Studies on Philanthropy and Impact Investment in Ghana

By

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LIST OF PUBLICATIONS AND RESEARCH OUTPUTS

Prior to submission, portions of the thesis were under review in peer-reviewed journals. Other related articles and book chapters published by the candidate are presented.

Peer-reviewed publications

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ABSTRACT

Anecdotal evidence of practices and institutions has accumulated over the years through oral traditions and all over the psyche of the African. While giving to good causes is not new in the Ghanaian traditional system and culture, there is a general paucity of literature regarding recent developments on the topic. Studies regarding investments that simultaneously generate financial, as well as social and /or environmental returns, are equally lacking. Using Ghana as a case study, this thesis contributes to the literature on three thematic areas in accordance with identified gaps in the philanthropy and impact investment literature. Specifically, the thesis relies on quantitative (instrumental variable probit model) and qualitative (content analysis, multiple-case study) research techniques to examine the relationships, and determinants of formal and informal charitable giving; uncover the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving; and explore the approach to impact investing. These are critical issues whose understanding is theoretical and western-oriented, lacking empirical attention in the emerging literature of African philanthropy and impact investment. Given this, the thesis produced three independent essays to address these salient gaps in the philanthropy and impact investment literature. Empirical findings evolving from these essays are instructive and generally present crucial insights on African philanthropy and impact investment which is relevant for policy and practice.

The first essay examines the extrinsic (socio-demographic) and intrinsic (personality) determinants of both formal and informal charitable giving. In addition, it explores whether the relationship between different types of charitable giving –cash and in-kind donations as well as time donations (volunteering) – is substitutable or complementary. Our findings, based on survey data from 1,533 households and instrumental variable probit model revealed that while marital status, education,

household size, religiosity, ethnicity, and empathic concern are important predictors of formal cash and in-kind giving, informal giving of cash and in-kind is driven by income, religiosity and empathic concern. On the other hand, it was evident that formal volunteering is mainly determined by income, household size, religiosity, and empathic concern, whereas gender and religiosity influence informal volunteering. We established that, in both spheres of formal and informal giving, the relationship between cash and in-kind giving and volunteering is complementary. Premised on these findings, we recommend non-profits and policymakers to recognise the complementary role and distinctive determinants of the spheres of giving in designing tools and policies to raise the levels and effectiveness of fundraising and volunteering campaigns.

In the second essay, the practice of corporate philanthropy was explored through the lens of corporate foundations. Specifically, we investigate the motives, priority areas, strategies, opportunities, and challenges of corporate foundation giving. Based on qualitative content analysis, our findings revealed that corporate foundations are influenced by both altruistic and instrumental motives of giving, and that, their approach to giving prioritises multiple areas of national interest such as education, health, economic empowerment, environment/social amenities, and sports. We also found that corporate foundations rely on a combination of strategies (request, media-lead, adoption, and contest) to identify potential beneficiaries and implement their giving programmes. Further evidence indicates that giving of corporate foundations presents opportunities to both foundations (serve society, get partnership offers from other companies, and obtain goodwill from the public) and their parent companies (indirect business and advertising opportunities). However, corporate foundation giving is constrained by insufficient funding, lack of support from stakeholders, managing expectations of individuals, poor maintenance culture, and cultural rites. The findings have implications for practitioners as it presents insights which could

serve as a model to guide new entrants into the corporate foundation landscape of developing economies. In addition, the findings could assist the development of government interventions necessary to foster greater corporate giving.

The third essay applies a change in perspective to explore the approach to impact investing from a supply-side standpoint. This contrasts existing studies which are mostly theoretical and provide an understanding that is western-oriented and from a demand-side viewpoint. Using multiple-case study design and qualitative data from two Ghanaian organisations, we provide evidence of an impact investment approach characterised by concurrent motive of financial and social/environmental returns, longer time horizon, and engagement or provision of non-financial support. We conclude that this approach leverages the tools of venture capital to realise social or ecological purposes. The findings can potentially assist investors and entrepreneurs to make informed decisions and navigate the complexity surrounding the emerging impact investment environment in Ghana and economies of similar nature. Additionally, it can help in developing explicit policies to regulate the sector, increase its awareness, widens its appeal, and use to serve the intended purpose of addressing social and environmental problems.

Keywords: Giving; Volunteering; Corporate Philanthropy and Foundations; Impact and Social Investments; SMEs; Ghana.

DECLARATION

I, **Dennis Boahene Osei** with student number 2195690, hereby declare that this research report is my work except as shown in the references and acknowledgements. It is submitted in fulfilment of the requirements for the award of Doctor of Philosophy at the University of the Witwatersrand, Johannesburg, South Africa. It has not been submitted before for any degree or examination in this or any other university.

Dennis Boahene Osei

Signed on October 1, 2021

DEDICATION

To my Dad (Isaac Kofi Boahene) and Mum (Janet Osei Boahene)

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The usual disclaimer applies.

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LIST OF ACRONYMS

ADF	Aliko Dangote Foundation
AVPA	African Venture Philanthropy Alliance
BFI	Big Five Inventory
BoP	Base of Pyramid
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
CSR	Corporate Social Responsibility
ED	Executive Director
GAIN	Ghana Angel Investors Network
GCII	GIMPA Center for Impact Investing
GIIN	Global Impact Investing Network
GIPC	Ghana Investment Promotion Centre
GLSS	Ghana Living Standard Survey
ICT	Information and Communication Technology
IIF	Impact Investors Foundation
IV	Instrumental Variable
KPIs	Key Performance Indicators

MASLOC	Microfinance and Small Loans Centre
NADeF	Newmont Ahafo Development Foundation
NDA	Non-Disclosure Agreement
NSGVP	National Survey of Giving, Volunteering and Participating
OECD	Organisation for Economic Co-operation and Development
PCA	Principal Component Analysis
PE	Private Equity
PIS	Participant Information Sheet
PTSIF	Pure Trust Social Investor Foundation
SDGs	Sustainable Development Goals
SEHP	Samira Empowerment and Humanitarian Project
SMEs	Small and Medium Enterprises
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VC	Venture Capital
VCTF	Venture Capital Trust Fund
WASSCE	West African Senior School Certificate
WEF	World Economic Forum

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Philanthropy is part of the culture and identity of Africans. Giving money, time, and material resources (in-kind) to support philanthropic works at the community level and for non-profit organisations has long been part and parcel of the African way of life. Moyo (2010) opined that philanthropy is embedded in the notions of birth, life, and death/ rebirth. This, he further explained that, throughout the moments of life cycle, one can either have the experience of a philanthropist or beneficiary of philanthropy (Moyo, 2011). Importantly, the philanthropic environment is not only for the rich. The poor also give to support each other (see Wilkinson-Maposa et al., 2006).

Principally, African philanthropy can either be of the vertical or horizontal dimension. The vertical form of philanthropy is very formal and consists of philanthropic actions organised through vehicles such as private foundations and family trusts. At the community level, individuals also support each other through community foundations and chests. On the other hand, the horizontal form of philanthropy is the informal or indigenous way of giving between people which is usually expressed through means such as cooperatives, saving clubs, communal collective efforts, self-help groups, burial societies, amongst others (Moyo, 2009; Moyo, 2010; United Nations Development Programme [UNDP], 2017). Despite the overarching aim of philanthropy to provide basic social and economic needs of people, its nature and practice in Africa has always been unique to a particular country or region and embedded in different cultural philosophies such as

"*Nnoboa*[1]" in Ghana, "*Harambee*[2]" in Eastern Africa, particularly in Kenya and *"Ubuntu*[3]*"* in Southern Africa.

In Ghana, there is a long history of giving cash, time, and in-kind and this is based on the communal lifestyle and ownership of property, sharecropping, communal work (e.g. building toilets, street cleaning, etc.), ethnicity, occupational and institutional affiliations. In addition, there is the practice of payment of funeral levies as well as voluntary donations from friends and family during funerals. On several occasions such as naming and marriage ceremonies, there are well-wishers who volunteer their time and also, donate money and material resources to support each other (Aryeetey and Opai-Tetteh, 2012). Again, there is a great deal of giving inspired by religious belief. For instance, all Christians are mandated to give 10% of their earnings as tithe and this is an obligatory form of giving in the church. Similarly, Muslims, for instance, through *Zakat* are obliged to contribute 2.5% of their wealth above the *Nisab*[4] towards community improvement, especially supporting the poor. *Zakat* is liable on gold, silver, cash, savings, investments, rent income, business merchandise and profits, shares, securities, and bonds. It is important to emphasize that, *Zakat* becomes obligatory on Muslims only when his/her wealth profile is above the Nisab after all debts have been settled (Gambling and Karim, 1986; Hamid et al. 1993). In Ghana, a lot of Christians and Muslims through their churches and mosques often donate cash aimed at supporting altruistic and humanitarian causes. Further, giving practices are also evident

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[1] *Nnoboa* is an Akan word in Ghana which literally means "work together to help each other" (see Aryeetey and Opai-Tetteh 2012).

[2] *Harambee* is a popular Swahili word which doubles as the motto of Kenya literally mean "all pull together" (see Equal Right Country Report, 2012).

[3] The concept of "*Ubuntu*" best translated into English as ''humanness" (Khoza, 2006, pp. 6) and literally means ''I am, because we are; and since we are, therefore I am.'' (Mbiti 1969, pp. 108– 109).

[4] This is the base amount of wealth that qualifies a Muslim to pay Zakat, and it is equal to three ounces of gold (Hamid et al. 1993).

in the provision of non-financial support and assistance. It encompasses volunteering to provide labour in the farm of neighbours, underlies by cultural notions of reciprocity, solidarity care, and in-kind support, among others (UNDP, 2017).

In recent times, with Ghana attaining the status of a lower-middle-income country and experiencing dwindling official development assistance, unpacking the potential role of philanthropy as an alternative source of resource mobilisation has been in the spotlight of development discourse (see Kumi, 2019a). The Government of Ghana has amply embraced philanthropy in the implementation and monitoring structure of the SDGs as well as the Ghana development co-operation policy.[5] This makes philanthropy a significant player of development in Ghana.

It is worth noting that philanthropy has undergone several transformations, notably, its conceptualisation and practice are premised on entrepreneurial and commercial principles. This was described by Fowler (2016) as "new-age philanthropy" which is taking social enterprises to another level. Societal impacts have been made through some of these emerging practices including impact investment.[6] It remains one of the crucial tools impact investors and entrepreneurs use in tackling most social or environmental problems, especially in these contemporary times when government funds are mostly under pressure. One way to do this is for impact investors to invest funds into projects and other activities through social enterprises in the form of equity, quasi-equity, debt, among others aimed at tackling problems in the areas of

[5] See https://www.sdgphilanthropy.org/philanthropy-in-ghana-featured-by-alliance

[6] Throughout this thesis, impact investment is defined as "investments made into companies, organisations, and funds with the intention to generate social and environmental impact alongside a financial return" (Global Impact Investing Network (GIIN), 2015). The literature synonymously referred to this concept as social investment or social impact investment (see Salamon, 2014; Ormiston et al. 2015). We use these nomenclatures interchangeably.

agriculture, education, finance, environment, employment, health, among others. According to Achleitner et al. (2011a), social investors support organisations with a stout mission of impacting society and generating income but are not yet considered commercially attractive. What is key being that most social or impact investors prioritise to achieve simultaneous returns – financial and social/ environmental returns.

In Ghana, there is an increasing drive from the impact investment community to raise sustainable social enterprises to solve societal/environmental problems. For instance, the Venture Capital Trust Fund, an apex body which was instituted by the government through the Venture Capital Trust Fund (VCTF) ACT 2004 (ACT 680), continues to provide tremendous assistance to Small and Medium Enterprises (SMEs) by easing access to long-term funding. Social entrepreneurs across the regions of Ghana are initiating new impact-driven ventures which at the same time coincides with the globe witnessing strong interest in a wide range of social entrepreneurship community projects (UNDP, 2017). Unsurprisingly, Darko and Koranteng (2015) highlighted that the social enterprise scene is developing rapidly alongside a growing range of support organisations. Some of these support organisations include Growth Mosaic (supports small and growing businesses to achieve social impact); iSpace (provides workspace, funding, training, and mentoring for growth); Reach for Change (supports early-stage social entrepreneurs to achieve one or more of the SDGs); British Council Ghana (promote the development of social enterprise and social investment); among others.

In the empirical literature, what is by far obvious is that less attention has been given to studies relating to African philanthropy and impact investment. Moyo (2010) emphasized that philanthropy in Africa is a field that still needs further probing. Again, Fowler and Mati (2019) stressed that African philanthropy is substantially understudied. This observation is akin to the impact investment literature as studies from scholars such as McCallum and Viviers (2020), and Mogapi et al. (2019) emphasized the scantiness of research on the subject in Africa. This clearly suggests that there is a paucity of literature explaining the African perspectives on the subject of philanthropy and impact investment and hence, leaves much space for further investigation.

From the extant literature, although studies have broadly examined determinants and relationships of charitable giving, there are still limitations in understanding the determinants and relationship when the practice of giving is between people (informal), and through institutions (formal). Studying this is critical considering the fact that the practice of philanthropy is predominantly bifurcated into formal and informal giving (Mati, 2017) and less effort has been devoted to studying it. Also, several giving motives, priorities, strategies, opportunities, and challenges exist for corporate foundations, but they are largely unknown. Providing such information has the tendency to develop tools and policies to fast track the growth of such an emerging field of corporate philanthropy in Africa. With the face of philanthropy changing globally, there is an ardent need to advance the understanding of the emerging practices. In Africa, impact investment, which allows business entrepreneurs to receive financial and non-financial assistance in their quest to solve societal or environmental problems, is growing, however, there is no study, to the best of our knowledge that has empirically examined the approach to impact investing. So far, practical-oriented evidence which systematically explains the approach to impact investing is missing in the literature. Failure to empirically explore this will make the discussion of the approach to impact investing anecdotal and lessen its understanding to solve developmental challenges. Against this backdrop, this study works with the broad theme of exploring African philanthropy and impact investment. Focusing on Ghana, it examines the determinants and relationship of formal and informal giving of cash and in-kind, and time (volunteering); explores the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving; and finally, unpacks the approach to impact investing.

1.2 Problem statement

Imperatively, the problem statement presented here is carved around three areas based on the identified gaps in the philanthropy and impact investment literature. These empirical gaps are individually discussed below:

a. Formal versus informal charitable giving

Although charitable giving is mostly practiced between people (informal giving) and through institutions (formal giving) (Mati,2017), empirical literature taking this form of giving into perspective when examining its determinants and relationship is very scant, leaving a lacuna in the literature that is worth exploring. It must be emphasized that burgeoning studies such as Fiorillo and Nappo (2015), Lee and Brudney (2012), and Taniguchi (2012) have examined drivers of formal and informal charitable giving. Nevertheless, these studies are limited as they failed to present analysis that completely explains philanthropy, especially from the African viewpoint. Specifically, the studies have ignored examination of determinants of cash and in-kind giving and only concentrated on the determinants of giving of time (volunteering). Meanwhile, the philanthropic literature is certain that giving encapsulates cash and in-kind donations as well as time donations (Moyo, 2009; Moyo, 2010). In addition, the studies have disregarded the intrinsic (personality) factors that drive both formal and informal charitable giving. This is an important omission in the literature since charitable giving is influenced by both extrinsic (socio-demographic) and intrinsic factors (see Bekkers, 2006; Bekkers and Wiepkins, 2007; Lee and

Chang,2007) and also there is a shortfall in understanding whether both factors matter for formal and informal giving.

On the relationship between cash and time donations, the works of Duncan (1999), and Feldman (2010) have found a negative (substitutes) relationship between the joint decisions of money and time giving, while the studies of Brown and Lankford (1992), and Low et al. (2007) show a positive (complementary) relationship between money and time giving The findings of these studies are mixed and inconclusive, which requires further exploration under different assumption and context. At the moment, empirical studies that distinguish between formal and informal charitable giving while investigating the nexus between giving (cash and in-kind) and volunteering remain unexplored. Understanding the joint impact in this context is important in unearthing whether the practice of charitable giving either between people or through institutions is necessary for determining the complementary or substitutable relationship between cash and in-kind donations and volunteering.

Another limitation that is worrying is the domineering state of the philanthropic literature with studies from developed countries' perspectives. This suggests that studies from the context of developing countries including African countries are very scarce. With extant studies, most empirical studies are qualitative (see Mati, 2020; Kumi, 2019a; Kumi, 2019b), with few quantitative studies (see Everatt et al. 2005) to the best of our knowledge. This necessitates further quantitative research efforts considering the long history and anecdotal evidence of the practice of philanthropy in Africa.

This study will account for the above-mentioned limitations by examining the extrinsic and intrinsic determinants of both formal and informal charitable giving. Further to this, we will unearth whether giving between people and through institutions matter in determining the substitutable or complementary relationship between cash and in-kind donations and time donations.

b. Corporate foundation giving

Corporate foundation is a non-profit entity established and primarily funded by a parent company for the purposes of social and community investment. The role of such foundations cannot be overemphasized since it is regarded as the primary vehicle through which corporations undertake their corporate social responsibility (CSR) (Jordan and Hartley, 2014). Currently, the changing trend of corporations implementing their social responsibilities through foundations has culminated into a lot of research attention on corporate foundations. Yet, the extant literature is still at its infancy stage and to a greater extent has focused on understanding the role and governance of corporate foundations (Bethmann and von Schnurbein, 2020; He and Wang; 2020; Haski-Leventhal; 2020; Mukherjee et al.,2015; Renz et al., 2020; Werbel and Carter,2002); and government policy implications for corporate foundation giving (Webb,1994). There are also studies on the nature of corporate foundations in Europe (Gehringer and von Schnurbein, 2020), the United States (Tremblay-Boire, 2020), Latin America (Rey-Garcia et al., 2020), Russia (Krasnopolskaya, 2020).

While these studies have produced interesting findings on corporate foundations, we critically observe that they seldom produce information about the giving practices of corporate foundations which happens to be their core mandate. At the moment, there is limited empirical knowledge gap on what motives are behind corporate foundation giving; the giving priorities of corporate foundations; the strategies corporate foundations used in identifying and supporting their potential beneficiaries; opportunities and challenges emerging from the giving practices of corporate foundations. The dearth of this practical-oriented knowledge is even more pronounced in Africa as highlighted by Kumi (2020) in his analysis of the African philanthropic landscape. He stressed that "the extant literature on CSR fails to offer useful insights into the scope, size and giving structures and giving patterns of corporate foundations". In Ghana specifically, what abounds in the literature is the broad empirical evidence on CSR (see Amponsah-Tawiah and Dartey-Baah, 2016; Abugre and Nyuur, 2015; Kumi et al., 2020). These studies failed to delve into the giving practices of corporate foundations. It must be emphasized that the relatively neglected attention to unearthing empirical knowledge on the giving practices of corporate foundation is worrying as its understanding is necessary to guide the decision-making of the field's work. From a policy standpoint, such an understanding will inform the development of interventions by key stakeholders essential to improve a more formalized approach to corporate philanthropy. Given this, this exploratory study, as a substantial contribution to the literature, unpacks the motive, priorities, strategies, opportunities, and challenges of corporate foundation giving.

c. Approach to impact investing

Despite impact investment being in the spotlight of development discourse, empirical evidence explaining its nature and practice remains substantially limited. In fact, researchers have underscored that the impact investment literature is nascent and understudied (Nicholls 2010; Michelucci, 2017; Nicholls and Daggers,2016).

The present literature is inundated with studies on the motivation and role of impact investing (Castellas et al. 2018; Roundy et al., 2017; Watts and Scales,2020); the landscape of the impact investment market (Hazenberg et. al 2015; Spiess-Knafl and Aschari-Lincoln, 2015; Rajan et al., 2014); challenges and opportunities of impact investment (Glänzel and Scheuerle, 2016; Ormiston et al., 2015; Philips and Johnson,2021; McCallum and Viviers, 2020; Mogapi et al., 2019; Tandoh-

Offin et al.,2013); and evaluation measures and practices of impact investment (Mayer and Scheck, 2018; Urban and George, 2018; Vo et al., 2016). Nonetheless, exploring the approach to impact investment lacks empirical attention. The central theme of this study is to explore the approach to impact investment from a supply-side perspective. While our work is closely related to Achleitner et al. (2011b), there are some points of deviations. First, contrary to Achleitner et al. (2011b) which explained the approach to impact investing from the demand perspective (social entrepreneurs), this study explores that from the supply-side viewpoint. We argue that for an enhanced understanding of impact investing, it will be more appropriate to study it from the perspective of the supply-side which consists of players who are the suppliers of capital in the market and actively involved in the management of the investment deals. Second, this study provides practical-oriented evidence which is driven by empirical data from an African context. This contrasts existing studies which are theoretical and only provide an understanding of impact investing that is western-oriented. Importantly, providing empirical evidence on impact investing from a supply-side perspective is necessary to provide a more nuanced and realistic understanding of the impact investment process to surmount the complexity surrounding such an emerging field. Typically, such understanding will shape the thoughts of key stakeholders (e.g impact investors, social entrepreneurs) and policymakers to develop the rights tools to stimulate the impact investment in developing economies.

1.3 Research objectives

The main aim of this thesis is to explore the Ghanaian perspective of studies relating to philanthropy and impact investment. More importantly, this thesis contributes to the literature by providing three empirical studies, with more specific objectives as follows:

1. To examine the determinants and relationships of formal and informal charitable giving. The rationale of this objective is to unpack the extrinsic and intrinsic determinants of formal and informal charitable giving in Ghana. Again, it examines whether giving between people and through institutions matter in determining the substitutable or complementary relationship between cash and in-kind donations, and time donations.

2. To explore the practice of corporate foundation giving. The aim is to uncover the motives, priorities, strategies, opportunities, and challenges of corporate philanthropy formalized through corporation foundations in Ghana.

3. To investigate the approach to impact investing. This objective specifically illuminates the approach to impact investing in Ghana by relying on three dimensions – funding approach, engagement approach, and exiting approach.

1.4 Research questions

This thesis seeks to answer the following research questions:

1. What are the extrinsic and intrinsic determinants of both formal and informal charitable giving of cash and in-kind, and time (volunteering) in Ghana? Does giving between people (informal) and through institutions (formal) matter in determining the substitutable or complementary relationship between cash and in-kind donations, and time donations in Ghana?
2. What are the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving in Ghana?
3. What funding, engagement, and exit approaches are usually employed by impact investment organisations?

1.5 Significance of the study and contributions to the literature

The renewed interest in philanthropy coupled with evolving attention on impact investment in Africa has heightened some research concerns especially on the determinants and relationship of formal and informal cash and in-kind giving and volunteering; corporate foundation giving, and the approach to impact investing. Generally, understanding of these issues is limited, mostly theoretically driven with less empirical attention. This study is timely and makes significant contributions to the extant literature which has been highlighted as follows:

First, the study contributes to extant philanthropic literature by examining the extrinsic and intrinsic determinants of both formal and informal cash and in-kind giving and time giving. It also contributes to knowing whether the major spheres of giving–formal and informal giving – play a role in determining substitutability or complementary relationship between cash and in-kind giving, and time giving. These issues have largely been understudied in the literature especially in Africa whose philanthropic environment is characterised mostly by the spheres of formal and informal giving, and dearth of research. This suggests a shortfall of practical evidence in understanding African philanthropy which has critical implications for policy. Focusing on Ghana, this study produces a more nuanced understanding of philanthropy that recognizes the distinctive determinants of donors and the specific role existing between cash and in-kind donations and volunteering through formal and informal means. This is significant in developing explicit tools in raising the levels and effectiveness of philanthropy in Ghana and similar economies in Africa. In addition, the study enlarges the debate on the appropriateness of estimation technique by accounting for potential endogeneity which has been ignored by extant studies using the instrumental variable probit model.

Second, the study explores the practice of giving among corporate foundations. Particularly, it contributes empirically to the growing but limited literature on the giving motives, priorities, strategies, opportunities, and challenges of corporate foundations. This contribution settles the empirical knowledge deficiency in explaining the philanthropic practices of corporate foundations which could inspire policy to enhance greater giving among corporations in developing countries.

Third, the study also contributes empirically to the literature by applying a change in perspective to explore the approach to impact investing from a supply-side viewpoint. It must be stressed that the closely related study on the subject in the extant literature is theoretical and explained from a demand-side. The essence of this contribution is to provide a practical-oriented understanding of impact investing from the suppliers and managers of the funds in the market which could inform policy and widens the usage of impact investment in Ghana and possibly in Africa. As another contribution, this is the first study, to be best of our knowledge, to apply a multi-case study approach to the study of impact investing in the literature. The use of this qualitative analysis approach is apt considering its strength in illuminating a contemporary phenomenon and also, reaching analytical conclusions (Merriam, 2009; Yin, 2018).

1.6 Structure of the thesis

Generally, the thesis is structured into five chapters. Chapter one introduces the entire thesis by providing a background to the study, problem statement, research objectives, research questions, the significance of the study and contributions to the literature, and structure of the thesis. Chapter two presents the first empirical study which examines the determinants and relationships of formal and informal cash and in-kind donations, and time donations in Ghana. Chapter three provides the second empirical study which explores the giving motives, priorities, strategies, opportunities, and challenges of corporate foundations in Ghana. Chapter four presents the last empirical study which investigates the approach to impact investing in Ghana from the following three dimensions: (i) funding approach, (ii) engagement approach, and exiting approach. Lastly, chapter five concludes the entire thesis and highlights implications for policy and future research.

CHAPTER TWO

FORMAL VERSUS INFORMAL CHARITABLE GIVING IN GHANA: DETERMINANTS AND RELATIONSHIPS

2.1 Introduction

Philanthropy or charitable giving, in its uniquely different forms, is not only about showing love to mankind but is an alternative channel to provide public goods and upsurge economic development. Grady (2014) emphasized that philanthropy brings a complementary and beneficial set of new actors, approaches, and types of funding. Hence, it is an emerging contributor to the development of an economy. Over the past five years, the “giving gap” between Africa and other continents has narrowed tremendously, suggesting the growth of philanthropic giving in Africa (Charities Aid Foundation, 2018). This presents a vast pool of potential donors and a substantial avenue to mobilize resources to increase economic development in Africa. Moyo and Ramsamy (2014) opined that African philanthropy can be the foundation and anchor for development.

As in many African countries, philanthropy is increasingly gaining attention, and for Ghana, despite its long existence and practice, it has recently garnered some recognition and momentum in the development agenda. For instance, Kumi (2019) emphasized the engagement of philanthropic actors in realizing the United Nations Sustainable Development Goals(SDGs), given that Ghana’s aid landscape began to change upon the attainment of the status of a lower-middle-income country after rebasing its national accounts in 2010 (Arhin et al., 2018). Equally important is the revived interest in both formal and informal means of giving in Ghana. With these developments, there is a critical need to build knowledge and understanding of African philanthropy considering its paucity in the empirical literature (Fowler, 2016). The purpose of this chapter is to illuminate the understanding of who gives by examining the extrinsic and intrinsic determinants of both formal and informal charitable giving, and also, find out whether the relationship that exists between different types of charitable giving –cash and in-kind (goods and other material things) donations as well as time donations (volunteering) – is substitutable or complementary.

To put philanthropy into perspective, we rely on the conceptual definitions and bifurcation opined by scholars such as Atibil (2014), Cnaan et al. (2011), Fowler (2016), Fowler and Mati (2019), and Mati (2017). In Africa, the practice of charitable giving based on its spheres is distinguished into informal, formal, and hybrid forms (Mati, 2017). Informal charitable giving (horizontal philanthropy) encompasses the giver donating directly to the receiver without the role of institutions. This is the traditional form of giving, as emphasized by Moyo (2009), which comprises the giving of money and goods between people, including neighbours, friends, and extended family members. Giving time by oneself to support others and benefit the environment (including community volunteering) is also part of this form of charitable giving. On the other hand, formal charitable giving (vertical philanthropy) manifests itself as the practice of giving through institutions. More importantly, it relates to all institutionalized practices of philanthropy, mostly influenced by religious institutions, foundations (private and corporate), trust, and corporations (Mati, 2017; Moyo, 2010). At the individual level, it is the direct donations (money, goods, and time) to organisations such as charities, non-governmental agencies (NGOs), foundations, schools, churches, mosques, hospitals, etc. The blend of these two forms of giving– formal and informal giving– has given rise to a hybrid form of charitable giving. This includes the philanthropic practices of community foundations, self-help, and mutual aid groups (Mati, 2016, 2017). Informed by this, we focus on the first two forms of charitable giving since our interest is to study the determinants and relationships of individual charitable giving practiced directly between people (without institutional setting) and through institutions.

In the philanthropy literature, burgeoning studies have found the following similar determinants for charitable giving of money and time (volunteering): gender, age, income, education, race, marital status, empathic concern, and religiosity (for instance see, Einolf, 2011; Drever, 2010; Bekkers, 2010; Monsma, 2007, Yen and Zampelli, 2014). With regard to different drivers, Jones (2006) emphasized that while giving of money is strongly influenced by personal resources and helping values, volunteering is mostly influenced by individual community ties. Besides, on the relationship between charitable giving of money and time, while some studies (for example, see Feldman, 2010, Duncan, 1999) found empirical evidence in support of the substitutability of the relationship between charitable giving of money and volunteering, other studies largely point to the contrary (Brown and Lankford 1992; Low et al., 2007). These studies highlight a positive (complementary) relationship between money and time giving. This suggests that empirical evidence on the relationship between volunteering and charitable giving (cash and in-kind) remains unclear and therefore, requires empirical attention. Understanding their joint impact is of crucial importance to unearth whether the relationship between charitable giving (cash and in-kind) and volunteering is a substitute or complement. Substitutability of the relationship between charitable giving of money and time implies a negative relationship which means that individuals with less time and more money donate money to charitable giving, and vice versa (Meier, 2006). On the other hand, the complementary relationship also suggests that there is a greater likelihood for individuals who are much more interested in philanthropy to donate both money and time to charitable causes.

In all these, studies in the empirical literature have broadly modelled charitable giving of money and time without paying more attention to the distinction of its practice through an institutional context and between people, as highlighted above, when examining its determinants (extrinsic and intrinsic) and relationship. Moreover, the African context on the subject is missing in the literature as most extant studies on philanthropy, in general, have concentrated on developed countries especially. Such neglect is far surprising because philanthropy, which is practiced in diverse forms, has its roots in African culture since time immemorial, as well as anecdotal evidence of practices and institutions over the past five decades. That said, the fundamental questions that drive this chapter are as follows:

(i) What are the extrinsic and intrinsic determinants of both formal and informal charitable giving of cash and in-kind, and time (volunteering)?

(ii) Does giving between people (informal) and through institution (formal) matter in determining the substitutable or complementary relationship between cash and in-kind donations and time donations?

The chapter makes the following contributions to extant literature. First, our study recognizes and accounts for the different forms of philanthropic practices in examining the extrinsic and intrinsic determinants of both giving of cash and in-kind, and volunteering. Previous studies (Fiorillo and Nappo, 2015; Lee and Brudney,2012; Taniguchi,2012) have only focused on the extrinsic determinants of formal and informal volunteering, ignoring the intrinsic determinants of both formal and informal giving of cash and in-kind as well as volunteering. It is important to note that intrinsic factors (e.g. empathy, altruism, and agreeableness) are crucial in explaining who donates cash and goods as well as volunteers, and hence, cannot be left out in the empirical discussion of the determinants and relationship of the major forms of philanthropy that is practiced directly between people and through institutions. Given this, we simultaneously account for extrinsic and intrinsic factors while exploring the determinants and relationships of both formal and informal charitable giving. This has crucial implications for the non-profit sector, fundraisers, and volunteer recruiters in Ghana in particular and Africa in general to identify potential contributors to good ventures. Second, we contribute methodologically by using a novel estimation technique, instrumental variable (IV) probit regression, that accounts for potential endogeneity that is most prevalent in extant studies on the relationship and determinants of charitable giving of money and time such as Apinunmahakul and Delvin (2008), Carter and Marx (2007), Cappellari et al. (2011), Taniguchi (2012), Lee and Brudney (2012), Seabe and Burger (2017**)**. By modelling these relationships in an IV-probit regression, we enlarge the debate on the appropriateness of techniques employed in the broader literature on philanthropy. Third, this study presents empirical evidence from Africa relying on Ghana as a case study to address the scantiness of literature on charitable giving. The philanthropy literature is saturated with studies from developed countries where the culture of giving is different from developing countries. We argue that just as countries vary in enormous ways so would be the likelihood of individuals to give (cash and in-kind) or volunteer to support charitable causes. Hence, there is the need to explore charitable giving from a different context other than the one prevalent in the literature. This will enable us to not only consider the different dynamics of giving across and within cultures but will also help enliven the debate on the best way to harness the potential of the philanthropic angle to resource mobilisation for social and economic development.

The rest of the chapter is organised as follows: we present the state of philanthropy in Ghana in section 2.2. An extensive literature review on the determinants and relationship of charitable giving is presented in section 2.3. While section 2.4 outlines the methodology, section 2.5 provides empirical results and discussions. We conclude in section 2.6 and offer some reflection on the direction in which charitable giving can take in Ghana and economies and societies of a similar nature.

2.2 The state of philanthropy in Ghana

This section mapped the state of philanthropy in Ghana. In doing so, it is important to stress that we were inspired by some earlier studies such as Aryeetey and Opai-Tetteh (2012); Ghana Philanthropy Forum (2018); Kumi (2019a); Kumi (2019b); Kumi (2020), and UNDP (2017).

The Ghanaian philanthropic landscape in recent times is gradually gaining roots and, unsurprisingly, it is taking a leading role in issues of development and sustainability as well as informing policy. This does not mean philanthropy is new in Ghana. There is a long history of informal giving and this is usually based on the communal lifestyle and ownership of property, sharecropping ("nnoboa"), communal work (e.g. building toilets, street cleaning, etc.), ethnicity, and religion, among others.

Kumi (2019a) described the current philanthropic landscape of Ghana as "dynamic, vast and fluid" which consists of horizontal (informal) and vertical (formal) philanthropy. For vertical philanthropy, there is the institutionalization of philanthropy where organisations, celebrities, politicians and high net worth individuals help the poor through philanthropic vehicles such as foundations, family trust, and community chests. Horizontal philanthropy is where individuals seek the wellbeing of others by donating their cash, goods and time usually through means such as cooperatives, saving clubs, communal collective efforts, self-help groups, burial societies, among others (UNDP, 2017).

Several types of philanthropy, both formal and informal, witnessing significant growth in Ghana are worth discussing. Individual giving is the traditional form of giving where there is cash and in-kind donations as well as time donations to improve the wellbeing of others and support community development. More individuals instead of donating directly to philanthropic organisations prefer to donate to extended family members, friends and neighbours (Kumi, 2019a). On several occasions such as funerals, naming and marriage ceremonies, some well-wishers voluntarily donate money and other material resources to support each other (Aryeetey and Opai-Tetteh, 2012). Individual giving in the form of labour pools, rotating savings, alumni associations, credit schemes ("susu"), among others, continues unabated. There is also charitable giving in the form of remittances where Ghanaians living abroad donate cash and in-kind to support family members, social networks and non-profit organisations. Formal volunteers like national service personnel, interns, and international volunteers continue to support non-profit and other institutions with their voluntary services. On the other hand, informal volunteers donate their time to support people, mostly children, the elderly and family members (Kumi, 2019a). This type of volunteering is deeply rooted in the Ghanaian tradition where people devote their time to help neighbours to weed their farms and also, during funerals, naming and marriage ceremonies. Another notable example is the spirit of self–help which was very strong in Ghana's rural electrification projects of the 1990s and beyond. Public resources could not fund these directly so a mixed model of communities either supplying labour or electric poles and government facilitating the rest of the projects was one way in which the expanded electrification programme was rolled out. Similarly, most toilets in the villages were also built this way.

The establishment of community foundations is gradually gaining prominence in Ghana as there is an ongoing project by Pure Trust Social Investor Foundation (PTSIF) in collaboration with

Ghana Philanthropy Forum to create awareness and establish new community foundations in eight regions of the country. In April 2021, the first community foundation, The Mafi Kpedzegblo Community Foundation, under this project was launched in the Volta region of Ghana.[7] However, there have been in existence some distinguished community foundations serving as a formalized vehicle for mobilizing resources to support community development. A good example is the Akuapem Community Foundation incorporated in 2005 with the primary motive of pooling resources to create an endowment fund to support the community's development agenda and beyond.[8]

Religious or faith-based giving is also on the rise in Ghana. Based on data from the 2010 Population and Housing Census, the dominant religion in Ghana is Christianity (71.2%), followed by Islam (17.6%) and traditional (5.2%). The remaining (5.3%) have no religion and the rest (0.8%) belongs to a host of other religion (Buddhism, Hinduism etc.). These religious bodies have a long history of giving and continues to give to support societal causes either directly or through their missionary movement, relief agencies and foundations. Example of these missionary movements and relief agencies from the Christianity religion includes Assemblies of God Relief Agency, Adventist Relief Agency, Catholic Relief Agency, Deeper Life Aid, Wesleyan Aid for Northern Ghana, etc. Besides, the Islamic religion also have some prominent examples which include the Muslim Relief Association of Ghana, Muslim Family Council Service, Islamic Council for Development and Humanitarian Services and many others. (Aryeetey and Opai-Tetteh, 2012). Furthermore, Christians and Muslims also engage in a regular form of giving. At the individual

[7] For details, see https://www.mott.org/news/articles/community-foundations-aim-to-spark-homegrown-development-in-ghana/

[8] See http://akuapemcf.org/

level, giving money in Christianity is inspired by the principle of tithing and offering. While the principle of tithing is contested, most Christians are encouraged to give 10% of their earnings as tithe and provide a regular offering to God. The fourth commandment in the Bible (“Remember the Sabbath day and keep it holy”) also reminds Christians to give their time (one out of seven days) to God and hence, forms the basis of religious volunteering. Ultimately, Christians give because they believe that there are more blessings in giving than receiving (Acts 20:35) and whatever goes out comes back more than tenfold (Luke 6:38). Similarly, Muslims through their various doctrines on charity are motivated to give generously to have access to Allah’s blessings and make heaven at last. For instance, the payment of religious tax or alms (known as “Zakat”) allows Muslims to give around 2.5% of their wealth towards community improvement, especially supporting the poor. They also give through “sadaqah” (i.e. voluntary charity) to please Allah and support someone without expecting anything in return (Kumi, 2019a; Moufahim,2013). Likewise, the perspective from the traditional religion suggests that traditionalists are interested in giving because the giver and the receiver are one.

There is the rise of corporate philanthropy where corporations through cash donations, projects and employee volunteer initiatives give back to society as part of their corporate social responsibility. Most large companies and communities have also established foundations to manage their corporate giving agenda. These foundations mainly focus on social development and work for the empowerment of the poor as well as the disadvantaged in society. Some notable examples of corporate foundations or corporations actively engaging in philanthropy in Ghana include MTN Ghana Foundation, Vodafone Ghana Foundation, Newmont Ahafo Development Foundation, Ghana National Petroleum Corporation (GNPC) Foundation, Goldfields Ghana Foundation, Ghacem Foundation, McDan Foundation, Melcom Care Foundation, Databank

Foundation, Golden Star Development Foundation, among others (Kumi, 2019b; Kumi, 2020). It is worth noting that companies have different motives for engaging in philanthropy. While some companies involve in philanthropy with an altruistic motive, others are very strategic and use their charitable donations as a ploy to gain political and brand recognitions aimed at maximizing profit (Sánchez, 2000). There are also some companies that engage in philanthropy as a tick box exercise, and as a way of propping up the corporate ego. Although the Ghana Philanthropy Forum and SDG philanthropy platform have both been established to give support to non-profit organisations as well as strengthen the alliance between the international development community and philanthropic organisations, there is no regulatory framework governing corporate philanthropy in Ghana. This raises serious concern about the practice and sustainability of corporate philanthropic initiatives in Ghana.

Currently, high net worth philanthropy is also on its ascendancy in Ghana. Some notable high net worth individuals such as Osei Kwame (*Despite*), Michael Ibrahim Mahama, Samuel Esson Jonah and many others see the crucial need to give back to society, mostly influenced by the sense of moral obligation and the desire to make a difference and leave a lasting legacy. These philanthropists either donate privately (informal) to individuals and communities or set up foundations to organise their philanthropic activities in the areas of education, health and social welfare, among others. According to Knight Wealth Report (2017), high net worth individuals in Ghana with US$1 million (GH¢4.6 million) and more rose from 2,700 in 2015 to 2,900 in 2016. The report further emphasized that the growth of high net worth individuals is on its trajectory and will reach 5,200 by 2026. This is, therefore, a potential avenue for philanthropy to thrive in Ghana.

As highlighted in Kumi (2020), there is also the rise of political philanthropy where ex-presidents, first ladies, second ladies, government officials and some members of parliament establish foundations to support a particular cause in the society. For example, John Agyekum Kufour Foundation was established by the former President of Ghana aimed to support governance, leadership, and promote the development of Africa. Similarly, the current first lady (Mrs Rebecca Akufo-Addo) and immediate past first lady (Mrs Lodina Mahama) of Ghana have supported the health sector (particularly issues relating to child protection) through their established foundations. The current second lady, Mrs Samira Bawumia, through her Samira Empowerment and Humanitarian Projects (SEHP) is providing intervention in the area of gender parity, women's rights, women's and child's education.

Celebrity philanthropy is another crucial aspect of Ghana's current philanthropic landscape. People who are widely known and influential give their money, time and voice to improve the lives of the vulnerable in society. This type of philanthropy is usually in the form of famous personalities using their public visibility and the media to raise funds to support charitable causes. For instance, Kwami Sefa Kayi, a well-known media personality through his morning show ("Kokrokoo") on Peace FM has set up a foundation to raise funds and resources to solve societal problems in Ghana (Kumi, 2019b). The foundation has currently donated incubators to some hospitals in Ghana to support the lives of premature babies. Several celebrities, such as Juliet Ibrahim, John Dumelo, Asamoah Gyan and Michael Essien, have also established foundations, mostly using their wealth and solicited funds to raise awareness and solve identified societal issues. In a different dimension, celebrities are involved in humanitarian projects of non-profit organisations as ambassadors. A good example is when United Nations Children's Fund (UNICEF) Ghana in 2018 appointed sports journalist Gary Al-Smith and Musicians, Kwame Tsikata (*M.anifest*), Vera Hamenoo-Kpeda (*MzVee*)and Noella Wiyaala, as ambassadors to advocate for the empowerment of adolescent girls in Ghana.[9] Despite receiving much praise as a consistent and effective way of raising awareness and funds to solve a given social issue, celebrity philanthropy has been condemned for its growing link with the corporate world for economic reasons. Mostly, corporate organisations partner with the philanthropic work of celebrities to gain from their mediatised branding (Brockington, 2014; Hassaid and Jeffreys, 2014; Kumi,2020).

To sum up, there is no doubt that the philanthropic landscape is at its best in Ghana now but what is more harrowing is the lack of institutional and legal framework governing philanthropy in Ghana (Ghana Philanthropy Forum, 2018). Although the Government of Ghana currently embraces philanthropy as a resource mobilisation tool to help achieve most of the SDGs, there is the need to generally build the philanthropic infrastructure to strengthen the relationship between major players in the sector and contribute to national development. In the next section, we review related literature on the determinants and relationship of charitable giving.

2.3 Literature review

The empirical literature on the nexus between charitable giving of money and time is mixed. One of such study is Dye (1980). The study using the price of giving money as an explanatory variable established a complementary relationship between monetary contribution and volunteering. In a related study, Clotfelter (1985) also relied on the net price of donations as an explanatory variable and found a complementary relationship between donations of money and volunteering. Menchik and Weisbrod (1987) employed a private consumption model to study volunteer labour supply and established that charitable giving (money) and volunteering (time) are not substituted but

[9] See https://www.unicef.org/ghana/press-releases/gary-al-smith-manifest-mzvee-and-wiyaala-call-fairer-chances-adolescent-girls-ghana

complement, implying that volunteering hours reduces when the "price" of money increases. This finding is consistent with a study by Brown and Lankford (1992). The authors used the consumer demand model to study the giving of money and volunteering and showed that volunteer time is a gross complement to cash donations. Andreoni et al. (1996) also found donation of money and time as a gross complement. Low et al. (2007) explored the link between volunteering and cash donations and found no evidence in support of substitutability of the relationship as most of their survey respondents will not donate money as a substitute for volunteering. Again, Apinunmahakul et al. (2009) relying on data from the 1997 National Survey of Giving, Volunteering and Participating (NSGVP) in Canada found a complementary relationship between giving of money and volunteering, especially for the employed labour force. Applying the behavioural model of time and cash donations, Capellari et al. (2011) examined the correlation between money and time donations and realised that their correlation is positive. To some extent, this suggests a complementary relationship between charitable giving of money and time. More recently, Bauer et al. (2013) relying on the private consumption model examined both the correlates and interdependence of money and time donations. The study found a positive relationship between the charitable contribution of time and money. Further evidence suggests that as individual market time increases, volunteering time decreases and charitable contribution of money increases. On the contrary, some studies found evidence in support of the substitutability of the relationship between charitable giving of money and time. For instance, Freeman (1997) shows that there is a substitution based on income among those who allocate resources to charity. Thus, a high-income person gives more in money and less in time than a low-income person. Duncan (1999) extended the public goods model to distinguish between the charitable contributions of time and money. The study concluded with a model that suggests that in equilibrium charitable giving (money) and volunteering (time) are perfect substitutes. Moreover, Feldman (2010) developed a utility-maximizing model to analyse the joint decision to donate time and money. The results of the study based on a national household survey on charitable giving revealed that donations of time and money are substitutes.

It is clear from the above-reviewed studies that the outcome of extant studies on the relationship between charitable giving of money and time is conflicting, leading to inconclusive findings. Again, it is observed that previous studies' conceptualization of philanthropy in examining the relationship between cash and time donation is broad as it failed to account for different spheres of giving: (i) giving between people (informal giving) and (ii) giving through institutions (formal giving). Hence, there is the need for further exploration under different contexts, which is one of the focuses of this chapter.

Turning to the determinants of charitable giving, it is imperative to mention that earlier studies examined the determinants of charitable giving (monetary donations) disjoint from the determinants of volunteering. One of such earliest studies was conducted by Mueller (1975). The author studied the drivers of volunteer work by women and found religion, rural residency, job-search and skill-building as important determinants of volunteer work. Clotfelter (1985) extended earlier studies by focusing on women to examine volunteer effort relying on both logit and Tobit models. In the logit model, the study found that whereas education, age, and women with children under 18 at home positively influences volunteering, the net-price of donation is inversely related to volunteering. The results based on the Tobit model explaining hours of volunteer work yielded similar results except for the variable, presence of a small child, which negatively influences volunteering by women. Similarly, Menchik and Weisbrod (1987) also examined the drivers of volunteer work supply and realised that income, after-tax wage rate, price of giving to charity, married people, age, education, and not-frequent churchgoers influence volunteer work.

Recent studies relying on several extrinsic and intrinsic explanatory variables have also examined the determinants of money and time giving either together or separately. For example, studies such as Smith (1994), Wilson (2000), Penner et al. (2005), and Bekkers and Wiepkins (2007) emphasized that whereas age, level of education, religiosity and income positively relates to giving of money and time, level of urbanization and hourly wages points to the contrary. Carlo et al. (2005) studied the interplay of personality traits and motives on volunteering. The authors found agreeableness and pro-social value motives as crucial determinants of volunteering behaviour. They further realised that agreeableness and extraversion both exhibited significant indirect effects on volunteer behaviour via pro-social value motives. Again, it was established that the interaction effect of extraversion and agreeableness does not directly influence volunteering behaviour, but rather significantly have an indirect effect on volunteering through pro-social value. This suggests a significant interaction effect of extraversion and agreeableness on pro-social value.

Relying on survey data, Bekkers (2006) found empathic concern as a determinant of charitable giving. Monsma (2007) examined the inconsistent findings from extant studies of religion and philanthropic giving of money and time. The author found a positive nexus between religiosity, giving of money and time. Besides, there was evidence of other marks of civic responsibility and therefore, the study concluded that people with high levels of religiosity come closer to the democratic norm of civic responsibility relative to those with low levels of religiosity. In the context of Taiwan, Lee and Chang (2007) employed survey data and find that the determinants of money donations are more extrinsic as compared to determinants of volunteering, which are mostly intrinsic. Specifically, while the sense of social responsibility, family loading, empathy, and awareness and knowledge of non-profit organisations significantly influence the likelihood of volunteering, charitable giving of money is also influenced by family loading, gender, age, income and empathy. Apinunmahakul and Delvin (2008) relying on data from the Canadian NSGVP found social networks as a crucial determinant of giving of money and time. Besides, the study found that whereas income, age, and education positively influence the giving of money, age negatively influences the giving of time. In addition, Ranganathan and Henley (2008) show that religiosity is a significant causal variable that influences an individual's attitude towards helping others. The study further emphasized that altruistic people need to be targeted with the right advertisement message.

Moreover, Bekkers (2010) found that people are more likely to give when solicited for a smaller contribution and by a person at a smaller distance. Again, the study further revealed that persons who are more emotionally stable, emphatically concerned and highly educated are more likely to give both their money and time. The author finally shows that higher wage makes giving more attractive than volunteering. Einolf (2011) analysed gender differences in charitable giving of money and time. By employing Tobit regression, the author found partial support for the hypotheses that men will perform better than women on the measures of social capital and resources that predict charitable giving (money) and volunteering. However, there was strong evidence in support of the hypothesis that women will perform better than men on the measures of motivation, psychological traits and values that predict charitable giving and volunteering.

Considering two important aspects of charitable giving: the extent of generosity of donors and decision to donate, Verhaert and Poel (2011) find that while empathic concern positively influences the decision to donate, there was no relationship between personal distress and the decision to donate. Further findings suggest that both personal distress and empathic concern negatively affect the decision of generosity.

Some studies have also focused on formal and informal volunteering. For instance, Taniguchi (2012) studied how individuals' decisions of formal and informal volunteering are influenced by their time spent in major life domains. Findings based on the bivariate probit model revealed that time spent on both religious and educational activities are positively related to formal and informal volunteering, although insignificant for informal volunteering. On the contrary, the effect of time spent on both domestic and market works are negative and significantly related to formal and informal volunteering. The relationship between the two forms of volunteering was also found to be complementary. In a similar study, Lee and Brudney (2012) relied on a bivariate probit model to examine factors that drive formal and informal volunteering. Their results generally found that whereas formal social networks significantly influence both formal and informal volunteering, college education only enhances formal volunteering. The study also realised that the two forms of volunteering are interdependent.

In the African context, Everatt et al. (2005) examined the patterns of giving in South Africa. Reflecting on a national quantitative survey, the study emphasized that religion is a crucial driving force in inspiring and organising giving. Further, it extended the empirical details of the processes of giving by uncovering the giving process within the extended family. Nevertheless, the study challenges other findings by demonstrating that giving is more common among the poor than the rich, albeit the latter probably give a bigger amount. Aryeetey and Opai-Tetteh (2012) in a study on philanthropy concluded that there is a long history of giving in Ghana. More importantly, the study revealed that the nature and practice of philanthropy are mostly informal and unstructured. Besides, it highlighted that despite a lot of attention from familial giving, civic giving which is mostly supported by public organisations is also on the rise. The study recommends the need to institutionalized giving in Ghana. More recently, Quarshie et al. (2018) explored the experiences of student volunteers during the flood and fire disaster in Ghana. The study revealed that student volunteers are both self-oriented and other-oriented. Further, it was found that the student volunteers had a touching experience at the emergency response site of the disaster, and further saw volunteering as a call of duty.

From the foregoing, although some studies have distinguished between formal and informal spheres of giving, it has only focused on volunteering, ignoring the other form of giving– cash and in-kind donations. Besides, existing studies have failed to account for intrinsic factors when examining the determinants of formal and informal giving. As another objective, we present the comprehensive "story" by simultaneously studying the extrinsic and intrinsic factors influencing both formal and informal giving. Considering that African philanthropy is characterized by both forms of giving and its empirical literature is scarce, we contribute significantly to the African philanthropic literature on individuals' extrinsic and intrinsic determinants of formal and informal giving as well as its relationships. Additionally, we contribute methodologically by employing the instrumental variable probit model. This estimation technique is capable of accounting for any potential endogeneity present in the examination of the determinants and relationship of charitable giving, which has mostly been ignored in the literature.

2.4 Methodology

2.4.1 *Data*

This cross-sectional study relied on survey data gleaned from households in Ghana using questionnaires[10] between January and March 2020. We employed a multistage approach to arrive at our final sample for the study. In the first stage, the head of households within the four regional capitals in Ghana: Accra (Greater-Accra Region), Kumasi (Ashanti Region), Tamale (Northern Region) and Takoradi (Western Region) were selected. Strategically, we choose these urban centres or cities because most philanthropic activities are executed from these regions. Bryant et al. (2003) find that people living in a city have a higher probability of donating when they are solicited for a donation, but a lower probability when they did not receive a request. In the second stage, respective samples were randomly selected from the above-mentioned cities. Specifically, from each household, we randomly selected and interviewed the head of households (aged 18 years and above) for the study. A structured interview approach was adopted to administer questionnaires to ensure clarification and accuracy in responding to the questions. Based on the 2010 Population and Housing Census of Ghana, the cities used for the study have a total household population of 1,216,138. Out of this, a sample of 384 households (Accra), 384 households (Kumasi), 382 households (Tamale) and 383 households (Takoradi) were selected based on the sample size determination approach of Cochran (1977)[11] relying data on the population of households from Ghana Statistical Service. Generally, a sample size of N = 1,533 households was used for the study.

[10] The questionnaire is divided into three sections. First section captures socio-demographic (extrinsic) characteristics of respondents. Second, personality (intrinsic) characteristics of respondents. Third, formal and informal measures of giving (cash and in-kind) and volunteering (See Appendix 5 for the questionnaire).

[11] See Appendix 1 for the population of households of the regional capitals and the computation of the sample size.

2.4.2 *Measurement of variables*

2.4.2.1 Dependent variables

We consider four categories of dependent variables: formal cash and in-kind donations, informal cash and in-kind donations, formal time donations (volunteering), and informal time donations (volunteering). In line with earlier studies (see, for instance, Carter and Marx,2007; Feldman,2010; Nesbit,2013; Yen and Zampelli,2014; Grizzle,2015) charitable giving are gauged as dichotomous variables[12]. The first two categories of dependent variables capture formal and informal charitable giving of cash and in-kind, and these variables are measured by the following questions: (i) "*During the past year, have you made cash or in-kind donations formally to an organisation, including charities, schools, churches, mosques, hospitals, etc.?*" and (ii) "*During the past year, have you made cash or in-kind donations to individuals living outside your household?"* Like charitable giving (cash and in-kind), the last two categories are also measured using the questions: (i) *"During the past year, have you volunteered your time formally through an organisation, including charities, mosques, schools, churches, hospitals, etc.?"* and (ii*) "During the past year, have you volunteered your time to help individuals living outside your household or to benefit the environment?"* The responses to these questions, for instance, are coded as dichotomous with 1 indicating cash and in-kind donations (formal and informal), and 0 if otherwise. For this study, we feel justified in relying on the participation or occurrence measure of giving because it will be difficult for respondents to recollect the number of times (frequency) they have donated their cash, goods, and time as well as the exact amount donated and hours volunteered in the previous year.

[12] Studies have alternatively measured charitable giving (i) frequency of charitable giving (money and time) (see, Brown and Ferris,2007; De Wit and Bekkers,2016) and (ii) amount donated and hours volunteered (see, Yen and Zampelli,2014; Peck and Guo,2015; De Wit and Bekkers,2016).

2.4.2.2 Independent variables

There are two groups of independent variables used in analysing the relationships and determinants of charitable giving. While the first group measures the socio-demographic **(**extrinsic) characteristics of respondents, the second also measures the personality (intrinsic) characteristics of respondents.

2.4.2.3 Socio-demographic (extrinsic) variables

Gender*:* Gender is measured as a binary variable to indicate whether a household head is a male or female. Following the literature, this has been the widely used measure of gender and most studies have consistently found it as a strong predictor of charitable giving of money and time (Andreoni et al. 2003; Bekkers, 2010; Bekkers and Wiepking, 2006; Einolf, 2011; Wilson and Musick, 1997). However, these studies have yielded inconclusive findings. For instance, while most studies have found women advantage in both money and time donations (Andreoni et al. 2003; Andreoni and Vesterlund, 2001; Mesch et al., 2002; Mesch et al., 2006; Mesch et al., 2011; Taniguchi, 2006; Wilson and Musick, 1997), other studies, in some cases, have revealed that men are more likely to donate their cash and time to support charitable causes than women (Bekkers, 2010; Musick and Wilson, 2008). Some studies have established no gender difference in charitable giving (Bolton and Katok, 1995; Musick and Wilson, 2008).

Age*:* The age of the household head is measured in years as a continuous variable. This measure is appropriate because it is used to capture gradual changes in the age of respondents (Komp et al. 2012). Based on the empirical literature, most studies (including Brown and Ferris,2007; Grizzle, 2015) have used age measured as a continuous variable and it has often served as an important correlate of money and time donations. Following Brown and Ferris (2007) and Grizzle (2015), we include a quadratic term of age as an additional variable in our models to capture the possible non-linear relationship between age and charitable giving. Thus, age is expected to positively affect charitable giving before declining in the later stages of life.

Marital status*:* Marital status is measured as a dummy variable, with a value of 1 denoting a household head who is married and 0 denoting otherwise. Most studies have found that there is a greater likelihood of married individuals being donors (money) and volunteers than unmarried individuals (see, for instance, Brown and Ferris, 2007; Einolf, 2011; Mesch et al., 2006). This finding could largely be explained by the dominant status model developed by Lemon et al. (1972) and later expounded by Smith (1983, 1994). Thus, marriage potentially helps an individual to attain some "dominant" characteristics which lead to more social connections and resources to influence charitable giving of money and time (Peck and Guo, 2015; Smith 1994). Given this, we expect the head of households who are married to have a higher likelihood of donating (cash and in-kind) and volunteering to charitable causes than their unmarried counterparts.

Education*:* As an indicator of human capital, education is included as a categorical variable with three categories: formal education, non-formal education and no education. Extant studies have consistently found education to be positively related to charitable giving (Bekkers, 2003; Brown and Ferris, 2007; Choi, 2003; Nesbit, 2013; Steinberg and Wilhelm, 2005). For this study, the expectation is that educated household heads are more likely to make cash and in-kind donations and volunteer to charity. This is because education has the tendency to increase the knowledge and social networks of individuals and makes them aware and better informed about social problems (Bekkers, 2010).

Household income*:* Following De Wit and Bekkers (2016), we measured household income by summing up the yearly incomes (in Ghana cedis) from the household head and partner as well as income received from any other source (e.g. remittance from relatives). Like the male gender, higher educational attainment, married person, etc., higher-income represent a “dominant” status which gives an individual the financial capacity to give cash and in-kind to charity and volunteer as well. On the contrary, some scholars (e.g. Seabe and Burger, 2017) have explained the link between income and volunteering from the opportunity cost point of view. Thus, there is an inverse relationship between income and volunteering, implying that higher income reflects higher opportunity cost which decreases the likelihood of volunteering. It is worth noting that a wide range of studies have found income as a strong predictor of charitable giving of money (Brown and Lankford, 1992; Tiehen, 2001) and volunteering (Menchik and Weisbrod, 1987).

Household size: We measured household size as a continuous variable to indicate the total number of people living in the household. Theoretically, the impact of household size on giving (money and time) could be explained in two ways. The first is that heads of larger households may be constrained with resources of time and money, which in turn decrease the likelihood of participation in charitable giving. Secondly, larger households may beget higher levels of charitable giving. The reason is that larger households have larger social networks and hence, there is a greater likelihood of household members being asked to donate money and volunteer if such social networks engage in philanthropy. Following from the literature, several studies (Bauer et al.2013; Carter and Marx, 2007; Yen and Zampelli, 2014; Smith et al., 1995) have found household size as a good determinant of charitable giving (money and time). Falling in line with these studies, we also controlled for household size in this study.

Religiosity: Following the General Social Survey, we measured religiosity as an ordinal variable by asking households head to respond to the question: *“What is the strength of your belief in your religious preference?”* This measure was used instead of the “attendance to religious service” measure because we want to generally explore religious beliefs and their influence on charitable giving. Wang and Graddy (2008) emphasized that “people with religious beliefs tend to be generous and have greater concern for the disadvantaged.” In the literature, most studies have found religiosity to be positively related to charitable giving of money and time (Brown and Ferris 2007; Monsma, 2007; Wilson and Musick, 1997). Therefore, we hypothesize that more religious household heads are more likely to make cash, in-kind and time donations to charity than those who are less religious.

Ethnicity*:* The ethnicity effect on charitable giving was captured with a categorical variable. Following the seventh wave of the Ghana Living Standards Survey (GLSS), the variable was grouped into 9 categories: Akan, Ewe, Ga-Dangme, Mole-Dagbani, Guan, Gruma, Grusi, Mande and Others.

Location dummies*:* We included three location dummy variables (with the remaining one used as a base category) to capture the fixed effects of the four cities (Accra, Kumasi, Tamale and Takoradi) on charitable giving.

2.4.2.4 Personality (intrinsic) variables

Empathic concern*:* According to Davis (1983), empathy can broadly be defined as the “reactions of one individual to the observed experiences of another.” It focuses on two dimensions: the perspective-taking (cognitive) dimension and the emphatic concern (emotional) dimension (Davis, 2018). Whereas perspective-taking emphasizes the propensity to accept the viewpoints of others, emphatic concern explains the feelings of compassion, warmth and concern for others. We measure empathy by focusing on the empathic concern dimension because it has been shown in the literature as a key dispositional trait which influences both charitable giving of money (Bekkers, 2006; Lee and Chang 2007) and time (Bekkers,2005; Lee and Chang, 2007; Penner, 2002). More importantly, we used the Principal Component Analysis (PCA)[13] to compute an index for empathic concern relying on 7 statements[14]. Responses to these statements were captured using a 5-point Likert scale ranging from 1 – "strongly disagree" – to 5 "very strongly agree". To check for the interval consistency of the emphatic concern statements, we performed a reliability analysis using Cronbach's alpha. The result from the analysis showed that the 7 statements are adequately reliable, with Cronbach's $\alpha = 0.75$. In this study, we hypothesize that more emphatically concerned household heads are more likely to make charitable donations of money, in-kind and time than those who are less emphatically concerned.

Agreeableness: Bekkers (2006, 2010) defined an agreeable person as someone who is "friendly, helpful, sympathetic". Evidence abounds in the literature that agreeableness as one of the dimensions of the "Big Five" personality traits (McCrae and John, 1992) often leads to charitable giving (Ashton et al.,1998; Bekkers, 2010; Ben-Ner et al.,2004; Carlo et al.,2005). To measure agreeableness, we followed the Big Five Inventory (BFI) questionnaire format highlighted in John and Srivastava (1999) and asked respondents to answer 9 statements on a scale ranging from 1 (strongly disagree) to 5 (strongly agree). Similar to the emphatic concern measure, scores from the variables measuring agreeableness were analysed using PCA and their first principal component was extracted as the agreeableness index. With 9 statements, the reliability of the scale shows good internal consistency (Cronbach's $\alpha = 0.78$). In line with extant literature, we expect an agreeable person to donate (cash, in-kind and time) more to charitable causes.

[13] The PCA results for the empathic concern and agreeableness indexes are shown in the Appendices 2 and 3 respectively.

[14] Refer to the questionnaire at Appendix 5 for the emphatic concern and agreeableness statements.

2.4.3 *Ethical considerations*

This study is ethically guided as approval was granted by the Human Research Ethics Committee (Non-Medical) at the University of the Witwatersrand, with the Protocol number H19/11/53.[15] The study adhered strictly to the ethical procedures spelt out by the committee. For instance, before the commencement of data collection, the purpose of the study contained in the Participant Information Sheet (PIS)[16] was explained and clarified to all participants. Besides, participants were informed that their participation in the study will be voluntary and confidential and that before data analysis their responses will be anonymized. They were also assured that later withdrawal will be permissible at any point in time of the data collection. And this is largely academic research with no commercial objective. Having understood all these ethical principles, participants signed a written consent form (see Appendix 6 for the consent form). The data collected from participants were held safely and securely without disclosing to anyone to ensure confidentiality.

2.4.4 *Analytical framework*

In analysing the determinants and relationship of charitable giving, it is imperative to link theoretical models of philanthropy to our empirical analysis. The philanthropy literature has highlighted the public goods and private consumption models as the benchmark models in understanding the motivations for individual giving. While the public goods model (also known as the pure altruistic model) at its very core emphasized that donors are motivated to give to charity because of the desire to expand the supply of public goods, the crucial theme underlying the private consumption model is that donors contribute to charity because the act of giving itself provides a utility (Feldman, 2010). A combination of these two models result in the impure altruist model

[15] See Appendix 15
[16] Refer to Appendix 4

(Duncan,1999). Andreoni (1989,1990) is credited with the impure altruist model. He extended the previous models of philanthropy to include a warm glow (selfish motive). The model assumes individuals contribute to public goods because of two main reasons: (i) more public good is demanded by individuals, widely known in the literature as altruism and (ii) individuals derive some private goods benefits from their contributions per se, like a warm glow. This is the reason why the model is described as "impure altruism" because people can simultaneously have altruistic and selfish (egoistic) motives for giving. The various forms of philanthropic behaviour can mostly be analysed relying on these benchmark models highlighted in the literature. Following Menchik and Weisbrod (1987), Brown and Lankford (1992), and Bauer et al., (2013), this study examined the relationship and determinants of charitable giving based on the theoretical underpinning of the private consumption model. We assume that donors derive private benefits from giving to support societal causes. Besides, the private consumption model allows time and money to be donated for different purposes (Bauer et al., 2013).

As noted above, the private consumption model is premised on a theme that donors contribute to charity because the act of giving provides utility. In this model, donors value gifts donated to charity rather than the production of charity. This indicates that regardless of the kind of support, a utility is derived directly from donors' contributions to charity. Notably, the private consumption model emphasized that charitable contributions are always meaningful. More importantly, this model assumes that charitable contributions of time and money are private goods. Thus, a normal utility bearing good. Interestingly, as the public goods model gives a clear indication that time and money contributions to charity are perfect substitutes, there is no such indication in the private consumption model (Bauer et al., 2013).

In the private consumption model, each individual's time (T) is divided into time for charity (t^c), time for leisure (t^I) and time for working (t^w). This implies that $T = t^c + t^I + t^w$. The preferences of individuals are described by a quasi-concave and increasing utility function formulated as $U(C, t^I, G)$, where C denotes private consumption and $G(t^c, D)$ represent voluntary charitable contribution towards public goods. G is utility-relevant and produced by two types of inputs namely charitable giving(money) and volunteering (time). It is worthy of note that each individual chooses a combination of a charitable contribution of time, a contribution of money and private consumption to maximize the following utility problem:

$$\text{Maximize} \quad U_i(C, t^I, t^c, D) \tag{2.1}$$

$$\text{subject to} \quad C + D = wT + Y \tag{2.2}$$

where w refers to the wage rate for the market work and Y to non-wage income. As indicated earlier, the charitable contribution of money (D) and time for charity (t^c) are regarded as normal goods in this framework. Moreover, the amount of time volunteered decreases as its opportunity cost rises (Menchik and Weisbrod, 1987; Bauer et al., 2013).

In maximizing equation (2.1) subject to equation (2.2), we set up the Lagrangian function in equation (2.3) as follows:

$$\mathrm{L} = \mathrm{U_i}(\mathrm{C}, \mathrm{t^I}, \mathrm{t^c}, \mathrm{D}) - \lambda[w(T - t^I - t^c) + Y - D)(1 - \theta) - C] \tag{2.3}$$

where θ denotes income tax rate assumed as proportional, L represent the Lagrangian function, and all other variables denote their usual meaning. Subsequently, we derive equations for the first-order conditions (FOC) by taking partial derivatives of L with respect to $\mathrm{C}, \mathrm{t^I}, \mathrm{t^c}$, D and λ as follows:

$$\frac{\partial U}{\partial C} + \lambda = 0, \tag{2.4}$$

$$\frac{\partial U}{\partial t^I} + \lambda w(1-\theta) = 0, \tag{2.5}$$

$$\frac{\partial U}{\partial t^c} + \lambda w(1-\theta) = 0, \tag{2.6}$$

$$\frac{\partial U}{\partial D} + \lambda(1-\theta) = 0, \tag{2.7}$$

$$[w(T - t^I - t^c) + Y - D)(1-\theta) - C] = 0 \tag{2.8}$$

2.4.5 *Empirical strategy*

This chapter focused on examining the determinants and relationships of both formal and informal charitable giving. The standard bivariate probit model can be employed to estimate the joint decision of whether household head donates (cash and in-kind) and volunteers (time) formally or informally within the past year or otherwise given the set of independent variables. Generally, the model is specified as follows:

$$y_{1i}^* = \beta_1 x_{1i} + \varepsilon_{1i} \tag{2.9}$$

$$y_{2i}^* = \beta_2 x_{2i} + \varepsilon_{2i} \tag{2.10}$$

with the outcome of the model specified as:

$$y_1 = \begin{cases} 1, if\ y_1^* > 0 \\ 0, \quad otherwise \end{cases} \qquad \text{and } \ y_2 = \begin{cases} 1, if\ y_2^* > 0 \\ 0, \quad otherwise \end{cases}$$

Where y_{1i}^* and y_{2i}^* denote charitable donations of cash and in-kind, and time (volunteering) statuses respectively; x_{1i} and x_{2i} represent extrinsic and intrinsic variables; β_1 and β_2 are vectors of parameters to be estimated. The error terms ε_{1i} and ε_{2i} follow a bivariate normal distribution with a vector of a mean of 0 and correlation matrix which has a variance of 1 and ρ, where ρ denotes the correlation coefficient which measures the correlation between the binary variables.

It is worth noting that while the bivariate probit model is apt and consistent with the nature of the dependent variables, it ignores potential endogeneity, which makes empirical results biased and unreliable. The best bet is to use an Instrumental Variable–based probit (IV-probit) model which is capable of controlling for potential endogeneity. Therefore, this study employed the IV-probit model and specified only models of formal charitable giving as baseline models in equations 2.11−2.14. For the sake of brevity, we left out the models of informal charitable giving to follow the same specifications in equations 2.11 −2.14. The IV probit models are expressed as follows:

Model for formal charitable donations of cash and in-kind

$$y_{1i}^{*} = y_{2i}\theta + x_{1i}\varphi + \varepsilon_i \tag{2.11}$$

$$y_{2i} = x_{1i} \prod_1 + x_{2i} \prod_2 + \mu_i \tag{2.12}$$

Model for formal charitable donations of time (volunteering)

$$y_{3i}^{*} = y_{4i}\lambda + x_{3i}\delta + \epsilon_i \tag{2.13}$$

$$y_{4i} = x_{3i} \prod_3 + x_{4i} \prod_4 + \upsilon_i \tag{2.14}$$

where $i = 1, \ldots, N = 1533$; y_{2i} and y_{4i} are $1\times p$ and $1\times q$ vectors of endogenous variables; x_{1i} and x_{3i} are $1\times k_1$ and $1\times k_3$ are vectors of exogenous variables; x_{2i} and x_{4i} are $1\times k_2$ and $1\times k_4$ are vectors of additional instruments; while θ, φ, λ and δ are vectors of structural parameters, $\prod_1$, $\prod_2$, $\prod_3$, and $\prod_4$ are matrices of the reduced-form parameters. The underlying assumption of the error terms are such that, (ε_i, μ_i) and $(\epsilon_i, \upsilon_i) \sim N(0, \sum)$. Looking closely at equations 2.11 to 2.14, a recursive model can be observed since, for example, y_{2i} is a function of y_{1i}^{*} in equation 2.11 and y_{1i}^{*} cannot be found in equation 2.12. It is important to note that y_{1i}^{*}, in this case, is not observable. Besides, for the structural parameters to be identified, it requires that the following order conditions must be satisfied: $k_2 \geq p$, $k_4 \geq q$. Like the standard probit model, the parameters of this model were estimated via the full maximum likelihood technique. To interpret these estimated parameters, marginal effects were computed (Greene,2003). The marginal effect measures the instantaneous effect of a change in a dependent variable as a result of a change in an independent variable holding other covariates constant.

One issue that is often ignored in the estimation of charitable giving equations is endogeneity caused by either reverse causality or omitted variable bias (unobserved heterogeneity). In this study, our focus is to find out how a set of independent variables (including religiosity) affects charitable giving. Conceptually, it is plausible to assume a causal relationship between religiosity and philanthropy. Thus, charitable donations of cash and in-kind as well as volunteering are acts of righteousness which might make someone to be more religious and vice versa (i.e. more religiosity tends to make people generous and caring which leads to charitable giving (cash and in-kind) and volunteering. On the other hand, we suspect that the unobservable factors (e.g. ideology) influencing charitable giving may also affect religiosity leading to omitted variable bias. In light of the above, this study treats religiosity as an endogenous variable and attempt to solve the endogeneity problem by using "perceived confidence in religious leadership" as a suitable instrument in estimating the IV-probit models. The perceived confidence in religious leadership variable is measured as an ordinal variable and it was used as an instrument because it is expected to directly influence religiosity but indirectly with both charitable giving of cash and in-kind, and volunteering. For our post estimation analysis, we performed a Wald test designed to ascertain the exogeneity of our instrumented variable. The test has a null hypothesis of no endogeneity and hence, rejecting the null hypothesis indicates evidence of endogeneity. This suggests that the IV-probit model is preferable to the standard probit model.

2.5 Results and Discussions

2.5.1 *Descriptive statistics*

Preceding the results on the determinants and relationships of formal and informal charitable giving, we first show the descriptive statistics (mean, standard deviations, minimum and maximum values) of all the variables used in our empirical estimations. The summary of these statistics is provided in Table 2.1. Consistent with expectation, the mean values of informal charitable donations of cash and in-kind (87%) and time (volunteering) (84%) are higher relative to the mean values of formal charitable donations of cash and in-kind (71%) and volunteering (66%). This is an indication that during the past year more household heads engaged in informal charitable donations compared to formal charitable donations. It can also be observed that, generally, charitable giving of cash and in-kind predominates over volunteering as the mean values of both formal and informal charitable donations of cash and in-kind appear to be higher. This suggests that volunteering is low and should be championed and given more attention at various levels when it comes to philanthropy in Ghana.

About 64% of the households are headed by a male, suggesting that males are generally recognized as the head of households in Ghana. While the average age of the household head is approximately 41years, most of these household heads representing about 75% are married. On average, the yearly household income (Ghana Cedis) is GH¢ 13,167.17. Households typically have members ranging from 1 to 28, with the mean household size around 6.

Table 2. 1: Descriptive statistics

Variables	Obs	Mean	SD	Min	Max
Dependent variables					
Formal cash and in-kind donations (0=No, 1=Yes)	1533	0.711	0.453	0	1
Formal time donations (volunteering) (0=No, 1=Yes)	1533	0.659	0.474	0	1
Informal cash and in-kind donations (0=No, 1=Yes)	1533	0.874	0.332	0	1
Informal time donations (volunteering) (0=No, 1=Yes)	1533	0.842	0.365	0	1
Independent variables					
Gender (0=Female, 1=Male)	1533	0.636	0.481	0	1
Age (years)	1533	41.392	12.410	20	86
Marital status (0=Unmarried, 1=Married)	1533	0.749	0.434	0	1
Education	1533				
Formal education (0=No, 1=Yes)		0.832	0.374	0	1
Non-formal education (0=No, 1=Yes)		0.027	0.163	0	1
No education (0=No, 1=Yes)		0.141	0.348	0	1
Household income (Ghana Cedis)	1533	13167.17	11896.06	1000	100000
Log(household income)	1533	9.147	0.843	6.908	11.513
Household size	1533	5.912	3.917	1	28
Religiosity	1533	3.762	0.609	1	4
Ethnicity:	1533				
Akan (0=No, 1=Yes)		0.497	0.500	0	1
Ewe (0=No, 1=Yes)		0.098	0.298	0	1
Ga-Dangme (0=No, 1=Yes)		0.063	0.244	0	1
Mole-Dagbani (0=No, 1=Yes)		0.260	0.439	0	1
Guan (0=No, 1=Yes)		0.018	0.134	0	1
Gruma (0=No, 1=Yes)		0.012	0.108	0	1
Grusi (0=No, 1=Yes)		0.038	0.192	0	1
Mande (0=No, 1=Yes)		0.012	0.108	0	1
Others (0=No, 1=Yes)		0.001	0.036	0	1
Empathic concern index	1533	–0.000	1.553	-7.924	2.102
Agreeableness index	1533	0.000	1.816	-6.961	2.399
Location dummies:	1533				
Accra dummy (0=No, 1=Yes)		0.250	0.433	0	1
Kumasi dummy (0=No, 1=Yes)		0.250	0.433	0	1
Tamale dummy (0=No, 1=Yes)		0.249	0.433	0	1
Takoradi dummy (0=No, 1=Yes)		0.250	0.433	0	1

Notes: Obs denotes Observations; SD denotes Standard deviation; Min and Max denote Minimum and Maximum values respectively.

For education, the proportion of household heads who have obtained formal education (83.2%) is relatively higher than those with non-formal (2.7%) and no education (14.1%). The mean values of the ethnicity variable grouped into 9 categories show Akan (49.7%) as the dominant ethnic group of respondents, followed by Mole-Dagbani (26%), Ewe (9.8%), Ga-Dangme (6.3%), Guan (1.8%), Gruma (1.2%) and Mande (1.2%). The remaining respondents (0.1%) belong to the Kokomba ethnic group captured as "others". Furthermore, we generated four dummy variables to capture the locations of household heads and as shown in Table 2.1, approximately 25% of household heads are from each of the four cities used for the study.

2.5.2 *Determinants of formal and informal charitable giving*

In this section, we focus on analysing the determinants of charitable giving (formal and informal). First, we estimate four equations by relying on the benchmark bivariate probit models. Subsequently, we account for potential endogeneity by re-estimating the four equations using IV-probit models. The results of the bivariate probit and IV-probit models are reported in Tables 2.2 and 2.3. Comparing the two models, it is observed that the use of the bivariate probit model underestimates the marginal effects of the extrinsic and intrinsic factors influencing formal and informal charitable giving (cash and in-kind) and volunteering. In most cases, there is a significant improvement in the estimates of the marginal effects when the IV-probit model was employed. This clearly shows evidence of the superiority of the IV-probit model over the bivariate probit model. We, therefore, discuss the results of the IV-probit models. We begin by comparing the results of both formal and informal cash and in-kind donations.

2.5.2.1 Determinants of formal and informal charitable giving (cash and in-kind)

As observed in Tables 2.2 and 2.3 (see column 3), gender is not a significant determinant of formal and informal cash and in-kind donations. This suggests that being a male or female does not influence the probability of giving between people (informal) and through institutions (formal)

In a similar vein, the coefficient of age is positive (negative) but its effect on formal (informal) charitable giving of cash and in-kind is not significant at conventional levels. Though studies (e.g. Apinunmahakul and Delvin,2008; Wilson and Musick, 1997) that have examined charitable giving of money in general found age to be a significant predictor, the findings on formal and informal giving (cash and in-kind) point to the contrary. From the Ghanaian perspective, this is an indication that the likelihood of giving cash and in-kind either formally or informally is not influenced by an individual's age. Squaring the age variable to account for nonlinearities does not change the results.

On the nexus between marital status and charitable giving of cash and in-kind (formal and informal), we found the marginal effect of married to be positive, although the effect on informal donation of cash and in-kind is statistically not significant (see, Tables 2.2 and 2.3: column 3). The implication of the significant married variable suggests that household heads who are married are more likely to engage in formal charitable giving (cash and in-kind) compared to their counterparts who are unmarried. A plausible explanation is that marriage allows individuals to be "accorded the highest amount of value" [17] in society compared to their counterparts who are not married, and this, in most cases, brings more social networks or connections and added resources to impact formal cash and in-kind donations. Contrary to this, we observe no significant difference in the likelihood of informal giving (cash and in-kind) between married and unmarried household heads.

[17] See Lemon et al. (1972, p. 32)

This indicates that the marital status of individuals may not matter when it comes to informal charitable giving (cash and in-kind) which is deeply rooted in the Ghanaian culture. Confirming the superiority of the IV-probit model, it can be observed in Table 2.2 that the estimated marginal effect of the married variable from the IV-probit model increases by a margin of 0.111 when endogeneity is corrected. This is a significant improvement over the bivariate probit model with an estimated marginal effect of 0.085.

For education, it can be realised that the marginal effect of non-formal education category for formal cash and in-kind donations is negative and significant at 5%. This implies that respondents with non-formal education are less likely to donate cash and in-kind through institutions relative to those with formal education. Similarly, the no education category is also negative but statistically not significant. Despite the insignificance of the no education category, these findings are intuitive and underscore the importance of education in formal charitable giving (cash and in-kind) in Ghana. Education increases an individual's financial capacity, social connections and awareness of the needs of the poor which in turn raises the willingness to give to support a charitable cause (Brown and Ferris 2007; Wang and Graddy,2008). On the other hand, for informal cash and in-kind giving, we found no significant difference between non-formal and no education categories compared to the formal education category. By implication, what is clear from this finding is that education does not necessarily matter for informal giving of cash and in-kind in Ghana. Thus, both the educated and uneducated are equally likely to make informal donations of cash and in-kind to support charitable causes.

Table 2. 2: Determinants of formal charitable giving

	Formal cash and in-kind donations			*Formal time donations (volunteering)*		
	Bivariate Probit		*IV-Probit*	*Bivariate Probit*		*IV-Probit*
Variables	*Coefficient (1)*	*Marginal Effect (2)*	*Marginal Effect (3)*	*Coefficient (4)*	*Marginal Effect (5)*	*Marginal Effect (6)*
Gender (Male)	0.069	0.023	0.096	0.072	0.026	0 .095
	(0.077)	(0.026)	(0.076)	(0.075)	(0.027)	(0.073)
Age	0.011	0.004	0.010	0.015	0.005	0.016
	(0.019)	(0.006)	(0.018)	(0.018)	(0.007)	(0.018)
Age-squared	–0.000	–0.000	–0.000	–0.0002	–0.0001	–0.0002
	(0.0002)	(0.0001)	(0.0002)	(0.0002)	(0.0001)	(0.0002)
Marital status (Married)	0.248***	0.085***	0.196**	0.009	0.003	–0.024
	(0.089)	(0.031)	(0.088)	(0.087)	(0.032)	(0.086)
Education (Base=Formal)						
Non-formal education	–0.685***	–0.256***	–0.532**	–0.322	–0.122	–0.225
	(0.208)	(0.082)	(0.224)	(0.203)	(0.080)	(0.236)
No education	–0.176	–0.060	–0.080	–0.203*	–0.075*	–0.117
	(0.118)	(0.042)	(0.118)	(0.110)	(0.042)	(0.110)
Log (Household income)	0 .067	0.022	0 .041	–0.071	–0.026	–0.082**
	(0 .045)	(0 .015)	(0 .043)	(0.043)	(0.016)	(0.042)
Household size	–0.016	–0.005	–0.022*	0.032***	0.012***	0.025**
	(0.013)	(0.004)	(0.012)	(0.012)	(0.004)	(0.012)
Religiosity	0.180***	0.060***	0.809***	0.123**	0.045**	0.648***
	(0.057)	(0.019)	(0.149)	(0.056)	(0.020)	(0.157)
Ethnicity(Base=Akan)						
Ewe	0.125	0.042	0.043	0.044	0.016	–0.023
	(0.126)	(0.041)	(0.125)	(0.123)	(0.044)	(0.120)
Ga-Dangme	–0.025	–0.009	–0.080	0.302**	0.103**	0.237
	(0.149)	(0.052)	(0.141)	(0.153)	(0.048)	(0.145)
Mole-Dagbani	0 .111	0.037	0 .032	–0.009	–0.003	–0.062
	(0 .148)	(0.049)	(0 .153)	(0.140)	(0.051)	(0.137)
Guan	– 0.443*	– 0.167*	–0.450**	–0.126	–0.047	–0.154
	(0.249)	(0.098)	(0.228)	(0.252)	(0.096)	(0.237)
Gruma	0.275	0.087	0.171	–0.049	–0.018	–0.113
	(0.348)	(0.100)	(0.299)	(0.312)	(0.117)	(0.336)
Grusi	0.503**	0.146***	0.421**	0.229	0.079	0.187
	(0.209)	(0.051)	(0.198)	(0.188)	(0.062)	(0.184)
Mande	1.058**	0.239***	0.854***	–0.453	–0.176	–0.463
	(0.451)	(0.053)	(0.346)	(0.312)	(0.124)	(0.311)
Others	–0.881	–0.339	–1.052	–0.324	–0.125	–0.494
	(0.923)	(0.348)	(0.866)	(0.945)	(0.375)	(0.855)
Empathic concern	0.148***	0.049***	0.097***	0.158***	0.057***	0.118***
	(0.029)	(0.009)	(0.031)	(0.028)	(0.010)	(0.031)
Agreeableness	0.002	0.001	–0.022	0.007	0.003	–0.013
	(0.026)	(0.009)	(0.025)	(0.025)	(0.009)	(0.025)

Table 2.2 (Continuation)

	(1)	(2)	(3)	(4)	(5)	(6)
Location dummies(Base= Accra)						
Kumasi	–0.276***	–0.092***	–0.264**	–0.010	–0.036	–0.113
	(0.109)	(0.036)	(0.109)	(0.107)	(0.039)	(0.106)
Tamale	0.324*	0.107*	0.274	–0.086	–0.031	–0.121
	(0.171)	(0.057)	(0.174)	(0.158)	(0.057)	(0.153)
Takoradi	0.031	0.010	0.024	0.067	0.024	0.051
	(0.114)	(0.038)	(0.111)	(0.111)	(0.40)	(0.110)
Constant	–1.185**			0.112		
	(0.558)			(0.538)		
Diagnostics						
Rho(ρ)	0.479***		–0.402			–0.333
			(0.083)			(0.088)
Sigma(σ)			0.547			0.547
			(0 .021)			(0.021)
Log-likelihood	–1718.867		–2082.510			–2179.093
Wald χ^2	208.71		192.48			106.53
[*p*–value]	[0.000]		[0.000]			[0.000]
Wald test of exogeneity: χ^2			18.36			12.10
[*p*–value]			[0.000]			[0.000]
Number of observations	1533	1533	1533	1533	1533	1533

Notes: *, **, and *** denote 10%, 5%, and 1% significance level respectively. Robust standard errors are in parenthesis. We present only the marginal effects for the IV-Probit since the estimated coefficients and marginal effects are the same.

Table 2. 3: Determinants of informal charitable giving

	Informal cash and in-kind donations			*Informal time donations (volunteering)*		
	Bivariate Probit		*IV-Probit*	*Bivariate Probit*		*IV-Probit*
Variables	*Coefficient (1)*	*Marginal Effect (2)*	*Marginal Effect (3)*	*Coefficient (4)*	*Marginal Effect (5)*	*Marginal Effect (6)*
Gender (Male)	0.148	0.026	0.139	0.291***	0.067***	0.300***
	(0.094)	(0.017)	(0.091)	(0.086)	(0.021)	(0.087)
Age	–0.013	–0.002	–0.008	0.028	0.006	0.031
	(0.023)	(0.004)	(0.026)	(0.021)	(0.005)	(0.021)
Age-squared	0.0001	0.000	0.000	–0.0004*	–0.0001*	–0.0004*
	(0.0002)	(0.0000)	(0.0003)	(0.0002)	(0.0000)	(0.0002)
Marital status (Married)	0.040	0.007	0.023	–0.007	–0.002	–0.025
	(0.109)	(0.019)	(0.105)	(0.102)	(0.032)	(0.100)
Education (Base=Formal)						
Non-formal education	0.136	0.021	0.170	–0.167	–0.039	–0.146
	(0.286)	(0.041)	(0.329)	(0.238)	(0.060)	(0.247)
No education	–0.036	–0.006	–0.015	–0.114	–0.026	–0.079
	(0.155)	(0.028)	(0.157)	(0.139)	(0.033)	(0.141)
Log (Household income)	0.196***	0.034***	0.181***	–0.022	–0.005	–0.028
	(0.056)	(0.010)	(0.057)	(0.052)	(0.011)	(0.053)
Household size	–0.003	–0.000	–0.006	–0.001	0.000	–0.003
	(0.016)	(0.003)	(0.017)	(0.014)	(0.003)	(0.015)
Religiosity	0.176***	0.030***	0.464***	0.177***	0.039***	0.453***
	(0.065)	(0.011)	(0.175)	(0.062)	(0.014)	(0.172)
Ethnicity(Base=Akan)						
Ewe	–0.081	–0.016	–0.097	0.227	0.049*	0.216
	(0.142)	(0.029)	(0.145)	(0.142)	(0.029)	(0.150)
Ga-Dangme	0.051	0.009	0.020	0.274	0.058*	0.248
	(0.173)	(0.031)	(0.177)	(0.174)	(0.033)	(0.175)
Mole-Dagbani	0.239	0.039	0.209	0.229	0.050	0.203
	(0.194)	(0.029)	(0.183)	(0.171)	(0.035)	(0.183)
Guan	0.215	0.035	0.169	1.067**	0.141***	0.986**
	(0.353)	(0.051)	(0.327)	(0.500)	(0.029)	(0.437)
Gruma	0.456	0.064	0.316	–0.103	–0.026	–0.138
	(0.522)	(0.052)	(0.526)	(0.357)	(0.095)	(0.318)
Grusi	–0.068	–0.013	–0.037	–0.268	–0.074	–0.272
	(0.221)	(0.045)	(0.212)	(0.188)	(0.056)	(0.198)
Mande	0.468	0.065	0.407	–0.702**	–0.225*	–0.705**
	(0.526)	(0.051)	(0.499)	(0.321)	(0.121)	(0.306)
Others	–1.565*	–0.522	–1.592*	–1.361	–0.483	–1.421
	(0.933)	(0.349)	(0.949)	(0.945)	(0.351)	(0.915)
Empathic concern	0.172***	0.030***	0.148***	0.057*	0.013*	0.040
	(0.034)	(0.006)	(0.034)	(0.032)	(0.007)	(0.034)
Agreeableness	0.018	0.003	0.011	0.018	0.004	0.006
	(0.030)	(0.005)	(0.029)	(0.029)	(0.006)	(0.029)

Table 2.3 (Continuation)

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Location dummies(Base= Accra)						
Kumasi	0.156	0.027	0.133	–0.033	–0.007	–0.051
	(0.128)	(0.022)	(0.128)	(0.117)	(0.026)	(0.121)
Tamale	0.502**	0.087**	0.437**	0.441**	0.097**	0.388*
	(0.222)	(0.038)	(0.217)	(0.193)	(0.042)	(0.211)
Takoradi	0.294**	0.051**	0.270**	0.350***	0.077***	0.331**
	(0.135)	(0.023)	(0.137)	(0.128)	(0.028)	(0.136)
Constant	–1.216*			–0.311		
	(0.693)			(0.626)		
Diagnostics						
Rho(ρ)	0.441***		–0.179			–0.172
			(0.105)			(0.102)
Sigma(σ)			0.547			0.547
			(0.021)			(0.021)
Log-likelihood	–1094.735		–1754.079			–1865.307
Wald χ^2	209.01		139.28			106.94
[*p*–value]	[0.000]		[0.000]			[0.000]
Wald test of exogeneity: χ^2			2.81			2.74
[*p*–value]			[0.094]			[0.098]
Number of observations	1533	1533	1533	1533	1533	1533

Notes: *, **, and *** denote 10%, 5%, and 1% significance level respectively. Robust standard errors are in parenthesis. We present only the marginal effects for the IV-Probit since the estimated coefficients and marginal effects are the same.

Household income is positively related to the probability of both formal and informal giving of cash and in-kind. However, this relationship is statistically significant only for informal giving at 1%, with a marginal effect of 0.181. This suggests that an increase in household income raises the likelihood of informal cash and in-kind giving. An intuitive explanation of this result is that income makes cash and in-kind donations possible by serving as a discretionary financial resource (Wang and Graddy,2008). Thus, higher income gives individuals the necessary cushion to donate more money and goods for charitable purposes. Otherwise, people may not concentrate on this form of giving when they have less household income.

Although we do not find a significant relationship between household size and informal charitable donations of cash and in-kind, its effect on formal cash and in-kind giving is significant but negative. This relationship was not realised when we employed the bivariate probit model (see Table 2.2: column 2) but once endogeneity was corrected, the marginal effect improved and a significant relationship was found between household size and charitable giving of cash and in-kind through institutions. Given the marginal effect of –0.022, it suggests that additional household member decreases the probability of formal cash and in-kind giving by 0.022. Our finding confirms the assertion that, as household size increases, financial resources are likely to be constrained which in turn reduces an individual's motivation to engage in formal giving of cash and in-kind.

Further evidence indicates that religiosity is positively and significantly associated with the likelihood of both formal and informal cash and in-kind donations at 1% level. This implies that being religious increases the probability of formal and informal cash and in-kind giving by 0.809 and 0.464 respectively. As reiterated in studies such as Brown and Ferris (2007), Monsma (2007), Wang and Graddy (2008), etc. religiosity is a strong predictor of charitable giving and hence, provides the cognitive framework which makes people more inclined to donate. More tellingly, it can also be observed that religiosity have a greater effect on formal cash and in-kind donations relative to informal giving of cash and in-kind.

Relying on Akan ethnic group as the base category, we found that while household heads from Grusi and Mande ethnic groups are more likely to give cash and in-kind formally, those from the Guan ethnic group are less likely. This evidence is an indication that ethnicity may influence formal cash and in-kind donations. On the contrary, we also established no significant difference between ethnic groups except for the "other" category (i.e. Kokomba). This finding implies that while the likelihood of formal cash and in-kind giving may differ across ethnic groups in Ghana, the reverse holds for informal charitable giving (cash and in-kind).

About personality characteristics, empathic concern is positive and significantly correlate with formal and informal charitable giving of cash and in-kind. This suggests that households with more empathic concerned heads are more likely to make both formal or informal cash and in-kind donations. Our finding runs parallel with studies (for instance, Bekkers, 2006; Lee and Chang 2007) which have also found a positive relationship between empathic concern and charitable giving. In a reverse finding, we failed to establish a significant relationship between agreeableness and cash and in-kind giving (formal and informal), implying that agreeableness as a personality trait does not explain formal and informal charitable giving (cash and in-kind).

Turning to location dummies, we found that location fixed effect generally tends to be a significant determinant of formal and informal cash and in-kind donations. With Accra as the base category, we realise that while household heads in Tamale are more likely to donate cash and in-kind through institutions, those in Kumasi are less likely. This could be explained by a large number of Muslims in Tamale, who are mostly known to have communal help attitude. There is also no significant difference in the probability of participating in formal cash and in-kind giving between household heads in Takoradi and Accra. On informal giving, no significant difference is found between household heads in Kumasi and Accra. However, those in Tamale and Takoradi are more likely compared to those in Accra to engage in informal cash and in-kind donations. As highlighted in Cappellari et al. (2011) and Fiorillo (2010), these findings could be explained by the large presence of non-profit organisations (especially in Tamale) and differences in social capital across the cities.

2.5.2.2 Determinants of formal and informal time donations (volunteering)

In the analysis of determinants of formal and informal volunteering, we found that the difference between male and female household heads is not statistically significant for formal volunteering but significant at 1% level for informal volunteering (Tables 2.2 and 2.3: column 6). This suggests that males compared to females are more likely to volunteer informally. This is probably because females are mostly time-constrained to engage in volunteering as a result of their dominant role in caring for family members as well as managing the household (Bianchi,2000; England, 2000; Taniguchi,2006). This result is in contrast with Taniguchi (2012) where females are more likely to volunteer informally. Again, age is found to be insignificant for both formal and informal volunteering. However, when we account for possible nonlinearities in the age-volunteering nexus, it is realised that age-squared is negative and significant for informal volunteering but not for formal volunteering. This suggests nonlinearity in the age-informal volunteering nexus, implying that as individual ages over time, there is a greater likelihood of attaining a declining health status which ultimately reduces the probability of informal volunteering. Marital status and education are also observed not to be significant determinants of formal and informal volunteering. Clearly suggesting that for the case of formal and informal volunteering, while married household heads are not different from those who are unmarried, there is also no significant difference between the various categories of education.

As for household income, we found a negative relationship with formal and informal volunteering, although insignificant for informal volunteering. The significant marginal effect implies that additional household income reduces the likelihood of formal volunteering. Thus, this inverse relationship points to the fact that higher income reflects higher opportunity cost which means that people may work more in the labour market decreasing the likelihood of volunteering (Seabe and

Burger,2017). Additionally, the marginal effect for household size is positive and significant for formal volunteering, suggesting that an increase in household size magnifies the probability of formal volunteering by 0.025 (Table 2.2: column 6). The positive effect of household size on formal volunteering may be explained by the larger social networks associated with larger households which could enhance the likelihood of household members being asked to volunteer if such social networks engage in volunteering. Nonetheless, the household size effect on informal volunteering is negative albeit statistically insignificant (Table 2.3: column 6).

Like charitable giving of cash and in-kind, religiosity exerts a positive influence on both formal and informal volunteering. Our findings suggest that household heads who are more religious increases their probability of formal volunteering by 0.648 (Table 2.2: column 6) and informal volunteering by 0.453 (Table 2.3: column 6). Comparatively, the impact of religiosity on formal volunteering is greater, which seems that religiosity is more associated with formal than informal volunteering. As emphasized in Wang and Graddy (2008), and Brown and Ferris (2007), religion offers the cognitive framework and often expose individuals to volunteering opportunities which generally increases the likelihood of volunteering. Also, we do not find a significant difference between most of the categories of ethnic groups for both formal and informal volunteering, except in few instances where Guan (Mande) ethnic group are more (less) likely to participate in informal volunteering relative to the Akan ethnic group. On a whole, our evidence shows that ethnicity might not be a strong predictor of formal and informal volunteering.

On the personality traits influencing formal and informal volunteering, we observe in Tables 2.2 and 2.3 (columns 5 and 6) that, after accounting for endogeneity empathic concern is significant only for formal volunteering though its marginal effect is positive for both formal and informal volunteering. The marginal effect of emphatic concern for formal volunteering implies that household heads who are more empathically concerned (i.e. “have a feeling of compassion, warmth, and concern for others”) increases their likelihood of formal volunteering by 0.118, ceteris paribus. This evidence confirms the importance of emphatic concern in fostering volunteering. Surprisingly, agreeableness of household heads does not impact formal and informal volunteering. Focusing on the location dummies, we realise no significant difference between household heads in Kumasi, Tamale and Takoradi engaging in formal volunteering when Accra is used as the base category. On the other hand, while household heads both in Tamale and Takoradi compared to those in Accra are more likely to participate in informal volunteering, those in Kumasi are not different from those in Accra. More revealing, the probability of informal volunteering is higher for Tamale, implying that there is a greater chance of being asked to volunteer informally in a Muslim dominated city like Tamale compared to other cities.

2.5.3 *Relationship between cash and in-kind donations and time donations (volunteering) (formal versus informal)*

Does time donations (volunteering) influence cash and in-kind donations? From the context of donations between people (informal) and through institutions (informal), we provide empirical evidence in an attempt to answer this question. The results are shown in Table 2.4. As a preliminary finding, we relied on the results from the pairwise correlation, bivariate probit model (estimated rho) and univariate probit model. As observed in Table 2.4, the pairwise correlation coefficients indicate a positive correlation between cash and in-kind donations, and time donations (volunteering) (for both formal and informal associations). Further results on the estimated rho (ρ) shown in Tables 2.2 and 2.3 also show positive conditional tetrachoric correlations[18] between cash

[18] This is from the perspective of the corresponding errors (unobserved determinants)

and in-kind donations and volunteering. This applies to giving through institutions and between people. Similarly, when both formal and informal volunteering is used as explanatory variables in addition to the extrinsic and intrinsic variables in the univariate probit model, the relationship remained positive indicating that volunteering influences the giving of cash and in-kind. Nevertheless, while these findings are intuitive, there is the possibility of obtaining biased results arising from potential endogeneity in the estimation of the charitable giving equations. We account for this by relying on the IV-probit model and as seen from Table 2.4 (columns 3 and 6), there is a positive and significant relationship between volunteering and giving of cash and in-kind (formal and informal). The positive relationship implies that volunteering and cash and in-kind giving are in conjunction and do not oppose each other. Thus, a higher level of volunteering potentially exposes an individual to societal problems which in turn makes it more probable for the individual to donate cash and in-kind. This relationship holds in the context of both formal and informal giving. Therefore, our findings provide some evidence in support of the complementary relationship between cash and in-kind giving and volunteering, and also, reaffirm the conclusion in the literature that people who volunteers are mostly the same people who engage in cash and in-kind donations (Bauer et al., 2013; Cappellari et al., 2011). Turning to the extrinsic and intrinsic determinants that affect the complementary relationship, we found that marital status, education, household size, religiosity, ethnicity and empathic concern influence the complementary relationship between formal volunteering, and cash and in-kind donations. On the other hand, household income, religiosity and empathic concern also impact the complementary relationship between informal volunteering and charitable giving (cash and in-kind).

For our post estimation results, we realise that all regressors in each of our models are jointly significant since the *p*-values of the Wald Chi-square statistic are jointly significant at 1% level.

More importantly, the consistency and reliability of results from the IV-probit model depend on the validity of the instruments used. Therefore, we test for the exogeneity of our instruments and found that in all the models the null hypothesis of no endogeneity is rejected 1% and 10% as seen in Tables 2.2, 2.3 and 2.4. This confirms the presence of endogeneity in our models and hence, the use of the IV-probit model in our estimations.

2.6 Conclusion and policy implications

As the importance of philanthropy is growing globally especially in recent times in Africa, there is a considerable need for a nuanced understanding which have crucial implications for policy. Moyo (2016) emphasized that "philanthropy and African identity are inseparable". There has been a culture of philanthropy in Africa including Ghana since time immemorial as well as anecdotal evidence of practices and institutions over the past five decades. Yet, what is clear is that philanthropy remains poorly understood as there is a general paucity of empirical literature. By decomposing charitable giving into its spheres of formal and informal, this chapter jointly examined the extrinsic and intrinsic determinants and relationship of cash and in-kind donations and time donations (volunteering). We focused on Ghana and used survey data from 1,533 household heads across four cities (Accra, Kumasi, Tamale and Takoradi) while relying on IV-probit estimation technique to account for potential endogeneity ignored by earlier studies.

Table 2. 4: Relationship between cash and in-kind donations and volunteering

	Formal cash and in-kind donations			*Informal cash and in-kind donations*		
	Pairwise correlation	*Probit*	*IV-Probit*	*Pairwise correlation*	*Probit*	*IV-Probit*
Variables	*Coefficient (1)*	*Marginal Effect (2)*	*Marginal Effect (3)*	*Coefficient (4)*	*Marginal Effect (5)*	*Marginal Effect (6)*
Formal volunteering	0.318***	0.239***	0.753***	–	–	–
		(0.019)	(0.085)			
Informal volunteering	–	–	–	0.251***	0.136***	0.749***
					(0.018)	(0.114)
Gender(Male)		0.015	0.078		0.015	0.104
		(0.024)	(0.080)		(0.017)	(0.095)
Age		0.002	0.008		–0.004	–0.020
		(0.006)	(0.019)		(0.004)	(0.025)
Age-squared		–0.000	–0.000		0.000	0.0002
		(0.0001)	(0.0002)		(0.000)	(0.0003)
Marital status (Married)		0.080***	0.221**		0.007	0.025
		(0.028)	(0.092)		(0.019)	(0.109)
Education (Base=Formal)						
Non-formal education		–0.202***	–0.530**		0.029	0.228
		(0.073)	(0.222)		(0.044)	(0.323)
No education		–0.036	–0.045		–0.002	0.034
		(0.036)	(0.122)		(0.027)	(0.161)
Log (Household income)		0.027**	0.073		0.036***	0.197***
		(0.013)	(0.045)		(0.010)	(0.058)
Household size		–0.008**	–0.030***		–0.0005	–0.006
		(0.004)	(0.012)		(0.003)	(0.018)
Religiosity		0.044***	0.674***		0.024**	0.446**
		(0.017)	(0.159)		(0.010)	(0.188)
Ethnicity(Base=Akan)						
Ewe		0.036	0.063		–0.028	–0.176
		(0.038)	(0.130)		(0.029)	(0.146)
Ga-Dangme		–0.037	–0.155		–0.003	–0.038
		(0.049)	(0.151)		(0.031)	(0.180)
Mole-Dagbani		0.036	0.072		0.031	0.164
		(0.045)	(0.159)		(0.030)	(0.194)
Guan		–0.141	–0.453*		0.006	0.007
		(0.089)	(0.239)		(0.056)	(0.331)
Gruma		0.089	0.262		0.071	0.493
		(0.079)	(0.312)		(0.056)	(0.581)
Grusi		0.124*	0.426**		–0.0003	–0.023
		(0.048)	(0.202)		(0.042)	(0.229)
Mande		0.250***	1.188***		0.087**	0.697
		(0.043)	(0.386)		(0.040)	(0.530)
Others		–0.279	–0.977		–0.364	–1.394*
		(0.269)	(0.753)		(0.283)	(0.808)

Table 2.4 (Continuation)

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Empathic concern		0.031***	0.075**		0.029**	0.147***
		(0.009)	(0.031)		(0.006)	(0.035)
Agreeableness		0.0004	–0.016		0.297	0.005
		(0.008)	(0.026)		(0.183)	(0.030)
Location dummies(Base= Accra)						
Kumasi		–0.078**	–0.281***		0.030	0.160
		(0.032)	(0.113)		(0.023)	(0.132)
Tamale		0.107**	0.300		0.074*	0.407*
		(0.053)	(0.184)		(0.039)	(0.223)
Takoradi		0.003	–0.007		0.038	0.215
		(0.034)	(0.116)		(0.024)	(0.140)
Diagnostics						
Rho(ρ)			–0.330			–0.194
			(0.092)			(0.111)
Sigma(σ)			0.546			0.545
			(0.021)			(0.021)
Log-likelihood		–782.530	–2022.855		–477.778	–1720.861
Pseudo R^2		0.151			0.177	
Wald χ^2		259.90	322.64		205.20	220.03
[*p*–value]		[0.000]	[0.000]		[0.000]	[0.000]
Wald test of exogeneity: χ^2			11.04			2.91
[*p*–value]			[0.000]			[0.088]
Number of observations	1533	1533	1533	1533	1533	1533

Notes: *, **, and *** denote 10%, 5%, and 1% significance level respectively. Robust standard errors are in parenthesis

Our findings highlight varying determinants of formal and informal cash and in-kind donations and volunteering. Specifically, for extrinsic determinants, we found that gender matters more for informal volunteering than formal volunteering and cash and in-kind donations (formal and informal). Thus, while males compared to females are more likely to volunteer informally, there are no gender differences in the probability of formal and informal giving (cash and in-kind) as well as formal volunteering. Again, while age is not a strong predictor of formal and informal giving of cash and in-kind as well as volunteering, there exist non-linearity in the age-informal volunteering nexus. Except for formal cash and in-kind donations where those married are more likely to give relative to the unmarried, no statistical difference of marital status was found for informal cash and in-kind donations and both formal and informal volunteering. Education is also more related to giving cash and in-kind through institutions (formal) than between people (informal). Contrary to expectation, education is not a significant determinant of formal and informal volunteering. This implies that education does not necessarily matter for informal giving of cash and in-kind as well as volunteering (formal and informal) in Ghana.

Household income was found to be positive but more associated with informal charitable giving of cash and in-kind. By implication, individuals with higher household income are more likely to give cash and in-kind informally than formally in Ghana. On the flip side, household income effect on formal and informal volunteering is negative, albeit insignificant for the latter. This suggests that the negative effect of household income is more pronounced for formal volunteering than informal volunteering which is part of the Ghanaian culture and identity. Similarly, with regard to household size, additional household member significantly decreases the probability of formal but not informal cash and in-kind donations. On the other hand, while household size is positive and significantly accelerates formal volunteering, its impact on informal volunteering is negative and insignificant. Noteworthy, religiosity positively influence both cash and in-kind giving and volunteering (formal versus informal), implying that religious individuals are more likely to be involved in formal and informal charitable giving. Further evidence suggests that the likelihood of formal cash and in-kind donations may differ across ethnic groups in Ghana, however, the reverse holds for informal cash and in-kind donations and both formal and informal volunteering. Except for formal volunteering, location fixed effects have some influence on all types of charitable giving.

Regarding intrinsic determinants, empathic concern significantly enhances the likelihood of formal and informal cash and in-kind giving. Nevertheless, for the case of volunteering, the impact of empathic concern is positive but only serves as a crucial determinant of formal volunteering. In both formal and formal volunteering, a negligible impact of agreeableness is observed. Besides, we also examined whether the relationship between cash and in-kind donation and volunteering is a substitute or complement for the different spheres of giving. In all cases, volunteering has a strong positive impact on the probability of cash and in-kind donation, implying a complementary relationship which emphasizes the greater likelihood of individual who volunteers to equally donate cash and in-kind.

To sum up, we stress that while marital status, education, household size, religiosity, ethnicity, and empathic concern are important predictors of formal cash and in-kind giving, informal giving of cash and in-kind is driven by income, religiosity and empathic concern. On the other hand, formal volunteering is mainly determined by income, household size, religiosity, and empathic concern, whereas gender and religiosity influence informal volunteering. Taken together, we conclude that there are different drivers of formal and informal charitable giving, and based on these drivers, there is much significant difference in individuals contributing to formal than informal charitable giving. In addition, we emphasize that all forms of charitable giving (except informal volunteering) are influenced jointly by extrinsic and intrinsic factors. Furthermore, we also conclude that giving of cash and in-kind, and volunteering are rather complement, not substitute. This is irrespective of the spheres of giving, suggesting that giving between people (informal) and through institutions (formal) does not affect the complementary relationship between cash and in-kind giving and time giving.

Our findings have some policy implications. First, policymakers should recognize the complementary role and variation in the determinants of formal and informal charitable giving. This can initiate new thinking about philanthropy in Ghana, with the focus on developing a regulatory framework to boost cash and in-kind donations as well as volunteering. Second, non-profit organisations and policymakers could rely on these findings to develop important tools to identify and target potential donors in their fundraising and volunteering campaigns. These policy tools should not be a “one-size-fits-all” since our findings portray the distinctiveness of determinants influencing the spheres of charitable giving. Taking this into cognizance can assist in raising the levels and effectiveness of fundraising as well as helping in recruiting and retaining volunteers in Ghana and Africa as a whole. Third, given that more than 50% of our sample volunteered or made cash and in-kind donations during the past year, it suggests an immense pool of givers. With this, what is needed is a national campaign to encourage citizens to give a certain percentage of their income per year to charity and also, volunteer a number of times per year to support a national cause. Senior citizens, politicians, government officials, religious and traditional leaders can lead this campaign to create awareness of charitable giving in Ghana.

CHAPTER THREE

CORPORATE FOUNDATION GIVING IN GHANA: MOTIVES, PRIORITIES, STRATEGIES, OPPORTUNITIES, AND CHALLENGES

3.1 Introduction

As the budgets of governments in most developing countries are always under pressure, there are compelling reasons to expect corporations to supplement developmental efforts. While most corporations rely on philanthropy as an avenue to realise their social responsibilities (Wu et al., 2019), others strategically use it to enhance business prospects by aligning their charitable giving programmes with the core business focus (Moscardini, 2016). Notably, corporate philanthropy—which is a discretionary responsibility allow firms to be "good corporate citizens"— is at the apex of the pyramid of Corporate Social Responsibility' (CSR)[19]. It must be emphasized that this type of philanthropy mostly takes the form of cash and in-kind donations as well as time donations (corporate volunteering) (Gautier and Pache, 2015). Irrespective of donations, corporations organise their philanthropic activities either through a direct giving initiative or an established foundation (Duquette and Ohrn, 2018; Peterson and Su, 2017; Petrovits, 2006; Roza et al., 2020). There is also the cause-related marketing approach[20] in which philanthropy is tied to the sales of a company (Tilson and Vance 1985; File and Prince, 1998). At present, the changing trend of corporations implementing their social responsibilities via foundations has incited some research focus on corporate foundation giving (see Mukherjee et al.,2015; Peterson and Su, 2017;

[19] Aside the philanthropic responsibility of corporations, other responsibilities on the CSR pyramid include economic, legal and ethical (Carroll, 1979, 1991).

[20] This approach was pioneered by the American Express Company in 1981 (Tilson and Vance,1985; Gautier Pache, 2015).

Webb,1994; Werbel and Carter,2002). Many large corporations have embraced the establishment of a foundation as the most strategic and effective vehicle of corporate giving (Jordan and Hartley, 2014). Nevertheless, little is known empirically about the practice of corporate giving formalized through foundations.

In Africa, corporate foundations constitute an important aspect of the corporate philanthropic landscape, mostly serving as the vehicle for discharging philanthropic activities. They are known as non-profit entities founded and funded by their parent companies with an overarching aim of making a difference by donating to charitable causes[21]. As highlighted in Sy and Hathie (2009), corporate foundations usually maintain the name of their parent companies which, in most cases, provide the funds to organise and execute philanthropic initiatives. Normally, this is done to create business value and enhance the brand image of the company. Owing to this, scholars have often criticized the nature of corporate foundations as a tool for "exploiting social causes" (Bethmann and von Schnurbein, 2015). At the operational level, a formal structure is often constituted by both local and multinational companies to manage their corporate foundation giving. For most corporate foundations, the board of directors/trustees comprising executive and non-executive directors as well as the remaining staff drive the foundation to ensure its mission is fulfilled. In all cases, the final decision of a charitable donation rests entirely on the board of directors/trustees of corporate foundations (Mindlin,2012). These board of directors or trustees are mostly people designated to act in prudence to contribute positively towards the management of their corporate foundations (Charity Commission, 2009).

[21] This is akin to the European Foundation Centre's (2005, p.1) definition of a general foundation as a "non-profit body with own sources of income and a governing board whose financial resources are for public benefit purposes"

Today, there is an emergence of corporate foundations in Africa, mostly founded by multinational and indigenous companies. In the western sub-region of Africa, Kumi (2020) attributed the present focus on corporate foundations to the renewed interest and importance of corporate philanthropy. He emphasized that these foundations are special purpose vehicles through which companies implement their philanthropic agenda. Further, he stressed that a large number of these corporate foundations have been established in the telecommunication, extractive and manufacturing sectors, with notable examples such as UBA Foundation, MTN Foundations, Vodafone Ghana Foundation, Sonatel Foundation, Orange Foundations, Golden Star Development Foundation, Newmont Ahafo Development Foundation (NADeF) and Aliko Dangote Foundation (ADF) (Andrews, 2019; GIZ, 2013; Kumi,2019a; Kumi,2020; Sy and Hathie, 2009). This is equally true for the corporate foundation landscape in the other sub-regions of Africa. Like those in West Africa, some multinational companies have also established foundations to implement their corporate social responsibilities. For instance, there are Broll and MTN Foundations in South Africa, Vodacom Foundations (South Africa, Lesotho, Tanzania), Safaricom Foundation in Kenya, and Telecom Foundation in Mauritius.

It is refreshing to note that the role played by these corporate foundations in Africa had been enormous and cannot be overemphasized. Predominantly, lives have been impacted positively in the areas of education, health, entrepreneurship, security, environment, and economic and gender empowerment. For instance, in the area of education, the Vodacom foundation in South Africa since its inception until now has impacted the lives of 1.5 million students by training over 50,000 teachers in Information and Communication Technology (ICT) usage in the classroom. Again, teachers and students have been supported with ICT equipment and solutions worth R4.2 million. In 2014, the foundation spent R46 million out of the total budget of R104 million on education and its related projects[22]. Similarly, some corporate foundations through strategic partnerships have contributed immensely towards health outcomes and infrastructure in Africa. In recent times, as the COVID-19 pandemic presents a gloomy outlook for African countries, most corporate organisations through their foundations have responded with some cash and in-kind donations. For example, the UBA foundation donated a cash amount of N500 million to the Federal Capital Territory and the Centre for Disease Control in Nigeria to help combat the spread of coronavirus.[23] In Kenya, the Safaricom Foundation has also supported the health centres at Murang'a County in the fight against COVID-19 with some donations of personal protective equipment and medical equipment worth KES 3 million (Safaricom Foundation, 2020). Aside from the incredible interventions by the ADF in the areas of health and education in Africa, huge donations have also been made to support empowerment and humanitarian causes. Over the past 20 years, the ADF has tackled poverty by empowering the women of Nigeria through a human capital development initiative. So far, N230 million has been disbursed as micro-grants to the women in the Kogi State. For humanitarian relief, the ADF through the World Food Programme in 2010 supported the Pakistan flood victims with a donation of US$2 million.[24] Apart from this support provided by the corporate foundations, they also have the potential not only to step up their companies' reputation but serve as a public relations tool to communicate their companies' philanthropic achievements (Fombrun and Gardberg, 2000; Westhues and Einwiller, 2006).

In Ghana specifically, corporate philanthropy is voluntary and self-regulated (Kumi, 2019b), and is at its exciting stage. Many stakeholders, including the government, have begun conversations on how to create an enabling environment for corporate giving to thrive in Ghana. On the side of

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[22] For details, see https://vodacomfoundationsa.co.za/about-the-vodacom-foundation/
[23] See https://www.ubagroup.com/UBA-Foundation-joins-the-battle-against-COVID-19
[24] See https://dangote.com/foundation/about-foundation/

corporate leaders, there is a renewed energy to assist the government on the transformative agenda of "Ghana beyond aid".[25] Until recently, the familiar approach of Ghanaian corporate philanthropy has mostly been companies directly donating resources to help solve identified societal problems. As far as the 1970s, businesses were socially responsible, and this manifested into various forms of donations. A notable example is the Akwaseho Hospital build in 1975 by Joshua Kwabena Siaw, the owner of the first largest African-owned brewery company called Tata Brewery Limited (now referred to as Guinness Ghana Breweries). His other donations include medical equipment to the Korle-Bu Teaching Hospital and a host of welfare contributions to the employees of the company and their families (such as free transport to work, subsidized canteen and medical care).[26] Due to this, J.K Siaw and his company earned a "reputation in the field of corporate philanthropy before the term became common" in Ghana (UNDP, 2017, p. 33).

The "new era" of corporate philanthropy in Ghana has witnessed the rise in the establishment of foundations as a more formalized, dedicated, and long-term approach to managing corporate giving. As highlighted in Kumi (2020), the majority of corporate foundations have been set up by multinational companies in the telecommunication, extractive and manufacturing sectors. MTN Ghana Foundation, Vodafone Ghana Foundation, Newmont Ahafo Development Foundation, Melcom care Foundation, Ghacem cement Foundation and Goldfields Ghana Foundation are good examples of these initiatives. It is important to mention that although these foundations mirror the broad giving strategies of their foreign-based parent organisations, implementation of those strategies has reflected the needs of the Ghanaian society, mostly in the areas of education, health, environment and community development (Amponsah-Tawiah and Dartey-Baah, 2016). In many

[25] See https://www.sdgphilanthropy.org/The-Power-of-Corporate-Ghanain-Philanthropy

[26] See Antwi (2003) on 'Ghana: J.K. Siaw Remembered'

instances, there are local consultations with chiefs and other stakeholders like the government and civil society organisations before large projects are executed (Kumi et al. 2020; UNDP, 2017). Indeed, a number of these philanthropic initiatives have equally been undertaken by indigenous corporate foundations such as Gracecoms Foundation, McDan Foundation, Databank Foundation and Ghana National Petroleum Corporation Foundation. For instance, the McDan Foundation established by the McDan Group of Companies has created enormous impacts on Ghanaian society through its philanthropic initiatives in the areas of health, education, sports and entrepreneurship for the youth. Most recently, the foundation, as part of its health projects, supported the 37 Military Hospital of Ghana with three dialysis machines amounting to US$ 57,000.[27]

Despite the heightened research focus on corporate foundations in recent times, there are still calls for further investigations (see Roza et al.,2020; Kumi, 2020). The extant literature is at its infancy stage and to a large extent has focused on understanding the role and governance of corporate foundations (Bethmann and von Schnurbein, 2020; He and Wang; 2020; Haski-Leventhal; 2020; Mukherjee et al.,2015; Renz et al., 2020; Werbel and Carter,2002); and government policy implications for corporate foundation giving (Webb,1994). Other empirical studies have also described the nature of corporate foundations in Europe (Gehringer and von Schnurbein, 2020), the United States (Tremblay-Boire, 2020), Latin America (Rey-Garcia et al., 2020), Russia (Krasnopolskaya, 2020). Regardless of these attempts, there is a dearth of empirical studies explaining the practice of giving among corporate foundations. As emphasized by Kumi (2020), in his analysis of the African philanthropy landscape, "the extant literature on CSR fails to offer useful insights into the scope, size and giving structures and giving patterns of corporate foundations" (p.15). This suggests that there is less empirical attention on the giving practices of

[27] See https://mcdanfoundation.org/blog-3/

corporate foundations, especially in Africa, as most of the information on the subject is gleaned from public discourses. In response, this chapter focuses on Ghana and studies the practice of giving among corporate foundations.

Empirically, we ask the following questions: (i) What are the motives of giving among corporate foundations? (ii) What are the priority areas of giving, and the specific giving strategies of corporate foundations used to identify and support beneficiaries? (iii) What opportunities does corporate giving present to corporate foundations and their parent companies? and (iv) What are the challenges that hinder giving among corporate foundations? Addressing these questions is the main contribution of this chapter as its understanding is limited in the corporate philanthropy literature. It is imperative that a study like this is conducted to deepen understanding of corporate philanthropy. Specifically, it will help reveal the nature and the logic behind philanthropy as practiced by corporate foundations in developing economies. Additionally, the outcome of the study will potentially assist policymakers and practitioners in providing a helpful roadmap to the creation and implementation of strategies for more and greater-impact corporate philanthropy.

The rest of the chapter is structured into five sections. While section 3.2 presents a theoretical and empirical literature review on corporate philanthropy, a discussion of methodology follows in section 3.3. We present and discuss the empirical results in sections 3.4 and 3.5 respectively. Finally, the concluding remarks of the chapter are discussed in section 3.6.

3.2 Literature review

The literature review is organised in twofold. While the first section reviews existing theoretical paradigms that explain the motives of corporate philanthropy, the second provides an empirical discourse on related studies on corporate foundation giving.

3.2.1 *Theoretical models of corporate philanthropy*

Corporate philanthropy has been described as “the oldest form of corporate social behaviour” (Tilson and Vance, 1985, p.26). The theoretical argument surrounding this corporate behaviour is mixed. While Friedman (1970) argues that “corporate giving is not the responsibility of a business”[28], most scholars contend that corporate giving is a worthy cause and that, businesses should recognize it as a voluntary contribution for public benefit (Gautier and Pache, 2015). In the literature, scholars have always asked this question: “why would businesses instead of increasing shareholders profit donate voluntarily to support charitable causes?” Answers to this question have been multidisciplinary, mostly provided from the economics, management and sociology disciplines (Abzug and Webb, 1996). This chapter aligns with the economics perspective to understand the motives and practice of corporate giving, in this case, through the lens of corporate foundations. Therefore, we draw on the theoretical models including altruism, profit maximization, and political and institutional power espoused by Sánchez (2000) as a basis to explain the rationale behind corporate giving or possibly help explain why firms set up foundations. These models of corporate philanthropy are discussed below.

a) Corporate philanthropy model of altruism

This theory of corporate philanthropy is non-strategic as firms engage in philanthropy with an “unselfish concern” towards helping people in society (Abzug and Webb, 1996). Imperatively, firms that practice altruistic philanthropy are considered independent of the pressures of generating profit. This suggests that managers of these firms will prioritise their charitable goals not to have linkages with their corporate performance (Sánchez, 2000). Neiheisel (1994) emphasized that the

[28] This argument is a neoclassical economics viewpoint accentuated by Milton Friedman. He asserts that “the social responsibility of business is to increase profit “and that, corporate giving is “an inappropriate use of corporate funds in a free-enterprise society” (see Friedman, 1962, p.114; Abzug and Webb, 1997).

altruism theory of corporate philanthropy tends to weakly explain the philanthropic behaviour of firms in most societies because it disregards the strategies and profit maximization goals of firms.

b) Corporate philanthropy model of profit maximization

This is a strategic model of corporate philanthropy which was built on the premise of "enlightened self-interest"–an extended neoclassical perspective of corporate philanthropy (Gautier and Pache, 2015). In this model, firms will only engage in corporate philanthropy as long as there is some certainty of economic gain or benefit in the future (Bock et al., 1984). These benefits could be in diverse forms. First and foremost, the corporation will be regarded as a socially responsible firm for engaging in corporate philanthropy. Additionally, employees of the firm will be motivated to deliver their best to the firm. Moreover, firms will receive more hospitality from communities and the state (Stendardi Jr., 1992). Finally, there will be more demand for the firm's product. According to Schiller (1988), several have suggested that firms practicing this type of philanthropy can regard it as another tool for marketing and selling their products. A good explanation of this theory is when pharmaceutical firms donate more to support health causes (e.g. donation to hospitals). These firms initiate this strategically to establish a healthy relationship with hospitals and doctors which in turn creates demand for their products as well as access to test new products.

c) Corporate philanthropy model of political and institutional power

Similar to the model of profit maximization, the corporate philanthropy model of political and institutional power allows firms to strategically engage in corporate philanthropy. The point of departure between these models is that whereas firms engaging in philanthropy with the goal of maximizing profits seeks economic gains, firms using the model of political and institutional power looks for political recognition and return on their investment. With the shareholders of the firm in mind, the firms always seek to protect their broader corporate environment. This theory also posits that firms practice this type of philanthropy to look for power and legitimacy in the political and institutional atmosphere (Neiheisel, 1994; Sánchez, 2000). Firms will be friends of the public, regulators and politicians for engaging in philanthropic acts in communities.

To sum up, it is imperative to note that the reason firms set up foundations could be linked to these models of corporate philanthropy. Firms with any of the above-mentioned motives would endeavour to implement philanthropic projects by establishing a foundation. Beyond serving as an effective instrument of corporate philanthropy, corporate foundations have the potential to solve agency and resource dependence problems (Minefee et al. 2015).

3.2.2 *Empirical literature review*

Studies on corporate foundations have been discussed in the literature but are diffused. We organise the corporate foundation literature into three strands. The first strand is on the role of corporate foundations. A good example is a study by Westhues and Einwiller (2006). They relied on qualitative data from five main corporate foundations in Germany to analyse the inter-relationship between companies and their foundations. The study highlighted the board of trustees and corporate communications as channels through which activities of corporate foundation aligns with its company. Further, the study established that the benefits companies receive from their foundations are mostly perceived as indirect and long-term. And that corporate foundations play the crucial role of serving as a tool for delivering on the corporate citizen commitment of founding companies. With regard to the strategic role of corporate foundations, Petrovits (2006) established that a corporate foundation is an alternative tool for managing earnings as it supports firms to accomplish their financial reporting objectives. Mukherjee et al. (2015) also found that giving back the society, consolidating the company's corporate social responsibility activities spread across various locations, creating a buffer zone between the main company and the community, improved branding and tax benefits accruing from contributions to the foundations, among others are the motivating factors to establish a corporate foundation in India. Again, it was established in the study that foundations and their parent companies share an interesting relationship, which stretches much beyond the donor-donee dynamics. Specifically, it was revealed that corporate foundations in India play these crucial roles: (i) sensitize their parent companies on the developments of social problems and (ii) serve as “the eyes and ears of the company when engaging with communities.” In a recent study, Rak (2020) used corporate foundations in Poland to empirically show that corporate foundations are an important vehicle for organizing and implementing corporate philanthropy.

The second strand of the literature also focuses on the governance of corporate foundations and their relation to corporate giving. Werbel and Carter (2002) studied the Chief Executive Officer (CEO’s) influence on corporate foundation giving using a sample of 160 corporate foundations in the United States of America. Evidence from the study indicated that the CEO’s interest was significantly associated with corporate foundation giving and that this association decreased when the CEO’s were absent from the foundation board. This finding had implications for the agency theory as well as stewardship theory. Similarly, Pedrini and Minciullo (2011) used data gleaned from 70 corporate foundations in Italy to explore the effect of corporations’ interest in their related foundations. The authors found significant evidence that shows that the structure and activities of corporate foundations are mostly influenced by the interest of their founding companies. Based on this finding, they categorized corporate foundations into three clusters namely edifier, granter, and expert. Minefee et al. (2015) studied the governance practice of corporate foundations in the United States of America. Their findings indicate that most corporate foundations manifest a governance structure that is peripheral with low internal competency and external constituency. This implies that the board of trustees or directors of the corporate foundations only assess and approve grant applications after due diligence have been conducted and recommendations are made by foundation employees. Given this finding, the study further described most corporations as less strategic since their corporate giving does not align with their business focus.

The last strand is on government policy implications for corporate foundation giving. A study by Webb (1994) examined tax and government policy implications for corporate foundation giving. The study finds that tax and government policymakers can affect the timing and amount of corporate charitable donations by changing the corporate marginal tax rate, the social perceptions of corporate charitable activities, the rulings on tax liability for foundations, and laws on the deductibility of corporate gifts. Relying on data from firms with a charitable foundation from 1998 to 2012, Duquette and Ohrn (2018) found a positive relationship between foundation firms and their pay-out behaviour after a tax cut. This suggests that firms with a foundation have a greater tendency to increase their pay-outs after a tax cut. Nevertheless, they further established that the increase is not immediate after the tax cut.

In Ghana, the literature on corporate philanthropy is at its early stage. Instead, what abounds is the broad empirical evidence on CSR. Some of these studies are reviewed here. For example, Ofori and Hinson (2007) using an in-depth, comparative and exploratory approach explored the perspectives of leading firms with regard to their corporate social responsibility in Ghana. The results from the study indicated that while the international-connected firms are more strategic, moral and ethical in their approach to CSR, the local firms' approach to CSR is the reverse which suggests that these firms subscribe less to the modern notion of CSR. Similarly, Kuada and Hinson (2012) studied the corporate social responsibility practices of local and foreign companies.

Evidence from the study indicates that whereas CSR decisions of local companies are directed by social and discretionary considerations, the foreign companies in Ghana also directs their CSR decisions on legal prescription. The study further showed that the socially oriented CSR practices of local companies are in harmony with the Ghanaian culture of wealthy individuals supporting the poor in society. In a related study, Ofori et al. (2014) use a sample of 22 Ghanaian banks to examine the nexus between corporate social responsibility and financial performance and concludes that a positive relationship exists between the practices of CSR and financial performance. However, they further observe that the financial performance of banks is independent of their CSR practices but rather depends on factors such as firm size, origin, growth and debt ratio. Amponsah-Tawiah and Dartey-Baah (2016) explored the practices of CSR at the sectoral level in Ghana. Findings from the study suggested that while the banking, telecommunication and manufacturing sectors engage in CSR with a marketing motive, the extractive and agricultural sectors also practice CSR to achieve their community relation objectives. On the contrary, religious bodies involvement in CSR is driven by charitable motives. Abukari and Abdul-Hamid (2018) examined CSR reporting among telecommunication companies in Ghana and found that these companies poorly disclose their CSR issues on their website. However, it was clear in the study that companies mostly engage in corporate philanthropy. This is consistent with the finding of a previous study by Abugre and Nyuur (2015) who also found that Ghanaian companies mostly rely on corporate philanthropy as evidence of their CSR engagements. More recently, Kumi et al. (2020) explored the potential role and limits of private-sector CSR in achieving the SDGs in Ghana. Relying on data from the CSR initiatives of companies in the telecommunication and mining sectors, the study revealed some potential roles of the private sector in advancing the SDGs in the areas of social infrastructure and employment creation. Nevertheless, these roles were found to be inhibited by “the short-term nature of interventions and lack of coordination between private sector actors and meaningful community participation.”

Evidently, the above-reviewed literature has generally focused on the nature and role of corporate foundations; governance of corporate foundations and its relation to corporate giving; government policy implications for corporate foundation giving without delving into the giving practices of corporate foundations. More so, it is clear that the traces of literature on corporate philanthropy in Ghana can be found in the broad literature of CSR, which are limited in providing understanding on the corporate giving motives, priorities, strategies, opportunities, and challenges. As the interest in African philanthropy including corporate philanthropy has started rising and gained momentum in the past few years (Moyo and Alagidede, 2020), there is a specific need to thoroughly examine corporate philanthropy and the medium through which it is organised. This chapter aims to explore corporate philanthropy through the lens of corporate foundations. This is due to the paucity of literature on the subject as well as the recent rise in the establishment of corporate foundations. Corporate foundation giving research has blossomed in recent times and, therefore, warrants enough studies to provide an improved understanding of the phenomenon. In contributing to the literature, we conduct a systematic inquiry into the practice of giving among corporate foundations in Ghana. In particular, we explore the motives, priority areas, strategies, opportunities and challenges of corporate foundation giving. The next section discusses the methodology for pursuing our research objectives.

3.3 Methods

3.3.1 *Research design*

For this exploratory study, we apply a qualitative approach involving the use of semi-structured interviews held with heads or representatives of seven (7) corporate foundations. Qualitative approach was deemed appropriate to provide thick and rich description of the corporate foundation giving phenomenon which has remained implicit in the extant literature (Doz, 2011). Among the issues explored include motives, priorities, strategies, challenges, and opportunities of corporate foundation giving. The participants were purposely selected from private and government-sponsored corporate foundations based on their knowledge and expertise on giving within the corporate foundation landscape.

3.3.2 *Data collection*

Prior to the start of data collection, ethical approval for the research was obtained from the Human Research Ethics Committee (Non-medical) at the University of the Witwatersrand (Protocol number H19/11/53).[29] The qualitative data was collected between January and March 2020 using in-depth face-to-face or telephone interviews[30], which are semi-structured to allow respondents to express their viewpoints (Flick, 2002). This was achieved by first sending recruitment letters or emails (including participant information sheets) to the identified corporate foundations. Out of the ten corporate foundations, seven accepted the invitation to participate in the study. The remaining three declined our request because their board of directors did not approve it. Having consented to participate in the study, the interview guide and consent form were sent to all corporate foundations and they scheduled meetings with the interviewer to commence data

[29] See Appendix 15

[30] A sample of the participant information sheet, interview guide, consent form, and recruitment letter are shown in Appendices 7-10 respectively.

collection. On the day of all interviews, the rationale for the study was reiterated to all participants. In addition, it was emphasized that participation in the study is not coerced and that, participants have the right to withdraw from the study at any point in time. Participants were also assured that their responses will be anonymized and treated with the utmost confidentiality. Finally, verbal consent to record interviews was obtained. All interviews were audio-recorded using a digital voice recorder and lasted averagely 30 minutes.

3.3.3 *Data analysis*

The analysis of data was inspired by the simultaneous approaches to qualitative content analysis espoused by Graneheim and Lundman (2004), and Elo and Kyngäs (2008). Content analysis is preferable because of its advantage to condense data and provides a systematic description of the phenomenon under study (Elo and Kyngäs, 2008). Besides, it is the best approach because the literature on corporate foundation giving is at its infancy stage (Lauri and Kyngäs, 2005). This analysis was performed relying on both deductive and inductive strategies, and it involves several steps. It started when interviews recorded during data collection were transcribed verbatim and labelled separately for all participants. Subsequently, all the transcripts were read thoroughly to familiarize with the data and achieve immersion (Burnard, 1991; Polit and Beck, 2004). Following this, meaning units (e.g. words, sentences, and paragraphs) based on the research questions were identified within the texts and labelled with codes. This was done through the process of open coding. These codes were reviewed and revised as new codes emerged. Categories and sub-categories were then created by clustering codes with similar attributes, and this was done through a constant comparative approach. Cavanagh (1997) asserts that generation of knowledge, increasing understanding and describing a phenomenon are the importance of developing categories. The emergent categories were then discussed in relation to the research questions.

We followed the criteria of Graneheim and Lundman (2004) to seek agreement among experts during data analysis. Specifically, it was done by employing the services of a second coder who is familiar with qualitative data analysis. This helped to compare the codes and discuss the results of the study. Besides, quotations from the transcribed text were also shown. These were done to ensure the reliability and validity of our results.

3.4 Results

3.4.1 *Characteristics of corporate foundations*

The data were collected through semi-structured interviews with heads or representatives of seven corporate foundations. As preliminary findings, we summarized the characteristics of these corporate foundations in Table 3.1.

Table 3. 1: Summary of characteristics of corporate foundations

Corporate Foundation (CF)	Year of establishment	Number of employees	Board size	Gender (CF Head)	Years of experience (CF Head)
CF 1	1997	4	7	Female	4
CF 2	2017	5	7	Male	20
CF 3	2013	4	7	Female	15
CF 4	2007	7	9	Male	12
CF 5	2009	2	9	Male	4 months
CF 6	2017	44	7	Male	14 months
CF 7	2002	2	4	Male	20

Source: Author’s Fieldwork, 2020

It is important to state that our sample comprises both private (6) and state-owned (1) corporate foundations. These corporate foundations were founded between 1997 and 2017 by companies whose sectors of business include finance, telecommunication, extractive and manufacturing. Except for the state-owned corporate foundation who has a large number of employees (44), the rest, which are private corporate foundations, have their total number of employees ranging from 2 to 7. Noteworthy, all the corporate foundations are governed by a board of directors or trustees whose minimum and maximum sizes are 4 and 9 respectively. It can also be observed that corporate foundations with male heads are relatively higher than those with female heads. Most of these heads have over 4years of experience in corporate giving.

In the subsequent sections, the results are presented under five categories and twenty-three sub-categories (see Table 3.2). This helped provide a more nuanced understanding of corporate foundation giving.

3.4.2 *Giving motives of corporate foundations*

The motive for corporate foundations to engage in charitable giving differs as highlighted by participants. While most of the participants stated that their foundations engage in corporate giving to create more societal impacts, improve infrastructure in rural areas, and supplement the government's development efforts, only one participant emphasized the motivation of raising the profile of the parent company.

a) Create societal impacts

According to participants, one of the central motives of corporate foundations is to create societal impacts: *"We need to impact our society. We understand that the fingers are not equal [...] So, when we hear a story or when we receive a proposal, and we think that this is critical, this is worth supporting, this falls within the areas we support. The team will meet, evaluate it. We engaged* *other partners. We engaged the people involve and do all the necessary groundworks and once we are convinced that it is worth supporting, even from our own sources, we set in place the implementation plan and get it done"* (Corporate Foundation 2).

Table 3. 2: **Overview of results**

Categories	Sub-categories
Giving motives of corporate foundations	• Create societal impacts • Improve infrastructure in rural areas • Supplement government's development efforts • Raise profile of parent company
Giving priorities of corporate foundations	• Education • Health • Economic empowerment • Environment and social amenities • Sports
Giving strategies of corporate foundations	• Request strategy • Media-lead strategy • Adoption strategy • Contest strategy
Opportunities associated with corporate foundation giving	• Serve society • Goodwill from the public • Partnership opportunities • Indirect businesses for parent company • Advertise products of parent company
Giving challenges of corporate foundations	• Insufficient funding • Lack of support from stakeholders • Managing expectations of individuals • Poor maintenance culture • Cultural barrier

Source: Author's Fieldwork, 2020

b) Improve infrastructure in rural areas

Another important motive of corporate foundations is to advance infrastructure development in rural areas: *"[...] the rationale is to support the development of health and educational infrastructure in rural Ghana. That is the priority because we talk about schools under trees; we talk about Community-based Health Planning and Services compounds that are uncompleted and hiding in bushes because government budgetary allocation is insufficient. We support fresh projects and projects that need rehabilitation"* (Corporate Foundation 7).

c) Supplement government's development effort

Corporate foundations' motive to complement government's development initiatives was expressed by one participant as follows***: "****We appreciate the fact that government cannot do it all and we cannot do it all"* (Corporate Foundation 2*).* Another participant also mentioned that: *"Giving to support our communities because we realised that the government alone cannot do all of these things. So, the company does it as a way of supporting what the government is doing"* (Corporate Foundation 4)

d) Raise the profile of the parent company

As emphasized by one participant, raising the profile of the parent company is also a motive for engaging in corporate foundation giving: *"So our company didn't use to but thought it wise that it will raise the profile of the company if we should give back to society and support the government*" (Corporate Foundation 7).

3.4.3 ***Giving priorities of corporate foundations***

Corporate foundations are characterized by diverse giving priorities. All participants cited at least two giving priority areas of their corporate foundations resulting in five main categories including education, health, economic empowerment, environment and social amenities, and sports. Of these, education, health and economic empowerment were mentioned many times by participants, serving as the three main priorities of corporate foundation giving.

a) Education

Corporate foundations' support for the educational sector is wide-ranging and generally aimed at improving educational outcomes. In this study, we found education as one of the top giving priorities of corporate foundations. As highlighted by participants, giving to education encompasses literacy and mentorship programmes, provision of infrastructures and educational materials, provision of ICT solutions, a trust fund for employees' children, and other scholarships programmes. Excerpts from some of the participants are shown below:

> *"In education, we have two programmes. We have a literacy programme (Read aid programme) for lower primary schools and we run this in the Adabraka* [a suburb of Accra] *cluster of schools right here. So, there are four schools in their compound. For each of the schools, we support class 1 and 2 pupils. Again, we work with volunteers and buy them books and three times a week, we have some of our staff with the volunteers helping the kids to read. So, we work with the head teacher and teachers [...] We have a school in Takoradi where the same programme is run for them. I think we've also done outreach programmes around this project where we went to a village and supported a couple of kids. There was a small community library, we bought a television, furniture, and other things for them. That's just one of the programmes.*" (Corporate Foundation 1)

> *"The other educational programme [...] that's for the Senior High School. We call it young leaders mentorship programme [...] Right now, we have three schools in Accra, one school in Kumasi and one school in Tamale. And we pick second-year students from each of these*

schools and recruit fifteen to twenty of them. We have a recruitment process and once you're recruited, you are assigned to a mentor. Again, we have a different recruitment process for volunteers. So, we have a pool of about seventy volunteers. The volunteer mentor is assigned to a mentee for one year and they help guide them [students], *check on them. Some of them have academic issues, [...] Some of them want to talk about choosing a programme at the university, how to study to pass the West African Senior School Certificate Examination (WASSCE). So, they* [volunteer mentors] *just basically guide them through that and then, we phase them out when they* [students] *go to the third year but they are still in our pools. So, when they finish WASSCE and get admission into the University, we also give them a 4-year scholarship."* (Corporate Foundation 1)

"In the area of education, we provide based on a request we get; infrastructure (four to six-unit classroom block), provide desks, we support teacher development programmes, we donate learning materials to schools, we pay schools fees of needy but brilliant children up to the tertiary level. So, that is for education." (Corporate Foundation 2)

"For education, we have got a trust fund for employees' children. If they reach the benchmark, then they submit to us their report cards, the school fees etc. of the child and we give scholarships." (Corporate Foundation 3*)*

"When it comes to education, we have a platform called Instant schools where we work with the various schools under Ghana Education Service to ensure that they understand it. So, it is a free online platform where we have the curriculum of Mathematics, English, Science and then you go there to learn. When you are on our network, it's free but if you are on other networks, you get charged for browsing. So, it is a zero-rated website." (Corporate Foundation 5)

b) Health

Health also emerged as another top giving priority of corporate foundations. Participants constantly stressed that donations made by their corporate foundations to the health sector generally seeks to improve health outcomes and infrastructure. Exemplars of quotes describing the health priorities of corporate foundations are highlighted below:

> *"On health, what do we do? We do receive requests from communities, from persons who have various ailments, who will need some support for some hospitals, for some clinics. And then we provide funding, we pay medical bills and stuffs like that. So, that is basically what we do"* (Corporate Foundation 2).
>
> *"For health, mainly the priority area is maternal health. So, most of the projects have been around refurbishing maternity blocks or building maternity wards for certain communities across Ghana*" (Corporate Foundation 4).
>
> *"We also do free health screening and ultra-sound scan in communities. So, we move from communities to communities and give them free health screening"* (Corporate Foundation 5)
>
> "*For the mental health care for children, [...] It's basically centred around supporting abandoned children with mental disabilities. Over the years, the foundation has adopted the children's ward at the* [name of a psychiatric Hospital] *which is home to right now fifteen young adults who are permanently resident in the hospital [...] We support the ward, nurses and do training. We hire volunteers and they help them because sometimes they are understaffed."* (Corporate Foundation 1)

c) Economic empowerment

As revealed by participants in the quotes below, corporate foundations have given high priority to the economic empowerment of individuals, particularly the youth, women and others in the informal sector. Mostly, individuals are supported in diverse ways to gain employable skills to further enhance their standard of living.

> *"Basically, it has to do with projects on youth empowerment. And then we concentrate mainly on people who haven't had formal education or people who have had a formal education, but maybe finished Junior High School and are dropped out of school. So, a lot of the projects are targeted at giving them employable skills. We also deal with women in the informal sector [like those in shea butter and palm oil productions]"* (Corporate Foundation 4).

> *"The entrepreneurship development, what we as a foundation does is to promote self-development and the attitude of can-do spirit among the youth [...] For those who intend to work for themselves; those who have business ideas, those who have solutions to identified problems, we test those ideas and give them a platform [...] So, we provide funding(equity) and mentorship to give them the start-ups possibility"* (Corporate Foundation 2).

> *"The economic empowerment pillar focuses on livelihood enhancement of inhabitants in the Western enclave and Voltaian basin [...] our activities relate to providing support for key economic activities such as farming and fishing; support artisans financially to help them acquire professional certification and donation of equipment and tools for their start-ups; provide business soft skill training for artisans."* (Corporate Foundation 6)

"We go to, let's say, Accra, set up a five-day programme to teach basic coding and we ensure that from there you will be able to, you know, build up some kind of entrepreneurship skills." (Corporate Foundation 5)

d) *Environment and social amenities*

Corporate foundations also place some priority on environmental protection and improving social amenities in deprived communities. This is how it was explained by one participant:

"We invest to protect the environment and improve the social conditions of Ghanaians. We support the environmental protection and sanitation activities in our areas of operation by embarking on clean-up campaigns. We construct boreholes in deprived communities, amongst others." (Corporate Foundation 6)

e) Sports

Sports emerged as one of the least giving priorities considered by corporate foundations. Only one participant mentioned sports as a focus area and stated that: *"[...] we are currently building Astroturf in various communities to promote sports development, identify talent and ensure that we nurture these talents for the development of the country and of course, for the individual's development*." (Corporate Foundation 2)

3.4.4 *Giving strategies of corporate foundations*

Four categories emerged as strategies used to identify and support beneficiaries of corporate foundations' giving programmes. They are labelled: (i) request strategy (ii) media-lead strategy (iii) adoption strategy and (iv) contest strategy.

a) Request strategy

This is one of the strategies consistently employed by corporate foundations to identify and support potential donee. Corporate foundations daily receive a request for support from individuals, communities and organisations as highlighted by one participant: *"Normally, we receive an application from the schools and hospitals in question. I have been running for close to 20 years, the education and health sectors are aware of the foundation's work. So, day in day out, we receive applications from them."* (Corporate Foundation 7). This was reiterated by another participant as follows: "*There are requests that come from individual communities, persons. So, they put in an application and then we follow through*." (Corporate Foundation 2). After a request is made, it goes through vetting for needs assessment (i.e. due diligence) before finally approved or disapproved by the board of trustees or directors. This decision-making process was explained by one participant who is a leading staff of a corporate foundation: *"All charitable giving decisions are typically done by first conducting a needs assessment. If the beneficiary is an entity or community, a select team from the unit concerned together with the auditor and/or the monitoring and evaluation team visit the prospective beneficiary for an assessment. A report is then written with recommendations to the board of trustees to make a decision. Charitable giving decisions are majorly carried out by the board of trustees."* (Corporate Foundation 6).

b) Media-lead strategy

The media plays a critical role in corporate philanthropy. As evident in this study, most corporate foundations have reliably use the media to identify prospective beneficiaries of their corporate giving programmes. This was explained by a participant as highlighted below:

> "*There are those that we pick from the media. So, for example, I'm watching television or I'm listening to a radio programme or any of us hears of pupils in a community that is learning*

under trees, and we think that this is something that we can mobilize resources not just from our own but we can get others to support us to remove these kids from learning under this mango tree and put up a two or three or four-unit classroom block. If it's about that one, where let's say it's a media-lead, we will send a team there to talk to them and meet the opinion leaders or the chiefs, listen to them and know exactly what they require. Where there is land and the people are willing to contribute and when I say contribute not financially; let's say the youth there are prepared to contribute so we can cut down on cost, for this is a charitable project. So, for example, if we can get about 50 or 60 masons and carpenters and said that look, we will provide food, instead of you charging us GH¢60 [US$10.2] *a day, we can pay GH¢ 30* [US$5.1] *a day. So, we do this 6-unit classroom block for you. We have our architects who do design and then we go through the processes and then ensure that it is done, do the sword-cutting and of course, we need to make sure that we have an idea of how much it will cost and then where we think the budget is beyond our control, assuming the project will cost us let's say GH¢ 300,000* [US$51,120]. *If we have about GH¢150,000* [US$25,560], *we will go to* [name of a company] *and say look, there is this project we have seen that we think is worth supporting, it will require about 3000 bags of cement. We are prepared to buy about 1500 bags, can you support us with about 1500 or 1000 bags? And they say okay, we can give you 1000 bags, the other 500 bags we can give you a rebate, maybe half price. We secure it, buy the necessary things [...]. If we need to, let say, get to* [name of a company] *to provide some computers and some network to support, let's say, a library project. We do all those things and get all those partners involved and make sure they also get the necessary mileage that is expected of us. When we complete the project, we hand it over to the community. Then, we monitor its use."* (Corporate Foundation 2).

c) ***Adoption strategy***

Another strategy is labelled adoption. Instead of receiving a request from the populace or organisations, corporate foundations based on certain criteria (such as proximity, under-resourced institutions and urgency of a community's need) select and support their beneficiaries. One participant explained that: *"Over the years, the foundation has adopted the children's ward at the* [name of a psychiatric hospital] *[...]"* (Corporate Foundation 1). The participant emphasized that this same approach applies to other focus areas of giving and mentioned proximity as the reason for relying on the adoption strategy: "*Yes!* [responding to the use of the adoption strategy] *For the public schools here, it was proximity because we have to and be able to manage the programme, visit the students, and also, we wanted our staff to be able to get involved [...] It's about a ten minutes' walk, so our staff can go and also take part in the reading sections as well as the volunteers"* (Corporate Foundation 1). In addition to proximity, under-resourced institutions were mostly selected, and this was emphasized as follows: *"They are schools that mostly don't have good science laboratory, not very well equipped, not very well resourced [...]. These were the criteria for selecting the secondary schools"* (Corporate Foundation 1). Based on the corporate foundation's choice, some communities are also supported: *"Sometimes too depending on what we want in a specific area; we can go to the communities."* (Corporate Foundation 4).

d) ***Contest strategy***

One emerging strategy is also labelled as contest. It is also a strategy that allows corporate foundations to identify and support individuals with outstanding entrepreneurial ideas, especially the youth. Below is a quote from one participant describing the strategy:

> *"That one is a special purpose vehicle. We started last year. [...] We advertised it on social media platforms and we do direct university student engagement where they apply online*

with their business proposals. So, we meet them, engage them, vet their proposals, and then we select [...] So, we go through all these processes, we select, let's say, 10 per region. We interrogate their proposals; we have panel members that will do all those things and then out of that we select a national top 20 [contestants]. *And we go through mentorship sessions and things like that, and then we do the overall grand finale, where the top 10* [contestants] *will meet and do their presentation and then the winner gets US $100,000. For the rest* [contestants excluding the winner], *we get the Ministry of Business Development, Microfinance and Small Loans Centre (MASLOC), Ghana Export-Import Bank to give small loans to them and the foundation act as guarantors for them. So, that is for the entrepreneurship challenge."* (Corporate Foundation 2)

3.4.5 *Opportunities associated with corporate foundation giving*

In this section, we shed light on five categories that emerged as opportunities for corporate foundation giving. These categories include serving society, goodwill from the public, partnerships opportunities, indirect businesses for the parent company, and advertise products of the parent company.

a) Serve society

Corporate foundations through giving have the greatest opportunity to serve and bring relief to the poor in society. This is how some participants put it:

"*We always get approached and get all sort of proposals [...] It has offered us the opportunity to give back to the society on our priority areas"* (Corporate Foundation 1).

"*For us, the opportunity to serve, to bring relief to people in need is good"* (Corporate Foundation 2).

b) Goodwill from the public

As another opportunity, participants stressed that their corporate foundations mostly receive goodwill from the general public for engaging in philanthropy. One participant said: *"Sometimes, we get the goodwill. Because when you build health infrastructure, when you build schools for deprived communities where students never had structures under their roofs, you give people scholarships, it definitely endears people to you. So yes, we get some goodwill from the public because of the projects we do [...] Let's say, we have issues in a particular part of the country, because of some of the social interventions we've done, it makes it sometimes a bit easier to negotiate."* (Corporate Foundation 4)

c) Partnership opportunities

Again, corporate foundations get partnership opportunities as a result of donating to individuals, organisations and communities. Participants expressed that some corporate organisations approach and partner with their corporate foundations to create more societal impacts. This mostly happens after these corporate organisations catch glimpse of commissioned projects of corporate foundations in the media. One participant from corporate foundation 2 expressed that: "*It open doors for the foundation [...] We commissioned a project (six-unit classroom block) for Yendi* [name of a town] *on television; it was captured in the media. You will be there and somebody calls you saying: 'Hey, this thing that you did, it's good, it's worth supporting, do you have a similar project somewhere that we can partner? If yes, can you send a proposal for us to look at it?' So, for example, we did something in Teong* [name of a community], *and when it was shown on television and social media, the CEO of* [name of a company] *called me. And today there is another project we* *are doing at Salaga* [name of a town] *and they are partnering us to build a beautiful library, fully furnished for them. So, that's an opportunity."*

d) Indirect businesses for the parent company

Also, the work of corporate foundations indirectly has the potential to bring businesses to their parent companies. In some cases, it is a requirement for these companies when bidding for business from other companies. This was explained by one participant:

> *"For the group* [parent company], *I will say that indirectly as we do this, there are some organisations that support companies that invest in CSR. So, the group also gets some businesses. Our company can bid for a job and when they bid for the job, there is a requirement on what CSR activation the company engages in. So, if they* [awarding company] *get to know that our foundation has built, let's say, 5 or 6-unit classroom blocks in these particular communities, we are building Astroturf, we have about 100 students on scholarship, etc., at least it empowers them or encourages them to give us business because they know that whatever profit we make, part of it goes into CSR activations [...]."* (Corporate Foundation 2)

e) Advertise products of a parent company

Finally, it was evident as an opportunity that a corporate foundation can use its donations to advertise and sell products of the parent company: *"We have an opportunity of a growing population to be able to appeal to them to use that leverage to impact on our profitability. So, our company is using the foundation to make a 'noise'. When we go for the foundation awards, we use the platform to advertise our products for people to get attuned to the products; those who haven't use them before to use it. There are schools and hospitals we are supporting and if at any given point in time they are doing any project beyond what we give them, they will, first of all, buy from* *our company. Some of them if they are doing huge projects and need some of our products at a reduced price, they come to us. Those are the opportunities. So, there are opportunities."* (Corporate Foundation 7)

3.4.6 *Giving challenges of corporate foundations*

Based on experiences, all participants described some challenges encountered by their corporate foundations when giving to support charitable causes. Five categories emerged and these included insufficient funds, lack of support from stakeholders, managing expectations of individuals, poor maintenance culture, and cultural barrier.

a) Insufficient funding

It was common for participants to describe insufficient funding as one of the challenges obstructing donations of their corporate foundations. One participant claimed that: *"The major one I will say is funding. You know, for example, every day we receive an average of about a hundred requests asking for support in the areas of education and health [...] And when people put in these requests, the urgency that he has received a scholarship to do a particular programme and he needs let's say GH¢10,000 or US $10,000 and immediately we do not have funding. So, funding is a major challenge."* (Corporate Foundation 2)

Another participant added: *"Then again, the other challenge today, I mean huge one is the issue of budgetary allocation. I mean, global financial inflow is dwindling everywhere, and when you are working in a corporate setup like ours, and they are looking at cost-cutting, one of the first places they look out for is CSR. It is easy to cut because it doesn't affect anybody. So, over the period we've suffered budgetary issues because the projections we do, the cases we make for budgetary increase doesn't get anywhere. So is a key challenge."* (Corporate Foundation 7)

b) ***Lack of support from stakeholders***

As evident in this study, giving programmes of corporate foundations have generally received less support from relevant stakeholders including schools and government. For instance, a participant pointed out some challenges encountered when supporting students in a leadership and mentorship programme: **"***So, when we are trying to do a programme [...], the schools don't really support. If we schedule a seminar for them* [students] *and something like sports come, they will cancel us. We have to reschedule, you know. By then, we would have gone to speak to get a guest speaker, arranged a bus to take the other students and things [...] Our programme is not a priority for the schools, so we try to engage the head teachers often. So, for every school, we have a teacher that helps us with organising, getting the students. Those who have worked with us for a long time had understood how impactful the programme is. But those that know about the programme but don't sit in the seminars to listen to what the kids hear when we invite people to talk to them. They don't see it so it is just like [...] won't you help the school? We need to paint this; we need a block. The conversation is always moving from focusing on students to actual physical things for the school. That's a challenge, trying to manage that conversation and saying that, Ooooh, this is our focus and we are trying to work on the students"* (Corporate Foundation 1).

Another key stakeholder whose support has less been felt in the corporate giving landscape is the government. One participant bemoaned the government's failure to provide corporate foundations with tax incentives: "*This year we are building 5 or 6 - unit classroom blocks, each one will cost us about US $400,000* [GH¢ 2.3million]. *Now, these things fall within the domain of government because we pay taxes and it is the responsibility of the government to do such things. So, if a company decides to support such activities and we keep our books right, I think it's fair for the government to come and take look at our books, and say that for this year* [Corporate Foundation

2] *has spent let's say GH¢ 8million on this tangible project. So, we are giving* [Corporate Foundation 2] *certain tax concessions and if you* [government] *do that, remember we get our money from the group* [parent company]*; we get our money from other partners, if there is evidence that we have spent GH¢ 8 million for this project [...] you can give us some tax reliefs [...] by so doing more companies will be able to bring more social impact projects to bring reliefs to our general society"* (Corporate Foundation 2).

Similarly, a participant from corporate foundation 7 lamented that: *"[...]our CSR budget is taxed by the government. It's shameful, yes! When we worked out to make a case, we were told that we should apply for a tax waiver. We applied for a tax waiver in 2017, we are in 2020, we haven't heard anything."*

c) Managing expectations of individuals

Corporate foundations are also challenged by how to manage the pressure surrounding conservations with individuals whose expectations of needs are unmet. Below are some of the experiences shared by participants:

> *"In fact, individuals always flock to the company, from health issues, personal issues to educational issues. Everybody wants* [Corporate Foundation 4] *to help them. So, in a week, we receive proposals, sometimes about sixty or seventy; some through emails and some through paper. So, there are always a lot of requests coming in. Sometimes, they feel that because we do a lot of commercials, it means we have so much money to be given out (cash cow mentality), so even when you explain, they don't understand. So, it is mainly that kind of challenge"* (Corporate Foundation 4).

> *"The other has to do with managing peoples' expectations. People have high expectations of foundations; they know that as for* [Corporate Foundation 2] *by all means, they will be*

able to do it. So, when you are unable to do it, you can see the disappointment. Sometimes when you do your evaluation and you realised that this is not worth supporting, and you are even communicating it to them, they seem not to understand." (Corporate Foundation 2)

"Because local folks are oblivious to the criteria of the foundation in donations, they mount pressure on the foundation when they catch wind of donations the foundation has made to neighbouring communities" (Corporate Foundation 6).

d) Poor maintenance culture

After donations have been made by corporate foundations, one participant worryingly expressed that some of the buildings and other infrastructure handed over to schools, hospitals and communities lack maintenance:

"And then for the project recipients, a lot has to do with maintenance. I mean, you finish a project, hand it over to the recipient and they don't really do maintenance. So, you go back to monitor the project and you realised that, sometimes, simple things like bulbs, locks [....] they are not able to replace them." (Corporate Foundation 4).

Moreover, participants mentioned that the poor maintenance of some of the completed projects brings additional cost to corporate foundations:

"Most expect the foundation to shoulder the responsibility of maintenance after a donation has been made" (Corporate Foundation 6)

"And sometimes it becomes so embarrassing that you would have to go back after supervising to fix some of those things. So, maintenance is also a problem" (Corporate Foundation 4).

e) Cultural barrier

In the process of donating to communities, the staff of corporate foundations are sometimes asked to perform some cultural rituals before community entry. This remains an impediment to some of the staff and was expressed by one participant as follows: *Indigenes may sometimes want members of the staff to perform some cultural rites they may not be so comfortable with during community entry."* (Corporate Foundation 6)

3.5 Discussion

The purpose of this qualitative study was to advance the understanding of corporate giving through the lens of corporate foundations in Ghana. Specifically, we explored the giving motives, priorities, strategies, opportunities, and challenges of corporate foundations. Our findings revealed multiple issues. There are motivating reasons for corporate foundations to engage in charitable giving. We found that some corporate foundations are motivated by the desire to impact society, improve infrastructure in rural areas, and supplement the government's development efforts. These motives are altruistic as they have an overarching goal of benefiting society (Abzug and Webb, 1996; Gautier and Pache, 2015; Peterson and Su, 2017; Rak,2020). However, one foundation highlighted among others the motive of raising the profile of the parent company. This implies that charitable donations are made by the foundation with the expectation of building a positive image and increase financial performance of the parent company (Peterson and Su, 2017). This finding provides supportive evidence of what has been termed as "doing well by doing good" or "inspired corporate philanthropy" (Neiheisel,2004; Leisinger,2007; Karnani,2011). In all, our result indicates a combination of altruism and instrumental motives[31] of giving among corporate foundations in Ghana.

With regard to giving priorities, we found that corporate foundations have diverse giving priorities which are often implemented simultaneously. These priorities include education, health, economic empowerment, environment and social amenities, and sports. Out of these prioritised areas, education, health and economic empowerment were most considered by the corporate foundations. For education, corporate foundations have assisted needy but brilliant students as well as employees' children with scholarships; built the capacity of students through literacy and mentorship programmes; enhanced teaching and learning with ICT solutions and educational materials; and provided infrastructure for schools in deprived communities. Donations of this nature are significant and unsurprising because many foundations recognized education as key in fostering long term social cohesion and shared prosperity. More so, these donations have allowed foundations to be full-fledged partners of the yet to attain target of quality education for all (OECD netFWD, 2019a). Health was another top giving priority to corporate foundations. The support to the health sector is enormous which includes the provision of health infrastructure and equipment; paying medical bills of the poor; free health screening for individuals in deprived communities; and provision of financial and non-financial assistance to improve the mental health care of children. Funding these health priorities is a necessary step towards improving the health outcome of individuals and addressing critical deficiencies in the health sector (OECD netFWD, 2019b).

Corporate foundations have also created some impact by prioritizing economic empowerment. For instance, the youth have been empowered to gain employable skills through entrepreneurship

[31] See Gautier and Pache (2015)

programmes. Similarly, some individuals (e.g. women) in the informal sector have been supported with entrepreneurship training, start-up funds and equipment to enhance their livelihoods. Focusing on this priority is relevant and serves as an avenue for corporate foundations and their parent companies to contribute towards a reduction in unemployment and poverty levels, particularly in rural communities. Additionally, some corporate foundations, especially those in the extractive sectors, have placed priority on environmental protection and improving social amenities in deprived communities. This has mostly taken the form of foundations providing funds to support programmes that conserve the environment considering the harmful nature of activities of extractive companies. They have also supported the construction and refurbishing of major infrastructure like schools, clinics, boreholes, etc. This philanthropic support is critical in enhancing community development, mostly in the company's areas of operation. As another priority, there was some focus on sports and this was purposely to develop sports talents and infrastructure. This finding is important considering the role of sports in economic growth. For instance, sports development can lead to the creation of jobs which potentially influence economic activities and spurs economic growth (Chappelet, 2005). Taken together, these priorities are closely related to the key focus areas of CSR donors in Ghana reviewed by Amponsah-Tawiah and Dartey-Baah (2016). Some of these key areas cited include education, health, economic empowerment, technology, relief service, community development, sports, culture, social amenities, amongst others.

To identify potential beneficiaries and implement the aforementioned giving priorities, corporate foundations have relied on a combination of strategies, as found in this study. The first was labelled request strategy. Through this strategy, corporate foundations allow prospective beneficiaries to appeal for support by submitting a letter or proposal. Averagely close to seventy requests were received in a week by most of the foundations. These requests are then subjected to needs assessment (due diligence) before a final decision is taken by the board of trustees or directors. This finding suggests that corporate foundations respond to solicited requests which fall within their priority areas of giving (Moscardini, 2016). The second was also termed media-lead strategy. It involves a process where the staff of corporate foundations submit evidence of chanced media report appealing for charitable assistance on behalf of entities (e.g. individuals, communities, organisations) to their project teams for consideration. The project team, therefore, runs due diligence and present it to the board of trustees for final review and allocation. The third was called adoption strategy. It was evident that some corporate foundations adopted the beneficiaries (e.g. schools, hospitals, communities) of their giving programmes. The adoption was mostly based on the objectives of the giving programmes of corporate foundations and other factors such as proximity, under-resourced institutions, and the urgency of community's needs. For instance, a corporate foundation rolling literacy and mentorship programmes for students cited proximity as a reason for the adoption of some schools in order to: (i) visit the schools and manage the programme properly, and (ii) enable staff of the foundation to participate in the programme. Besides, some schools and hospitals were adopted because they are under-resourced. For the communities, it mostly depends on what the foundation wants to achieve and also, the urgency of community's need to the foundation. Thus, some corporate foundations offered to provide charitable support to communities without receiving a request. The last was labelled contest strategy. As the name of the strategy suggests, it involves a competition where contestants present their business plans for an ultimate prize (equity funds and mentorship). One ultimate winner is selected based on the uniqueness of the entrepreneurial idea to bring societal change. The rest of the contestants also receive support from the corporate foundation and its partners.

Furthermore, our findings highlight existing opportunities for corporate foundation giving. First, there are opportunities for serving society. As evident in this study, corporate foundations through their giving programmes are provided with the outlet of solving societal problems. This finding emphasizes the critical role of corporate foundations in ensuring that corporations become 'good citizens' (He and Wang, 2020). Second, we found that opportunities exist for corporate foundations to receive goodwill from the public. As corporate foundations donate to solve societal problems, it endears stakeholders (e.g. individuals, communities, and government) to them and their parent companies which eventually brings reputational benefits. According to Saeed and Arshad (2012), reputational benefits may include the attraction of talented employees, building of customer confidence and more investments opportunities for the parent company, among others. Our finding is consistent with the study of Tremblay-Boire (2020) which concludes that charitable contributions of corporate foundations to local communities tend to create goodwill and a loyal customer base. Third, corporate foundations get opportunities to partner with other companies to create more societal impacts. This partnership opportunity is significant because social problems are increasingly becoming complex and cannot be solved alone by a single player (Tremblay-Boire, 2020). Additionally, it has the advantage of bringing in more resources to corporate foundations to increase donations, as evident in this study. Our finding on partnership opportunity reinforces the work of Krasnopolskaya (2020) which found that corporate foundations partner with authorities and other companies to work on project areas of mutual interest. Fourth, we established that corporate foundation giving presents indirect business opportunities to parent companies. They are indirect because corporate giving is not attached to the sale of products of companies as practiced in the cause-related marketing approach (see File and Prince, 1998). Rather, companies' participation in philanthropic activities helps them in securing business deals. Oftentimes, investors use the practice of corporate philanthropy as a requirement for awarding projects to companies because they believe part of the companies' profit will be invested in philanthropy. Fifth, there are opportunities for advertising parent companies' products. Some corporate foundations donate their parent companies' products to address societal challenges. Hence, serving as an avenue to advertise and create future demand for the products which has the potential to impact the profitability of the company. This result runs parallel with the work of Kumi (2019a) which found that CSR activities of corporate foundations in Ghana are used as marketing and communication strategies instead of promoting development agenda.

Corporate foundations are plagued with manifold challenges when giving. Findings of this study highlight five categories of these challenges. The first challenge is insufficient funding. This challenge has persisted because cases made by corporate foundations for increases in budgetary allocations have not been given much consideration by their parent companies. Hence, it has limited the activities of most corporate foundations in Ghana, especially in responding to some urgent requests made by individuals and communities. This reaffirms Kumi's (2019b) finding that corporate foundations in Ghana have limited funding. Similarly, Moscardini (2016) found lack of funding as a common challenge hindering corporate foundations in Europe, Asia and North America wanting to become game-changers.

The second challenge is the lack of support from stakeholders. We found that some corporate foundations' initiatives seeking to build the capacity of students through seminars and mentorships have received less support from authorities of beneficiary schools. This happens because the schools have placed a high priority on physical needs such as the provision of infrastructure, painting of the school, etc. and would want such kind of donations from corporate foundations. The failure of corporate foundations to meet such expectations have slowed the implementation of the programme in the schools. Another key stakeholder is the government. Some corporate foundations lamented the absence of government incentives in the Ghanaian corporate philanthropy landscape. Specifically, it was realised that the government of Ghana has failed to provide tax incentives to companies whose foundations are actively engaging in corporate philanthropy. This finding is contrary to Quick et al. (2014) which emphasized that 88% of European countries provide tax incentives for corporate giving. It is important to note that corporate foundations are funded by their parent companies (see Jordan and Hartley 2014; Krasnopolskaya, 2020; Tremblay-Boire, 2020) and the failure of the companies to receive incentives from the government could reduce the budgetary allocations to their foundations. This partly explains insufficient funding as a challenge of corporate foundations in Ghana.

The third challenge relates to managing the expectations of individuals. As highlighted in this study, the activities of corporate foundations elicit higher expectations from individuals. While some of these expectations are met through the giving programmes of corporate foundations, others are unmet. In situations where the foundations are unable to meet these expectations, it brings disappointments and the management of such conservations have been difficult for some corporate foundations. The fourth challenge encountered by corporate foundations is poor maintenance culture among project recipients. This finding suggests that interventions made by corporate foundations to support infrastructure development in Ghana, particularly in schools, hospitals and communities are hampered by maintenance problems. Corporate foundations, in some instances, are left with no choice to accept the responsibility of replacing bulbs, locks, etc. even after donations. This brings additional costs which might have consequences on the budget of corporate foundations to do more donations. The fifth challenge is cultural barrier. Corporate foundations' employees are usually asked to perform entry rites (which includes bringing of schnapps) before donations are made to some communities. This is a barrier to corporate giving since most employees feel unpleasant performing such traditional rites. Hence, it may limit future donations to communities, especially those that prioritise cultural rites during community entry of corporate foundations.

3.6 Conclusion

Corporate foundations constitute an important aspect of the corporate philanthropic landscape. Yet, very little is known about their motives of giving, priority areas of giving, strategies used to identify and support donees, challenges encountered, and opportunities present for giving. Recognising this, we have presented, in this chapter, a thorough understanding of the giving motives, priorities, strategies, opportunities, and challenges of corporate foundations in Ghana.

The findings confirmed the altruistic and instrumental motives of giving within the corporate foundation landscape in Ghana. While some corporate foundations are motivated by the desire to impact society, improve infrastructure in rural areas, and supplement government's development efforts, which are all examples of altruism, others are also driven by the desire to raise the profile of their parent companies — an instrumental motive seeking future economic gains. We also highlight education, health, economic empowerment, environment and social amenities, and sports as five key giving areas of corporate foundations. This suggests that corporate foundations in Ghana are characterized by diverse giving priorities. On the strategies, it became clear that corporate foundations have relied on four strategies, which are often implemented simultaneously, to identify potential beneficiaries of their giving programmes. These strategies were termed request strategy, media-lead strategy, adoption strategy, and contest strategy.

Interestingly, our findings also established that corporate giving presents opportunities to both foundations and their parent companies. For the foundations, there are opportunities to serve society, get partnership offers from other companies, and obtain goodwill from the public. The parent companies also receive indirect business and advertising opportunities. In spite of these opportunities, corporate foundations were constrained by insufficient funding, lack of support from stakeholders (e.g. authorities of beneficiary institutions, government), managing expectations of individuals, poor maintenance culture among project recipients, and cultural barrier.

It is noteworthy that our findings have both practical and policy implications. Firstly, the evidence provided in the study could serve as a model to practically guide new entrants into the corporate foundation landscape in Ghana and economies of similar nature. Secondly, we established that corporate foundations have significant partnership opportunities to enhance corporate giving. This suggests the need for more multi-stakeholder partnerships because of its potential to bring in resources to increase more formalized corporate giving. We argue that “there is strength in unity” and hence, corporations working together in certain focused areas of giving have the tendency to create more societal impact. Thirdly, our findings may inform the development of government interventions necessary to improve corporate giving. It is imperative that the government introduce a clear cut policy to regulate and promote corporate philanthropy in Ghana. In doing so, a fiscal incentive policy is required to inspire giving among corporations.

CHAPTER FOUR

IMPACT INVESTING IN GHANA: A MULTIPLE-CASE STUDY

4.1 Introduction

In recent years, impact investment is gaining momentum in Africa and its potential is increasingly being exploited by key stakeholders (such as social enterprises, non-profit organisations, and governments) wanting to address social and /or environmental problems (African Venture Philanthropy Alliance [AVPA], 2020). This development is not different in Ghana. For instance, impact investment has been embraced by the government of Ghana as one of the significant funding strategies to address the SDGs. This happened after Ghana attained the status of a lower-middle-income country and experienced a decline in donor funding.[32] Besides, impact investment has served as a financing tool for some social enterprises. A study by Agyeman-Togobo et al. (2016) indicated that social enterprises in Ghana have relied on financial instruments such as grants, donations, equity and debt as their major source of finance to create social impact. Given the current attention on impact investment, there is a crucial need for more studies to enhance its understanding to reap its full potentials. Indeed, scholars have argued that this embryonic field remains understudied (Nicholls 2010; Michelucci, 2017; Nicholls and Daggers, 2016). Knowing this inspires a fundamental question of how impact investments are approached. We explore this from a supply-side perspective in the Ghanaian context.

Conceptually, impact investment has been emphasized as an emerging financing model characterized under the bigger umbrella of social finance (Glänzel and Scheuerle, 2016; Moore et

[32] For details, see https://www.gh.undp.org/content/ghana/en/home/blog/2018/impact_Gh_SDGPP.html

al., 2012; Wilson, 2014). As highlighted by Achleitner et al. (2011a), this is an investment between two major players: investors (supply-side)[33] and investees (demand side)[34]. Typically, the investor deploys capital in the form of grant, debt, equity, mezzanine (blend of debt and equity) and hybrid (blend of grant, debt and equity) to investees with significant financial needs and a business model capable of generating both financial and social/ environmental returns.[35] To qualify for selection, impact investors initially considers the geographic and sector focus of potential investees. The investment stage (seed, start-up and mature stages) of the investee's business is equally important (Castellas et al., 2018). Of course, this will be accompanied by a due-diligence process where potential investees are further scrutinized on the issues of "concept, market, financials, social impact, and social entrepreneur" (Heister, 2010 as cited in Achleitner et al., 2011a) before a final investee is selected. Having satisfied these requirements, the investor will commence financing terms negotiations. This is important for both players to discuss and reach consensus on financial return and impact expectations as well as exit strategies. Once all the process of deal structuring is completed, the investor releases funds to the investee. This could be done either in tranches upon finishing a milestone or tied to a business plan (Achleitner et al., 2011a). Depending on the nature of financial instruments employed, the investor would involve in the operations of the investee's organisation. For instance, the use of equity capital requires the investor to take a board seat on the investee's company and own some control and voting rights. This is usually in tandem with

[33] According to World Economic Forum (WEF) (2013), the most active social investors are high-net-worth individuals and family offices. Other notable examples include foundations, private equity funds, social venture and venture philanthropy funds, development finance institutions and other institutional investors (Wilson, 2014; Wilson, 2016).

[34] A key investee of social investment includes social enterprises (Nicholls and Pharoah, 2008). Co-operatives and non-profit organisations are also good examples (Wilson, 2016).

[35] Investees achieve their financial returns by selling goods and services. With regard to the social returns, they address some of the problems of society or their target group (see Mair and Marti, 2006; Roundy et al.,2017) and this return is external to the investor and investee (Wilson, 2014).

the provision of technical or strategic assistance as well as networking opportunities (Wilson, 2014). To monitor and measure the progress of the investee, the investor conducts performance measurement. Although there is no globally accepted standard for measuring performance in impact investment (Agrawal and Hockerts, 2021; Tekula and Shah, 2016), some notable standards (e.g. Impact Reporting and Investment Standards, Social Reporting Standards) are in great use (Achleitner et al.,2011a). A third player, intermediaries (for instance social exchange, social investment funds and social banks) exist primarily to play a matchmaking role between the investors and investees. Thus, they identify and provide a platform for social purpose organisations with the capability of generating blended financial and social returns to align with their desired investors. By so doing, this helps to reduce the inefficiencies and transaction costs (WEF, 2013) and creates a well-functioning social investment ecosystem (Jackson and Associates, 2012). Besides the matchmaking role, the intermediaries manage funds and also, offer supportive assistance in deal structuring (Wilson, 2016).

There are different perspectives on the approach to impact investing which can be discerned from the literature. While some investors adopt an impact-first approach, others also rely on the finance-first approach (Freireich and Fulton, 2009). The impact-first approach aims to deliver more social or environmental returns by often accepting concessionary financial returns. These financial returns are recognized as a secondary goal of the investment and may range from the return of the principal to the market rate. For instance, some investors relying on this approach are willing to take greater risk by accepting an investment return that is lower than the market rate to achieve higher social or environmental returns (Freireich and Fulton, 2009; Palandjan et al., 2010; Viviers and de Villiers, 2021). Examples of investors using the impact-first approach include high-net-worth individuals, foundations, and family offices (Harji and Jackson, 2012). The financial-first approach, on the other hand, is that approach to impact investing that prioritizes financial returns despite some focus on social or environmental returns. Thus, this approach allows investors to generate competitive market-rate returns while addressing social or environmental problems. Typically, development finance institutions, pension funds, banks, and sovereign wealth funds are exemplars of investors that pursue finance-first investments (Freireich and Fulton, 2009).

Nicholls and Daggers (2016) revealed that the volume of practitioner and policy-oriented research on social investment far exceeds academic research. Currently, academic research on the subject is blossoming but it is still relatively low, especially in Africa. This suggests a dearth of the empirical literature, which makes it difficult to comprehend how impact investment operates in practice and where it stands compared to other forms of investments (Roundy et al., 2017). Generally, there is evidence to suggest that the empirical literature have so far explored the motivation and role of impact investing (Castellas et al. 2018; Roundy et al., 2017; Watts and Scales,2020), the landscape of the impact investment market (Hazenberg et. al 2015; Spiess-Knafl and Aschari-Lincoln, 2015; Rajan et al., 2014), challenges and opportunities of impact investment (Glänzel and Scheuerle, 2016; Ormiston et al., 2015; Philips and Johnson,2021; McCallum and Viviers, 2020; Mogapi et al., 2019; Tandoh-Offin et al.,2013), and evaluation measures and practices of impact investment (Mayer and Scheck, 2018; Urban and George, 2018; Vo et al., 2016). While these studies make significant contributions to the literature, there have been to date less attention on empirical research examining the approach to impact investing. The extant study on the subject (see Achleitner et al., 2011b) is conceptual and has been analysed from a demand-side (social entrepreneurs) perspective. In the case of Ghana, such empirical study is virtually non-existent. This suggests that empirical evidence explaining the subject is lacking. To this end, further exploration of the impact investment process is necessary, especially from those who are supplying, investing and managing the capital.

This chapter contributes to the literature by empirically exploring the approach to impact investing from a supply-side standpoint. This is an important side to focus on because capital in the market is supplied by them. We ask the following research questions: What funding model is employed by impact investment organisations? How do impact investment organisations engage with their investees after deploying funds? What exit strategies are usually employed by these organisations? We responded to these questions using qualitative data through a multiple-case study approach. Indeed, answering these fundamental questions are of crucial significance. We are of the firm belief that the evidence produced in this study will improve understanding of the practice of impact investing in developing economies. More precisely, it will help shape the choices of potential impact investors and investees to make informed investment decisions which could lead to solving most of the pressing social and environmental problems. Moreover, knowledge from the study has academic and policy implications. Academics may use this as a starting point for further scholarly engagements. On the other hand, the findings can also provide a greater understanding to policymakers to design effective policies to increase impact investment in Ghana and other developing countries.

In the sections that follow, we mapped the current Ghanaian impact investment landscape in section 4.2. This is followed by a theoretical and empirical literature review in section 4.3. In section 4.4, we described the methods used for the study. The results are presented in section 4.5 and further discussed in section 4.6. Section 4.7 concludes and offers some policy directions for practice.

4.2 The state of Ghanaian impact investment market

This section describes the impact investment landscape of Ghana. A detailed overview of the state of the Ghanaian impact investment can be found in the studies of GIIN (2015), Intellecap (2019) and Impact Investors Foundation (IIF) (2019).

Despite Ghana reaching the status of a lower-middle-income country, a lot of social problems in the area of health, education, energy, water, sanitation, agriculture, among others are hindering the progress of the country. Currently, there is a growing interest and attention on impact investing in Ghana (Kumi, 2019; Intellecap, 2019) as one of the innovative ways of social financing to tackle some of the aforementioned problems. Social investors and enterprises are reaping the benefits of their impact investing. For many social investors, it serves as a different platform to contribute to societal change. Social enterprises, on the other hand, are using impact investment to get their innovation financed, strengthen their governance and accountability as well as improve commercial skills.

Relative to the traditional financial market, the Ghanaian impact investment market is presently at its early stage and yet to reach its maturity. According to GIIN (2015) and Intellecap (2019), it is the second-largest impact investment market in West Africa after Nigeria. Importantly, this market consists of players who supply capital (e.g. development finance institutions, fund managers, family foundations, angel networks, amongst others), those who demand capital (e.g. commercial small and medium enterprises and social enterprises), those who act as ecosystem support providers (including technical assistance providers, incubators, and research institutions) and the government. Within this market, debt, equity and quasi-equity are commonly used as financial instruments. Of these, investees prefer debt instruments because they are equity averse and do not want loose ownership control of their business (Intellecap, 2019). In most instances, the deals in the market have centred on solving problems in sectors such as energy, information and communication technology(ICT), manufacturing, finance, agriculture and many others (GIIN,2015).

On the supply side of the market, there are currently 35 fund managers, 12 development finance institutions, 22 corporate social investors, 15 family foundations, 3 angel networks and 14 other foundations serving as active impact investors in Ghana (AVPA, 2020). This number is expected to grow considering the prospects of the Ghanaian impact investment market. Between 2015-2019, the total capital deployed by impact investors as direct investments were US$ 826.6 million (Development Financial Institutions) and US$ 408.8 million (Non-Development Financial Institutions). There were also indirect investments through intermediaries and funds amounting to US$ 312.7 million (Development Financial Institutions) and US$ 28.1 million (Non-Development Financial Institutions) (IIF, 2019). Over the years, some notable initiatives led by the government and private sector have helped boost the supply of capital in the market. For example, the Venture Capital Trust Fund (VCTF) instituted by the government of Ghana continues to provide tremendous assistance to SMEs by easing access to long-term funding. There is an additional effort by the government to increase funding avenues for early-stage businesses by promoting angel investing. This was done through the Ghana Angel Investors Network (GAIN) which was established by the VCTF in 2011. The network unites wealthy individuals and presents them with a platform to structurally invest and offer advisory support to early-stage enterprises (AVPA, 2020). On the other hand, funding from private impact investors such Wangara Green Ventures, Injaro Agricultural Capital Holdings and Mirepa Capital have been leveraged to support investees to address developmental challenges. It is important to emphasize that most social investors in Ghana greatly rely on foreign sources of funds to support social impact activities (GIIN, 2015).

The demand-side of the impact investment market has social enterprises as key actors. Currently, the number of social enterprises in Ghana is increasing and based on a study by Agyeman-Togobo *et al*. (2016), the estimated number of social enterprises is about 26,000. Some examples of these enterprises include the Akaa Project, MoringaConnect, Child Research Resource Centre, Korle Bu Vision Centre, GoodGet, etc. Most of these social enterprises are still operating on a small scale and mostly based at the regional levels with none at the national scale. They also operate across different sectors such as agriculture, health, education and skills, ICT, energy, water and sanitation, creative industries, among others. Interestingly, the main impact sectors of the social enterprises in Ghana are agriculture, education and skills, and health sectors. Aside from using funds from other sources, foundations and donors are the major sources of funds for many social enterprises in Ghana. Moreover, the major driving force of social enterprise activities are the returned diaspora community, particularly Ghanaians who studied abroad (Darko and Koranteng, 2015).

As with impact investment markets in other countries, Ghana has a support system that assists both impact investors and investees. Particularly, incubator and accelerator services are provided by companies such as Innohub, Growth Mosaic, 2scale, and Reach for Change to help scale up ideas and projects of social innovators and entrepreneurs within the impact investment ecosystem. Other support players include the Ghana Investment Promotion Center (GIPC) and Ghana Institute of Management and Public Administration (GIMPA) Center for Impact Investing (GCII).[36] While GIPC serves as a technical assistance provider, GCII provides research and advocacy services to help build the impact investment landscape in Ghana.

[36] This is a VCTF and Rockefeller Foundation initiative introduced in 2013 (Tandoh–Offin et al.,2013)

To conclude, it is important to highlight that the Ghanaian impact investment market cannot serve its purpose well unless a direct and right legal framework as emphasized in GIIN (2015) and Kumi (2019) is enacted. This has the potential to effectively direct the market and its players to attract the needed resources to solve developmental problems in Ghana.

4.3 Literature review

4.3.1 *Theoretical perspectives on impact investment*

In the view of Nicholls (2010), impact investment, as discussed above, emanated from two distinct traditions of capital allocation that were mutually exclusive. The first tradition relies on the "practices of giving, state spending, and mutualism to create public goods". The second also allocates capital by reframing the conventional investment logic and practices to create social or environmental returns. While the first tradition is built on the principles of philanthropy in addressing societal challenges, the second tradition relies on mainstream investment mechanisms. With these two traditions coming together, impact investment has generated some innovations in its financial instruments (e.g. new debt structures and quasi-equity models) as well as complexities in its institutional logics and norms.

It is worthy of note that impact investment is guided by a heterogeneous investment logic and investor rationality. To be precise, three investment logics have been used to explain impact investment from the perspective of capital allocation outcomes. While the first investment logic acknowledges only social and environmental returns (e.g. government expenditure), the second emphasizes the generation of "pure" financial returns to the investor (e.g. clean energy stocks). The third investment logic combines the outcomes of the first and second investment logics leading to a phenomenon mostly referred to as "blended value creation" (Emerson, 2003). Some examples of this type of investment are mutual finance and socially responsible investment. It is important to stress that each investment logic has its accompanying desired financial instruments and this is applied differently by institutions in the impact investment landscape (Nicholls, 2010).

As for the investor rationalities, key emphasis is on the goals of capital allocation. Like the Weberian ideal types of rationalities[37], Nicholls (2010) distinguished "means-ends driven" and "values-driven" as the two main investor rationalities that drives social investing. The "means-ends driven" rationality focuses on expeditious processes and assessable outcomes to generate capital returns. A social investment made with this rationality has its return directed only to the capital owner. On the other hand, "values-driven" rationality prioritises investment returns that are concordant with personal beliefs and values. Utilizing the "values-driven" rationality often provide social investment returns to the investee or beneficiary. Typically, there are situations where the activity of a social investor would deviate from the aforementioned rationalities. Cases of such nature are explained by third investor rationality termed "systemic rationality". This blends "means-ends driven" and "values-driven" rationalities with the intent of developing the best processes to generate returns directed to both investors and investees.

4.3.2 *Empirical literature review*

As indicated earlier, the scholarship of impact investment is emerging but extant studies can broadly be categorized into four groups. The first group is concerned with studies on the motivations and role of impact investment. For instance, Roundy et al. (2017) used qualitative data from 31 impact investors to explore the motives and criteria used in evaluating impact investments. Their findings indicate that impact investors are mainly motivated by emotions, personal values of social change, re-deployment property of the financial return on impact investments, belief that

[37] See Weber (1978)

impact investing proffers market-based solutions, among others. Further evidence also suggests that impact investments are evaluated based on financial targets and the size of investee firms. Castellas et al. (2018) relying on a mixed-methods approach found evidence that the Australian impact investment market is on its growth trajectory, and that considering the nature of institutional complexity, there is more focus on investment logic compared to impact logic in developing the social enterprise sector. More recently, Watts and Scales (2020) also studied the effect of impact investment on agricultural development in sub-Saharan Africa. The results, based on a "cultural-political economy approach" and qualitative data suggest that impact investing is not only a developmental funding tool but also an avenue to usher in new actors that tend to alter practices and policies in the agriculture development space.

The second group, which focuses on the landscape of the impact investment market, has produced interesting findings. Rajan et al. (2014) analyse the impact investment market in India using social venture capital fund as a case study. The study revealed a robust growth of social venture capital for social enterprises, mainly targeting financial inclusion which has impacted consumption at the base of the pyramid (BoP). To create more impact that will be beneficial to those at the BoP, it was recommended that investments in the market should be employment and income-generating. Moreover, Hazenberg et al. (2015) empirically establish that social enterprises require to be financially sustainable, desirous in seeking investment, clear and scalable in social missions, and have a resilient governance system to be investment-ready in the social investment market. This finding runs parallel with the requirement of investment readiness in the mainstream investment market. Using venture philanthropy fund as a case study, Spiess-Knafl and Aschari-Lincoln (2015) examine the mechanisms of the impact investment market. The authors concluded that investees' access to financial resources in the market is scrutinized by factors such as organisational and beneficiary characteristics.

The third group explains the challenges and opportunities relating to impact investing. For example, a study by McCallum and Viviers, (2020) reveal more challenges than opportunities in the South African impact investment environment. Among others, the most important challenges that emerged out of the study include the dearth of investment-ready deals and broadness of impact objectives. Additionally, there are opportunities for growing the impact investment market as well as earning both financial, and social and /or environmental returns. Similarly, Tandoh–Offin et al. (2013) provided evidence that highlight opportunities in the financial, energy, agriculture and housing sectors for impact investment in Ghana. Philips and Johnson (2021) examine factors that inhibit participation in the social impact investment market by focusing on the non-profits and intermediaries in Canada. The findings, which is a demand-side perspective, indicate significant challenges such as limited knowledge about the social impact investment market, poor financial expertise and difficulty in evaluating social impacts. Focusing on the challenge relating to tensions between social and financial returns, Mogapi et al. (2019) found that in easing these tensions key consideration should be given to the alliance of stakeholders' values, contractual arrangements, engaged leadership style of investor teams and selection of sector.

The last group is centred on the evaluation practices and measures of impact investing. A study by Urban and George (2018) is a good example. The authors utilized cross-sectional research design and quantitative data collected from a sample of 159 individuals who are staff of impact investment organisations in South Africa to establish that social impact and sustainability are significant impact evaluation measures that support the growth of impact investing. Testing the criteria for evaluating investor attractiveness in social investing, Mayer and Scheck (2018) concluded that social entrepreneurs to some extent rely on all the following five important criteria: “business advisory, network access, information rights, control rights, and reputation of the investor”. Nevertheless, among these criteria, while novice social entrepreneurs prioritise business advisory, those experienced also place significant emphasis on investors’ reputations. In addition, Vo et al. (2016) empirically find that impact analysts employ a hybrid of qualitative and quantitative approaches in measuring social impacts within the social investment space. Further to this, the study reveals factors that drive the evaluation of social impacts as follows: (i) demographics, training and role of impact analyst, (ii) program’s theory of change complexity (iii) program’s age, and (iv) financial resources accessibility.

Synthesizing the above studies, we argue that the extant literature suffers from the description of the approach to impact investing. This is fundamental to the impact investment literature which must be examined empirically to present practical evidence to elucidate the complexity surrounding the impact investment environment. The pioneering study by Achleitner et al. (2011b) made effort to explain the approach to impact investing but did that theoretically without empirical data, and also from the demand-side perspective. This suggests that empirical evidence explaining the subject is lacking. This study aims to describe the approach to impact investing from the viewpoint of those who supply, invest, and manage capital by relying on a systematic and rigorous research methodology. Specifically, we used qualitative data and a multiple-case study approach, and focus on Ghana whose impact investment landscape is less-developed relative to the United Kingdom and the United States of America.

4.4 Methodology

4.4.1 *Research design*

For this study, we employed a multiple-case study design to understand the approach to impact investing. This design was selected because of its compelling nature in helping to reach analytical conclusions, and also its ability to illuminate a contemporary phenomenon, as being done in this chapter (Merriam, 2009; Yin, 2018).

4.4.2 *Case selection*

This multiple-case study focused on impact investment organisations as cases. To select the cases, we relied on purposive sampling and this was used to select the best-suited participants to thoroughly answer the research questions and provide good explanations of the phenomenon under study (Creswell, 2013; Merriam, 2009). We purposely select impact investment organisations because of their position to provide first-hand information on impact investing required (Sekaran and Bougie, 2016). Two organisations were selected after contacting seven through electronic mails (e-mails) and phone, and only three agreed to participate in the study. The inclusion criteria were purely based on the following: (i) organisation's activeness in supplying capital in the Ghanaian impact investment space, (ii) organisation involvement in conducting direct impact investments, and (iii) organisation's willingness to participate in the study. The two impact investors are private organisations located and operationally active in Accra, Ghana. The inclusion of these impact investors gave different perspectives or "stories" on the approach to impact investing. To serve as informants, we relied on senior managers with expert knowledge on impact investing, and this is by virtue of they having experienced the phenomenon themselves.

4.4.3 *Data collection*

Given the intent of this study, methodological pluralism to data collection is apt. Two forms of data collection approaches were considered– semi-structured interviews and document analysis, with the interviews serving as the main source of data collection. Triangulating the data source in this manner helped to increase the accuracy and confidence of the findings explaining the approach to impact investing (Creswell, 2014; Yin, 2018).

As is typical of a qualitative study, the interviews started after approval was granted by the University of the Witwatersrand's Human Research Ethics Committee (Non-Medical) – Protocol number H19/11/53[38], and e-mails containing recruitment letter and participant information sheet (PIS), [39] were sent to all identified impact investment organisations throughout January 2020. After back and forth e-mails and phone conversations, three out of the seven identified organisations, as highlighted above, consented to take part in the study. Two organisations were finally selected for the study because of their involvement in direct impact investments. Subsequently, the interview guide and consent form (see appendix 12 and 13) were sent to the two organisations, and at their convenient dates and times, the interviews were conducted. It is important to stress that the interviews were aimed to collect information on the organisation's background, aims or objectives, and governance structure. More imperative, information on the organisation's funding, engagement, and exiting approaches were also sought through the interviews. All the interviews were conversational and allowed for further probing of additional questions. They took place either in the office of the participants via face-to-face or on phone. With the permission of the participants, the interviews were recorded using a digital audio device

[38] See Appendix 15

[39] See Appendices 11 and 14

and subsequently transcribed verbatim. The duration of the interviews ranged from 30 to 45 minutes, and they were also conducted between February and March 2020.

For the document analysis, we examined organisations' documents and information on their websites, and also reports on the Ghanaian impact investment landscape. This was particularly helpful in clarifying most of the issues and those that were unnoticed during the interviews. The aim was to add more details and precision to each case under examination.

4.4.4 *Data analysis*

Drawing inspiration from the methodologies of Miles and Huberman (1994), Miles et al. (2014) and Yin (2018), we analysed our qualitative data. According to Yin (2018), case study data can be analysed using any of the four general analytical strategies – "developing case description, relying on theoretical prepositions, working your data from the ground up, and examining plausible rival explanations". This study employed case description as an analytical strategy since its purpose is to explore and describe the approach to impact investing. As a way of developing the case description, three phases of analysis proposed by Miles and Huberman (1994), and Miles et al. (2014) were followed.[40] In the first phase, we began with data condensation, where interview transcripts were coded inductively. More specifically, through careful reading and iterative process, segments of the data that "captures the qualitative richness of the phenomenon" (Boyatzis, 1998, p. 1) were coded. Subsequently, codes with similar attributes were organised into categories. During this process, we resorted to the "peer review strategy" emphasized by Creswell (2014) in addressing researcher bias. Some colleagues who were familiar with qualitative data analysis

[40] Recent studies by Sayem et al. (2019), and Granel and Bernabeu-Tamayo (2020) applied this same approach to qualitative analysis which equally inspired our multiple-case study.

reviewed the interview transcripts and emergent codes and categories. This is very necessary for ensuring the rigour and reliability of our results (Creswell and Creswell, 2018). The second phase of the analysis involved data display. Here, emphasis was placed on a detailed description of each case highlighting the approach to impact investing in within-case analyses. The cases were organised under the following sub-headings: background, funding approach, engagement approach, and exiting approach. The case description was reviewed by their respective informants as another way of ensuring the reliability of our findings. The last phase consists of drawing and verifying conclusions. In doing so, we conducted a cross-case analysis where differences and similarities across the two studied cases were identified and synthesized to reach convergence on the findings.

4.4.5 *Ethical considerations*

This study was approved by the Human Research Ethics Committee of the University of the Witwatersrand. At the beginning of data collection, informants or interviewees were provided with PIS that emphasize the purpose of the study and some ethical guidelines such as voluntary study participation, right to refuse participation at any time, individual and institutional participants' anonymity, and assurance of confidentiality. After reviewing the PIS and the interviewer ingeminated adherence to ethical standards on the day of the interviews, the informants consented to participate in the study.

4.5 Findings

This section provides a thorough description of the impact investing approach employed by two organisations (supply-side) in Ghana. It is divided into two sub-sections: the first section presents a within-case analysis of each organisation's approach to impact investing, while the second section explores the differences and commonalities in the impact investment approaches relying on a cross-case analysis. The findings on each case (Cases A and B)[41] and across cases were based on analyses at the organisational level (not individual level) since the main unit of analysis is impact investment organisations.

4.5.1 Within-case analysis

Case A

4.5.1.1 *Background*

Case A is a Ghanaian-owned private impact investment organisation whose establishment was driven by a broad objective of supporting small and growing businesses in the quest of addressing the "missing middle" gap and environmental needs. After working behind closed doors for two years, the organisation, which is located in Accra, the capital city of Ghana, became fully operational in 2018. It has an interesting governance structure since it is capitalized by the World Bank through a US$ 3.2 million grant facility and other shareholders. Hierarchically, there is a steering committee and board of directors at the top of the governance structure. While the steering committee is spearheaded by a Ghanaian Foundation whose primary task is to oversee the administration of the grant funding, the board of directors comprising four members (which will later be increased to five) also take critical decisions for the organisation. The Chief Executive

[41] These are pseudonyms to preserve anonymity of the organisations under study.

Officer (CEO) who is a male and doubled as the founder and promoter is the next in line and beneath are other positions such as Chief Investment Officer (CIO) supported by Investment fellows and associates, Portfolio manager, Administrator and Safeguard Officer. There is also a three-member independent investment committee that oversees investment activities and approves investment decisions. Overall, the organisation works with five permanent employees.

4.5.1.2 *Funding approach*

a) Impact investment philosophy

Case A relies on a funding approach that uses investible capital raised from the World Bank and other shareholders to support small businesses and start-ups that have the potential to yield both financial returns and environmental/social returns. The idea surrounding this approach is motivated by addressing the "missing middle" gap and SDGs 7 (Affordable and clean energy) and 13 (Climate action). This is how the interviewee who is CIO of the organisation elaborates the "missing middle" gap:

> *"Currently, you'll find that businesses that are start-ups or early-stage struggle to raise money because PE* [Private Equity] *and VC* [Venture Capital] *firms in Ghana all deploy capital in higher amounts above a certain threshold. So, investment requests below US$500,000 are not attractive to such PE/VC firms; all of them are investing US$500,000 and above. But when it comes to businesses that need between US $50,000 to US$500,000, it's a struggle. And they struggle because, for a PE/VC fund, it doesn't make economic sense to invest in such smaller amounts."*

This is because of the high transaction cost of investing in businesses with such capital requirements: "*[...] the transaction cost even to do one deal is high; you have to get on board* *different advisers, do a lot of 'leg-work'. You have to pay money for due diligence."* Another dimension of the "missing middle" gap explanation was highlighted as follows:

> "*[...] these early-stage businesses are also faced with another challenge whereby if they go to the bank, they are seen as too risky and the bank obviously will not have that kind of patient capital for them. If they are even able to raise money, by year three, they should have paid back. They are also burdened with high interest costs and requests for collateral which usually they wouldn't have. So, we realised that there was a clear gap that needed to be filled, and so that birthed our fund which seeks to bridge the missing middle gap."*

For the SDGs' motive, the interviewee emphasized that:

> "*Without addressing environmental issues, all other SDGs in our opinion cannot be met. But if we meet an environmental challenge, then, of course, we can carry all the others along [...] So, for us, the climate was really important, so in our fund, our primary SDGs are goals 7 and 13: access to clean energy and also climate action."*

b) Impact funding instruments and horizon

In terms of funding instruments, the organisation employs equity and quasi-equity instruments[42] in disbursing their capital committed to impact investment. These preferred investment instruments have a duration ranging from five to eight years. Both equity and quasi-equity instruments are employed regardless of the stage of business. However, the choice of the instrument depends on the business need and what the entrepreneur agrees to. In instances, where equity is not feasible, the organisation deploys quasi-equity instruments such as preference shares, convertible loans and structured loans. As explained by the CIO:

[42] For detail description of these impact investment instruments, see Achleitner et al. (2011a); Achleitner et al. (2011b)

"We do investment using equity or quasi-equity. And for quasi-equity, it's really broad. So, [...] we look at convertible loans, we look at structured loan facility [...] And then we have a revenue share model, whereby for businesses that are revenue-generating, rather than having a structure where they pay interest on the loan, we can reduce the interest element and rather share in their revenue but we haven't so far done any deal using that instrument. But currently, what we have done most often are preference shares, convertible loans and structured loans."

The CIO further bemoaned the difficulty in employing equity instruments:

"*In Ghana and for many early-stage businesses, usually valuation is a challenge. So the only business we have done direct equity from the beginning was because the structure of the investment involved forming a new business (joint venture) with us. So, that one, we introduced equity from the beginning but where we are now going into the business directly, and usually when we think it's an equity deal, but we are unable to agree on the business valuation with the entrepreneur at the time of the investment, we'll do a convertible loan."*

c) Impact funding targets

Despite targeting impact investment in small and growing businesses across different countries, the organisation has so far focused on Ghana and multiple sectors which are categorised into two groups (Categories A and B). Category A consist of priority investment sectors of the organisation which centres on businesses that produce a product or deliver a service addressing environmental needs. These sectors include renewable energy (solar), energy efficiency (e.g. designing buildings to make them more energy efficient), climate-smart agriculture (adaptation and mitigation), waste and water management. On the other hand, category B focuses on all business that wants to go green. An example could be a manufacturing company that wants to either change its energy mix or adopt eco-friendly packaging. These categories of businesses must be across the value chain to qualify for impact funding. An example was elucidated by the CIO: "*So, you may be manufacturing raw material, not necessarily an end product. It could be, let say, a producer or when I take agri-business, for example, we have people who grow or project developer, we have people who process and we have people who bring the product to the market. So, anybody along these, your business can fall along the value chain."*

d) Investee selection approach and criteria

Case A conducts an initial screening to commence the investee selection approach. During the screening, the organisation begins by building a pipeline of potential investees. The prospects are screened and those that are not good fits based on Case A's mandate are dropped. Those that remain after this phase goes through another screening where they are examined against specified criteria. When asked to clarify this, the CIO explained that:

> *"If I take a company, we have in different stages. So, if we call you* [prospective investee company] *a start-up, we don't want one that is in the ideation stage. You should have a product, you should have sold, even if revenue is low and you're not profit-making, it's fine [...] You should at least identify a customer base that is scalable [...] So, for us that's where we start from. When we see the businesses, we can tell whether they are worth pursuing or not. If they are not worth pursuing, we drop them and that's how we sieve."*

The potential investees who qualify are picked out to commence initial meeting with the organisation. During this phase, there is thorough scrutiny to learn about the prospective investee company and team. Those who are selected sign a non-disclosure agreement (NDA). After the NDA is signed, venture assessment forms used to collect more information about the business of the investee would be filled and this information would aid in conducting opportunity assessment: *"After the venture assessment form, we will use that to do what we called opportunity assessment. That's our in-house tool; it's a simple excel that we apply weight to certain key questions we ask.",* the CIO emphasized. The minimum score to pass is five out of ten and subsequently, a site visit will continue for confirmation purposes. Thus, the organisation relies on the site visit to check the investees' place of business and interact with their team. Additionally, business gaps that need to be shored up during the investment process would be identified. Once site visits are completed and the team assigned to this task is satisfied, a pre due diligence memo would be prepared to seek approval from the investment committee to kick off the main due diligence process. To follow this immediately is the submission of the final report to get approval for the disbursement of capital and commencement of portfolio management. The disbursement of funds is mostly done in tranches upon achieving certain milestones.

e) Monitoring approach of the funding

The investee companies that receive funds are subjected to monitoring through portfolio management. This approach requires the portfolio manager of Case A to track the progress of the investee companies, mostly tied to the key performance indicators (KPIs) agreed on during the deal structuring stage. According to CIO, its organisation focuses on the following KPIs:

> *"For example, your* [Investee company] *revenue, your revenue projections, your profitability. And if you are saying that you want to scale the business and access different markets, which of the market have you accessed? [...] how many customers have you added on? If it is a new product, have you been able to produce the product? Are you meeting your customer demands? All these things are part of our diligence, and we want to be sure that the businesses used the monies for the purposes for which they come to us [...]"*

As part of the monitoring process, the organisation requests monthly reports and also takes a board seat in the investee company:

> *"And we ask for monthly report/ tally report and we take a board seat. [...] we will take a board observer seat so we are aware of what is going on in the business. And we are not there to, like be a 'policeman' but we are there to be a partner. So, being on the board gives us visibility". (Chief Investment Officer)*

4.5.1.3 *Engagement approach*

Aside from providing financial support, the organisation in collaboration with intermediaries (e.g. accelerators or incubators) renders non-financial assistance to investee companies as part of its investment deal. The non-financial support includes pre and post-investment technical assistance, which is generally aimed at enhancing the financial management capability of the investee companies.

> *"One other thing that you notice is, for early-stage businesses, a lot of things are not right. Their financial management is not right. Most of them can't even have money to hire a CFO* [Chief Financial Officer]. *We provide what we call pre-investment technical assistance, which we deploy in collaboration with intermediaries like accelerators or incubators so that we will help to get them to finalize their business module and also, identify gaps in financial management [...] And after we invest, we call something 'value creation plan' which we use the post-investment technical assistant grant to help deploy. And this is in to help them improve their margins, get license or certification if it is required to access the market or even to bring in additional experts whether it's venture partners or consultants to help them in what they want to do." (Chief Investment Officer)*

4.5.1.4 *Exiting approach*

Case A is in its initial stages of investment, and as at the time of the interview, none of its investment deals has been exited. Nevertheless, there are plans to exercise several exit options which are based on the funding instruments employed. This exit strategy mostly includes options such as self-liquidating, buy-back, and selling to strategic partners. An explanation to this was provided by the CIO which has been highlighted in the quote below:

> *"For us, if we deploy debt then, of course, it is self-liquidating but if we convert to equity, then the way we intend to exit is, give the promoter or the entrepreneur the priority to buy us out. If that does not work, then we look at other strategic partners who are similar to* [Case A] *and want to do businesses that are a bit matured. So, we look at those partners as well or we can look at the stock market. It's not really a priority option because of the way our market is. And sometimes some of these entrepreneurs are not ready to go public within the first five years. So, we want to explore all other private means to exit before we look at the capital market and that would be agreed with the entrepreneur."*

When asked to expound on the self-liquidating option, this is how the CIO puts it:

> *"[...] I will give you* [investee] *an amortization schedule to show how you will pay. So, the amortization schedule will say, by fiftieth or by the sixtieth month, your balance will be zero. So, then I don't need to now go and look for a buyer. The instrument is self-liquidating."*

Case B

4.5.1.5 *Background*

In 2016, Case B was formed as an impact investment organisation to raise private funds to achieve a dual goal – financial and social/environmental returns. Thus, the organisation aims to reinvest the raised funds in African businesses that are either in their early-stage or SMEs to realise financial returns while addressing the "missing middle" gap and impacting society. Case B believes the time is now to create a sustainable socio-economic impact by building world-class African businesses that are profitable and scalable. The organisation is situated in Accra, Ghana, and is equally founded by a male Ghanaian who is an experienced impact investor and a development consultant. Its governance system is also well-structured, comprising a five-member board of directors, two executive directors (one in charge of management and other responsible for impact investing), administrator, secretary, investment committee, and an advisory board. Of these, a team of four employees actively runs the day to day activities of the organisation.

4.5.1.6 *Funding approach*

a) Impact investment philosophy

Case B works with an impact investment principle that is grounded in value creation for the "missing middle" and solving societal problems, particularly in West Africa. It believes that critical investment in SMEs and early-stage businesses requiring patient capital is the right tool for delivering sustainable socio-economic development.

With the "missing middle", the Executive Director (ED) of the organisation (in charge of impact investing) who was interviewed explained it as follows: "*[...]and by missing middle I am talking about SMEs that are looking for below $2 million in investment."* This group of SMEs and early-stage businesses have stunningly been observed by Case B to be impact-focused and possess high growth potentials, however, they lack the needed capital and technical support. To support them, the organisation relies on a US$20 million impact fund size which aims at providing financial assistance ranging from US$100,000 to US$ 2 million. In addition, there are provision of technical support and value addition interventions. Noteworthy, the impact motive of this funding model is to advance the SDGs.

b) ***Impact funding instruments and horizon***

Given the different capital requirements of potential investees, Case B is open to the use of funding instruments such as debt, equity and quasi-equity. This is discussed at the deal structuring stage and what best fits the investee is adopted: "*We are actually very open to what works (debt, equity, quasi-equity). We don't restrict it; we are open to discussing with the entrepreneur what would work best. For some people, it may not be debt but maybe some other form."* Typically, this organisation prefers investment deals that do not exceed five years. This is how the ED expressed it: "*We are looking at five years."*

c) ***Impact funding targets***

The funding model of Case B has a current geographic focus of investing in SMEs and early-stage businesses in Ghana, nevertheless, the expectation is that investees will scale their businesses across borders. There are also plans of raising a regional fund to target potential investees in other African countries. At the sectoral level, Case B works with three overarching lenses: life manufacturing, technology, and climate/clean technology.

> *"[...] we focus mainly on three-sector lenses. The sector lenses are life manufacturing because with life manufacturing you can create jobs. And then we focus on technology because technology can be scaled. Then also, the third one is climate and clean technology.*

This is because of our impact focus and the fact that we want to meet the SDGs as well. So, that is why the climate and clean technology is one of our sector lenses." (Executive Director-Impact investing)

In terms of the specific sectors, the ED emphasized the following: "*We are targeting agribusiness, healthcare, education, and financial services. And for us, these sectors really meet our basic needs as Ghanaians or Africans. So, basically special services for people living here in Ghana and Africa.* Illuminating how the sector lenses work with the specific sectors, the ED used the examples in the quote below:

"So, agribusiness, for instance, one of the things is that we don't do primary agriculture. If you take an agribusiness, then the person is probably doing some processing or adding value to raw material, and because there is that value addition or some processing, that falls under life manufacturing. And then, if it is still agribusiness but they use some technology to provide services [...] that is how we view technology and agribusiness. So, it is the same thing with the other sectors as well. Healthcare, are you manufacturing something or using some technology to provide affordable or better healthcare to people and things like that?"

d) Investee selection approach and criteria

Before Case B selects the right investee, it conducts screening and due diligence, presents the investment deal to the investment committee for approval, and finally, deploys capital. At the screening and due diligence stage, the organisation evaluate prospective investee based on the following key criteria which cut across all their focus sectors. Firstly, the organisation looks at the scalability of the potential investee's business considering its preference for cross border transactions, as mentioned by the ED:

"*One of the things we look at is the ability to scale and so, the person* [potential investee] *should have interest in moving the business beyond Ghana. This is tied into our thesis which is related to the returns we are expecting. With Ghana cedi, it will be half to be able to meet the returns of the investors, and so we do need the foreign currency to be able to make the expected returns, and then, of course, we want to reduce the balance of trade deficit and do more export from here."*

Secondly, the organisation is also very much interested in exploring the domain skill-set of prospective investees to see if they rightly fit the sector of investment. This is how the ED explains it:

"We look at domain expertise, are these people [prospective investees] *who have knowledge in the sector they are working in? Assuming somebody comes from working in the hospital, a medical doctor, and then he comes up to set a manufacturing plant to process, really, have you worked in that kind of sector before? What experience do you have? Do you even know the people in that value chain where you can get your raw materials from? So, we look at domain expertise. You should have had experience doing what you said you are coming to do or doing what you are doing. You should have some prior experience doing this."*

Thirdly, the founder of the enterprise or potential investee should equally possess some management experience to attract an impact investment deal from Case B. Elaborating this, the ED emphasized that:

"You [prospective investee] *should have been able to manage teams before. So, we look at management experience too and is because, for these entrepreneurs, your ability to attract the right talent is very important. If you don't have the right people, then you are going to*

struggle. And so, your ability to have work with people and manage people is key because you are the CEO or the founder of the organisation [...] Yeah, so that is one of the things also. You should have had some track record of working with people, managing people and being a head of a team."

Lastly, Case B selects their investees based on having an impact motive. Thus, the prospective investee's business model should aim at solving social or environmental problems. The quote below explains this as highlighted by the ED: "*You should be interested in impact. So, some organisations don't really care about how their operations affect the environment, affects people. Some organisations don't but yes, you should demonstrate some responsibility towards that [...]"*

e) Monitoring approach of the funding

The monitoring mechanism put in place by Case B to help in tracking the progress of their investee companies include the use of investment managers and the shared CFO system. While the investment managers ensure accountability in management, the CFO provide financial assistance and also, works closely with the investees to ensure financial transparency.

"One of the things is that each investment manager will not be managing more than three companies. So, that is one thing and then also, in terms of the monitoring, we use the shared CFO system to help with financial planning, to have visibility on the financial side. And then also, these companies and together with the CFO will be using an online accounting platform which we would have access to so we will see what is going on." *(Executive Director-Impact investing)*

4.5.1.7 *Engagement approach*

Case B goes beyond funding their investees to offer technical assistance, mostly relying on retired experienced coaches and the shared CFO system. The retired coaches, who have previously worked in some multi-national companies, engage the investee companies on regular basis (e.g. once a week) to understand their challenges and offer strategic advice on how to solve them. In most instances, they provide guidance on supply chain and distribution since one of the significant challenges of the investee companies is getting their products or services into the foreign market. This is how the ED described it:

> *"One of the key coaches we have is people who are experienced in supply chain and distribution because we have realised that a lot of the companies are okay doing the manufacturing or producing the service. However, they are not able to get the product or service to the customer and so, when it comes to moving the product or distribution across the country, getting it into another country, there is a challenge there."*

In addition, the ED emphasized that the coaches have built a well-rounded network that provides opportunities for investees to access markets in other African countries:

> *"The other thing too with using the retired coaches is that they have the network, they know people, they are well connected in the industry that they've worked in and so, they know that, if you want to have your product in the shelve, call this person or speak to this person. They can open that opportunity for you; they can make a call and it is done. Some of them have worked in other African countries and so, they will know who to call. That is one of the things. And these retired coaches are all Ghanaians, they are the only people who know the terrain."*

Another way of engaging the investees is the use of the shared CFO system. This system, as indicated earlier, allows Case B to build the financial capability of their investees, which typically comes in the form of training on budget planning and execution, and writing of reports.

> *"They come in to do financial planning and management of the company; supporting with creating a budget, sticking to the budget, working with the budget and making sound financial decisions, and then helping with reports."* (Executive Director-Impact investing)

4.5.1.8 *Exiting approach*

Like Case A, Case B is also yet to exit from any investment deals but proposes to use the following three options for each investee company: (i) Management buy back, (ii) Secures a bigger fund from another investor and (iii) Listing the investee company on the stock exchange, as indicated in the quote from the interview with the ED:

> *"For exit, what we have decided is to have at least three exit strategies for each company and one of them is to have management buyout or to exit to another bigger fund if that fund has dry powder (money) and if they find the deal exciting enough [...] or exit to Ghana Alternative Market (Stock exchange) which is for SMEs."*

4.5.2 Cross-case analysis

In this section, categories in each case related to the research questions are compared to highlight similarities and differences in the approach to impact investment. Based on the within-case analyses, we present a summary of the empirical findings in Table 4.1.

Starting with the funding approach, it was observed generally that both cases rely on an approach that invests capital into early-stage business and SMEs intending to achieve both financial and social/environmental returns. In this approach specifically, impact capital or fund is raised from varied sources. For instance, while Case A uses grants secured from the World Bank and funds from its shareholders, Case B solely relies on funds from private investors. Mainly, the motives behind raising these funds, as revealed by all cases, comprise: (i) bridging the “missing middle” gap and (ii) solving environmental/societal problems targeted at realizing the SDGs. Equity and quasi-equity instruments are similarly used by both cases in deploying capital for their impact investments. The difference is the debt instrument employed by Case B. For the impact funding horizon, it varies across the two cases. Case A prefers its investment deals to range from five to eight years, whereas Case B’s duration is five years. With the funding targets, we noted that the two organisations have the same geographic focus but differ in their target sectors. Case A works with two categories of sectors, while Category A focuses on sector themes such as renewable energy (solar), energy efficiency (e.g. designing buildings to make it more energy efficient), climate-smart agriculture (adaptation and mitigation), and waste and water management, Category B is open to all business that wants to go green. By contrast, Case B uses a three-sector lens approach (life manufacturing, technology, and climate/clean technology) that house its focus sectors which include agribusiness, healthcare, education, and financial services. Hence, the organisations prefer to invest their funds in early-stage businesses and SMEs that falls in any of the above-mentioned sectors. Moreover, it is evident that the two cases rely on different selection criteria which centres on the business, entrepreneurs and team of professionals of the prospective investees. For Case A, key consideration is mostly given to businesses that have surpassed the ideation stage, and possess good prospects, satisfactory place of business, and a team of good professionals.

Table 4. 1: Summary of findings

	Case A	Case B
Funding Approach		
Impact investment philosophy	Invest in small businesses or start-ups to yield financial returns and address environmental/societal problems, relying on capital raised from the World Bank and its shareholders	Raise private funds and invest them in early-stage businesses or SMEs to achieve financial and social/environmental returns
Motivation factors	-Bridge the missing middle gap -Address environmental needs (SDGs 7 & 13)	-Support and create value for the missing middle businesses - Solve societal and environmental problems (SDGs)
Instruments	Equity and quasi-equity	Debt, equity and quasi-equity
Time horizon	5-8 years	5 years
Targets	*Geographic focus:* Different countries but the current focus is on Ghana *Sector focus:* Category A- renewable energy (solar), energy efficiency (e.g. designing buildings to make them more energy efficient), climate-smart agriculture (adaptation and mitigation), waste and water management. Category B- All green business	*Geographic focus:* Currently focusing on Ghana but aims to invest in other African countries *Sector focus:* Three overarching lenses: life manufacturing, technology, and climate/clean technology. Specific sectors: agribusiness, healthcare, education, and financial services
Investee selection criteria	- Business should have good prospects and falls within Case A's mandate -Stage of business (not in ideation stage) - Have a satisfactory place of business - Have a quality team	- Scalability of business - Domain skill-set of the potential investee - Management experience - Business model should have an impact motive
Monitoring	- Portfolio management	- Portfolio management

Table 4.1(Continuation)

	Case A	**Case B**
Engagement approach	-Pre-investment technical assistance (support in finalizing business module and identify gaps in financial management) -Post-investment technical assistance (value creation)	-Technical assistance (financial, supply chain and distribution) -Networking
Exiting approach	-Self-liquidation - Buy-back - Sell to strategic partners	-Management buy-back - Secures a bigger fund from another investor -Stock exchange (Ghana Alternative Market)

Case B, on the other hand, selects investees based on the scalability and impact motive of their business model, management experience and domain experience of the entrepreneurs. Lastly, evidence from the two organisations indicates portfolio management as the key monitoring mechanism used after deploying capital to their investees. This is practiced differently by all the cases. For example, Case A uses portfolio managers to track the KPIs of their investee companies. It also takes a seat on the board of investee companies. On the other hand, Case B also monitors their investees progress by tracking some important financial indicators through a shared CFO system. This system is online-based handled by the CFO. Again, Case B relies on the services of investment managers to ensure management accountability.

On the engagement approach, cases studied in collaboration with intermediaries and experienced coaches mostly provide technical assistance to their investees as nonfinancial support, and this is implemented in different forms. For example, Case A offers pre-investment technical assistance aimed at the following: (i) identifying financial management gaps in its investees' business, and (ii) helping investees to finalize their business modules. Similarly, post-investment technical assistance is also provided to help investees with a value creation plan to increase their margins, access markets and business partners as well. On the other hand, Case B relies on retired coaches to provide technical assistance on supply chain and distribution to its investees. Aside from this, the investees receive financial management support through the shared CFO system. Importantly, technical assistance is not the only form of nonfinancial activity accompanying the investment of funds, Case B provides networking opportunities to its investees which helps them in securing market access for their products and services in other African countries. This typically happens through the retired coaches which allow the investees to benefit from their already built network of professionals.

With the exiting approach, although all cases are open to a discussion with the investee on what works, some exit options preferred include management buyback, selling of ownership to strategic partners or bigger funds, listing of the investee company on the stock exchange and using self-liquidating instruments. Comparatively, the two cases similarly preferred management buyback and selling of ownership to strategic partners or bigger funds.

4.6 Discussion

From the multi-case analysis, we have described the funding, engagement, and the exiting approaches employed by two supply-side impact investment organisations in Ghana. This is an explicit response to the call for more studies on the emerging field of impact investment (Agrawal and Hockerts, 2021; Höchstädter and Scheck, 2015). Overall, the cases studied revealed the following interesting findings that are worth discussing.

First, the analysis undertaken on the funding approach suggests that the organisations raise funds from varied sources, including an international organisation and private sector investors, and invest it into early-stage businesses and SMEs who are mostly in the "missing middle" to generate financial returns as well as environmental or social returns aimed at achieving the SDGs. This evidence demonstrates an investment with principles of blended–value and sustainable financial return (Bugg-Levine and Emerson, 2011; Weber, 2016), which echoes the typical features highlighted in the GIIN's definition of impact investment. The impact focus of this approach is important as it aligns with the Ghanaian government commitment (implemented through the Ministry of Finance) in using impact investing as another channel in mobilizing resources to realise the SDGs.[43] Equally significant is the motive of closing the "missing middle" gap since a large

[43] See https://www.gh.undp.org/content/ghana/en/home/blog/2018/impact_Gh_SDGPP.html

number of social enterprises are in their infancy stages looking for small ticket-size funding which is in limited supply (Intellecap 2019). As part of this approach, debt, equity, and quasi-equity were identified as the financial instruments used in transacting impact investment deals, with equity and quasi-equity similar across the two cases. This result is consistent with the study by IIF (2019). The importance and implication for using these instruments are varied. For instance, while debt has an annual interest payments obligation and is ideal for long term investments that guarantee predictable and consistent cash flows over the agreed period, equity pays dividends and requires the investor to have some ownership and voting rights. However, the investor faces the highest financing risk (Achleitner et al., 2011b). Among these instruments, Wendt (2020) revealed that equity is more preferred when experimenting a fresh business model with impact prospects and this is because such business demands more capital which requires some time to yield revenue, making it difficult to settle interest payments when using the debt instrument. Nevertheless, our findings indicate a valuation challenge in Ghana which makes equity less preferable among early-stage businesses. This is a critical challenge that requires immediate attention. In situations where the above-mentioned instruments do not fit perfectly, quasi-equity– blend of equity and debt– is used, as it provides more convenience to both the investor and investee. It also requires predictable cash flows out of which interest payments, often related to the profits of the investee company, are made to settle the total amount at the set period (Achleitner et al., 2011b).

It can also be noted in this approach that the investment time horizon ranges from five to eight years. This duration signifies a lengthy time interval between the start and exit of the impact investments, affirming the patient nature of capital deployed. This is significant as such capital relieves investees from immediate exit pressure and allow them time to scale up their businesses (Rajan et al., 2014). Moreover, we established that the two cases have targeted multiple sectors and geographies, with the current geographical focus on Ghana. Although the target sectors differ for the two organisations, they are generally centred on energy, agriculture, healthcare, financial services, waste and water management. These are prioritised sectors in Ghana because of their crucial significance to the development of the economy (IIF, 2019). This finding runs parallel with extant studies such as Addis et al. (2013), Höchstädter and Scheck (2015) and O'Donohoe et al. (2010), which concluded that impact investing is not restricted to a specific sector. To select investees for the impact investment, our findings also indicate a selection process where potential investees seeking funds undergo multi-stage screening and initial due diligence. This is followed by negotiation of the investment deal which would then be submitted to the investment committee for approval or disapproval once an agreement is reached. When the committee approves it, the investor conducts final due diligence before deploying capital to investees and subsequently, begins portfolio management. Further to this, we established that, although the organisations used different criteria in selecting prospective investees, broad emphasis was placed on the business (stage, prospects, scalability, place, impact motive), entrepreneur (domain and management skill-sets), and the quality of the prospective investee's team. This demonstrates factors that explain the investment readiness of a potential investee within the impact investment market, as highlighted in previous studies such as McWade (2012) and Hazenberg et al. (2015). After a deal is sealed and funds are released to the investees, our evidence suggests that the organisations have instituted different forms of monitoring mechanisms collectively described as portfolio management. It involves activities that require the use of portfolio managers or the shared CFO system to track KPIs of investee companies, taking a board seat in investee companies, and relying on investment managers to ensure management accountability.

Second, impact investment moves beyond providing financial assistance to also render non-financial assistance. This allows impact investors to engage with their investees and offer diverse support. Our findings revealed an engagement approach where organisations in alliance with intermediaries and retired experience coaches mainly provide technical assistance before and after their investments. More specifically, pre-investment technical assistance was found to be directed at helping investee companies to finalize their business modules and determine gaps in their financial management. These are investment readiness support which is absolutely critical in building a pipeline of investable companies in order to minimize the challenge of deploying capital in the Ghanaian impact investment market (Intellecap, 2019). On the other hand, the organisations also provide post-investment technical assistance in the areas of financial management, value creation, and supply chain and distribution. This technical support is necessary and needed in building capabilities of investees to fully implement their business models and scale them as well (Glänzel and Scheuerle, 2016; Koh et al., 2012). Aside from technical assistance, networking opportunities are also provided to investees to support them in gaining market access for their products (Wilson, 2014).

Third, we noted the two organisations are in the initial stages of their investment and are yet to exit. However, they have targeted to use the options of management buy-back, selling of ownership to strategic partners or bigger funds, listing of the investee company on the stock exchange, and using self-liquidating instruments. This crucially depends on what works for the entrepreneur and the type of instrument deployed. Our finding echoes the work of Achleitner et al. (2011b) who explored the approach to impact investment from a demand-side perspective, including the exit strategies available to the social entrepreneur.

4.7 Conclusion and implications

The purpose of this chapter was to empirically explore the approach to impact investing from a supply-side perspective. This is contrary to existing studies which are theoretical and provide understanding that is western-oriented and from a demand-side viewpoint. Through multiple-case study design and qualitative data from two Ghanaian impact investment organisations (supply-side), we make significant strides to the limited but growing impact investment literature by providing an in-depth descriptive account of the impact investing approach based on three dimensions: (i) funding approach, (ii) engagement approach, and (iii) exiting approach.

Our empirical findings established an impact funding model that invests capital (debt, equity, quasi-equity) into early-stage businesses and SMEs for a longer time horizon (usually between 5-8 years) to generate financial returns together with social/environmental impact. This investment benefits impact-oriented entrepreneurs, who are mostly in the "missing middle" having challenges in securing small ticket-size funding, and the society at large by solving social/environmental problems targeted at realizing the SDGs. It targets multiple geographies and sectors, with impact investment organisations focusing on different sectors which do not differ from the national priority sectors in Ghana. These sectors include energy, agriculture, healthcare, financial services, waste and water management. In addition, we show that, for this investment, organisations relied on different criteria when selecting potential investees. However, the selection criteria broadly focus on the business (stage, prospects, scalability, place, impact motive), entrepreneur (domain and management skill-sets), and the quality of the prospective investee's team. Once investees are selected and investment commences, our results further highlight the use of portfolio management as a monitoring mechanism. Its implementation varies by organisation and mostly involves activities that require the use of portfolio managers or the shared CFO system to track KPIs of investee companies, taking a board seat in investee companies, and relying on investment managers to ensure management accountability. In addition to funding, there is evidence of the provision of non-financial assistance to investee companies. This is an engagement approach characterized by a collaborative role of investors, intermediaries and experienced coaches to provide technical assistance and networking opportunities to investees. To end the investment, our results indicate management buy-back, selling of ownership to strategic partners or bigger funds, listing of the investee company on the stock exchange, and using self-liquidating instruments as key exit strategies of impact investing. Overall, our findings provide evidence of the practice of impact investing in Ghana and confirm it as an investment approach typically characterized by concurrent motive of financial and social/environmental returns, longer time horizon, and engagement or provision of non-financial support. This approach is consistent across the studied organisations. Conclusively, the key implication is that impact investment involves approaches that leverage the tools of venture capital to realise social or ecological objectives, as highlighted in Glänzel and Scheuerle (2016).

Indeed, the findings of this study have significant implications for practitioners and policy. For practitioners, our findings present vital information that fosters a deeper understanding of the impact investment approach which can potentially assist local investors and entrepreneurs to make informed decisions and navigate the complexity surrounding the emerging Ghanaian impact investment environment. For instance, evidence on investee selection criteria could benefit potential investees in their preparedness towards achieving the necessary level of investor readiness to access the required impact investments. In terms of policy, our findings point to some level of ambiguity in the threshold value defining small ticket-size funding for investees in the "missing middle". Case A defines its threshold value as ranging from US$50,000 to US$500,000, whereas Case B's value is also between US$100,000 to US$ 2 million. It is worth mentioning that, since one of the important motivations of impact investing, as evidenced in this study, is to close the "missing middle" gap, there is the need to begin stakeholder conversation on the flexibility and standardization of the threshold value for small ticket-size funding to meet the demands of social entrepreneurs, especially those in the early stage businesses and struggling to raise capital in the impact investment market. Additionally, we established that impact investment is currently in its early stage and hence, increased exposure of its approach, as explained here, among local investors and investees is apt. To achieve this, the government of Ghana needs to institutionalize impact investment, and also develop explicit policies to regulate the sector, increase its awareness, widens its appeal and use to serve the intended purpose of addressing social and environmental problems.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1 Introduction

This chapter has four sub-sections which is organised as follows. The first section introduces the chapter. It is followed by section two and three which provide a summary and conclusion, and theoretical contributions of the study. In section four, policy recommendations emanating from the findings of the study are discussed. Finally, section five presents limitations and suggestions for future research.

5.2 Summary and conclusions

This thesis worked with a core focus of providing a nuanced understanding of African philanthropy and impact investing using Ghana as a case study. This is significant as it teases out fundamental knowledge that is evidence-based to harness the potential of the philanthropic and impact investment angles to resource mobilisation for social and economic development. Presently, there are some critical issues whose discernment is anecdotal and very limited in the extant literature, especially from the African context. Specifically, there are still limitations in understanding the determinants and relationship of giving of cash and in-kind, and volunteering. What is more of an empirical concern is examining the extrinsic and intrinsic determinants of individual giving practiced through an institutional setting (formal giving) and between other individuals (informal giving). Equally important in this same context, is the analysis of the relationship between giving of cash and in-kind and volunteering. Additionally, a number of giving motives, priorities, strategies, opportunities, and challenges exist for corporate foundations, however, its understanding in the burgeoning literature is less known and anecdotal. Further to this, there is incomplete information on the approach to impact investing as extant literature provides theoretical evidence from the demand-side (social entrepreneurs) perspective. Practical-oriented understanding is deficient from the perspectives of those who supply and manages the impact funds. This thesis sought to address these limitations in the philanthropic and impact investment literature by answering the research questions below:

1. What are the extrinsic and intrinsic determinants of both formal and informal charitable giving of cash and in-kind, and time (volunteering) in Ghana? Does giving between people (informal) and through institutions (formal) matter in determining the substitutable or complementary relationship between cash and in-kind donations and time donations in Ghana?
2. What are the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving in Ghana?
3. What funding, engagement, and exit approaches are usually employed by impact investment organisations?

5.2.1 Formal versus informal charitable giving

The study examined the extrinsic and intrinsic determinants of formal and informal charitable giving of cash and in-kind, and volunteering. From the same context of formal and informal giving, we also explored the relationship between cash and in-kind giving and volunteering and further ascertain whether spheres of giving matter. The results of the study relied on survey data from 1,533 households and the instrumental variable probit model to account for potential endogeneity. Our evidence revealed that marital status, education, household size, religiosity, ethnicity, and empathic concern are driving factors of formal cash and in-kind giving. For informal cash and in-kind giving, we show that income, religiosity and empathic concern are important determinants.

On the other side, we establish that income, household size, religiosity, and empathic concern are factors that influence formal volunteering. Informal volunteering is driven by gender and religiosity. By implication, we conclude that there are distinctive determinants of both formal and informal charitable giving, and much significant difference is also observed in individual determinants influencing formal than informal charitable giving. Again we emphasize that all forms of charitable giving (except informal volunteering) are influenced jointly by extrinsic and intrinsic factors.

Turning to the relationship between giving of cash and in-kind, and volunteering, our results suggest a complementary relationship that implies a greater likelihood of individuals who are much more interested in philanthropy to donate both cash and in-kind, and volunteer to support charitable causes. This finding is irrespective of the form of giving, suggesting that giving between people and through institutions does not affect the complementary relationship between cash and in-kind giving and volunteering.

5.2.2 Corporate foundation giving

Drawing on semi-structured interviews with seven corporate foundations in Ghana, this study investigated the motives, priorities, strategies, opportunities and challenges of corporate giving. The findings based on qualitative content analysis shows that giving of corporate foundations is influenced by altruistic (the desire to impact society, improve infrastructure in rural areas, and supplement government's development efforts) and instrumental motives (desire to raise the profile of their parent companies). We also established that corporate foundations prioritise multiple areas of giving which do not depart from the national priority sectors. These areas include education, health, economic empowerment, environment/social amenities, and sports. On the strategies, we found that corporate foundations in identifying their potential beneficiaries simultaneously used any of these four strategies namely; request strategy, media-lead strategy, adoption strategy, and contest strategy. The study further revealed that corporate foundation giving presents opportunities to both foundations (serve society, get partnership offers from other companies, and obtain goodwill from the public) and their parent companies (indirect business and advertising opportunities). Nevertheless, insufficient funding, lack of support from stakeholders, managing expectations of individuals, poor maintenance culture, and cultural rites were found as key challenges of corporate foundation giving.

5.2.3 Approach to impact investing

This study explored the approach to impact investing from a supply-side perspective relying on qualitative data from two Ghanaian impact investment organisations and multiple-case study analysis. Our findings show a funding model that invests capital (debt, equity, quasi-equity) into early-stage businesses and SMEs who are mostly in the "missing middle" for a longer duration (typically between 5-8 years) with a dual intention of generating financial returns as well as social/environmental returns targeted at realizing the SDGs. With regard to the engagement approach, the study found an approach characterized by a joint role of investors, intermediaries and experienced coaches who support investees non-financially by providing technical assistance and networking opportunities. Furthermore, the study revealed management buy-back, selling of ownership to strategic partners or bigger funds, listing of the investee company on the stock exchange, and using self-liquidating instruments as key strategies which encapsulate the exiting approach of impact investment organisations. Our evidence confirms an approach to impact investing characterized by simultaneous motive of financial and social/environmental returns, longer time horizon, and engagement or provision of non-financial support. Conclusively, this approach leverages the tools of venture capital to achieve social or ecological purposes.

5.3 Theoretical contributions

Conceptually, this research draws insight from the private consumption model to widen understanding of African philanthropy by exploring formal and informal giving. In particular, we have shown that the divers of informal giving differ from formal giving. This is important for both cash and in-kind giving as well as time giving. The study has also fostered understanding that, generally all forms of charitable giving are jointly influenced by extrinsic and intrinsic factors. We have also shown that the complementary role between cash and in-kind giving, and time giving remains the same for all spheres of giving.

Earlier literature has provided understanding on corporate philanthropy which is implicit and do not distinguish between direct giving of corporations and giving formalised through foundations. Theoretically, this research contributes to the corporate philanthropy literature by adding the perspective of corporate foundation giving. In doing so, we have provided theoretical insights that explains the motives of corporate foundation giving as the desire to impact society, improve infrastructure in rural areas, supplement government's development efforts, and raise the profile of parent companies. An understanding which revealed that corporate foundations' priorities do not depart from national agendas has been provided. We have expanded the corporate philanthropic literature by adding request, media-lead, adoption and contest strategies used to identify prospective beneficiaries and foster corporate foundation giving. The research has also demonstrated that opportunities emanating from corporate foundation giving is not only for the foundations but parent companies equally benefits. We have also shed light on how insufficient funding, lack of support from stakeholders, managing expectations of individuals, poor maintenance culture, and cultural rites hinder corporate foundation giving.

Following from the above, this study presented a contrasting view to deepen understanding of the approach to impact investing. We argue for a focus on the supply-side instead of the demand-side perspective in explaining the funding, engagement, and exiting approaches to impact investing. The supply-side actors are best-suited because they provide, invest, and manage capital during the investment process. This is critical in unearthing fundamental theoretical insight to elucidate the complexity surrounding the impact investing environment.

5.4 Policy implications and recommendations

Although there are efforts by key stakeholders in recognizing philanthropy and impact investment in the implementation plans of sustainable development in Ghana, there is a crucial need to move beyond this to generally build the philanthropic and impact investmet infrastructure to broaden its appeal and practice as well as strengthen the relationship between players to support individual wellbeing and national development. This study explored themes such as formal versus informal giving of individuals, corporate foundation giving, and impact investing, and presents rich empirical insights which have significant implications for practice and policy.

The study offers evidence on the distinctive determinants of both formal and informal charitable giving as well as the complementary relationship between giving of cash and in-kind and volunteering. This finding should be recognized by policymakers to initiate new thoughts on philanthropy in Ghana. Specifically, such information could potentially assist in developing a regulatory framework to enhance the giving of money, time, and in-kind. Again, our findings on the determinants and relationship of both formal and informal giving have implications for the work of non-profit organisations, especially in developing the right tools to identify and target potential donors in their fundraising and volunteering campaigns. This tool should not be a "one-size-fits-all" since our findings portray the distinctiveness of determinants influencing the major forms of charitable giving. With this in perspective, the levels and effectiveness of fundraising and volunteering will be improved. Moreover, we established that more than 50 per cent of our sampled respondents made cash and in-kind donations or volunteered in the past year. This suggests an immense pool of potential donors in Ghana. Therefore, we recommend a national campaign on giving to encourage citizens to give a certain percentage of their income per year to charity and also, volunteer a number of times per year to support a national cause. Senior citizens, politicians, government officials, religious and traditional leaders can lead this campaign to create awareness of charitable giving in Ghana.

The study provided practical-oriented insights on the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving. The findings significantly explain a more formalized approach to corporate giving which could serve as a model to practically guide new entrants into the corporate foundation landscape in Ghana and economies of similar nature. There is also evidence of partnership opportunities that boost corporate philanthropy. Hence, we recommend more multi-stakeholder partnerships because it tends to pull in greater resources to enhance more formalized corporate giving. We are of the view that "there is strength in unity" and therefore, corporations working together in certain focus giving areas have the bent to create more societal impact. Additionally, our findings may inform the development of government interventions necessary to improve corporate giving. The government must introduce a clear cut policy to regulate and promote corporate philanthropy in Ghana. In doing so, a fiscal incentive policy is required to inspire giving among corporations.

On the impact investing, the study provided essential information on its supply-side approach which could foster deeper understanding for practitioners and potentially assist them to make informed decisions in navigating the complexity surrounding the emerging Ghanaian impact investment landscape. For instance, evidence on investee selection criteria could benefit prospective investees in their preparedness towards achieving the necessary level of investor readiness to access the required impact investments. On the policy front, our findings indicate some level of ambiguity in the threshold value defining small ticket-size funding for investees in the "missing middle". For instance, Case A defines its threshold value ranging from US$50,000 to US$500,000, whereas Case B's value is also between US$100,000 to US$ 2 million. It is worthy of note that, since one of the important motivations of impact investing, as evidenced in this study, is to close the "missing middle" gap, there is the need to begin stakeholder conservation on the flexibility and standardization of the threshold value for small ticket-size funding to meet the demands of social entrepreneurs, especially those in the early stage businesses and struggling to raise capital in the impact investment market. Furthermore, the study confirmed the emerging state of impact investing in Ghana and therefore, recommends policy to increase its exposure. In particular, we implore the government of Ghana to institutionalize impact investment, and also develop explicit policies to regulate the sector, increase its awareness, widens its appeal and practice to serve the intended purpose of addressing social and environmental problems.

5.5 Limitations and suggestions for future research

This study has offered a good empirical base for future research but some limitations need to be addressed. For the study on formal versus informal charitable giving, we relied on four regional capitals for this study and hence, the data may not be comprehensive enough to tell the entire story about the relationship and determinants of charitable giving in Ghana. Nevertheless, our findings contribute to the ongoing philanthropy discourse in Africa and also, provide a useful platform for further studies. We recommend future research to be conducted nationwide across different countries in Africa. This will require a panel study to further enrich the understanding of formal and informal charitable giving in Africa.

In a related fashion, a key limitation of the study on corporate foundation giving relates to the sample size. We received permission from seven corporate foundations to participate in this study. Therefore, the findings cannot be generalized to all corporate foundations and corporations involved in corporate philanthropy. Future studies can improve on the sample size, use mixed-method approach, and even focus on other African countries to further validate the findings in this study. Also, it may be of future interest to examine the extent to which philanthropic contributions of corporate foundations have impacted the socio-economic wellbeing of individual beneficiaries.

Finally, the multi-case analysis on the approach to impact investing was limited as follows. First, the study was based on two cases which restrict generalisations of our findings. However, the cases provided insights that thoroughly explain the impact investment approach. Indeed, this is a modest start that requires future studies to use a larger sample size and even widen the geographical scope to other African countries to enhance understanding and produce conclusive evidence. Second, we had access to one informant in each of the organisations used for the study. These informants are senior managers who are actively involved in the impact investment process of their organisations. Although they provided rich information, it will be more enlightened to use multiple informants in future research to achieve triangulation of different perspectives. Third, our study collected no data on the approach to measuring impact investment outcomes (social/environmental returns) in Ghana. Future studies can explore this more extensively.

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Appendices

Appendix 1: Sample size computation

Region	Regional capital	Household Population (2010, Population and Housing Census)	Sample Size[a]
Greater-Accra	Accra	501,956	384
Ashanti	Kumasi	512,767	384
Northern	Tamale	58,855	382
Western	Takoradi	142,560	383

[a] The sample size calculation was based on Cochran (1977) which is specified as $n_0 = \frac{z^2\, pq}{d^2}$,

where:

z = value for selected alpha level of 0.25 on the tail=1.96

d = acceptable margin of error for the proportion being estimated=0.05(the alpha level of 0.05 indicates the level of risk the researcher is willing to take that true margin of error may exceed the acceptable margin of error)

p = estimate of the population proportion,

q = 1-p

The final sample size was computed using this formula: $n = \frac{n_0}{1+\frac{n_0-1}{N}}$

Appendix 2: Principal component analysis for empathic concern index

	Eigenvalue	Proportion	Cumulative
PC 1	2.412	0.402	0.402
PC 2	1.435	0.239	0.641
Diagnostic	**Overall value**		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.665		

Appendix 3: Principal component analysis for agreeableness index

	Eigenvalue	Proportion	Cumulative
PC 1	3.298	0.366	0.366
PC 2	2.114	0.235	0.601
Diagnostic	**Overall value**		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.826		

Appendix 4: Participant information sheet for household heads

Dear Sir / Madam,

My name is Dennis Boahene Osei, a PhD candidate at the Wits Business School, University of the Witwatersrand, Johannesburg-South Africa. As part of my studies, I am conducting a study *on the relationship between giving (cash and in-kind) and volunteering, and their determinants in Ghana.*

As a head of household aged 18 years and above, you have been identified and selected as one of the respondents whose knowledge and background will help give the data collection exercise a big boost. The questions I am about to ask you will focus on your socio-demographic and personality characteristics as well as your participation in both formal and informal giving (cash and in-kind) and volunteering. I, therefore, invite you to provide answers and responses to a series of questions contained in a questionnaire. The duration to complete this activity is about an hour.

You will not receive any direct benefits from participating in this research, and there are no disadvantages or penalties for not participating. You may withdraw at any time or not answer any question if you do not want to. It is important to note that your responses to the questions contained in the questionnaire will be completely confidential and anonymous. The information provided will be held securely and not disclosed to anyone else. Indeed, your responses will be used strictly for academic purposes and also influence policy. If you experience any distress or discomfort at any point in this process, we will stop or resume another time.

If you have question (s) anytime about this research, feel free to contact me or my supervisor on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email Shaun.Schoeman@wits.ac.za

Yours sincerely,
Dennis Boahene Osei

Dennis Boahene Osei, denniskwakuboahene@gmail.com, +233554394026
Prof. Imhotep Paul Alagidede, imhotep.alagidede@wits.ac.za, +27781781310

Appendix 5: Questionnaire for household heads

Questionnaire number: ………………… Date: ……………………………………

District: ………………………………... Community: …………………………….

Section A: Socio-demographic (Extrinsic) Characteristics of Respondent

---

1. Gender: [1] Male [ ] [0] Female [ ]
2. Age: __________ years
3. Marital status: [1] Married [ ] [0] Others [ ]
4. If married, which type? [1] Monogamous [ ] [2] Polygamous [ ]
5. Number of children: _____________
6. Education: [1] Formal education [ ] [2] Non-formal [ ] [3] No education [ ]
7. If formal education, which level? [1] Kindergarten [ ] [2] Primary [ ]
   [3] Junior Secondary School / Junior High School [ ] [4] Middle School [ ]
   [5] Senior Secondary/ Senior High School [ ] [6] Tertiary [ ]
   [7] Other(Specify) ………………………..................................
8. Number of years used in completing education __________
9. Are you employed? [1] Yes [ ] [0] No [ ]
10. If yes to (9), what is the category of employment? [1] Formal [ ] [2] Informal [ ]
11. If (in)formal, what is your employment sector? [1] Agric [ ] [2] Service [ ]

    [3] Industry [ ]
12. Household size: _____________
13. Household Income (Yearly): GH₵ _____________
14. Religion: [1] Christianity [ ] [2] Islam [ ] [3] Traditional [ ]

    [4] Others (specify) …………………………………………………
15. What is the strength of your belief in your religious preference?
    [1] Don't know [ ] [2] Not very strong [ ] [3] Somewhat strong[ ]
    [4] strong [ ]

16. How important would you say religion is in your own life?
[1] Not important [ ] [2] Slightly important [ ] [3] Moderately important [ ]
[4] Important [ ] [5] Very important [ ]

17. How frequently do you attend religious service?
[1] Not at all [ ] [2] once per week [ ] [3] More than once per week [ ]
[4] one to three times per month [ ] [5] Few times per year [ ]

18. To what extent are you confident in the leaders responsible for the institution of your religion?
[1] Don't know [ ] [2] Not very confident [ ] [3] Somewhat confident [ ]
[4] confident [ ]

19. Ethnicity: [1] Akan [ ] [2] Ewe [ ] [3] Ga-Dangme [ ] [4] Mole-Dagbani [ ]
[5] Guan [ ] [6] Gruma [ ] [7] Grusi [ ] [8] Mande [ ]

[9] Others (specify) ………………………………………..

Section B: Personality (Intrinsic) Characteristics of Respondent

---

Empathic Concern (Interpersonal Reactivity Index): *The following statements inquire about respondent's feelings of warmth, compassion and concern for others. For each item, indicate to what extent you agree or disagree that the statement describes you by selecting one of the scales provided below. Kindly indicate the number next to each statement. Note that (−) denotes reverse-scored item where the score ranges from [1] Strongly agree to [5] Strongly disagree.*

[1] Strongly disagree [2] Disagree [3] Neither agree nor disagree [4] Agree [5] Strongly agree

20. I often have tender feelings for people less fortunate than me. __________
21. When I see someone being taken advantage of, I feel kind of protective towards them. ____
22. I am often quite touched by things that I see happen. __________
23. I would describe myself as a pretty soft-hearted person. __________
24. Sometimes, I don't feel very sorry for other people when they are having problems. (−)___
25. Other people's misfortunes do not usually disturb me a great deal.(−) __________
26. When I see someone being treated unfairly, I sometimes don't feel very much pity for them. (−) __________

Agreeableness: *It is one of the 'Big Five' personality characteristics which describes a person who is 'friendly, helpful and sympathetic.' The statements provided here may or may not apply to you. For each item, indicate to what extent you agree that the statement describes you by selecting one of the scales provided below. Kindly indicate the number next to each statement. Note that (−)*

denotes reverse-scored item where the score ranges from [1] Strongly agree to [5] Strongly disagree.

[1] *Strongly disagree* [2] *Disagree* [3] *Neither agree nor disagree* [4] *Agree* [5] *Strongly agree*

27. I see myself as someone helpful and selfless to others. __________
28. I see myself as someone who has a forgiving nature. __________
29. I see myself as someone who is generally trusting. __________
30. I see myself as someone considerate and kind to almost everyone. __________
31. I see myself as someone who likes to cooperate with others. __________
32. I see myself as someone who tends to find fault with others. (−) __________
33. I see myself as someone who starts quarrels with others. (−) __________
34. I see myself as someone who can be cold and aloof. (−) __________
35. I see myself as someone who is sometimes rude to others. (−) __________

Section C: Formal and Informal Giving (Cash and in-kind) and Volunteering of Respondents

36. During the past year, have you made cash or in-kind donations formally to an organisation, including charities, schools, churches, mosques, hospitals, etc.?

    [1] Yes [ ] [0] No [ ]

37. During the past year, have you volunteered your time formally through an organisation, including charities, schools, churches, mosques, hospitals, etc.?

    [1] Yes [ ] [0] No [ ]

38. During the past year, have you made cash or in-kind donations to individuals living outside your household?

    [1] Yes [ ] [0] No [ ]

39. During the past year, have you volunteered your time to help individuals living outside your household or to benefit the environment?

    [1] Yes [ ] [0] No [ ]

Thank you

Appendix 6: Consent form for the head of households

Dennis Boahene Osei

(Name of Researcher)

I, ……………………………………., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. Please tick the relevant option below.

I agree that my participation will remain anonymous YES [ ] NO [ ]

…………………………………… (Signature)

…………………………………… (Date)

Appendix 7: Participant information sheet for the head of corporate foundations

Dear Sir / Madam,

My name is Dennis Boahene Osei, a PhD candidate at the Wits Business School, University of the Witwatersrand, Johannesburg-South Africa. As part of my studies, I am conducting a study *on the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving in Ghana.*

As a head of corporate foundation, you have been identified and selected as one of the respondents whose knowledge and background will help give the data collection exercise a big boost. The questions I intend to ask you will specifically focus on identifying the motives and priority area(s) of giving of your corporate foundation, giving strategies of your corporate foundation, and key challenges faced by your foundation when giving to charity. In addition, I will also ask you to share with me the opportunities of corporate foundations in Ghana.

I, therefore, seek your consent to be interviewed to help provide answers and responses to a series of questions. The duration to complete this interview is about an hour. With your permission, I would also like to record the interview using a digital voice recorder.

You will not receive any direct benefits from participating in this research, and there are no disadvantages or penalties for not participating. You may withdraw at any time or not answer any question if you do not want to. It is important to note that your responses to the questions will be completely confidential and anonymous. The information provided will be held securely and not disclosed to anyone else. Indeed, your responses will be used strictly for academic purposes and also influence policy. I will be using a false name to represent your participation in my final research report. If you experience any distress or discomfort at any point in this process, we will stop the interview or resume another time.

If you have question (s) anytime about this research, feel free to contact me or my supervisor on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email Shaun.Schoeman@wits.ac.za

Yours sincerely,
Dennis Boahene Osei

Dennis Boahene Osei, denniskwakuboahene@gmail.com, +233554394026
Prof. Imhotep Paul Alagidede, imhotep.alagidede@wits.ac.za, +27781781310

Appendix 8: Semi-structured interview guide for corporate foundations

Corporate Foundation Giving in Ghana: Motives, Priorities, Strategies, Challenges, and Opportunities

---

Name of Corporate Foundation: …………………………………………………………………...

Date: ……………………………………………………………………………………….......

Start of Interview (Time): …………………   End of Interview (Time): ………………….....

Introduction

1. Please tell me a little about what you do in your job?
   - What is your title?
   - How long have been in your current position?
   - How many years have you been involved in corporate giving?
2. In which year was your foundation established?
3. What is the number of employees in this foundation?
4. What is the board size of your foundation?

Priority areas of giving of corporate foundations

5. Would you please tell me about the area(s) of charitable giving of your foundation?

Giving strategies of corporate foundations

6. Describe how your foundation makes charitable giving decisions? (Probe to find out the specific giving strategies of the foundation)

Giving motives of corporate foundations

7. What factors drive these giving decisions?

Challenges faced by corporate foundations when giving to charity

8. Describe any challenges your foundation faces when giving to charity?

Opportunities for corporate foundations in Ghana

9. Can you also describe any opportunities for your foundation in Ghana?

End of Interview

Appendix 9: Consent form for the head of corporate foundations

Dennis Boahene Osei
(Name of Researcher)

I, ………………………………………., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. Please circle the relevant options below.

I agree that my participation will remain anonymous	YES [ ]	NO [ ]
I agree that the researcher may use anonymous quotes in his / her research report	YES [ ]	NO [ ]
I agree that the interview may be audio recorded	YES [ ]	NO [ ]

…………………………………… (Signature)

…………………………………… (Date)

Appendix 10: Recruitment letter

Graduate School of Business Administration

Faculty of Commerce, Law and Management

University of the Witwatersrand

2 St David's Place, Parktown

P.O. Box 98, Wits 2050

Johannesburg, South Africa.

The Executive Director

[Name of Corporate Foundation]

[Address of Corporate Foundation]

January 2, 2020

Dear Sir / Madam,

PERMISSION TO INCLUDE [*NAME OF CORPORATE FOUNDATION*] IN ACADEMIC RESEARCH

I write to you this letter to seek permission to include *[name of the corporate foundation]* in my academic research. My name is Dennis Boahene Osei, a PhD candidate at the Wits Business School, University of the Witwatersrand, Johannesburg-South Africa.

Undoubtedly, the *[name of the corporate foundation]* is among the few corporate foundations in Ghana with rich experience in corporate philanthropy. As part of my PhD thesis, I am conducting a study on the motives, priorities, strategies, opportunities, and challenges of corporate foundation giving in Ghana. Therefore, I will be grateful to be permitted to *include [name of the corporate foundation]* as one of my samples for the research and interview the head of the foundation on a number of issues highlighted in the interview guide attached to this letter.

The research has been reviewed and approved by the University Ethics Committee (Non-medical)- *see evidence attached*- and hence, I will adhere strictly to the ethical procedures mentioned in the participant information sheet (Refer to the copy attached to this letter).

This study is solely for academic purposes and to influence policy. I hope this permission will be granted to commence data collection.

Kindly contact me via email (denniskwakuboahene@gmail.com) or phone (0554394026).

Yours Faithfully,

Dennis Boahene Osei

Appendix 11: Participant information sheet for impact investors

Dear Sir / Madam,

My name is Dennis Boahene Osei, a PhD candidate at the Wits Business School, University of the Witwatersrand, Johannesburg-South Africa. As part of my studies, I am conducting a study *on the approach to impact investing in Ghana.*

As a head of your organisation (i.e. organisations that describe themselves as impact investors or social venture capitalists), you have been identified and selected as one of the respondents whose knowledge and background will help give the data collection exercise a big boost.
The questions I intend to ask you will specifically focus on the background/ profile, governance structure, funding approach, engagement process, and exit strategy of your organisation. The duration to complete this activity is about 30 minutes.

You will not receive any direct benefits from participating in this research, and there are no disadvantages or penalties for not participating. You may withdraw at any time or not answer any questions if you do not want to. It is important to note that your responses to the questions contained in the questionnaire will be completely confidential and anonymous. The information provided will be held securely and not disclosed to anyone else. Indeed, your responses will be used strictly for academic purposes and also influence policy. If you experience any distress or discomfort at any point in this process, we will stop or resume another time.

If you have question (s) anytime about this research, feel free to contact me or my supervisor on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email Shaun.Schoeman@wits.ac.za

Yours sincerely,
Dennis Boahene Osei

Dennis Boahene Osei, denniskwakuboahene@gmail.com, +233554394026
Prof. Imhotep Paul Alagidede, imhotep.alagidede@wits.ac.za, +27781781310

Appendix 12: Semi-structured interview guide for impact investors

Approach to impact investing in Ghana: A multiple-case study

Name of Organisation: ....

Date: …………………………………………………………………………………......

Start of Interview (Time): …………………   End of Interview(Time): ……………………........

Introduction

1. Please tell me about the background/ profile of your organisation?
2. What are the aims and objectives of your organisation?
3. Describe the governance and structure of your organisation?

Funding approach

4. Can you please describe the funding model of your organisation? What motivated this funding model?
5. What is the preferred funding instrument used by your organisation?
6. What are the funding targets of your organisation?
7. How does your organisation evaluate prospective recipients of funds? (Selection criteria)
8. What are the targeted funds per fundee?
9. What is the funding horizon of your organisation?
10. Describe the monitoring process of your funding?

Engagement Process

11. Describe the various types of engagements that have accompanied your funding? (Probe to find out all non-financial support received by the fundees).

Exit Strategy

12. Describe the exit strategy or process of your funding?

End of Interview

These are all the questions I have for you. Thank you very much for your cooperation.

Appendix 13: Consent forms for impact investors

Dennis Boahene Osei
(Name of Researcher)

I, ………………………………………., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. Please circle the relevant options below.

I agree that my participation will remain anonymous	YES [ ]	NO [ ]
I agree that the interview may be audio recorded	YES [ ]	NO [ ]

Appendix 14: Recruitment letter

Graduate School of Business Administration

Faculty of Commerce, Law and Management

University of the Witwatersrand

2 St David’s Place, Parktown

P.O. Box 98, Wits 2050

Johannesburg, South Africa

The Executive Director

[*Name of impact investment organisation*]

[*Address of organisation*]

January 21, 2020

Dear Sir / Madam,

PERMISSION TO INCLUDE [*NAME OF IMPACT INVESTMENT ORGANISATION*] IN ACADEMIC RESEARCH

I write to you this letter to seek permission to include [*Name of impact investment organisation*] in my PhD research. My name is Dennis Boahene Osei, a PhD candidate at the Wits Business School, University of the Witwatersrand, Johannesburg-South Africa.

As part of my PhD thesis, I am conducting a study on the approach to impact investing in Ghana. Undoubtedly, [*Name of impact investment organisation*] is among the few organisations in Ghana with rich experience in impact investing. Therefore, I will be grateful to be permitted to include [*Name of impact investment organisation*] as one of my samples for the research and also, get the head of the organisation or the fund manager to respond to a number of issues highlighted in the questionnaire attached to this letter.

The research has been reviewed and approved by the University Ethics Committee (Non-medical)- *see evidence attached*- and hence, I will adhere strictly to the ethical procedures mentioned in the participant information sheet (Refer to the copy attached to this letter).

This study is solely for academic purposes and to influence policy. I hope this permission will be granted. Kindly contact me via email (denniskwakuboahene@gmail.com) or phone (0554394026).

Yours Faithfully,

Dennis Boahene Osei

Appendix 15: Ethics clearance certificate

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Osei

CLEARANCE CERTIFICATE **PROTOCOL NUMBER: H19/11/53**

PROJECT TITLE Studies on philanthropy and social investment in Ghana

INVESTIGATOR(S) Mr D Osei

SCHOOL/DEPARTMENT Wits Business School/

DATE CONSIDERED 15 November 2019

DECISION OF THE COMMITTEE Approved

EXPIRY DATE 12 December 2022

DATE 13 December 2019 **CHAIRPERSON** (Professor J Knight)

cc: Supervisor : Professor I Alagidede

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10004, 10th Floor, Senate House, University. Unreported changes to the application may invalidate the clearance given by the HREC (Non-Medical)

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

____________________ ______/______/______
Signature **Date**

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES