

Private donations in Mexico: An analysis of authorised donors**Donativos privados en México: Un análisis de las donatarias autorizadas**

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Abstract

By focusing on the Mexican authorized donees subsystem, this paper investigates which are the key characteristics of the distribution of private donations amongst the thirty-two states of the Mexican federation. Particularly, taking into account the demographic density, it employs central tendency and dispersion statistics to assess the sub-national differences of the amount of donations. Likewise, the Pearson correlation coefficient is calculated for the variables <per capita donations> and <per capita Gross Domestic Product> in order to discover how they are associated. Based on the analysis of reported donations by the authorized donees, a phenomenon of both geographical and resources concentration is identified, and which characterizes the Mexican non-profit sector

Donations, Philanthropy, Authorized donees, Civil society organizations

Resumen

Este artículo busca contribuir en el conocimiento de la filantropía mexicana que emplea canales institucionales, y cuyos donativos (en especie y en efectivo) se movilizan a través de organizaciones que tienen en estatus de donataria autorizada. Tomando como universo de estudio al subsistema asociativo de las donatarias autorizadas mexicanas, se emplean estadísticos de tendencia central y dispersión para evaluar las diferencias a nivel sub-nacional en el volumen de donativos, ponderando por densidad poblacional. Asimismo, se estima el coeficiente de correlación de Pearson para las variables <donativos per cápita a nivel estatal> y <Producto Interno Bruto per cápita estatal> a fin de descubrir su grado de asociación. Con base en el análisis de los donativos reportados por las donatarias autorizadas, se identifica un fenómeno de concentración geográfica y de recursos que define al sector no lucrativo mexicano.

Donativos, Filantropía, Donatarias autorizadas, Organizaciones de la sociedad civil

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Introduction

A relevant actor in explaining democratisation processes is civil society (O'Donnell et al., 1991; Magallón, 2003). Periods of political change have been initiated through the collective action of citizens through social movements and civil organisations, the outcome of which has been the erosion and collapse of authoritarian regimes. However, the role of civil society is not only important in explaining political transitions and periods of liberalisation that establish or consolidate democracies. At the same time, civil society has the capacity to contribute to strengthening the bonds of solidarity that form the basis for the functioning of redistributive policies (Miller, 1999), which give effect to the assumption of egalitarian citizenship on which liberal regimes are based. Similarly, certain expressions of civil society, particularly non-profit civil organisations, assist in social development processes by attending to vulnerable segments of the population that are excluded from the scope of public policies.

According to Lester Salamon et al., (1992) there are five major roles played systemically by what he calls the <non-profit sector>: provision of services (mainly in health, education, culture, environmental protection); social innovation (i.e., the organisations are able to conceive, design, implement and implement social policies); and social innovation (i.e., the organisations are able to conceive, design, implement and implement social policies), organisations are able to devise novel solutions to social problems because they operate more flexibly than governments); advocacy (i.e., promotion and management of citizen and social causes); leadership development and expression (i.e., they not only foster competencies for project management and implementation among their members but also serve as a means for members to express their ideological adherence or values); and community cohesion and democratisation (i.e., they are a means for members to express their ideological adherence or values).

And community cohesion and democratisation (i.e., they strengthen interpersonal trust and generate social capital that contributes to better institutional performance).

It should be noted that the above functions, attributed in the sociological literature, would have to be studied empirically through case studies at the national and sub-national levels in order to know to what extent they are actually carried out by civil organisations in each country, as their performance may be affected by various factors that hinder the achievement of their original objectives, such as the lack of adequate institutional infrastructure (Layton and Moreno 2010).

In Mexico, civil organisations that opt for formalisation through the constitution of a legal personality can adopt three legal figures: civil association (A.C.), private assistance institution (I.A.P.) and private charitable institution (I.B.P.). These types of citizen organisations finance their activities through four main sources: own resources (e.g. membership fees, endowment income, sale of services), public resources (federal, state and municipal), international resources (e.g. multilateral agencies or international donor foundations) and private resources (in particular individual donations or donations from corporate philanthropy). Diversity and balance in the composition of their financial resources ensures that organisations can survive over time, as over-reliance on a single source increases their vulnerability (García, et al., 2006).

The following analysis presents some of the characteristics of private funding for the activities of Mexican non-profit civil society organisations.

Specifically, this study focuses on a specific subsystem of the Mexican associative sector: the set of civil associations and private charitable institutions that have the status of authorised donors granted by the Tax Administration System (SAT) of the Ministry of Finance and Public Credit (SHCP) of the federal government so that they can receive donations that are deductible for income tax purposes.

The aim of this article is to show the composition of this subsystem in terms of geographical density, activities and the domestic and foreign resources they mobilise in order to demonstrate a feature that currently defines the country's non-profit sector: geographical concentration and concentration of donations.

The first section details the general characteristics of the grantees according to demographic criteria. The second section develops a correlation analysis to determine the association between donations per capita and State Gross Domestic Product in order to determine whether the size of the state economy is related to the mobilisation of philanthropic contributions.

Size and composition of the associative subsystem of grantees

In compliance with the Income Tax Law (Ley del Impuesto sobre la Renta, LISR), the SAT authorises different activities to have the status of donataria (see table 1 for fiscal year 2013). Among the different items covered by the regulations, it is welfare that consistently constitutes the majority, well above educational donatarias, which are in second place. For the 2013 fiscal year, more than two thirds of all grantees (66.4%) were grouped under the welfare category.

Rubro	Total	Porcentaje relativo
Asistenciales	5,246	66.4%
Educativas	1,116	14.1%
Becantes	142	1.8%
Culturales	564	7.1%
Bibliotecas abiertas al público	10	0.1%
Museos abiertos al público	34	0.4%
Científicas y Tecnológicas	185	2.3%
Ecológicas	223	2.8%
Donatarias que se dedican a la reproducción o conservación de especies protegidas o en peligro de extinción.	8	0.1%
Donatarias que se dedican exclusivamente al apoyo económico de otras donatarias autorizadas.	275	3.5%
Donatarias que destinan donativos y sus rendimientos para obras o servicios públicos.	99	1.3%
Total	7,902	100.0%

Table 1 Distribution of donatarias by category, fiscal year 2013

In fiscal year 2013, 7,902 institutions and trusts throughout the country were authorised to have donataria status, which represents a percentage variation with respect to the previous year of 3.51%; well below the unusual percentage growth in the number of donatarias (15.86%) in fiscal year 2012, which occurred after the contraction of the previous year (-5.93%), and caused by the non-compliance with new tax obligations (Annual Notice and Transparency Report) introduced by the tax authority.

Thus, for the two years prior to 2014, a relatively stable growth trend has been maintained.

Ejercicio	Donatarias Autorizadas	Variación %
2004	5,432	
2005	5,430	-0.04
2006	5,754	5.97
2007	5,996	4.21
2008	6,364	6.14
2009	6,853	7.68
2010	7,004	2.2
2011	6,589	-5.93
2012	7,634	15.86
2013	7,902	3.51

Table 2

As for the geographic distribution of donatarias, a very significant number of them (2,299) are legally domiciled in Mexico City, which concentrates more than three and a half times the number of donatarias of the second-ranked state of Mexico (623); on the other hand, there are states in the Republic where it is uncommon for local civil organisations to have donataria status. As can be seen in the following table, twelve Mexican states have no more than a hundred of them.

Entidad federativa	Donatarias 2013	Entidad federativa	Donatarias 2013
Aguascalientes	89	Morelos	123
Baja California	249	Nayarit	32
Baja California Sur	56	Nuevo León	493
Campeche	28	Oaxaca	135
Chiapas	106	Puebla	209
Chihuahua	366	Querétaro	192
Coahuila	208	Quintana Roo	76
Colima	76	San Luis Potosí	134
Distrito Federal	2,299	Sinaloa	189
Durango	49	Sonora	228
Guanajuato	263	Tabasco	36
Guerrero	50	Tamaulipas	137
Hidalgo	97	Tlaxcala	40
Jalisco	542	Veracruz	316
México	623	Yucatán	169
Michoacán	255	Zacatecas	37
Total (Nacional)		7,902	

Table 3

In order to show the degree of concentration of the authorised grantees in the country's capital, which characterises this associative sub-sector in the country, the following is a breakdown of the relative percentage distribution of grantees in relation to the relative percentage of the population living in each state.

Entidad federativa	Porcentaje relativo de población	Porcentaje relativo de donatarias
Aguascalientes	1.06%	1.13%
Baja California	2.86%	3.15%
Baja California Sur	0.61%	0.71%
Campeche	0.74%	0.35%
Chiapas	2.44%	1.34%
Chihuahua	0.59%	4.63%
Coahuila	4.32%	2.63%
Colima	3.07%	0.96%
Distrito Federal	7.51%	29.09%
Durango	1.46%	0.62%
Guanajuato	4.83%	3.33%
Guerrero	2.98%	0.63%
Hidalgo	2.37%	1.23%
Jalisco	6.54%	6.86%
México	13.82%	7.88%
Michoacán	3.83%	3.23%
Morelos	1.58%	1.56%
Nayarit	1.00%	0.40%
Nuevo León	4.17%	6.24%
Oaxaca	3.34%	1.71%
Puebla	5.12%	2.64%
Querétaro	1.64%	2.43%
Quintana Roo	1.25%	0.96%
San Luis Potosí	2.28%	1.70%
Sinaloa	2.48%	2.39%
Sonora	2.41%	2.89%
Tabasco	1.97%	0.46%
Tamaulipas	2.92%	1.73%
Tlaxcala	1.05%	0.51%
Veracruz	6.69%	4.00%
Yucatán	1.74%	2.14%
Zacatecas	1.31%	0.47%

Table 4 Ratio of relative percentages of population versus relative percentages of grantees by state, 2013

The above data, which serve to determine the degree of symmetry between the relative proportion of the population of each federative entity vis-à-vis its relative share of donatarias with respect to the total, show that there is not always a correspondence between population weight and the number of donatarias domiciled in the states of the Republic and the country's capital. Although a certain margin of variation in the degree of equivalence could be expected due to local conditions that favour (or inhibit) the creation of organisations with donataria status.

It is a fact that there is a phenomenon of concentration in the Federal District. This entity, home to 7.51% of the country's inhabitants, has 29.09% of the total number of donatarias. The geographical concentration of donatarias in the country's capital, as we will see later on, has a direct impact on an associated phenomenon: the concentration of donations.

Mobilisation of private resources by authorised donatarias

In order to understand the current characteristics of the mobilisation of private donations in the circuit of authorised donatarias, we present a breakdown of the total donations reported by institutions and trusts according to the federal entity where their legal domicile is located (including domestic and foreign donations for the financial year 2012, RDA 2013). As can be seen in table 5, there is a high concentration of donations in the Federal District. Donatarias in Mexico City, which together represent less than a third of the total number of donatarias, mobilise more resources than the rest of the donatarias in the 31 states of the federation. That is to say, of the total reported by donatarias nationwide for fiscal year 2012 (\$32,918,825,671), Mexico City's donatarias mobilised more than half (53.19%).

Entidad federativa	Donativos recibidos	% relativo
Distrito Federal	\$17,507,940,609.00	53.19%
México	\$3,626,087,355.00	11.02%
Nuevo León	\$3,068,205,964.00	9.32%
Jalisco	\$2,316,376,910.00	7.04%
Chihuahua	\$847,736,298.00	2.58%
Baja California	\$589,780,347.00	1.79%
Coahuila	\$521,239,868.00	1.58%
Puebla	\$480,231,624.00	1.46%
Guanajuato	\$459,416,064.00	1.40%
Sinaloa	\$417,575,105.00	1.27%
Oaxaca	\$373,407,223.00	1.13%
Veracruz	\$337,250,662.00	1.02%
Sonora	\$330,109,904.00	1.00%
Querétaro	\$325,039,320.00	0.99%
Michoacán	\$196,722,373.00	0.60%
Hidalgo	\$186,236,973.00	0.57%
Morelos	\$180,669,953.00	0.55%
Yucatán	\$179,551,669.00	0.55%
Chiapas	\$152,177,898.00	0.46%
Tamaulipas	\$132,236,155.00	0.40%
Quintana Roo	\$127,715,345.00	0.39%
Aguascalientes	\$117,040,357.00	0.36%
San Luis Potosí	\$104,058,774.00	0.32%
Baja California Sur	\$94,681,346.00	0.29%
Colima	\$57,401,249.00	0.17%
Zacatecas	\$44,023,803.00	0.13%
Guerrero	\$42,681,102.00	0.13%
Tabasco	\$33,412,432.00	0.10%
Nayarit	\$22,856,303.00	0.07%
Durango	\$21,296,513.00	0.06%
Campeche	\$15,560,290.00	0.05%
Tlaxcala	\$10,105,883.00	0.03%

Table 5 Total donations received and relative participation by state

In order to weight the size of private resources mobilised in each state by authorised grantees according to the size of the population, the amount of donations per capita for fiscal year 2012 (RDA 2013) is estimated based on CONAPO's 2012 demographic projections. From this analysis, it is possible to observe that there are significant differences in the magnitude of donations mobilised by grantees in each state when the population criterion is taken into account (see Table 6).

Entidad	Total de donativos (pesos)	Donativos per capita (pesos)
Distrito Federal	\$17,507,940,609.00	\$1,968.57
Nuevo León	\$3,068,205,964.00	\$620.96
Jalisco	\$2,316,376,910.00	\$299.18
Chihuahua	\$847,736,298.00	\$233.15
México	\$3,626,087,355.00	\$221.59
Coahuila	\$521,239,868.00	\$180.35
Baja California	\$589,780,347.00	\$174.44
Querétaro	\$325,039,320.00	\$167.21
Sinaloa	\$417,575,105.00	\$142.40
Baja California Sur	\$94,681,346.00	\$131.83
Sonora	\$330,109,904.00	\$115.77
Morelos	\$180,669,953.00	\$96.40
Oaxaca	\$373,407,223.00	\$94.32
Aguascalientes	\$117,040,357.00	\$93.46
Yucatán	\$179,551,669.00	\$86.99
Quintana Roo	\$127,715,345.00	\$86.01
Colima	\$57,401,249.00	\$82.20
Guanajuato	\$459,416,064.00	\$80.32
Puebla	\$480,231,624.00	\$79.15
Hidalgo	\$186,236,973.00	\$66.36
Michoacán	\$196,722,373.00	\$43.43
Veracruz	\$337,250,662.00	\$42.56
San Luis Potosí	\$104,058,774.00	\$38.51
Tamaulipas	\$132,236,155.00	\$38.20
Chiapas	\$152,177,898.00	\$29.73
Zacatecas	\$44,023,803.00	\$28.40
Nayarit	\$22,856,303.00	\$19.40
Campeche	\$15,560,290.00	\$17.68
Tabasco	\$33,412,432.00	\$14.31
Durango	\$21,296,513.00	\$12.32
Guerrero	\$42,681,102.00	\$12.11
Tlaxcala	\$10,105,883.00	\$8.13

Table 6 Donations per capita mobilised by state. (RDA 2013)

To account for the contrast between states, in addition to the range (R), statistics of central tendency and dispersion of donations per capita are estimated. Because there is a distribution with notably extreme minimum and maximum values in the country, the arithmetic mean of donations per capita (\$193.26) is not considered representative of the national situation.

For example, while donatarias in the state of Tlaxcala report donations equivalent to \$8.13 per capita, donatarias legally domiciled in the state of Tlaxcala report donations equivalent to \$8.13 per capita.

Donatarias with legal domicile in the Federal District mobilised 242 times more (\$1,968.57) in fiscal year 2012. These are differences that reflect the fact that the associative subsystems in the country, at least in terms of the circuit of civil organisations that mobilise private resources, have very different magnitudes in Mexico.

To better describe statistically the distribution of donations in the country, which is clearly concentrated at one extreme, we calculate the standard deviation, which shows the degree of dispersion of the values. The high value of the Range (\$1,960.44) estimated from the maximum and minimum values, as well as the standard deviation (\$396.30) clearly indicates that there is a phenomenon of concentration of private donation mobilisation even when weighted by population size.

Estimación	Valor
Mediana	83.16
Media	193.26
Desviación Estándar	396.30
Máximo	1968.57
Mínimo	8.13
Rango (R)	1960.44

Table 7 Central tendency and dispersion statistics of Donations per capita in Mexico (RDA 2013)

Private donations from abroad received by authorised grantees

Mexican civil society organisations, and in particular authorised grantees, are able to receive donations from anywhere in the world.

In order to gain a more detailed understanding of the characteristics of the composition of donations channelled through the formal circuit of donatarias, an analysis has been carried out to distinguish the total amount of donations that come from abroad.

Table 8 shows the donations received from abroad reported by Mexican grantees. Based on information from the last five years' reports (RDA 2009-2013), a list of donations was compiled, including the amount of donations received from abroad (in cash and in kind) and their proportion of the total reported. It is observed that the maximum amount of resources from abroad received by donatarias in that period was more than two billion two hundred million in fiscal year 2012 (RDA 2013), a figure that represents 6.71% of the total donations that donatarias reported to the tax authority.

RDA	Total de donativos (extranjero)	Total Donativos	Porcentaje de donativos extranjeros respecto al total reportado.
2009	\$1,696,945,600.00	\$32,977,175,369.00	5.15%
2010	\$1,551,868,754.00	\$22,463,950,832.00	6.91%
2011	\$1,942,502,357.00	\$26,368,196,443.00	7.37%
2012	\$2,037,440,707.00	\$24,936,254,804.00	8.17%
2013	\$2,207,583,751.00	\$32,918,825,671.00	6.71%

Table 8 Total donations and donations from abroad, as reported by the authorised donatarias (RDA 2009-2013)

In order to determine the proportion of donations received from abroad mobilised by donatarias in the different states, a table has been prepared that breaks down their relative participation for the 2012 fiscal year (RDA 2013). That is, we estimate the percentage mobilised in each entity with respect to the total donations from abroad (Table 9). According to the information generated in this analysis, it is clear that the phenomenon of concentration of resources received by donatarias in Mexico City is not only repeated, but also accentuated in this particular type of donations that distinguishes according to their origin: donatarias with legal domicile in the capital of the country concentrate on average more than 60% of the total foreign donations (in kind and in cash) received in the country in the formal circuit of donatarias. Donatarias in the border state of Baja California, on the other hand, have managed to mobilise an increasing amount of resources from abroad. Currently, these donatarias, which do not represent more than 3% of the country's total, mobilised 8.83% of such donations in fiscal year 2012 (RDA 2013).

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Donatarias with legal domicile in Mexico City account for an average of more than 60% of all foreign donations (in kind and in cash) received in the country through the formal circuit of donatarias. Donatarias in the border state of Baja California, on the other hand, have managed to mobilise an increasing amount of resources from abroad. Currently, these donatarias, which do not represent more than 3% of the country's total, mobilised 8.83% of such donations in fiscal year 2012 (RDA 2013).

Entidad	Participación relativa frente al total nacional proveniente del extranjero
Distrito Federal	61.96%
Baja California	8.83%
Jalisco	5.23%
Nuevo León	4.08%
Puebla	2.54%
México	2.44%
Morelos	2.42%
Oaxaca	1.76%
Chiapas	1.49%
Sonora	1.37%
Chihuahua	1.34%
Baja California Sur	1.30%
Guanajuato	1.18%
Coahuila	0.54%
Yucatán	0.53%
Colima	0.52%
Michoacán	0.51%
Querétaro	0.39%
Quintana Roo	0.36%
Nayarit	0.30%
Guerrero	0.16%
Sinaloa	0.15%
Campeche	0.15%
Tabasco	0.11%
Aguascalientes	0.07%
Tamaulipas	0.05%
Zacatecas	0.04%
Veracruz	0.04%
San Luis Potosí	0.01%
Tlaxcala	0.00%
Durango	0.00%
Hidalgo	0.00%

Table 9 Donations received from abroad and relative participation by state

Subject to a more in-depth analysis of each particular federal entity that would reveal structural regional differences, it is worth noting that there is a large difference between the relative percentage of cash donations from abroad reported by the grantees of the thirty-two federative entities.

The above data, which reveal a highly heterogeneous situation in the flow of donations mobilised by the country's grantees, merit a detailed study in order to identify the causes behind the magnitude of such differences at the sub-national level.

In order to find out whether the concentration of private donations can be found to be associated with economic factors. That is, if the volume of donations reported by donatarias in each state, once weighted by the population criterion, is related to the size of the state's economy, the Pearson correlation coefficient between the variables state GDP per capita and donations per capita has been estimated. A scatterplot is also attached to show the degree of association between the two variables in a more intuitive way.

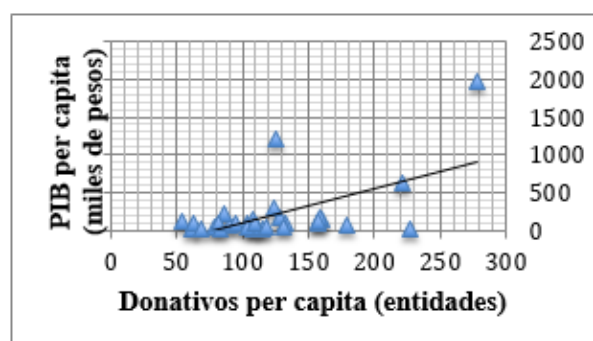


Figure 1 Ratio of GDP per capita to donations per capita. State, 2013

According to Pearson's correlation statistic, which ranges from -1 to 1, estimated for the variables of interest, it is possible to point out that there is a linear relationship that positively associates the amount of donations per capita and GDP per capita, since the coefficient obtained had a value of 0.572. Although to establish statistically robust causal explanations it would be necessary to implement a multiple regression model that incorporates more variables, for the moment, the size of the economy is pointed out as a possible explanatory factor for the observed variations.

However, this factor is undoubtedly not the only one, as the different capacities of the grantees to raise resources in a diversified way.

The development of which may be associated with the state's own institutional environment and the public policies of state governments, may influence the particular performance of each sub-national associative sector in mobilising domestic and foreign donations effectively. If federal tax regulation is the same for all 32 states, explanations for differences in the size and composition of the country's associative sub-sectors can be complemented by including local institutional factors.

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Conclusions

While civil society organisations can play different roles in the social system, their importance and characteristics vary according to economic, cultural and institutional contexts. Thus, the size, composition and impact of the non-profit sector changes not only between countries but even at the sub-national level. This article focused on the universe of Mexican civil society organisations that have the status of authorised grantees and exposed important differences at the state level in the characteristics of the distribution of the flow of resources.

It is important to deepen our knowledge of this type of civil organisations not only because of the insufficient number of research studies that have focused on them, but also because understanding their limitations can contribute to the design of public policies that contribute to their professionalisation. As well as to the prevention of the defects or vulnerabilities that affect them, among them the scarcity of resources to finance their activities due to regional concentration phenomena. In this sense, it is possible to speak of the existence of relatively dysfunctional associative sectors that do not have the desired impact or effects on democratisation and social development processes.

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