

Foundations, the State, and Social Justice By Steven Burkeman

In a paper I gave a year or so ago in New Zealand¹, I argued that the time was ripe for a new contract between foundations and the state. I suggested that the proper role of foundations was to do exactly those things which the state in democracies at least cannot or will not do, because of the essential short term-ism of the democratic process, its inevitable focus on what is popular, and the disjunction between the neediest people in society and popularity.

Having castigated foundations which, it seemed to me, were failing to fulfil that proper role, I've tried in these few thoughts to develop the argument somewhat, focus it on the role of foundations *vis à vis* the state when it comes to building a more socially just society, and, this time, to base it on practical, and mostly positive examples. For what distinguishes this gathering is that we are all actively involved in foundations, and we are all committed to social justice. This paper, then, is in part about ways in which foundations, principally in the UK, have indeed made a contribution to creating a more socially just society, by doing what it is they can do best, and not by attempting to do what is easy and superficially popular.

I do have to say that inevitably this is a contribution which comes from someone whose working life has been spent in an affluent and so called 'mature' democracy, and from the perspective of foundations which have an endowment. Others will have to judge to what extent the experiences and ideas I describe here are relevant in very different economic, social and political contexts.

First, some starting points. Some might say that the biggest enemy of social justice is charity. Too much charitable activity accepts without question the circumstances which give rise to the need for it in the first place. Charity is about ameliorating intolerable situations, not changing those situations fundamentally - I have covered this in greater detail in an earlier lecture². I

¹ <http://www.philanthropy.org.nz/conference.htm#Steven%20Burkeman>

² Allen Lane Lecture 1999 see: <http://www.allenlane.org.uk/newpage2.htm>

know this can seem very hard, and insofar as charity is a personal expression of compassion by individuals for the situation of others, I do not want to deny or criticise it. But it is a different thing from change, and justice needs change.

Foundations cannot achieve social justice on their own, and it is *hubris* to pretend otherwise: by definition, social justice requires action at a societal level. It may require action by many stakeholders but if it is to be effective then they need to be coordinated. Some may even need to be coerced. Social justice usually requires that some who have a lot will in future have less in order that finite assets are more fairly distributed. Those who have more are also those with most private power. They are unlikely voluntarily to cede this to others. Many of them are also those who run major foundations. Their motivation in doing so may be perfectly acceptable, in that they want to do good. But doing good is different from changing things.

You can't have social justice without social change, and in the end it is governments - the state - which have to act. Of course the corporate sector is as powerful - perhaps in some cases more powerful than government (witness E's comments yesterday). But it is only governments ultimately that we can expect to control corporates. There is a related issue which has emerged strongly for me at this gathering - the need for foundations to find ways of improving the quality of governance, and above all the removal of the corrupting power of money from the democratic process. I have not dealt with this specifically here.

But in my view, foundations cannot be a significant tool of social justice except as part of a state-led strategy, or as part of the pressure on the state (maybe even with its connivance) to change or as instruments to change the culture or the climate - to create a context in which governments feel obliged to change, or are enabled to change.

The finest and most old fashioned expression of the state as an instrument of change towards the achievement of greater social justice is *taxation*. Whether of income, or consumption, it represents the state's most powerful tool of social justice. Used carefully and with sensitivity, it can achieve a great deal. But there is also *legislation*, which is the subject of some of the examples I want to quote later on.

Turning to the role of the foundations, the theme of this gathering is ‘building assets for social justice’. There is, however, some licence to depart from the theme in these ‘open source’ sessions. Thus, I have taken a different view of social assets: I want to focus on the assets which foundations themselves already have, and how these may be applied in the interests of achieving more socially just societies. If foundations can’t bring about social justice on their own, what assets can they bring to bear? What is it that foundations *can* do which will make it more, rather than less, likely that social justice will be achieved?

Traditionally, and most commonly, the obvious asset - is *money*. We should never underestimate its importance and what it can achieve, in the right hands. Those of us who work with foundations delude ourselves if we think that those who need our money love and admire us for the warmth of our personalities.

But of course we do have other assets as well. We are often at the centre of *networks*, and can put people in contact with one another where they can work more effectively together.

We often have *access to government* - especially important in this field, as I hope I’ve already demonstrated - and others who can be influential.

We have another often underused asset - the ability *to give permission to people to take time to think*, and reflect. Which grant-seeking organisation would readily turn down an invitation to a seminar organised by one of its actual or potential funders?

We have - those of us who are endowed - *permanence*, of a kind. Uniquely, we are to a large extent immune from the pressures of the market which lead to the inevitable demise of private and voluntary sector organisations. Unlike governments, we are immune to the pressures of democracy which lead to their periodic downfall: we can be in there for the long run.

And of course, at times through the people who are involved with us, we may have *skills* which are useful to others - though I mention this with hesitation, as I think we do rather tend to think we know it all anyway.

Finally, because of our contacts and networks - because we are powerful - we are able to use *leverage* to bring in resources over and above those we have direct access to ourselves. This applies particularly if we are prepared to work together rather than in isolation - to further distance ourselves from the right to say “*We did that*”. This matter of taking the credit, or the blame, is important, and we will return to it.

How, then, can these assets be applied in the interests of social justice - remembering that ultimately foundations and their assets cannot achieve much without the intervention of the State?

Foundations can support those who press for legislative change. They can work to change the climate of ideas, and they can support local policy-focused action. Such change may be the direct means through which greater social justice is achieved, or merely a means of changing the climate of opinion. For much legislative change acts to change the climate of opinion rather than to create enforceable offences.

When reflecting on this issue, I am always reminded of the classic demonstration of the power of the state to make forms of behaviour respectable, or disrespectable - I have in mind the state of South Africa under apartheid. For decades, the State there made it respectable in South African society to be racist. By its own policies and practices, it said, in effect, to the people of South Africa (and especially to those who thought of themselves as part of the ‘respectable establishment’) that it was OK to favour white people over black people.

British legislators took their cue from that when in the 1970s, they brought into being legislation which made it illegal to discriminate on grounds of race. The same went for legislation on the legalisation of homosexuality, divorce law reform, and the abolition of capital punishment: all these were areas of reform in the UK where legislation went ahead of those elements of public opinion which make the most noise via the media, but over time much of that public opinion has been won round. It is, in an old fashioned term, *leadership*.

But legislation comes from legislators; in a democracy, that means democratically elected representatives. What is *foundations’* role in bringing about legislative change? It is, I believe, to support those who campaign for it,

pre-figure it, show why it's needed, demonstrate a vision of how a better future might be achieved. (I do think, incidentally, that there are real issues of legitimacy and accountability when a grant-making foundation uses the fact of its wealth directly to seek to influence government, rather than supporting others to do so. I do not say that it is necessarily always wrong - but that the issues should not go by default). I'd like to illustrate this by some examples from the setting I know best - the UK. Some of these examples are from my own direct personal experience, and some from observation.

To begin with an episode of which I am not proud, but which serves to make the point. You may know that the UK has a very centralised system of government, but paradoxically, huge variations in language, accent, culture etc amongst the different countries (England, Scotland, Wales, Northern Ireland) which make up the UK, and amongst the regions of England. At some point in the 1980s, I was visited by a Scottish minister of the church, newly returned from spending many years in India. He had some hare-brained scheme about bringing Scottish civil society together with politicians from all parties there in order to build support for devolution in Scotland. I listened to him, I hope politely, and then dismissed his ideas as unrealistic - what would such a person, recently returned from India, be able to achieve? I couldn't have been more wrong, for - helped by money from sources other than the ones over which I had influence - he assembled an amazing coalition which, by common consent, was most influential in achieving effective devolved government in Scotland. But the point is that someone in a foundation did recognise that the man had a vision, and the determination and competence to move towards it. There is as a result today in Scotland a more socially just society than there is south of the border.

It is a sad fact that it when the prospects for change look to be most inclement that it may be necessary to support those campaigning for it. Foundations who are after quick gains, notches in their belt whereby they can say to their boards '*your grants did that, and did it in the space of the usual three-year grant*' should think again.

There was for many years in the UK a campaign for a minimum wage - an hourly wage below which it would be illegal to employ people. Predictably, employers' organisations and Conservative politicians resisted this to the last - it would result, they said, in a huge loss of jobs, and make British industry

uncompetitive (while of course huge increases for company directors were necessary to provide incentives for them). Yet for 18 years, from 1979 till 1997 we had rightwing Conservative governments. Throughout most of those years I am happy to say that the Trust I worked for nevertheless pumped money into something called the Low Pay Unit, which did research that its campaigning arm then used to press for reform. At times during that period, the cause seemed a hopeless one. One of our trustees said at the time - “*we have to keep them going. We have to maintain networks of resistance*” (to the prevailing rightwing ethos). Now we have in the UK strictly enforced legislation which protects the lowest paid workers. But this change took many years to come about.

There are many other examples I could quote. The fact that the UK now has at last a Freedom of Information Act is in large part down to the efforts of an organisation supported for many years by a charitable trust. Similarly, the fact that we have some of the best legislation protecting whistleblowers from being sacked is down to an organisation created through the initiative of foundations and others. The fact that the UK Government is now committed to legislation on corporate killing, so that directors of companies who in the interests of profit neglect the safety of their workers will now be criminally liable if as a result their workers are fatally injured - again, that commitment is in large part due to an organisation supported by foundations. The fact that we now have the European Convention on Human Rights incorporated into UK law is largely down to the efforts of a group of organisations supported by foundations. The fact that the British Government has led the way on debt relief for the developing world is down to a coalition of organisations supported by foundations. Again, all these changes took years of work by people who had to call on foundation grants for many years.

But just as there are lessons to be learned from the work of foundations supporting organisations on the liberal/left campaigning for change in a right wing context so the reverse also applies. One has only to look at what the rightwing think tanks achieved in the USA. Take this quote - I apologise for its length³ - which refers to -

³ Sally Covington, *Covert Action Quarterly*, Winter 1998
<http://www.thirdworldtraveler.com/Democracy/ConservThinkTanks.html>

...a core group of 12 conservative foundations: the Lynde and Harry Bradley Foundation, the Carthage Foundation, the Earhart Foundation, the Charles G. Koch, David H. Koch and Claude R. Lambe charitable foundations, the Phillip M. McKenna Foundation, the JM Foundation, the John M. Olin Foundation, the Henry Salvatori Foundation, the Sarah Scaife Foundation, and the Smith Richardson Foundation. In 1994, they controlled more than \$1.1 billion in assets; from 1992-94, they awarded \$300 million in grants, and targeted \$210 million to support a wide array of projects and institutions. Over the last two decades, the 12 have mounted an impressively coherent and concerted effort to shape public policy by undermining and ultimately redirecting what they regard as the institutional strongholds of modern American liberalism: academia, Congress, the judiciary, executive branch agencies, major media, religious institutions, and philanthropy itself. They channeled some \$80 million to right-wing policy institutions actively promoting an anti-government, unregulated markets agenda. Another \$89 million supported conservative scholars and academic programs, with \$27 million targeted to recruit and train the next generation of right-wing leaders in conservative legal principles, free-market economics, political journalism and policy analysis. And \$41.5 million was invested to build a conservative media apparatus, support pro-market legal organizations, fund state-level think tanks and advocacy organizations, and mobilize new philanthropic resources for conservative policy change⁴.

So that's several hundred million foundation dollars targeted at social injustice. On a much smaller scale, the same phenomenon has been at work in the UK. The foundations of the most influential ideology for decades in our country- Thatcherism - were laid by a think tank which was to some extent supported by foundations (the Centre for Policy Studies).

And the left learned from that bitter experience. Thus, the Institute for Public Policy Research was created in the 1980s, during the Thatcher years, and has been hugely influential in shaping labour Government policy before it came into power and since (IPPR's director has now been seconded to work for the Prime Minister).

⁴ <http://mediafilter.org/CAQ/caq63/caq63thinktank.html>

The examples I have given may lead you to think that I am addressing foundations' role in social change only from the perspective of major national funders. It is true that most of my own experience has been in that context - but there are a few glowing examples of foundations working at a much more local level, and with modest resources, that have demonstrated what can be achieved on that scale.

For instance, the Millfield House Foundation⁵ is a small family foundation operating only in the north-east of England. It has decided to focus exclusively on policy change. It has done this in part by developing a regional think tank, opened by the Prime Minister whose parliamentary constituency is in the region, and looking for opportunities to support community led change-focused projects particularly where there is the possibility of using its support to persuade other larger funders to come in as well.

Millfield House supported the Byker And Newcastle (BAN) Waste Group⁶. Waste, and its disposal, is an important local social justice issue. If it is disposed of in ways which release poison into the atmosphere, you may guess at which people are likely to live closest to the source of the poison and thus to suffer most - and it is not those with the wealth to choose to live in safer more suburban settings. The BAN Waste Group brought together local residents, City Council officers and others concerned with the future of a local waste incinerator, but later tackled broader issues of waste disposal. MHF's report records that

The outcomes include an end to incineration at Byker and a review of the City's targets for recycling, but the process adopted may have been just as important, for BAN Waste earned the respect of local politicians and can hope for more radical City waste policies in future.

BAN Waste did not achieve this only with a grant from Millfield House - its involvement persuaded a larger US-based donor to come in with a significant grant - a good example of leverage being used by a small local funder.

⁵ <http://www.newnet.org.uk/mhf/default.htm>

⁶ <http://www.newnet.org.uk/banwaste/home.htm>

Even at international level, foundations, including small ones - if they are prepared to act in ways which do not come easily, and to use their assets which include, as I have indicated, access - can make a contribution to social justice. When the Berlin Wall came down, a number of UK foundations got together, and did a deal with each other and the government which led to a fund called Charity Know How⁷, in which every pound from the foundations was matched by government. By the time the scheme closed in 2002, it had raised and allocated some £2 million. This money was spent on over 700 smallish grants aimed at reviving the non-profit sectors in the new democracies of eastern and central Europe. To make this work the foundations had to sacrifice some precious autonomy, as the money went into a common pot, and each foundation had a single voice at the table, regardless of how much they had contributed.

Sacrificing autonomy is only part of the price to be paid if foundations are serious about using their assets to achieve social justice. They will have to be prepared to behave in ways which will not bring them the instant and obvious gratification on which they have traditionally lived. Social change - without which, in socially unjust societies, there can be not progress towards greater social justice - is not achieved quickly. It is difficult to measure, impossible to photograph, and difficult to attribute to specific actors. It is difficult to know whether the things you agreed to support have been successful, and whether the things you didn't support might have been better bets. It emerges from steady continuous unglamorous work, based on a strong core rather than a succession of sexy projects. Not, then, easy territory for foundations increasingly focused on measurable and attributable outcomes, and reluctant to pay for core costs.

Most important of all, foundations have to accept that they cannot take more than a tiny bit of credit for the change which their grants help to achieve. Foundations write cheques: other people do the work. Too often foundation rhetoric conveniently omits that fact, and foundation people lay claim to achievements which are in large part the achievements of those they fund.

As I hope the examples I've given help to show, foundations have an important role to play in achieving social justice. But - in the UK at least - it is one which

⁷ <http://www.allavida.org/ckh.html>

depends on supporting others. And realistically foundations can do nothing without getting the state and other major actors to shift, to make changes. Foundations can draw on a range of assets to help to do this, but doing this is much tougher than old fashioned charity or just 'doing good' - it requires foundations and those working with them to behave in ways which are not easy, to accept that they may be engaged in some efforts for a very long time without much to show for them, to sacrifice autonomy in order to work effectively with others, to accept that it will not always be possible to prove cause and effect, or to measure, still less photograph what has been achieved, or even to attribute it to the foundation dollar. Are we up for it?

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