

Have foundations become more powerful?

On 8 July members of the Working Group on Social Justice and Peace held a webinar to talk about power and philanthropy. Something that isn't much discussed, it seems. 'The issue of power in philanthropy feels like the elephant in the room,' said one participant. 'How little we talk about power within philanthropy,' said another. One particularly interesting issue that came up was the relationship between power and visibility: does greater visibility for foundations mean more power? Or does greater power come from a relative decline in the power of other institutions? What follows is not a fully-fledged article with a beginning, a middle and an end but some extracts from a fascinating conversation among a group of people who know each other well and think about these issues a lot.

Towards the end of his working life, said Stephen Pittam, recently retired from Joseph Rowntree Charitable Trust (JRCT), kicking off the conversation, he 'felt less comfortable about being involved in philanthropy'. When starting in the 1980s, he said, there wasn't a sense that philanthropy was so powerful. While grantmakers like JRCT were always transparent about their grantmaking, they didn't necessarily seek public acknowledgement of their role. 'We published information on all grants,' he said, 'but few grantees acknowledged where the money came from. It wasn't expected of them and they rarely did it. It was the people we funded who knew what needed to happen, made the case and campaigned for change, and it wasn't the money that was important. By the time I left, everyone wanted to use the brand of the foundation that supported them, almost to give credibility to the work. I felt more and more uncomfortable about that – the power of the money had become more important.'

Does more visibility equal more power?

It became clear in the ensuing discussion that there are other interpretations of why foundations have become more visible as institutions. The most obvious is the link with accountability, and the growing challenge to philanthropy to be more visible so that society can understand where all of this money is going.

To meet this challenge, foundations need to be more visible about what they're funding and why they're funding it. Another possible explanation for greater visibility is the way foundations tend to operate today, which is in some ways very different from how it was in the 1980s. This encompasses the move towards venture philanthropy, strategic philanthropy, catalytic philanthropy and so on, all involving a bigger role for the funder than more traditional grantmaking.

Atallah Kuttub of SAANED for Philanthropy Advisory was one who saw visibility and accountability as closely linked. As a grantmaker, he said, he had always welcomed visibility. He 'never felt comfortable giving money and playing in the shade. Visibility meant I am part of the agenda, I'm in the field, it's a partnership, it's collaboration. If that is power, so be it. I used the power of grantmaking to influence social agendas in societies where I worked.'

Halima Mahomed of TrustAfrica had yet another interpretation of visibility, seeing it, at least in some cases, as having as much to do with branding as with accountability and transparency. 'We're seeing emerging from different types of philanthropic institutions the need to establish and develop a brand – and the way in which it's being done does not always have positive consequences. She sees this as 'almost a corporatization of philanthropy'.

Ana Criquillion, founder of the Nicaragua-based Central American Women's Fund, emphasized the difference between private foundations and public foundations. 'As a public foundation, when you have to raise funds for your grantmaking, you have to share power with others – with your donors. It doesn't mean you have to be more accountable, but it's likely. And the power issue is still there in terms of participation in decision-making: how much you can and should allow your grantee partners and the social movements you are supporting to make decisions about what kinds of programmes you should have and what kind of grantmaking you should do challenges this power relationship. I think it has been more difficult for private foundations to go in that direction than public foundations.'

Philanthropy in relation to other institutions

If there is a sense that philanthropy has grown more powerful, is it partly because of the demise of the power of other institutions, particularly the state, asked Stephen Pittam. 'If you have a weak state and the tax base is being eroded, then is there an inevitable link between the rise in the power of philanthropy and the

reduction in the power of the state? Does that matter? It seems to me that only the state has real power in terms of fundamentally changing the injustices and inequalities we have.'

There was a general feeling that questions like this make a lot of sense if you are looking at a western democratic country where state erosion is taking place. But if you look at the protests in Brazil, you can see two things happening: middle-class citizens are going out on the street and demanding a host of services from their government, as well as less corruption and a reduction in violence in society as a whole – something that could have been predicted with the rise of the middle class. At the same time, you have a huge rise in philanthropic efforts in Brazil, with corporate foundations doing a lot more, many private wealthy individuals ready to partner with the state to make services available, and human rights foundations developing. The question here seems to be not so much about trade-offs between the state and philanthropy but how philanthropy rises and responds to civic demands on a state.

Before addressing this question, Barry Knight of Centris referred to the 'three critical power relations' which foundations often live in. 'Power is a neutral term,' he said, 'it means "able to do things". But it doesn't happen within a vacuum. It's essentially a relational concept: you are powerful in relation to someone or something else.' In their relationship with the external world and state and business, he went on, 'foundations are in a power-down relationship and comparatively weak'. In relation to grantees, 'their relationship around power is very strong'. The third relationship is with other philanthropic organizations. 'What's happened is an excitement of the peer relationship. What has become very important is that philanthropies have been subtly competing with one another rather than collaborating. People grade each other according to size of endowment, etc.'

In Knight's view, foundations mostly feel pretty powerless in relation to issues of the day. 'But we need to turn that around – philanthropy is one of the free sources of money that can change things. We need to get to a place where civil society is at least as important as the state in getting things done. All civil progress used to depend on civil society. We need a three-legged stool where there is a proper balance between civil society, the state and business. Philanthropy has a role in seeing all of those balanced properly.' ▶



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Ana Criquillon



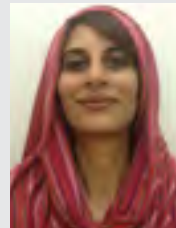
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According to Philanthropy for Social Justice & Peace Network coordinator Chandrika Sahai, in Africa social justice philanthropy practitioners have been articulating the role of philanthropy as being a bridging/brokering role between the state and civil society rather than replacing the role of the state by providing services. 'So we're not at cross-purposes with a social justice agenda.'

Suzanne Siskel of the Asia Foundation feels strongly that philanthropy doesn't have much power on its own but has great power when it can work with other institutions and doesn't see itself as the centre of attention (another take on the visibility issue: the suggestion that being more visible might make foundations less powerful). It's important to talk about the context for philanthropy and how much relative freedom it has. 'When you have money that's unfettered – as an individual, an organization or a programme officer within an organization, you wake up in the morning and think you can change the world. This gives a false sense of power but doesn't get very far unless you get back to the ways philanthropy relates to other kinds of institutions.'

Does size matter when it comes to power?

Is it possible to have too much power concentrated in too few hands? Is power relative to the context we find ourselves in? Does power in a Ford or a Gates Foundation mean something different from power in a Joseph Rowntree Charitable Trust?

'There is no straight answer,' said Halima Mahomed. 'On one level, how a philanthropic institution manages the power it holds does not have to be a factor of size. It's a factor of orientation, of value, of ideology, of ethos, and how it understands the role it's meant to play in society. On the other hand, we know that large funds have the ability to be big game changers.' This can be both positive and negative, Mahomed went on. 'We can see a drastic skewing when a large funder puts a significant amount of money on an issue. It can raise the issue in a way it's never been raised before and bring attention to it. It can marginalize other issues that are equally important. It can also skew the conversation: a particular solution can be seen as *the* solution without enough debate. A problem arises when there's enormous power and wealth and no accountability. Then the question is what you do with the power.'

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Stephen Pittam made a similar point. You don't have to be big to make an impact, he said. 'But I have seen quite a lot of examples where, when you are big and have a lot of money, you inevitably dictate agendas, whereas if you're small, you can't do that. If you're big, you can create an inner and outer circle: those you're working with and those you're not. You can inflate salaries in NGO sectors. Size always matters – but power is not always negative. We are assuming in this conversation that power is negative. Sometimes it's a positive thing – it depends on how we use it.'

Chandrika Sahai reminded us of one power small foundations do have: the power to say no and stay true to their values. 'Even a small, not endowed foundation relying on bigger northern donors can exercise the power to say no if the donors don't serve your values agenda.'

Finally, Ana Criquillion warned against generalizing: 'You cannot generalize anything. A women's fund in Nicaragua can at the same time feel powerful because it has some amount of funds it can use to make change in society and powerless in the kind of relationship it wants to achieve with other donors, in challenging the agenda-setting done in the North which fails to take into account needs here. Even in the US, you have some philanthropic institutions that also depend on other donors that also have power over them. It's important to challenge and reveal power relationships wherever they are.' @

IS THERE A SINGLE NORTH-SOUTH DISCOURSE ON POWER?

According to Atallah Kuttub: 'By default there are similarities in discourses for the simple reason that philanthropists in the South copy a lot of what's happening in the North. They look at the North as a reference point despite all the hard work we are doing looking at ourselves and discovering how we do things differently. Some buzzwords are catching on in our region (catalytic philanthropy, etc). The fact that the South is copying the North in lots of discourses gives the North a subtle power. And unfortunately this self-imposed copying doesn't allow us a free space to discover our own discourses.'

'Yet the context for philanthropy is so different. What is clear from our joint Africa/Arab region meetings in Cairo and in Johannesburg is that people feel philanthropy has to have a political agenda. We don't have blank foundations. Foundations feel they have to have social agendas, unlike in the North where philanthropists sometimes feel defensive if they carry such agendas, preferring to claim impartiality. This is a difference we need to dig out and highlight.'