

Philanthropy or foolanthropy?

Making global philanthropy effective **Kumi Naidoo**

The world is becoming increasingly unequal, divided between religions and regions, and environmentally unsustainable. The philanthropic community has the potential to play a key role in fostering greater equity and greater justice – a world where democracy and human rights are protected and enshrined in political cultures and institutions from the local to the global level. If philanthropic institutions are to fulfil this potential, however, they will have to make difficult choices.



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The optimism surrounding the fall of the Berlin Wall in the late 1980s, and the promise of a ‘peace dividend’ and the burgeoning of democracy, has not translated into reality. There is a deepening democratic deficit at the local, national and global levels, with many citizens losing confidence in elections, in political leaders and in political institutions. Many have turned their backs on electoral democracy and put more of their energy into participatory democracy through the actions of various civil society organizations. Furthermore, many countries that attained electoral democracy for the first time in the 1990s found that real power now rested with regional and international organizations, such as the World Bank, the IMF, the United Nations and the European Union. The slogan *think globally, act locally* appears meaningless to those in developing countries who see such shifts in power: they need to *think locally and act globally*, if indeed that is where power resides today. This challenge is one that faces foundations both when working domestically and when considering cross-border grantmaking.

Global philanthropy or cross-border grantmaking?

Is global philanthropy more than simply cross-border grantmaking? As Jo Andrews stresses (p55), a key question that philanthropic institutions need to consider is how change happens and what the most effective levers of sustainable change are. Much of what is today called global philanthropy is essentially cross-border

giving by foundations in developed countries supporting NGOs in developing countries. Most grants given at the micro level are for the delivery of specific programmes. With some exceptions, these grants are generally small to medium in size and scope. However, as NGOs and other civil society organizations have found, concentrating on service delivery, without addressing the policies that either worsen or fail to address key social challenges, reduces their ability to have a lasting impact. Foundations have begun to engage at the meso level, supporting policy advocacy.

However, it is necessary to go further. Policy, whether at the national level or at the level of global institutions such as the World Bank, is made within particular governance frameworks. Global philanthropy should therefore include the support of global and regional efforts at fostering changes in policy and practice, not just cross-border grantmaking at the national level, critically important though this is. In fact, a small number of foundations do now support work that seeks to address governance deficits wherever they exist, including at the global level.

How can global philanthropy be creative, smart and effective?

How, therefore, might global philanthropy respond in creative, ‘smart’ and effective ways? There are roles that foundations can play at the macro (governance), meso (policy) and micro (delivery) levels, but as policy and governance changes (such as the struggle to democratize global public institutions like the World Bank or the UN) are medium to long-term struggles, many are dissuaded because of the difficulty of showing measurable short-term results. Albert Einstein’s words are much quoted but not the less true for that: *Not everything that counts can be measured and not everything that can be measured counts.*

The choices that foundations need to make include:

- ▶ What proportion of their investments to spend on service delivery and what on advocacy. Sometimes supporting advocacy by civil society in the US for a foreign policy that promotes fairer trade can have more impact than supporting small cooperative producers in the developing world. Both are important, but the choice of how much support to give to each can be difficult.
- ▶ How to balance the need to show results and the recognition that sustainable social change takes time and always suffers setbacks before change is secured.

- And, perhaps most important, how to use foundations' power to influence their own governments' global behaviour, and how to influence global governance processes and institutions.

Failure to deploy investments in a way that recognizes the levers of sustainable change and other complexities runs the risk of undermining foundation effectiveness. The various articles in this issue of *Alliance* suggest ways of enhancing effective global philanthropy. Here are six things for foundations to consider.

1 Support advocacy

Supporting solely or primarily service delivery activities is an attractive option for many foundations, because they can show more easily the numbers of people served directly by a particular activity. However, if they are to fulfil their potential as key agents of social change, foundations need to provide more support for advocacy work around policy and governance changes. Supporting service delivery where the policy environment is badly flawed, as Andrés Thompson argues (p47), can at best lead only to incremental progress, whose sustainability will always be in question.

Currently, most foundations venturing into the global arena, while recognizing the importance of coalitions, alliances and networks, are hesitant to provide support for them to ensure that they are able to function effectively. Ultimately, the success of advocacy networks supports the efforts of NGOs engaged in direct delivery of programmes and services. Zimbabwe is a good case in point. The decimation of democracy has meant that even service delivery NGOs are struggling to have an impact, and any chance they have of doing so is dependent on the success of the various civil society coalitions working for democracy and human rights.

This might also mean that foundations need to support civil society groups in powerful countries that shape the global agenda, including G8 countries. As Luc Tayart de Borms (p45) suggests, we need to 'tackle the root causes of societal problems' – for example the unjust global trading system that in some cases helped give foundations their wealth but which impoverishes people in the developing world.

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2 Be frank and realistic about power dynamics

Foundations must honestly confront the power dynamics between donor and donee that are present at the domestic level and inevitably accentuated at the international level, and which, as Ceri Oliver-Evans points out (p51), raise questions of cultural dominance and respect for sovereignty.

Foundation accountability needs to be exercised at different levels. As well as being accountable to their grantees, foundations should, as Peter Laugharn (p30) suggests, be accountable for solving global problems. It should not come down to a choice between the two. Nicholas Borsinger's view (p50) that the strongest accountability is to those who are excluded from a foundation's programmes is also important. When operating at the global level, foundations must bear in mind not only the organizations they support but the broader constituency of people affected by a particular global problem.

3 Explore ways of collaborating with other foundations

Foundations' impact could grow exponentially if they were more willing to embrace the notion of collaboration (a point made strongly by some of Andrew Milner's informants; see p41). Developing country civil society groups often say that they spend so much of their time 'servicing the needs of donors' that it detracts from their core mission. If foundations could agree on common funding applications and common reporting formats and were less obsessed by what Paul Bekkers calls 'flag-planting', imagine how much easier it would be and how much it would reduce transaction costs on both sides of the philanthropic equation – something that is critical to making global philanthropy more effective.

There is an opportunity here for traditional foundations to partner with international development NGOs who, in addition to their operational activities, have considerable grantmaking budgets. While this is already happening, there is scope for much more. ▸

4 Use foundation convening capability

The existence of a silo mentality in some areas means that even obvious synergies are not realized and impact is lessened. As Andrés Thompson suggests, sensitive exercise of foundations' convening capability could contribute considerably to sharper thinking and practice, particularly at the global level. There are great possibilities for engaging governments and intergovernmental bodies. While this can be a slow process, subject to changes in governments or the paralysis that global institutions sometimes face, the potential gain justifies the pain.

5 Consider the cultural context

The Oprah Winfrey Academy in South Africa recently made news when it allegedly prevented children from attending funerals of 'family' members because of how family was interpreted, with the South African interpretation being wider to include uncles, aunts and cousins. However, cultural context can define much more, from reporting expectations to questions of quality of programming.

The assumptions that foundations sometimes make about the operating environments of developing country grantees are based on their own reality, whether it be about political space, availability of technology or infrastructure, educational levels, the media environment, and so on – a reality that is not necessarily shared by grant recipients. Nnimmo Bassey's observations about AGRA are a timely warning that well-intentioned interventions can undermine local conventions and practice, and ultimately be negative in their impact.

6 Critically engage civil society

Foundations need to consider going beyond supporting NGOs and embracing a more inclusive definition of civil society. In some societies, supporting social movements, trade unions or faith-based institutions can have more effect than working with NGOs alone. Reliance on one avenue of engagement, as Luc Tayart points out, can be a mistake.

While some of the limitations of civil society, as noted by Tayart, can be addressed by foundations, this does not mean that foundations should not explore engagement with governments or intergovernmental organizations, as suggested by some contributors, or

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locate their interventions within governments' national priorities and plans. A balanced approach is probably needed, with choices ultimately informed by which investments will have the greater possibility for sustainable impact and change, as well as by an understanding of the critical impact that a strong, well-organized civil society can have in holding governments to account and engaging citizens in public life. As Tayart points out, many civil society organizations need to do much more to be accountable themselves. The launch of the International NGO Accountability Charter is one example of how civil society organizations are meeting this challenge.

A future of growth and possibility

Finally, notwithstanding the hampering effect of restrictive legislation stemming from the so-called war on terror, global philanthropy is an area of growth and possibility. It should not be driven by charity, but by the desire to create a just world where all citizens from developing and developed countries can equitably share its finite resources. If global philanthropy is to grow and have strategic impact, those from donor countries need to be convinced that there is a return in their own countries, too. Issues such as immigration, environmental degradation, global health problems and the attainment of global peace and security do affect those in donor countries.

While there is room for engaging with governments and intergovernmental organizations, this should be explored cautiously and critically, since the heavier bureaucracy of these institutions can slow down innovation, limit creative thinking, and ultimately stunt social and economic progress. Notwithstanding Agnès Binagwaho's view that foundations should *always* engage with governments, we need to recognize that there are cases where violations of human rights and democracy, for example, make it impossible to do so.

The background to global philanthropy and cross-border grantmaking is challenging, complex and changing rapidly. Foundation leaders need to exercise courage and caution, as well as embracing a consultative approach. They should resist looking for hasty returns, and they should not be afraid to support advocacy. A narrow approach runs the risk of leading us from philanthropy to foolanthropy. @