PHILANTHROPY AND PLURALISM: DIVERSITY THAT DOES NOT DIVIDE

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Let me say what a delight it is to return to this platform where I began my work with the Council forty years ago as a newly elected board member. An annual meeting of members brings back many memories. I remember especially that moment in Montreal when a few of us brought a special excitement to those proceedings by proposing an alternative slate of candidates of color for election to the board. This set in motion a series of actions that re-defined and re-invigorated the Council as a place that respected and reflected the pluralism of American society.

I also remember this particular time on the agenda as a time when many members chose to sleep-in or simply avoid the encounter with the operational dynamics of an organization they assumed to be well run and well governed. It is thus not my intention to be either as dramatic as that moment in Montreal or as dull as some of the annual meetings I remember as a board member.

Forty years ago, we were a badly divided nation in a badly divided world. Forty years later, despite the good work of some very good people, we are still a badly divided nation in a badly divided world; divided not just by race, religion or region or even class, color and culture. We are divided by the way we think or even whether we think at all. We are divided by ideology. We are divided by theology and we are divided by the tension between the private virtues we proclaim and the public values we practice.

Psychologists tell us that the dominant mood of our time is one of free-floating anxiety. The period after 9/11 was such a moment and the period after the assassination of John F. Kennedy and Martin Luther King was such a moment. But the anxiety we now feel is not the result of one event but a confluence of events. It runs the gamut from anxiety about the economy to anxiety about what war is doing to our soul as a people; from anxiety about whether macro disasters have become the new normal to anxiety about how we tend to de-humanize and de-legitimize those

with whom we differ. We are so anxious as a people that we have become anxious about the fact we are anxious.

It was about twenty five years ago that as president of the Council I used this platform to argue that diversity need not divide; that pluralism rightly understood and rightly practiced is a benefit and not a burden; and that the fear of difference is a fear of the future. And so in behalf of my colleagues with whom I began this journey, I want to thank and congratulate Steve Gunderson for the many ways in which he has continued that message and affirmed it as essential not just for the Council but for all of philanthropy. I want to also thank and congratulate the board for institutionalizing diversity as a practice rather than simply an episodic response to occasional protests.

I am certain, however, that you did not invite me here this morning simply to praise you, so you will not be surprised to learn that I have also come to offer a few challenges. Forty years ago when people spoke of diversity they usually had in mind a sort of hierarchical pluralism where individuals and groups with different traditions, cultures and histories were invited to assimilate the dominant norms and practices. Today we speak of an egalitarian pluralism where sameness and difference are held together in a creative tension that enriches rather than divides.

Since I left the Council as president sixteen years ago, I have been living either full or part time in South Africa where I have had a front row seat for the debate about diversity, the new strategies for inclusion and the attempt to promote the reconciliation of conflicting images of the past as well as the alienation among groups. When we talk about diversity in the United States, we usually spend some time defining it, describing its relationship to inclusiveness or disaggregating numbers that show grave disparity. For Nelson Mandela and his generation of leaders, the concern was with how to move from affirming diversity as a value to implementing diversity as a process.

That is very much my concern today. I want to use this invitation from the program committee to examine: 1) what we in philanthropy say about the principles of diversity; 2) what we do in the practice of diversity; and 3) how we can use our resources to promote diversity in the larger society.

The principles of diversity

Let us look briefly at the principles of diversity, the civic and moral imperatives that moved and motivated us in those almost ancient days I referred to earlier.

Diversity and Democracy

Each advocate of diversity had his/her own way of making the case for pluralism in philanthropy. Personally, I have always argued that the first rationale for diversity is its role in strengthening democracy. Those who wrote the American constitution did not include people who look like me as full persons in their almost sacred document, but they had the language right when they called on succeeding generations to help form a more perfect union.

I like the definition of democracy as the ideal that **all human beings have equal value, deserve equal respect,** and should be **given equal opportunity to fully participate** in the life and direction of society. I like that definition because it takes

into consideration not just the relationship between diversity and democracy but between diversity and power. It reminds us that diversity is not in and of itself a public or private good. It becomes a civic good only when it is facilitated by intentional acts of inclusion aimed at not just the sharing of a communal space, but the sharing of communal power. It is thus a part of the larger struggle for the soul of our democracy. I have spent enough time living and working oversees to conclude that the best way to demonstrate the efficacy of our democracy to critics abroad is to demonstrate that it can work equitably for all of our citizens at home.

When we embarked on our first diversity initiative in the Council, I often quoted Howard Thurman who was fond of saying "I want to be me without making it difficult for you to be you." I asked then and continue to urge people now to imagine what our world would be like if more Americans were able to say "I want to be an American without making it difficult for an Asian to be an Asian, an African to be an African or a Latina to be a Latina." I asked then and urge you to imagine now how different our communities would be if more Christians were able to say "I want to be a Christian without making it difficult for a Jew to be a Jew, a Muslim to be a Muslim or a Buddhist to be a Buddhist." That was our underlying principle when we began diversity initiatives some years ago at the Council, "I want to be me without making it difficult for you to be you."

This principle was good for organized philanthropy then and it is good for philanthropy now. It was good for our nation then and it is good for an interdependent world now.

Diversity and Demographics

The principles of pluralism must go beyond democracy and diversity to include demographics and diversity. Public conversations about diversity in philanthropy in recent years always seem to begin with the grand and almost obligatory assertion that diversity is more than race and, in so doing, the discussion is often about everything else but the richness of racial diversity. Let me be clear then; race still matters. This is not a post-racial society, and how we deal with diversity can be a benefit or a burden.

It has been my experience that many very good people make very bad mistakes in assuming that since their own motives are good they could not possibly be a part of the problem. The truth is, however, that racial inequalities occur and are often produced and reproduced without the intention of doing so and even without reference to race. Some observers call this "lassie-faire racism."

Diversity and Reconciliation

In recent years, I have learned much from the paradigm of diversity that South Africans call Ubuntu. It is best expressed by the Xhosa proverb "People are people through other people." It holds that if I diminish your humanity, my own humanity is diminished in the process. If I deny or destroy your dignity, my own dignity is denied or destroyed in the process. It is not I think, therefore, I am but I am because you are. Concern for the other is thus seen as essential to a fulfilled humanity. Even among traditional warring tribes in Southern Africa there were war healers who met after the combat was over to plan strategies to respect and affirm the humanity of all of the combatants. It is said that the war healers had a responsibility to ensure that there was a short memory of hate.

The Practice of Diversity

Let me now shift gears from the principles of diversity to say a word about the practice of diversity. After I agreed to address this topic, I did what all good researchers tend to do in this age of the internet. I decided to Google what is being said and what is being done by organized philanthropy to practice and promote diversity. I want, thus, to congratulate many of you here today for the questions you have been raising and the proposals you have been advancing in that regard – not only emphasizing the value of diversity but even developing tool kits to implement those values.

I would like thus to simply re-emphasize four imperatives that I have found often overlooked:

1. Foundation executives and trustees need to dismiss the notion that all of the members of their staff aspire to be the same, especially the idea that executives should operate as if every person were of the same race, gender, nationality and sexual orientation. The color-blind, gender and age-blind ideal may sound good but it ignores reality. People must be made to feel that their differences are valued and respected rather than suppressed.
2. The large foundations need to separate the enabling elements of bureaucracy (the ability to get things done) from the disabling elements (those that over value predictability and consistency to the detriment of genuine change when change is called for). When process becomes more important than people, we have already lost the diversity struggle.
3. It is important that we periodically audit our organizational culture as well as the demographics, but unless the performance we expect is tied to the performance we reward we will gain very little new ground. I have managed in large business, large bureaucracies and small nonprofits and I have learned that an organization is what it rewards. It is not so much what it says in its code of conduct, strategic plan or press releases. It is what it rewards its people for being.
4. Those who seek to practice authentic and enduring inclusion must also understand that conflict and failure come with the territory. Managing diversity is not easy. Many institutions are apparently at ease before they diversify, but the larger the presence of different identity groups the larger the instances of conflict.

The psychiatrist and writer Scott Peck found in bringing diverse groups together that there are four stages on the way to a positive pluralism. The first is pseudo-community where people who are very different are brought together, but for a time they pretend they are all alike and gloss over differences. The next stage is one in which differences surface that are very important to the self-identity of some of the people in the group. There is a real clash, with some individuals trying to convince themselves that their own difference is so important that they must convert others, convince them that they need to assimilate. This is the stage that Peck calls chaos.

The third stage is one of emptiness. People come to realize the chaos they have created because of their need to affirm the value of their particular difference and they feel regret and even remorse about the conflict this has caused. It is only then, according to Peck, that people are ready for real community. So conflict must be

accepted as one stage on the way to community where diversity does not divide. Peck goes on to remind us that diverse communities do not just happen. They require planning. People must be persuaded that their self-interest is involved. As Peck put it, we build community out of crisis, we build community by accident but we know little about how to build community by design.

The Promotion of Diversity

It seems like a good time, therefore, for us to step back and ask what assumptions, what social analysis lies behind the work of our foundations, what theory of change informs our use of the myriad assets at our disposal, how often is diversity and inclusion a consideration in what we conclude is successful, and finally do we have an organized and disciplined way to determine what truly works in advancing equity and closing social gaps. Given their role as custodians of values as well as resources, foundations can play a major role in keeping people at the center of concern in a culture where power and wealth are an increasing preoccupation. But our vision for the future must be to help move the nation beyond the tolerance of difference to valuing diversity; to an understanding that opportunities and outcomes are interrelated and to a commitment to give new life to the promise of equality in the workplace, the schoolhouse and our civic institutions.

We are part of a moment in history when our society is integrating and fragmenting at the same time. The more interdependent we become, the more some of our people turn inward to smaller communities of meaning and memory. As I travel around the world, I hear more people saying I want to be me without making it difficult for you to be you. But they are demanding respect for their primary community of history and heritage before they are willing to fully embrace a larger community of duty and destiny. Some observers argue that hatred of the other, the fear of difference, whether because of gender, race, sexual orientation or national origin has made a comeback. I would argue that the issue is not whether hate is back, but whether we have allowed a few loud and angry voices to assume that it is socially acceptable to use hostile and demeaning public rhetoric to destroy the dignity, deny the humanity and de-legitimize those with whom they differ. That is why I hope those of you concerned about pluralism in philanthropy will urge your colleagues to examine how best to strategically deploy, not just its fiscal capital but all of the assets available to a foundation to promote diversity and inclusion.

And this is the essential idea I want to convey as I bring my observations to a conclusion. Organized philanthropy is an important civic and moral value, but it is also an important idea, and like all good ideas it needs to be reexamined from time to time.

For years, I have been advocating a form of intellectual engagement with philanthropy that looks critically at the macro-organizational model of a foundation as primarily a custodian of financial capital. It is now time to take the next step and begin the examination of how a foundation can use not just conventional capital, but the other forms of capital that are so easily overlooked or, at best, underutilized. In this period of reduced financial assets, we can sit on the sidelines and lament the shrinking of fiscal resources or we can become more creative and strategic in deploying other assets under our control.

I have been pleased to see more foundations addressing the long-term disconnect between grantmaking and investment functions. But that is already yesterday's battle. I have always had a reputation for audacity, so let me be bold enough today to suggest that the foundations with the most impact in the future will be those that integrate into their operating plans goals and strategies for the use of at least five forms of capital available to foundations. Some of my friends who have heard me make this argument have started to call this the SMIRF plan, in that it calls for an integrated use of social, moral, intellectual, reputational and, of course, financial capital for promoting an egalitarian pluralism. It is a paradigm of benevolent wealth that carefully plans and regularly assesses how best to use each form of capital to help form a more perfect union.

The historian Arthur Schlesinger once wrote that the American society is never fixed or final. We are a nation that is always in the making. It is thus the re-making of America that concerns me. So let us conclude with a look at the SMIRF plan.

Social Capital

Robert Putnam popularized the concept of social capital and we now use it frequently to refer to the idea of networks, norms, social trust and voluntary cooperation for mutual benefit. But Putnam, like Alexis deTocqueville and Robert Bellah before him, has not sought to apply the concept to foundations or the pluralism of philanthropy.

When I speak of pluralism in philanthropy, I have in mind not just pluralism on the demand side, but pluralism on the supply side as well. Communities throughout the United States have been experiencing a population shift that has brought new neighbors who are fueling the economy and a new middle class of color that provides the potential for a new, but stronger, civic culture. But before we can fully engage them in a common effort to make our communities more of a community, they must be made to feel that they belong, that their traditions are respected and their contributions recognized.

Consider for a moment how deep and enduring are the giving and helping traditions of some of the groups that are changing the face of our civic culture. As early as 1598, Latinos in the Southwest formed mutual aid groups, "mutualistas" and "confraternidades," to assist members with their basic needs by serving as vehicles for self-help, social cohesion and a positive group identity.

Long before deTocqueville became the most quoted, and probably the least read, expert on American civic life, Benjamin Franklin had become so enamored of the political and civic culture of the Native Americans he met in Philadelphia that he advised delegates to the 1754 Albany Congress to emulate the civic habits of the Iroquois. Many of the early tribes engaged in "give aways," which reached its most advanced form in the potlatch ceremonies of the tribes of the Northwest as well as in the custom of Chippewa mothers who used to tell their young daughters to take a dish of food to a neighbor simply to teach the child to give and share.

Long before Martin Luther King wrote his *Letter from a Birmingham Jail*, African Americans had formed so many voluntary groups and mutual aid societies that several states enacted laws in the nineteenth century banning black voluntary or charitable organizations. Long before Robert Bellah wrote *Habits of the Heart,* Neo-Confucians

in the Chinese community were teaching their children that a community without benevolence invites its own destruction.

The point I am making is that the benevolent traditions of the new groups are deep and enduring. Talk of developing a culture of giving within these groups misses the point. The challenge is to connect with existing traditions and charitable impulses, and to do so in ways that highlight modern strategies, tax exemptions and techniques for giving in perpetuity.

The time has also come for increased collaboration with those philanthropy seeks to benefit. If philanthropic strategies are to be effective, then the people affected must be included in both planning and implementation. The old question what can we do for them, or about them, must change to what can we do with them, how can we work together. If racism was the original American sin, the persistence of paternalism may be its most enduring counterpart. One additional way of increasing effectiveness is for collaboration of national donors with local racial and ethic organizations who not only share your commitment and mission, but have the advantage of proximity, local knowledge, local experience and local trust.

Intellectual Capital
A third set of strategies to promote diversity should grow out of how a foundation uses its intellectual capital. Foundations have access to information, ideas and practices that can help shape community discourse and help strengthen community development. Many of the nonprofits we fund are engaged passionately in public life, but like Thoreau at Walden Pond, many build castles in the sky and then set out to put foundations under them (No pun intended). Foundations can help them to ground their passion into persuasive evidence by providing not just money but knowledge. I find that when I use the Annie E. Casey Foundation's studies about the high costs of being poor, how people in low wealth communities pay more for what their higher wealth counterparts pay less, for example, people listen more attentively.

Reputational capital
The fourth form of capital is one we rarely think about and is one of the most overlooked contributions of foundations. It is what Robert Putnam has called reputational capital. Like conventional capital for conventional borrowers, foundations can use their social capital as a kind of collateral for those whose formal credentials and written proposals under state their potential and reliability. A grant is a good housekeeping seal of approval that says to a community that the foundation has done due diligence and find this organization credible, accountable and effective.

This is especially helpful to groups that are often marginalized because of the past of those who lead them and the pathologies of those who are served by them. Their leaders may be most effective in working with high school drop-outs, former drug addicts and the formerly incarcerated precisely because they were once victims of the same predicament; and because they greatly value their support from more established community groups they acquire an additional incentive to perform responsibly.

A foundation can also use its credibility with influential decision makers to highlight an area of local need overlooked or neglected by the larger community; but it is not enough to be simply advocates who speak in behalf of the marginalized groups in our communities. We must help empower them to speak for themselves. One of the most

striking and fundamental lessons coming from around the world is that when we empower the historically excluded to be active participants in the programs designed for their advancement, we are likely to have not only new ideas and wider ownership of strategies, but increased effectiveness as well.

Moral Capital

The fifth form of capital available to a foundation for promoting and advancing diversity and inclusion is its moral capital. We are custodians of values as well as resources. Who better than foundations to inform, enrich and enlarge the present discourse in our society about diversity. Religion does a good job of focusing on the micro-ethics of individual behaviour, the private virtues that build character. Foundations can help our nation focus on the macro-ethics of our aggregate existence, the public values that build and sustain community.

The form of moral capital with which I want to close is the opportunity for foundations to answer Scott Peck's question about how we build community by design. I have often said that when neighbors help neighbors, and even when strangers help strangers, both those who help and those who are helped are transformed, that when that which was *their* problem becomes *our* problem, new relationships are established and new forms of community are possible. I learned many years ago that when you experience the problems of the poor or troubled, when you help to maintain excellence in theater or dance, when you help someone to find special meaning in a museum or creative expression in a painting, when you help someone to find housing or regain their health, when you help to fight bigotry and to promote diversity, you are far more likely to find common ground and you are likely to gain a sense of self worth in the process.

Those of you, who have been involved in your community know exactly what I am talking about because, like me, you have seen how providing help can also provide hope; how working together can eliminate the fear of difference; and, of course, how strategic philanthropy can promote diversity and inclusion.

I left Cape Town just a few days ago to join you in this conference because I believe that it is time for philanthropy to lead again, time to de-bunk the misplaced myth that social change is off limits, especially the notion that it is hazardous to the health of the sector. One way or another, the American foundation has pointed to shortcomings in public policy that has significantly changed the way we meet our responsibilities to each other as a national community. While there must always be respect for differences, now is also the time for loyalties larger than the self. The romanticizing of the past when Americans looked alike, thought alike and acted in concert to preserve a misguided civility is no longer helpful. Leading begins with leaders who are willing to take risks. I have been a manager and I have been a leader. As a manager, I prized order. As a leader I was willing to risk chaos. It is time to take risks again.

In the early years of organized philanthropy, some foundations did an extraordinary job of promoting diversity, even while failing to practice diversity. We have an opportunity to finally bring these two into balance. Throughout the field, we see examples of foundations that get it. To them I say congratulations. But I would be less

than honest if I did not say to others that our nation needs you. Our future depends on you. It is still true, as it was when I said forty years ago, that diversity need not divide; that pluralism rightly understood and rightly practiced is a benefit and not a burden; and as communities and cultures around the world are now demonstrating, what some regard as the hunger for democracy may actually be diversity in search of a more perfect union.

So there you have it. The times of crisis are often the times of greatest possibility for creativity by foundations. I hope, therefore, that you will seize the moment to help shape the public discourse about diversity, demonstrate in your work the potential in the practice of diversity and actively engage in the promotion of diversity. THANK YOU AND KEEP THE FAITH.

Ambassador James A. Joseph was President of the Council on Foundations from 1982-1995. He has served in executive or advisory positions for four U.S. presidents, including Ambassador to South Africa from 1996-2000. He serves presently as Professor of the Practice of Public Policy and Executive Director of the United States – Southern Africa Center for Leadership and Public Values at the Sanford School of Public Policy.