Time to #ShiftThePower?

Community philanthropy and durable development

Summary version

Introduction

How likely is it that a given organization will be able to bring about lasting change? Untold millions of dollars are spent, and untold effort expended, in co-ordinated attempts to make life better for individuals and communities across the world. Yet few organizations can claim that their efforts have resulted in truly durable development. Could it be that the structure of community philanthropy organizations (CPOs) makes them particularly well geared to support lasting change in the local communities they serve? Do small CPOs combine a set of properties which, in the right circumstances, enable them to punch well above their weight – sometimes producing results that heavier-handed, top-down development can only dream of?

Call for a new development paradigm

In early December 2016 some 400 people from 60 countries around the world descended on Johannesburg. They were participants in the first Global Summit on Community Philanthropy, convened by the Global Fund for Community Foundations. Community philanthropy as a growing and recognized movement has branched out from its roots in community foundations, geographically focussed grantmaking trusts established in early twentieth-century North America.

Traditional North American community foundations act as financial stewards and knowledge brokers for those who wish to invest in the well-being of a given place, usually by making small grants to groups working actively to improve it. Their sustainability is based on endowments. The global growth of community foundations from the 1980s onward has been fostered both by local civil society leaders and by western funders, who saw community foundations as a resource for promoting social development and democratic engagement, particularly in post-Communist Europe and the developing world. According to the Community Foundation Atlas – which was based on a more expanded definition of 'community philanthropy' which includes women's funds, community development foundations, human rights funds and peace funds as well as community foundations – there were 1,858 such organizations in 71 countries worldwide. The strongest growth in CPOs in recent years has been in the developing world and these organizations are not necessarily following the traditional model.

At the Global Summit community philanthropy and other civil society practitioners from the Global South called for a new development paradigm. They challenged funders in the Global North – including private philanthropy, international non-governmental organizations (INGOs) and government aid agencies – to 'shift the power'. They expressed their dissatisfaction with the way complex local problems are addressed with one-size-fits-all solutions, short-term timescales, inadequate knowledge of local conditions and lack of regard for local expertise. They explicitly raised the issue of power, and how it operates in development settings. They overwhelmingly rejected development interventions that have left them effectively as subjects, obliged – often by the need for survival – to accept terms dictated by external agencies. Instead, they urged a new approach: properly informed support by donors for responses to local issues based not on three-year projects with imposed target outputs but on interventions grounded in local expertise, culture, resources and practice.

The history of development is littered with poor practice, and the power imbalance between funders and those they fund ensures that donors have little incentive to adjust their approach. But what if evidence of better outcomes could provide that incentive? Can we show that community philanthropy is more effective than other types of development at delivering lasting change?

The push and pull of forces in a CPO

Since the last quarter of the twentieth century there has been a major upsurge in NGOs on every continent: what Lester Salamon calls a 'global associational revolution'.[1] CPOs are a small but increasingly important part of this upswelling of civic engagement. What distinguishes them from other NGOs above all is their specific emphasis on utilizing,

mobilizing and growing local money and assets – both for investment back into the community and to leverage additional resources.

By deliberately seeking to engage local and external donors in their structures, CPOs inevitably confront issues of power, balancing the sometimes contradictory agendas, needs and philosophies of more conservative forces (more commonly found among donors) and grassroots stakeholders/partners invested in social change. The upside of this deliberate engagement of multiple stakeholders is genuine involvement of all sections of the community, and a reasonable claim by CPOs to be informed brokers of community knowledge and trust. The downside is that the centre of gravity of a CPO inevitably shifts towards those stakeholders who provide and control the resources, whose interest may be more in conserving the status quo than in challenging it.

Among community foundations in the Global North, this 'pull' towards donor interests and priorities can end up consolidating existing power structures, positioning them as part of the establishment, innately conservative rather than socially 'unsettling'. In the Global South, many CPOs often have visionary attitudes and ideas and a willingness to be disruptive, to step outside the system altogether rather than changing it from within. But relations with external donors may produce similar kinds of internal challenges which may hamper their efforts to foster community agency and shift power closer to the ground.

The limited success of international development

The resources flowing into international development are greater than ever, both from official development agencies and from private donors such as Warren Buffett and Bill Gates and their fellow billionaires who have signed up to the Giving Pledge. Much of this official and private aid will find its way to the Global South – hence the concerns expressed by delegates to the Global Summit, fearing repetition of lessons not learned about why development projects so often fail to achieve any lasting change. It was in this context that they raised the issue of power, something that most international NGOs politely sideline from the conversation.

The international development project grew out of a post-1945 agreement in the developed West to transform the 'undeveloped' world in pursuit of prosperity and progress. It was rooted in the assumption that western standards were the benchmark against which to measure an underdeveloped 'Third World', and that large parts of the world were 'lacking' when judged by these standards. This view of the 'Third World' as inferior and requiring continued intervention by superior powers entrenched existing power relations, as evidenced in the fact that today 99% of official aid is channelled through western intermediaries, with a mere 1% given directly to organizations in the Global South. Today's aid sector has inherited this drive to restructure the world in a western image.

Whether implemented by major bilaterals or grantee-partners of private philanthropies, this approach tends to take the same course: first, define a problem in terms amenable to the sort of solutions aid agencies can provide; then frame technical solutions to solve it. To do this requires highlighting community deficiencies rather than assets and skills. Local people are seen as responsible for problems requiring technical intervention by 'expert' outsiders. Take, for example, the many projects intended to tackle environmental

damage attributed to overgrazing by pastoralists. Here poverty is seen as stemming from poor livestock management by local people (a 'fixable' problem) rather than from systemic inequality caused by political relations (too hot to handle). This avoidance of political issues means development interventions may appear to tackle social issues while leaving the root source of the problem untouched or made worse.

The workings of power are seen also in knowledge production, where the prevailing version of reality defines what is measured and how success is described. Logical frameworks and cost-benefit analyses leave little room for local people's own responses and narratives, paradoxically defeating a common objective of development, namely to empower local people by giving them 'voice'.

In fact it has the opposite result, leading people to see themselves as 'underdeveloped' and dissatisfied with their lives. In many tribal communities, for example, wealth has traditionally been expressed through generosity rather than material display. However, approaches to life that promote social or environmental values over wealth generation are discounted by funders as contributing to 'underdevelopment'. Discounting local context, assets and experience, donors may fail to see how local change can best be catalysed. This local understanding can be seen as a key strength of CPOs, however small they are.

Well-being as the object of development

It has long been recognized that economic growth alone is insufficient as the object of development. Amartya Sen describes development in terms of expansion of interconnected freedoms: political, economic and social.[2] He describes human development as the capacity of individuals to make free choices to improve their lives according to their own norms and values. Things a person may value range from being properly fed and free from preventable disease to being able to participate in community life and having a sense of identity or self-respect. CPOs can provide communities not only with the capacity to achieve concrete improvements, judged by their own values, but also with the 'capacity to aspire'. Sen refers to this capacity and its results as 'well-being' – a broad human value that is empirically defined, open to local definitions, and the ultimate end of development. Detailed awareness of local ideas of well-being are central to its realization, worlds away from externally imposed, one-size-fits-all notions of what a given community may need.

A broad range of indicators over and above economic growth is needed to measure social progress, including subjective indicators. These bring their own problems, however. High levels of satisfaction may signify low aspirations, and people may state they are happy in very grim circumstances.

The University of Colombo's Psychosocial Assessment of Development and Humanitarian Interventions (PADHI) programme, established in 2006 to assess the impacts of post-tsunami interventions on a Sri Lankan population already traumatized by decades of civil war, identified five interconnected 'domains' or aspects of well-being:[3]

- **Access** – physical, material and intellectual resources

- **Experience** – competence and self-worth

- **Exercise** – the ability to participate

- **Build** – social connections
- **Enhance** – physical and psychological wellness

The achievement of all these aspects of well-being necessitates deep local knowledge and a focus on power relations as well as economic rights, and finding ways to channel unheard voices as well as stronger ones.

How does change happen?

The idea that change happens according to neat, linear chains of cause and effect – 'If we take x action, then y change will result' – is attractive to donors because it offers a sense of control and accountability. But one cannot assume that complex social and environmental systems are predictable, static and amenable to planned interventions that can be replicated in any number of contexts. Reported successes often relate to indicators defined by project technicians themselves rather than to real improvements on the ground. Donor-defined indicators do not always reflect locally desired outcomes.

This is as true of local community projects as of governmental interactions. Top-down solutions devised by outsiders, however well-intentioned, will not solve local problems – nor will they promote well-being – unless they take account of complexity and context. The people who know best what will work in a given place are those embedded in its culture. Even with local projects, development practice routinely ignores the experience and expertise of local populations, tells people what is good for them, and measures progress only in its own terms. Small wonder that many development efforts spend so much money but achieve so little lasting change.

What is needed is for those involved in development to recognize the unpredictability of outcomes in complex situations. Unplanned outcomes, which are more than the sum of the actions that produced them, may emerge.

Those wanting to achieve change also need to be aware of patterns of thought or behaviour in a society and how they are changing. For example, attitudes towards women might gradually be changing in a given region, but this is not yet manifest in its social norms and institutions. At a certain point when there is a critical mass of changed attitudes, material change becomes possible. The job of effective development is to identify and work with these tipping points. Change often comes from tiny local interactions that can have a big impact over time because cumulatively they shift the dynamics of the wider system. Effective change agents must have a thorough understanding of the local environment.

Smaller, local organizations that are close to the ground seem best placed to achieve change, but donors' emphasis on 'scaleability' often means that budgets remain in the hands of big international NGOs. Unfortunately, replication or 'roll-out' is often unsuccessful without the attention to context that local organizations can provide.

Four elements that must be present in order to effect meaningful change are:

- **Appropriate interventions** that meet needs and that work
- **Ownership** by stakeholders

- **Sustainability** of outcomes
- **Scaleability** of outcomes

These four interdependent elements can be seen as the key challenges of development. Usually, people with local knowledge and experience are the best judge of whether a local intervention will make a positive difference. Their expertise can be harnessed through a formal process such as participatory research, or by encouraging initiatives that well up from within a community. Only when there is appropriate action is there ownership. Only when there is a high level of ownership do ideas and innovations take off. Ownership leads to higher levels of participation, which in turn supports a learning process that ensures actions remain appropriate. Energy and enthusiasm resulting from appropriate action reinforce ownership, which ensures sustainability. Relationships and network building are crucial factors in channelling enthusiasm, built on a belief that an action will make a difference, in transmitting learning, and in building social capital and trust.

Often the relationships resulting from interventions are as important as the activities themselves. The implications for organizations like CPOs that work locally, within local norms and building on existing relationships of trust, are very clear.

Understanding how change happens enables us to start answering the question posed earlier: how likely is it that a given organization will be able to support durable change? We can build a picture of an organization rooted in its place; with deep, first-hand knowledge of the systems, issues and conditions that affect its residents, and an ability to act in response to them; one that supports appropriate local development initiatives, enabling them to be owned, repeated and spread; one that has the trust of local people, and networks of relationships and resources that span the whole community. Enter community philanthropy.

Community philanthropy and the rise of the horizontal

As already noted, recent years have seen a rapid increase in CPOs – 'new generation' community foundations, local CPOs and other types of organization harnessing local giving in the service of development and social justice. Barry Knight has identified five characteristics that distinguish these CPOs from traditional philanthropy:[4]

1   They raise money from the public to fund their activities rather than relying on an endowment.

2   People from the communities that benefit from the philanthropy are also donors.

3   The activities undertaken are shaped by the communities they are working with rather than being developed from outside.

4   The activities commonly stem from some form of injustice in those communities that results in some groups being disadvantaged or discriminated against.

5   The activities are generally about more than money, including technical assistance, convening and advocacy. They therefore involve a degree of activism by standing alongside the communities they are working with.

We have seen that deep understanding of local context and engagement with the local community is the basis for successful pursuit of well-being through social change. These characteristics of CPOs seem to make them ideally suited to pursue this sort of change.

The active espousing of a socially reforming change agenda is of course not exclusive to community philanthropy. However, CPOs do have one key differentiating feature: publicly raised funds. While NGOs tend to depend on external donors for project funding, CPOs must secure a licence to operate by being responsive to community needs. While other CSOs and NGOs may receive concrete support from their members, CPOs are *by definition* reliant on local contributions. As a result, they have guaranteed community legitimacy, because without local support they would simply cease to exist. Furthermore – and perhaps more importantly – CPOs are bound to focus on the assets and capabilities in their communities: they encourage people to express their aspirations. This structural local buy-in, harnessed in the service of local well-being, gives CPOs a serious claim to be organizations that can support durable change.

CPOs' claim to be change agents is further strengthened by Susan Wilkinson-Maposa's distinction between 'horizontal' and 'vertical' philanthropy.[5] As she puts it, the vertical aid system sees gaps or needs that external resources can fill; favours financial resources; strives to help people escape poverty; is based on written agreements; and recognizes people as legal entities – citizens with rights and obligations. The horizontal or 'organic helping' system, by contrast, sees resources within a community that can be deployed to meet that community's needs; focuses on the social transaction of helping, 'no matter how little', with whatever is available; seeks to increase resilience to cope with, or escape from, current conditions such as poverty; operates according to unwritten yet widely established conventions; and recognizes people as 'human beings with an identity and dignity that need to be preserved'.

Her analysis makes clear that while most CPOs embody some elements of 'verticality' in the way they work, they also embody more 'organic' or 'grassroots' horizontal approaches. These horizontal responses to development needs are potentially transformational.

Conclusion

Rooted in their own patch, CPOs can be seen as operating like a rhizome, nourishing their community, and being nourished by it, through a network of cultural and material roots that spread horizontally at ground level. To an outsider the flowers they produce may look modest, but they generate seed that takes root and thrives because it falls on home soil, and spreads underground into places an outsider knows nothing of. The challenge is to persuade donors to recognize the value of those modest blooms, and the growing harvest that can be reaped from cultivating them.

This may remain a step too far for many donor bodies. To extend the agricultural metaphor, western donors are often so wedded to modern scientific approaches – to the chemical fertilizers and hi-tech machinery that produce uniform, blemish-free crops – that they will not countenance the use of primitive farmyard manure, and recoil from the unpredictably knobbly vegetables that result.

Most donors continue to insist on compliance with western norms. But conforming to western standards is clearly insufficient in itself to secure the success of a development venture that lacks other critical factors – local buy-in, for example. Donors must be bolder

in recognizing that what usually works locally is most likely to be effective. They need to pluck up courage and trust grantees to do things in the way that works where they are – and see what happens. Some projects may succeed brilliantly while others fail – a scenario little different from the status quo, but with the potential to bring lasting change in communities. Nothing is more exciting than to see what people achieve when their own initiatives are facilitated – their skills and ideas recognized, their cultural norms and challenges accommodated and respected.

Above all, donors need to relinquish – or at least share – their power with those best placed to effect local change. The power-shifting genie conjured by the Johannesburg Global Summit is out of the bottle. It's time to let it get to work.

Footnotes

1 Salamon, L M. (1993) The Global Associational Revolution: the Rise of the Third Sector on the World Scene. *Occasional Papers*, No. 15. Baltimore: Institute for Policy Studies, Johns Hopkins University. *Quoted in* Hulme, D. & Edwards, M. eds. (2013) NGOs, States and Donors: Too Close for Comfort? Second edition. Basingstoke: Palgrave Macmillan.

2 Sen, A. (1999) Development as Freedom. New York: Random House, Anchor Books.

3 Abeyasekera, A (2014) A social justice approach to wellbeing: the PADHI psychosocial framework. *In* White, SC. & Abeyasekera, A, eds. Wellbeing and Quality of Life Assessment: A Practical Guide. pp 37–53. Rugby UK, Practical Action Publishing.

4 Knight, B (2011) Supporting Democratic Philanthropy: Report to the Ford Foundation. CENTRIS. *Quoted in* Hodgson, J, Knight, B & Mathie, A (2012) The New Generation of Community Foundations. Coady International Institute & Global Fund for Community Foundations with funding from International Development Research Centre, Canada.

5 Wilkinson-Maposa, S. Fowler, A.Oliver-Evans,C.& Mulenga,CFM (2008) the Poor Philanthropist. How and why the poor help each other. Cape Town: University of Cape Town Graduate School of Business.

The GFCF works with individual community foundations and other local grantmakers and their networks, particularly in the global south and the emerging economies of Central and Eastern Europe. Through small grants, technical support, and networking, the GFCF helps local institutions to strengthen and grow so that they can fulfil their potential as vehicles for local development, and as part of the infrastructure for durable development, poverty alleviation, and citizen participation.

About the report

This report is a summarized version of a longer, fully-referenced, paper of the same title. The original paper was written by Hilary Gilbert, while this summary was prepared by Caroline Hartnell.

About the authors

Hilary Gilbert's career started in the NHS with a focus on improving patient experience (including a stint at the King's Fund). In 1996 she changed tack to become the first Executive Director of Derbyshire Community Foundation, establishing both the Foundation and its nationally-recognized Vickers Art Award. She served six years on the Board of Community Foundation Network (now UKCF), and was an enthusiastic member of the Transatlantic Community Foundation Network. From 2005–2007 Hilary lived in Egypt, where her doctoral research into Bedouin lives led her to set up the Bedouin-led Community Foundation for South Sinai as a vehicle for Bedouin development. She is also co-founder and chair of its UK partner, the South Sinai Foundation. Hilary is an independent member of the South Sinai Research Group at the University of Nottingham, UK.

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