Commentary

Standing at the Crossroads

Community foundations worldwide are at a critical juncture where they must decide between being a field or a movement.

by Emmett D. Carson

In a wonderful poem, The Road Not Taken, American poet Robert Frost describes walking along a path the woods that splits into two directions. He can see that one path is well traveled—the other less so. In the last stanza of the poem, Frost writes:

I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I—
I took the one less traveled by
And that has made all the difference.

Today, like Frost, community foundations worldwide find themselves at a crossroads having to decide what path to take, and years from now we will look back on this decision as having been critical to shaping our future. It is not difficult to see the road most traveled—it is the path exemplified by the development of community foundations in the United States. Let me share with you what this path looks like.

The Council on Foundations' 20th annual Fall Conference for Community Foundations was held in Minneapolis, this past October. It was the largest fall conference ever, attracting more than 1,200 participants, primarily from the United States with community foundation representation from Canada, Mexico and Europe. There were nearly 100 sessions stretching over five days covering board governance, fund development, investment practices and grantmaking strategies. In nearly every respect the conference was an unqualified success. Conference participants shared ideas about best practices in each major area of a community foundation’s operation, and colleagues enjoyed a variety of networking opportunities.

What the conference did not do was generate any discussion of what community foundations are and why we do what we do. What the conference lacked was passion for what community foundations hope and want to achieve for their communities and why. What was missing is what African Americans call soul. The meeting had an array of wonderful speakers. The keynote speakers, all of whom were outside the community foundation field, sought to inspire participants about how community foundations could encourage to make a difference on such issues as education, employment, housing, healthcare or race relations rather than about how we are making a difference on those issues. The conference focused on the mechanics of how we run our institutions and not on the larger purpose of what we want our institutions to achieve within our communities.

One of the most revealing aspects of the conference was when participants were asked to envision what the U.S. community foundation field would look like in the year 2014. When asked whether community
foundations would be actively engaged in affecting public policy on issues they care about at the local, state and national levels by 2014, something a movement might do, 29 percent disagreed, 69 percent agreed and 2 percent had no opinion. On the other hand, when asked whether program and other staff at community foundations would be better linked with each other and with national experts in issues areas, something a field might do, 91 percent agreed, 8 percent disagreed and 1 percent had no opinion.

A movement focuses on the necessity for the work, what can be achieved and how. A movement can encompass a field and, over time, must incorporate some aspects of a field if it is to structurally sustain itself. A field, however, cannot give birth to, or sustain, a movement. A field or an industry (the new buzzword) concerns itself with market share, professional development, cost efficiency and best practices.

The road less traveled would lead to a very different conference of community foundations. Such a conference would focus on how community foundations are individually and collectively addressing equity and social justice issues in their communities. The conference would be the venue for issuing policy statements on the role that community foundations are playing in their communities and their relationships with government and business. Such a gathering would focus on the need for, or harm from, existing or proposed government legislation affecting local communities. The conference would be a vehicle for systematically sustaining a movement of institutions dedicated to improving the quality of life within their communities, countries and, perhaps, even across nations.

International Role Models

While there is much that has been, and can be learned still, from the U.S. experience about establishing a field, we must look elsewhere for models of how to create and sustain a community foundation movement. One model to consider would be the Community Foundations of Canada. How many associations of grantmakers would have the courage to focus its membership on social justice? In one of its several reports on social justice, Social Justice Grantmaking: Finding Common Language (PDF available for download online at www.community-fdn.ca/bookstore/index.cfm), it states:

In short, a social justice framework necessarily involves attention to issues of what, how, and who. The principle of fair and full distribution of benefits and opportunities requires grantmakers to take into account the nature of what they are achieving through their actions. . . . Could such activities be described just as well using different language? After exploring a number of terms including social capital, social cohesion, social inclusion, social change, and social economy... none is a direct substitute for social justice.

In conclusion, we are reminded that concepts such as social justice acquire legitimacy and value with use by respected institutions. While the language of social justice may not be used extensively at the present time by Canadian or American foundations, the more it is used, the more widely accepted it will become.

Although Community Foundations of Canada may be the furthest along in this exploration, others are also on this path. The Community Foundation Network, an association of community foundations in the United Kingdom, titled its 2003 annual conference Making Waves and focused on the role of community foundations as social change agents.

The choice before community foundations worldwide—whether to aspire to be a movement or a field—has significant consequences. It is a choice that will determine how we view ourselves, and how government, businesses and citizens perceive who we are, what we do and what they will expect of us. And, it will determine how we will measure success and the kind of research we will require over time. The desire to create a movement does not mean that we cannot or should not be inclusive of the mechanics of best practices as Community Foundations of Canada so ably demonstrates.
The Greater Purpose

Let’s consider one example of how following the U.S. industry model has been counter-productive to building a movement. Several years ago, American community foundations began to focus on fund development for the purpose of building assets rather than building community. This was a major shift in philosophy from decades past when U.S. community foundations viewed their role as accumulating unrestricted endowment funds to address the common good.

Community foundations around the world that previously saw themselves as part of a movement, particularly those from countries within Africa, South America and Eastern Europe, found themselves in a dilemma as they tried to follow the U.S. donor-focused model. There were at least two reasons for this identity crisis. First, the same level of income inequality does not exist in countries outside of the United States and, as a result, there are not enough wealthy people for a donor-focused strategy to be successful. Second, and more important, the donor-focused approach was in conflict with the idea of collectively raising and directing resources to address common community problems.

Communities around the world that had been attracted to the community foundation concept because they were interested in building civil society were now being told to follow the U.S. model and focus their attention on serving donors exclusively. They were told that rather than being a collective voice for the shared interests of the community, they were to be the voice for those with the most resources in the community. They were told that, rather than measuring success based on influencing community dialogue and creating shared understanding, success was best measured by how much they are able to raise in new gifts and by the size of their asset base. Community foundations do need to raise money to achieve a larger purpose.

Centered on Social Justice

Every movement must have a center that draws people together in common cause—a reason for being. To sustain an international movement of community foundations, I believe that the center must be to focus community foundations on promoting social justice in their communities. Through its grantmaking, community foundations, and foundations generally, have the capacity to fundamentally alter the power relationships that exist between citizens and their relationship to government, business and the nongovernmental sectors. Grantmaking is used here to include the continuum ranging from charity—the support of basic social needs while leaving the underlying social system/structure intact—to social justice/public policy grantmaking—efforts to change the underlying systems to improve the social outcomes for a particular group.

In democratic societies, citizens determine the distribution of power among the government, business and nongovernmental sectors. In this context, the nongovernmental sector refers to both grantmaking foundations and grantseeking nongovernmental organizations and differs across countries. The relationships among the three sectors represent a delicate set of checks and balances.

Citizens elect the government. Government regulates both the nongovernmental and business sectors. Government also determines the level of wealth that can be accumulated by individuals (who often work in the business sector), which provides the capital base for foundations and donations to nongovernmental organizations. Businesses and nongovernmental organizations lobby representatives of government to enact or change legislation in ways that are favorable to their point of view on an issue.

One example of this dynamic is the Oaxaca Community Foundation in Mexico. The foundation was created after legislation proposed by the federal government of Mexico to curtail and control the activities of civil society organizations was defeated by a coalition of nongovernmental organizations. As a result of the Oaxaca Community Foundation’s convening efforts involving government and nongovernmental leaders, the government agreed to work with the foundation to strengthen civil
society organizations. The foundation is also active in helping indigenous people secure land rights from the government.

Through social justice grantmaking, community foundations have the ability to determine the cause of social inequities and to correct them at the source. In fact, a key justification for the existence of foundations is that they can provide the risk capital within a society to test innovative solutions to systemic problems. Even when foundations fail to meet these hopes and expectations, citizens still believe that these institutions can be catalysts for innovative solutions to persistent structural problems. This should not be interpreted as an either/or decision of whether a foundation should support charity or social justice efforts but as how to balance both types of grantmaking within the social and cultural context of a particular community. It must be understood, however, that the exclusive support of charity without any support for social justice amounts to an unqualified affirmation that the social outcomes resulting from an existing social system are fair for all.

**Why is It So Difficult?**

An international movement of community foundations dedicated to social justice grantmaking in their local communities would help their members confront four intertwined barriers that often deter or prevent foundations from engaging in social justice grantmaking. Let me briefly describe these barriers and the community foundations that are overcoming them:

**BARRIER 1: ACKNOWLEDGING POWER RELATIONSHIPS**

In general, foundations are extremely uncomfortable in acknowledging that they have power, used here to mean the ability to influence or control the outcome of events. They appear equally reluctant to exercise their power for the purposes of promoting social change. Foundations’ reluctance to use their power may stem, in part, from a fear of retaliation from the government or business sectors.

According to Thomas A. Troyer's *The 1969 Private Foundation Laws: Historical Perspectives on Its Origins and Underpinnings* (available online at [www.cof.org/Publications/index.cfm?](http://www.cof.org/Publications/index.cfm?)), in the United States, the perception that the voter registration efforts of the Ford Foundation in the 1960s may have altered the outcomes of two local elections is widely thought to have led to new government regulations of foundations in this area. Rather than viewing government regulation as an appropriate part of the normal checks and balances of the three sectors, fear of regulation has served as a powerful disincentive for foundations to engage in voter registration or governmental lobbying efforts. In the United States, foundations have become so reluctant to support public policy advocacy that there are major efforts underway to convince foundations of the legality and importance of these efforts.

In contrast, consider the young community foundation in Banska Bystrica in Slovakia that has been active in motivating young people to vote and explaining the electoral process. In addition, it helped to create a 40-member nongovernmental association that works with local government and has advocated on behalf of the nongovernmental sector.

**BARRIER 2: ALLEGIANCE TO YOUR CREATORS**

At its core, social justice grantmaking is based on a belief that some aspect of society is inequitable and needs to be changed to create fairer outcomes. It is unlikely that there will be many individuals who have been successful in the private sector who will want to develop a philanthropy whose purpose is to change the status quo. After all, these wealthy individuals have been successful and reaffirmed by the existing system and power relationships. Although they may recognize a need for changes around access and participation in the existing system, it is difficult to imagine that they would consent to be at the vanguard for wholesale changes to the entire system.
Community and private foundations in which board members continue to have ongoing business interests may find it difficult to engage in social justice grantmaking if it results in alienating their business associates and personal friends or hindering those individuals’ relationships with businesses or government. Community foundations may shy away from social justice grantmaking if they perceive that such activities will make it more difficult for them to attract wealthy donors from the business sector or that the government will be more likely to retaliate against them.

Interestingly enough, in several countries, this concern has not prevented community foundations—even those that receive funding from the government—from fulfilling their missions. For example, in Mexico, Fundacion Del Empresariado Chihuahuense, A.C., receives tax revenue collected by the state to run its programs. Other community foundations are actively engaged in efforts to change the tax laws in their favor. In Russia, for example, the Togliatti Foundation has helped encourage changes in the local tax law allowing corporations that make larger charitable contributions to receive larger tax deductions.

**BARRIER 3: COURAGE TO WITHSTAND CONTROVERSY**

Unlike the government and business sectors that have learned to accept the reality of public criticism for their actions, foundations appear to be very worried about their public reputations. Again, there is good reason for this. Controversy brings with it the possibility of retaliation by the business or government sectors as well as the possibility of public disapproval. At worst, either of these outcomes has the potential to lead to disastrous consequences for foundations.

For community foundations that must rely on the generosity of a diverse group of donors, taking controversial positions or engaging in social justice grantmaking could easily generate a negative community reaction that would have an adverse effect on securing funding support from potential donors.

Yet some community foundations have taken that courageous step. There are few issues as controversial as bringing together Catholics and Protestants in Northern Ireland. At enormous institutional and even personal risk, the Community Foundation of Northern Ireland (formerly The Northern Ireland Voluntary Trust) has successfully advocated on behalf of victims and former prisoners on both sides of the conflict and formed a grantmaking panel composed of representatives from all of the paramilitary groups. It is worth noting that they also receive funding from the government; however, this has not prevented them from taking controversial positions.

**BARRIER 4: SIGNIFICANT RESOURCES REQUIRED**

There is a persistent belief that social justice grantmaking requires significant grantmaking resources. It does not. Oftentimes, simply convening people to talk about an issue publicly is enough to begin to influence public opinion and change the system. Raising the public profile about social inequities that exist for poor people, people of color, women, individuals with disabilities or gays and lesbians does not require large amounts of money. It does, however, require the will and the courage to use the foundation’s reputation to legitimize a topic as being worthy of discussion. Creating public dialogue around social inequalities the existing system has either created or ignores can provide the impetus for change by community groups, business or government. In fact, sometimes the very act of a foundation raising an issue can give the issue a public legitimacy and importance that it was previously lacking.

In a political environment that has become increasingly challenging for Australia’s indigenous population, the Lumbu Indigenous Community Foundation has provided technical assistance to a network of organizations dedicated to improving the socioeconomic conditions of Aboriginal peoples, thereby creating greater national awareness and understanding. Lumbu also recently held a conference with Deutsche Bank to increase economic investment in indigenous communities. Similarly, Charities Aid Foundation-Russia has provided technical assistance to Russian community
foundations and has been involved in convening international agencies, an activity that President Vladimir Putin of Russia has recently raised concerns about.

Consequences and Opportunities

If community foundations worldwide accept my charge to take the road less traveled and aspire to become a movement rather than a field, we should do so knowing that it will not be an easy road. It will require that we affirm that the larger purpose of community foundations is to be social change agents. We would have to declare that we have a distinctive competence in building civil society and translating the abstract concept of the common good into tangible examples. We would have to state that our financial model primarily relies on the accumulation of unrestricted assets over time directed for the common good rather than individual donor interests. And, we may be required to leave behind those who are wedded to the path of being charitable bankers rather than social change agents.

Notwithstanding these and other challenges, imagine, for just a moment, what our local communities, our countries and our world might look like if we saw ourselves as social change agents focused on improving our communities, especially for those who are poor. Imagine communities in which all citizens have an opportunity to reach their full potential—communities where personal success in the marketplace is balanced with a collective community belief and support of the common good.

In a democratic society, foundations and grantseeking nongovernmental organizations play an essential role in maintaining a balance between the competing interests of government and business in providing social equity for all citizens. When foundations fail to engage in social justice grantmaking strategies, the society loses a vital counterweight for ensuring that all citizens are treated fairly. By such inaction, foundations also undermine a key justification for their role within a democratic society.

Recognizing our shortcomings does not minimize the power of community foundations to continue to attract the interest and passion of people around the world who believe in the value of collective community action and civil society.

Finally, and perhaps most disconcerting, failing to engage our institutions in supporting social justice grantmaking efforts may cause groups that are treated unfairly to seek solutions for change outside of the democratic system that may be unacceptable rather than relying on peaceful mechanisms for change within the system. It is only when social justice is achieved for all citizens that foundations can legitimately focus all of their efforts on charity and say, as Frost did, that the choices we made here have made all of the difference.


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