundations	(%)
1	İstanbul	İstanbul Sub-region	1 İstanbul	1226	%37
2	Ege	İzmir Sub-region	2 İzmir	170	%5
2	Ege	Manisa Sub-region	3 Manisa, Afyon, Kütahya, Uşak	78	%2
2	Ege	Aydın Sub-region	4 Aydın, Denizli, Muğla	77	%2
3	Mediterranean	Adana Sub-region	5 Adana, Mersin	67	%2
3	Mediterranean	Hatay Sub-region	6 Hatay, Kahramanmaraş, Osmaniye	48	%1
3	Mediterranean	Antalya Sub-region	7 Antalya, Isparta, Burdur	84	%3
4	S.Eastern Anatolia	Şanlıurfa Sub-region	8 Şanlıurfa, Diyarbakır	25	%1
4	S.Eastern Anatolia	Gaziantep Sub-region	9 Gaziantep, Adıyaman, Kilis	41	%1
5	Western Anatolia	Ankara Sub-region	10 Ankara	757	%23
5	Western Anatolia	Konya Sub-region	11 Konya, Karaman	136	%4
6	Eastern Marmara	Bursa Sub-region	12 Bursa, Eskişehir, Bilecik	100	%3
6	Eastern Marmara	Kocaeli Sub-region	13 Kocaeli, Sakarya, Düzce, Bolu, Yalova	104	%3
7	Western Blacksea	Samsun Sub-region	14 Samsun, Tokat, Çorum, Amasya	81	%2
7	Western Blacksea	Zonguldak Sub-region	15 Zonguldak, Karabük, Bartın	39	%1
8	C. Eastern Anatolia	Kayseri Sub-region	16 Kayseri, Sivas, Yozgat	79	%2
9	C. Eastern Anatolia	Van Sub-region	17 Van, Muş, Bitlis, Hakkari	9	%0
10	Eastern Blacksea	Trabzon Sub-region	18 Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	79	%2
11	Western Marmara	Balıkesir Sub-region	19 Balıkesir, Çanakkale	49	%1
12	N. Eastern Anatolia	Erzurum Sub-region	20 Erzurum, Erzincan, Bayburt	32	%1
			Total	3281	%100

**TABLE A2. PLANNED AND REALISED SAMPLE DISTRIBUTION**

Level 2		Provinces	Planned	Realised
İstanbul Sub-region	1	İstanbul	168	167
İzmir Sub-region	2	İzmir	23	24
Manisa Sub-region	3	Manisa, Afyon, Kütahya, Uşak	11	6
Aydın Sub-region	4	Aydın, Denizli, Muğla	11	10
Adana Sub-region	5	Adana, Mersin	9	12
Hatay Sub-region	6	Hatay, Kahramanmaraş, Osmaniye	7	3
Antalya Sub-region	7	Antalya, Isparta, Burdur	12	13
Şanlıurfa Sub-region	8	Şanlıurfa, Diyarbakır	3	3
Gaziantep Sub-region	9	Gaziantep, Adıyaman, Kilis	6	6
Ankara Sub-region	10	Ankara	104	111
Konya Sub-region	11	Konya, Karaman	19	20
Bursa Sub-region	12	Bursa, Eskişehir, Bilecik	14	17
Kocaeli Sub-region	13	Kocaeli, Sakarya, Düzce, Bolu, Yalova	14	11
Samsun Sub-region	14	Samsun, Tokat, Çorum, Amasya	11	11
Zonguldak Sub-region	15	Zonguldak, Karabük, Bartın	5	5
Kayseri Sub-region	16	Kayseri, Sivas, Yozgat	11	11
Van Sub-region	17	Van, Muş, Bitlis, Hakkari	1	0
Trabzon Sub-region	18	Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane	11	11
Balıkesir Sub-region	19	Balıkesir, Çanakkale	7	7
Erzurum Sub-region	20	Erzurum, Erzincan, Bayburt	4	4
			450	452

was introduced, and the objectives of this study were explained. A letter acknowledging and approving this research from the General Foundations Directorate (GDF) was to the managers of the foundation. The letter explained to the foundation managers that this was not a study of the GDF and thus the GDF had no influence over its design, assuring that it will have no effect on its analysis and will have no access to the data collected. GDF nevertheless stated that it knows about the study and approves of its objectives.

According to the above sampling plan, a total of 450 face-to-face interviews were envisaged. Despite the fact that all foundations in Van, Kocaeli and Osmaniye, were contacted, interviews

could not be completed. In these cases the team tried to reach additional foundations in provinces from the same region. The team thus went to Hatay to make up for foundations missing in Osmaniye, and to Yalova for foundations missing in Kocaeli. The search in Muş and Bitlis also did not reveal any completed interviews aside for just one foundation in that region. In provinces like Istanbul and Denizli a few interviews remained incomplete simply because after repeated trials the team could not arrange an appointment and conduct the interviews. Accordingly the team study below targeted interviews in some provinces.

In samples of this size (N=450) which are selected by simple random sampling from a small population such as this

study (3,281), the maximum margin of error is expected to be  $\pm 4.3\%$  at a 95% confidence level assuming a 50-50 split. Since a 50-50 split is more likely to move in favour of a more homogenous population it can safely be assumed that the margin of error will be smaller at around  $\pm 4\%$ . Unlike the individual giving survey where pure random sampling assumptions are violated, the foundation sampling abides by the rules of random selection at every stage of sampling selection process.

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# About TUSEV

## TUSEV Program Areas

**Civil Society Law Reform.** The legal framework and environment is essential for an active and dynamic civil society. TUSEV's role in this capacity is to support and promote reforms by providing consultative input to draft laws, publishing reports on best practices in civil society law in cooperation with international experts (International Center for Not for Profit Law/ICNL), and engaging dialogue and cooperation among government officials and civil society organizations. TUSEV also provides one-to-one legal technical support for civil society organizations and provides training on laws and regulations. Since its establishment in 1993, TUSEV has published a number of articles, reports and other publications in Turkish and English on subjects related to associations and foundations law, tax law, public benefit status and government cooperation frameworks. TUSEV regularly organizes roundtables, seminars and site visits, and was the host organization for ICNL's Global Forum on Civil Society Law in 2005 which brought over 100 representatives from 60 countries together.

**Research on Civil Society and Philanthropy.** Research on the third sector in Turkey is vital to raising awareness about the sector; assessing strengths and challenges; and galvanizing action to address needs, strengthen capacity and build civil society organizations' role in society. In partnership with leading academic institutions and global partners, TUSEV actively organizes and conducts extensive research projects to examine current trends in civil society development and philanthropy. In 2006

TUSEV published the Civil Society Index Country Report for Turkey, in partnership with CIVICUS, and Philanthropy in Turkey: Citizens, Foundations and the Pursuit of Social Justice with support from the Ford Foundation. TUSEV's board and staff members are regular contributors to several national and international journals on civil society and philanthropy.

**Promoting Philanthropy.** Increasing the effectiveness and flow of resources to the third sector is essential to creating vibrant and successful civil society organizations. Donations and grants are also vital to enchainning of civic participation and cooperation. TUSEV promotes this practice and introduces new approaches by publishing reports and convening government, private and third sector actors to explore new mechanisms which can enable charitable giving for civil society organizations Turkey. TUSEV's cooperation with national organizations such as the Corporate Volunteer Association and international partners such as Charities Aid Foundation, and WINGS (Worldwide Initiatives for Grantmaker Support) has helped to generate action around creating more effective strategies and mechanisms for philanthropy in Turkey.

**International Relations and Networking.** Civil society organizations are increasingly active in building international networks to exchange best practices, ideas and create common platforms for cooperation. TUSEV actively participates in the global civil society community as a member of the European Foundation Center, CIVICUS and the WINGS network. TUSEV attends

and hosts international conferences promoting civil society development. TUSEV's increasing library of English publications allows for greater sharing of information and perspectives about the third sector in Turkey with the international community.

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TUSEV pursues 5 main objectives in strengthening the third sector:

- Enhancing the capacity of civil society organizations
- Creating an enabling environment
- Promoting individual and corporate philanthropy
  - private, public and non profit actors