



**The Barry Gaberman Lecture:
The Role of Philanthropy in Difficult Times**

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THE ROLE OF PHILANTHROPY IN DIFFICULT TIMES

1. In his book, 'A Tale of Two Cities', Charles Dickens wrote that 'It was the best of times, and it was the worst of times'; and as ever the Chinese have a proverb (some say a curse) – 'May you live in interesting times', but our lecture title today – 'The Role of Philanthropy in Difficult Times' undoubtedly has a resonance with Barry given his many years of thoughtful and insightful contribution to global philanthropy. Difficult times are invariably complex and bring with them both challenges and opportunities. So my optimistic sub-text today is the question – Why miss the opportunities in a good crisis? What I intend to do is to rehearse some of the contextual issues that might warrant the depiction of 'difficult' times; then share a few thoughts about the world of philanthropy – drawing indeed from insights presented by Barry himself; concluding with that theme - dear to all our hearts – the nature and contribution of community philanthropy. My connecting thread in this talk is borrowed from management guru, Peter Drucker - that 'The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic'.
2. The art – some say the science - of studying the future has been adopted by not only academic institutions, but also business, politics, economics and national intelligence agencies. At least one Centre for Future Studies, in Kent University in England, talks about the need to analyse global trends in order to identify shocks and scenarios. Whilst the World Economic Forum has outlined scenario planning based around Economic, Geopolitical, Environmental, Societal and Technological 'mega-shocks' that offer possible global contexts. And then of course – outlying all this study are the dreaded 'black swans' – the scenarios that few foresee. However what I want to focus on are the seven complex challenges identified by 'The Elders' (that esteemed group of Elder States people drawn together by Nelson Mandela), as pressing global issues. These include:

- Growing inequality, that is holding back development, as well as being a contributing factor in civil unrest and conflict – a priority acknowledged in recent times by many global leaders from US President Obama to Pope Francis as, to cite Obama, ‘The defining challenge of our times’. This is a phenomenon that can be somewhat ticklish for philanthropy given the very high profile emphasis on the importance of increased giving by High Net Worth individuals, however surely there are questions to be asked when as recent Oxfam research highlighted just 5 families in the UK own more wealth than the 20% poorest families in the population?
- Then there is the prolonged global economic crisis that is shifting attention from international relations to domestic issues, fomenting nationalism and xenophobia in its wake – with often significant potential for political re-positioning around reactionary ideologies that are exclusive in nature. We only have to look at Europe, but xenophobia has also raised its head in areas of the global South, such as South Africa.
- The widespread scepticism and disillusionment with political leadership – a point touched on recently by His Highness the Aga Khan, when he suggested to the Canadian Parliament that much instability in the world today is due to the fact that governments are seen to be inadequate to their challenges.
- The related issue of failure of governance at all levels which leaves fertile ground for corruption and transnational crime, such as human trafficking, drug dealing and the illicit arms trade. The modern slave trade, in particular, remains one of the most shameful hidden areas of international challenge.
- The threats against Human Rights, gender equality and human development particularly due to increasing levels of religious fundamentalism which is not confined to any one particular faith group. Although we could also add, related to the ‘War on Terror’.
- The fact that chronic long-term conflicts remain frozen and forgotten, together with the wider scope for regional instability that may well

entail a disproportionate impact of violence on women, the young and the vulnerable; and

- Our apparent unwillingness to face up to climate change which can halt or reverse progress towards poverty eradication. The UN estimates that by 2025, some 1.8 billion of the world's population will suffer from 'absolute' water scarcity and 66% will suffer from water 'stress' as there is decline in precipitation in the Middle East, North Africa, Western Central Asia, Southern Europe; Southern Africa and the South-West of the United States.

3. Now before we all pack our tents and return home in a state of terminal gloom, the Elders do flag up three positive trends

- Growing civil society activism that is becoming a powerful force for change;
- Increasing awareness of universal values and the need for ethical leadership in supporting the development of more inclusive, democratic systems; and
- The fact that the digital revolution is providing unprecedented access to information and communication (although with one caveat – research in 2010 highlighted the fact that 300 million fewer women than men in the developing world owned a mobile phone).

4. And then there are those interesting contextual scenarios that offer both challenge and opportunities – the fact that what might be considered the global middle class is forecast to triple by 2030 – 70% of who will live outside of Europe and North America. In designing its Future World Giving Project, CAF (Charities Aid Foundation) estimated that if 0.4% of this new wealth was given as philanthropy, some \$224 billion could become available each year. The location of this wealth has also been subject of conjecture – it is suggested that by 2030 some 57% of the world's population will live in urban areas, resulting in a minimum of 27 mega-cities, with populations of 10 million plus. This, in turn, poses

questions to civic activism and notions of participative democracy. Will urban civic activism dictate the democratic agenda and national balances of power? Will the immediacy of protest media coverage marginalise rural or border population priorities? Will we see an increase in the reactive politics of the borderlands – as arguably has already been happening in Southern Thailand; the north of Spain; Mindanao in the Philippines; Kashmir and other areas of India and, most recently in the south-western reaches of China? In short, what groups have the right to voice and presence in the politics of participative democracy? Are we in a post Westphalian phase of nation-building, where the sovereignty of established nation-states within their territory is no longer a given? And what are the boundary points that dictate the exercise of democratic choice? – a question that has bedevilled us in Ireland/Northern Ireland for almost a century and that we have seen recently in the Ukraine. Questions that suggest that there are few certainties – and all to play for.

5. These contextual challenges cannot be ignored as we plan for a future which after all is being charted over the next 15 years. Given the scenarios on offer, it is essential that we gear ourselves up to try on other world views for size, over and above those that we have grown up with and find comfortable. The economist John Maynard Keynes touched on this point in the mid 1930's, when he suggested that "The idea of the future being different from the present is so repugnant to our conventional modes of thought and behaviour that we, most of us, offer a great resistance to acting on it in practice". However, we now have the benefit of access to information and communication that enables us to think outside of the proverbial box of the accustomed. But this needs to be allied with a sense of imagination about how evidence drawn from our local experience can inform the global, as well as taking the time – and having the courage - to listen to the views of people and communities that all too often are defined as 'the other' – 'the enemy' - by either our own governments or our own societies.

6. Which brings me to the role of philanthropy in this ever changing and challenging world. It goes without saying that philanthropy is a good thing – otherwise why would we all be here? But just sometimes I am reminded of that insight about politics expressed by early 20th century US Senator Mark Hanna – “There are only two things that matter in politics – the first is money and I can’t remember the second”. Well certainly money matters in philanthropy – but if the second is not values, then I argue that we are in trouble. Over the past decade and more we have heard much debate about philanthropic impact and effectiveness; whether it is strategic, innovative or catalytic; whether it is celebrity philanthropy or responsive – indeed the intricacies of these debates have probably absorbed more attention, influence and money than attracted by many struggling Community Foundations working in the border areas of fragile states. However the reality remains that philanthropy itself – like civic activism – is a contested space that can be particularly challenged in difficult times. The philanthro-philosopher, Michael Edwards, argued that there is no “best” approach to be revealed by all the data collection around philanthropy, but instead the emphasis should be placed on building an eco-system of complementary funding styles to match a variety of context related needs and issues. He also suggested that philanthropy could learn much from some of the debates within the sphere of development aid – and I would add, within the sphere of community development.

7. What remains for me important is the need for clarity and transparency about the purposes, processes and value framework that philanthropic Foundations work to. Indeed in terms of values we need go no further than those identified by The Elders –

- ✓ Integrity
- ✓ Courage
- ✓ Compassion
- ✓ Equality
- ✓ Perseverance

All values that stand at odds with those examples of well-endowed Foundations that in practice prefer courtiers to critical thinkers. But values that do require to be deconstructed in order to draw out their essential qualities and to consider how we can go about applying them in our day to day work.

8. In terms of the potential of philanthropy I think we need go no further than the ten aspects enumerated by Barry himself when speaking at the US Council on Foundations some years ago –
 - Foundations can take risks and afford to fail (Heresy in the face of high impact philanthropy approaches but recognising that much learning comes from smart failures);
 - Take on sensitive issues public institutions will often step away from (Particularly important when these issues relate to underlying social justice challenges);
 - Take on activities not sustainable with only earned income but that require a subsidy since they are not governed by the tyranny of the bottom line;
 - Help to sustain services desired by a particular segment of society but that are not priorities for government (Again, often critical in our current climate of austerity);
 - Afford to think long term;
 - Be flexible and incorporate mid-term corrections to their programmes (Being prepared to nuance the tyranny of the log frame approach);
 - Act rapidly (Well sometimes);
 - Test innovative and new initiatives that can be brought to scale;
 - Fund independent policy analysis as a check on the claims of the public sector (And indeed, the private sector); and
 - Fund advocacy organisations.

In summary, Foundations can be innovative; risk-taking; a point of solidarity and advocacy; policy sceptics; as well as demonstrating perseverance and the ability to test and disseminate learning. These are

all important roles – arguably particularly in difficult times when much government and media attention is focused on short-term, crisis management, and when funding is limited in terms of research and development, let alone risk-taking.

9. But how does all this apply to the world of Community Philanthropy that many of us here inhabit? And having worked as Director of the relatively poorly endowed Community Foundation for Northern Ireland for twenty years, I am acutely aware of the yawning gap between grand theories and the stark reality of a severely constrained resource base, that was often enough to keep me awake at night. Notwithstanding this, I believe that in terms of function, community philanthropy can be the antennae of the philanthropic world; and in terms of outcomes, it can be the source of social capital that can bridge the global and the local contexts, in addition to promoting solidarity within the local itself. It is at the level of more locally-based community philanthropy that we can gather the evidence that is essential for horizon scanning in a global context in order to establish (a) What factors are constant; (b) what is changing; and (c) what are the consistent changes that we are picking up – those straws in the wind - that are particularly important. If channels for the collation of these knowledge points were available – perhaps through the Associations for community philanthropy - then we might not be faced with the situation identified by the Executive Director of the Stefan Batory Foundation last year, that philanthropy was all too often ‘surprised by emerging problems’.

10. Applying Barry’s 10 principles of philanthropic potential to Community Foundations we can see that the latter can certainly act rapidly in the face of emergencies; they can be flexible in approach; they can test new initiatives; and fund both advocacy and services for marginalised groups. In many cases, where they reach a certain point of self-sustainability, they can afford to think long-term. They may find it more difficult to take initiatives to scale; to be overly critical of public policy; and

sometimes to take on sensitive issues that may alienate potential donors. Unlike the more cushioned world of well-endowed independent Foundations, community philanthropy in practice is often at that cutting edge of the need to strike a delicate balance between the expressed interests of donors and the systemic need for social justice and social change identified by those without power or influence within society. Consequently, Community Foundations are not always ‘game changers’ – but they certainly know the pitch.

11. And it is this, I argue, that is the under-developed potential of community philanthropy when applied to the complex global challenges identified by the Elders and others. Community Foundations know – or certainly should know – the nature of poverty, inequality and injustice in their area. They are aware of the impact of migration and any rise in xenophobia. If they are located in the context of a fragile state, or violently contested society, they can address a range of the problems and opportunities emerging (and indeed we will be examining this in more detail in a Break Out Session tomorrow morning). Climate change and abuse of human rights are played out in the very societies where community philanthropy may be at work. But to actually develop a knowledge hub that can collate evidence, share it collectively and seek to influence higher level policies, there is a need for this to be seen as a priority, with resources of time and energy invested accordingly. For this reason it is good to see that WINGS, along with the European Foundation Centre, the Ford and Rockefeller Foundations, and others, are currently exploring ways to engage with the post 2015 UN Development Goals. This is an example of where grounded information from community philanthropy could be mobilised to inform higher level aspirations and policies, as well as offering possible partners in achieving global objectives.

12. But given that we are living in difficult times, and yet have the benefits of networking, we can be more ambitious than simply acting as knowledge hubs. We can also design and share actions around common

themes. For this we need to bring together the thematic expertise of Women's Funders and Human Rights funders with community philanthropy; or indeed, funders such as Global Green Grants with Community Foundations. Community Foundations have the benefit of being place-based generalists, with relationships of trust and credibility. They can open doors to thematic specialisms; or more proactively act as re-granting partners for larger, transnational donors. For example, given the projected mega-city scenario, would it not be timely to examine the learning of Community Foundations currently working in such contexts? Or given the challenges of human trafficking or immigration, could there not be partnerships forged between the Community Foundations located in the respective supply and demand areas, along with independent funders that are concerned about the issue? We need to envisage new forms of partnership and collaboration that are inclusive of community philanthropy, and sensitive to the fact that for many of the latter to participate effectively in Thematic Networks and Affinity Groups, there is always the consideration that the price of an air ticket may represent a small grant.

13. There is, of course, a challenge to community philanthropy itself. To act as a local knowledge hub means it must be a knowledge hub. It needs to have its finger on the pulse of the 'hard to reach' groups and the voiceless within society. This is its strength – to bring these voices to the table. After all, as Kim Feller, from the US National Organisers' Alliance once said – 'Civil society without power analysis is the opiate of the funding class'. As we all know, the question of who comes to the table is undoubtedly central to what is decided at the table – community philanthropy can have an important role to play in this, but clearly it itself must be inclusive in practice.

14. And so to conclude – we may live in difficult times, but as long as we are clear sighted about the complex challenges facing us, we have the potential to draw out new thinking and strategies, notwithstanding the quip by the US comedian, Arnold Glasgow that 'The trouble with the

future is that it usually arrives before we are ready for it'. For philanthropy, however, there is the ability to pilot new thinking and new approaches and to seek to influence policy-making related to human development and security. For community philanthropy – what its long-term supporter, the C.S. Mott Foundation described as that 'simple yet enduring idea' - there is the potential to localise and humanise the challenges that often seem too remote and too overwhelming to encompass.

15. One of the objectives of the recently established Global Alliance for Community Philanthropy (an initiative of the C.S. Mot Foundation; the Rockefeller Brothers Fund; the Aga Khan Foundation and USAID) is to generate learning drawn from the past and current experience of community philanthropy – to complement the work of organisations such as WINGS and the Global Fund for Community Foundations that is acting as secretariat for the Alliance. Because when the Community Foundation of the South Sinai funds education around voter registration with the Bedouin population; or when Semillas in Mexico hands over grant decision-making to women from deprived areas – this is saying something more than donor services. It is saying that what and how we use resources is as important as mobilising them. When the Community Foundation for Northern Ireland brings together bitterly divided communities or the Dalit Foundation in India refuses to allow the caste system to condemn people as 'untouchable' – then community philanthropy is demonstrating that it can be far more powerful than acting as an ATM cash machine. When the Community Foundations in Canada work collectively to influence public perceptions through its Vital Signs initiative, it is saying to us that knowledge can be pooled and used effectively across society. Because community philanthropy, in many ways, is like the turtle in the Native Indian proverb, where the story is told that the deer can only see the land and the fish can only know the river, but the turtle can know both. Given this unique position that can bridge differences and diversity, community philanthropy needs to be supported - as well as challenged - to enhance its role in not only surviving difficult times, but in contributing to the shape of times to

come. After all as was once said – we don't just inherit this world from our parents, we are lent it by our children.

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