



Social Justice and the Role of Philanthropy

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"Philanthropy [must] move out of fixed and safe positions into more independent, flexible, and far more exposed stances between the contradictory forces that are generating tension, and without the resolving action of some agent such as philanthropy, will otherwise tear nations and neighborhoods apart."

In accepting social justice as one of its goals, philanthropy is inevitably drawn into the philosophical question of who deserves what share of society's power, resources, and rewards. Philanthropy in America—and fair to say, I think, in other nations as well—has yet to engage that question at the totally befuddling level of complexity now apparent in the realities and the paradoxes of urban overload and global poverty.

Philanthropy has been spared the full agony of dealing with the question by the provincialism of its origins and the sheltered workplace within which it has carried on its labors. In its very nature, philanthropy is a product of wealth, a representation of what is voluntarily contributed by those who have enough to give for purposes, however benevolent, that stay reasonably within range of interests and perspectives.

It does not demean philanthropy thus bluntly to describe it, because there is still in the charitable impulse more of a drive to see the universal in the particular than one finds in other social processes—barring, at their best, religion, politics, and academe. No accident this conference nor this assignment; but no excuse, either,

to evade the obvious implications of who is asking the question and with preferred outcomes in mind.

Some Historical Perspectives: Where Philanthropy Is Coming From

The philanthropy "we" represent has engaged the problem of social justice in two separate but converging theaters: the domestic and the international.

In both environments philanthropy has operated generally on the same set of values and assumptions:

- That human beings, whatever their social origins, should enjoy a steadily increasing measure of freedom, equality, and security.
- That the processes by which social goals are determined and resources allocated should be made more accessible to all groups and individuals within society.
- That sustained economic growth is the quintessential element needed to achieve these goals.
- That all these gains can be accomplished without fundamental change in the culture and institutions that created and still sustain philanthropy.

Philanthropy could take on the mission of promoting social justice without placing its own assumptions and survival at risk.

American philanthropy has now had nearly a century of experience operating within the comforting framework of those beliefs. It was after the Civil War that burgeoning wealth begat large-scale philanthropy: successively and symbolically, Carnegie and Rockefeller, each in its turn and with growing flotillas in their wakes, ventured forth ever more intrepidly on the quest for greater social justice.

For most of that century, along most of the distance traveled, the odyssey has been not only safe but reassuring. Those were years of rising affluence and hegemony, not only for Americans but for the culture of industrialization and egalitarianism they came so conspicuously to represent. Charitable enterprises shared the same attributes and enjoyed the same success as did business and

democracy. They were, when looked at in the large, indistinguishable; not even the profit motive or the political calculus really separated them, since philanthropy was dependent on both and lived well within their constraints. Stated more positively, they were bound together into a single, coherent system; philanthropy acted to reinforce the values of that system, serving as a troubleshooter at home and as a missionary abroad.

The results over time have indeed been impressive, and never more so than during the crescendo of charitable crusading of the past two decades. Domestically, the foundations and the nonprofit service sector became the main incubators of social reform and the war against poverty; no matter that those actively engaged in these missions were such a minor fraction of that vast and otherwise somnolent enterprise called philanthropy. Over that period, the system in all its parts operated at peak efficiency: the economy provided a climate of hope and a larger pie for everyone to slice into; government transferred wealth and opened new avenues to participation; and philanthropy gave haven to nobler purposes and newer ideas. The number of poor in America was reduced almost by half; millions of minority group members and the young were enfranchised and otherwise given entry to the system. The irony of it all is that Americans now look back on that combined surge of social energy as essentially a national failure.

Abroad, the display of concerted energy was equally impressive—not the least being the powers released by philanthropy. The Ford Foundation's position in India until the mid-1960s epitomized the assertive influence of the goals and ideals that philanthropy brought with it, and the Green Revolution provided what may have been a curtain call of concluding approbation. Another miracle had been accomplished in unwavering dedication to the simpler concepts of humanitarianism and social justice. But, like its domestic counterpart, the international war against poverty and injustice seems to have run out of both miracles and acclaim.

Sisyphus Time

What philanthropy and its collaborators have encountered is not failure but paradox: the farther they succeed in lifting their burden, the heavier it gets and the more weary the doers of good become.

Similar forms of the paradox have appeared both at home and abroad. Its cruelest expression is that progress seems inexorably to ensure retrogression. Success in reducing mortality has overwhelmed the capacity of even rapidly developing societies to expand per capita benefits. Accelerated economic growth has been followed not by the closing but by the widening of the gap between "haves" and "have-nots." Raising agricultural productivity has inundated cities with well-fed and ill-housed migrants. Providing adequately for those migrants has helped attract more [of them] and [has] left cities bankrupt of the means to maintain even their current levels of services. Sharing power with new cohorts of the left-out has not reduced social hostility; if anything, it has added a new cleavage between indigenous "haves" and "have-nots." The extension of rights from the few to the many, and from civil to economic, has elaborated political and bureaucratic mechanisms that suffocate as much as they liberate.

Two decades of unparalleled economic development, governmental intervention, and philanthropic initiative have brought us to a seeming impasse both here and afar. Within our society, a sun belt of remaining optimism and vigor is detaching itself emotionally and politically from the older industrial areas, especially of the northeast and middle west; and within those aging industrial regions a culture of permanent unemployment and crime—a counterculture of ominous proportions—is fast developing and breeding true. Forty percent unemployment rates now prevail among urban black and other minority youth; survival by any means is the going imperative; and a [1976] survey by the National Center for Urban Ethnic Affairs of eighty-seven inner-city neighborhoods (twenty-three black, ten Hispanic, and fifty-four white) found nothing but continuing deterioration.

With the proportions reversed—the poor far outnumbering the affluent—the same fracturing is evident internationally. Manouchehr Ganji, in his 1974 report to the United Nations Commission on Human Rights, documented dismal measures of the widening gap.

The stone of Sisyphus has grown heavy indeed.

Philanthropy and the Art of Weightlifting

The last few years have not been easy ones for those practicing the art of philanthropy. What Forrester¹ calls the counterintuitive obstinacy of a complex system has nettled its way into our consciousness, there have been deepening pangs of self-doubt and mounting bewilderment about what to do next, more or differently. Even if painful, some of this pause for reflection has been useful; American and philanthropic idealism have had some growing and maturing to do.

There are already signs of learning—evidence that philanthropy in the relentlessly probing style that justifies its existence has begun to find more sophisticated and effective ways of working through the dilemmas of social reform. One, noted by Adam Yarmolinsky,² is the shift in focus from direct relief to social and economic development, a shift encouraged by congressional recognition that private agencies can play an important role in foreign aid programs. Experience has also shown the wisdom of “development from below” that is, a strategy based on labor-[intensive] rather than capital-intensive activity, greater community involvement, and expanded participation of counterpart voluntary organizations.

Much the same kind of learning and inventing has been going on domestically. The War on Poverty, opportunistically maligned by

¹ MIT professor Jay Wright Forrester began the field of system dynamics in 1956 as an outgrowth of his pioneering computer work in the 1940s and early 1950s. Working on aircraft stability, Forrester decided that a digital computer was more suited to address the complexities of his problem. He developed a prototype, then a working computer; he helped to invent magnetic core memory and other aspects of computer architecture and storage technology. He has gone on to apply system dynamics theory to such widely diverse systems as economics, social structures, and industry. His papers include “Counterintuitive Behavior of Social Systems,” “Christianity in a Steady-State World,” “Beyond Case Studies—Computer Models in Management Education,” and “Understanding Urban Behavior.”

² Ylvisaker is referring here to Yarmolinsky’s “Philanthropic Activity in International Affairs,” a 1976 study for the President’s Commission on Private Philanthropy and Public Needs. Yarmolinsky, a professor of public policy at the University of Maryland, served on the Filer Commission (see “The Filer Commission in Perspective,” page 280), and participated in the development and implementation of President Johnson’s War on Poverty programs. His books include *Private Energies and Public Purposes: Revitalizing the Non-Profit Sector*.

self-serving critics, was a badly needed and surprisingly productive proving ground for new insights and approaches. Development from below was the hallmark of that venture: though splotched with episodes of anarchy, community action succeeded in breaking through the hardened crust of conventional leadership—minority as well as majority—and gave scores of thousands of the hitherto uninvolved and uninvited the preparatory scrimmaging they needed before plunging into the game of regular politics. Philanthropy pioneered that exploratory probe into social reform; it is now sifting through a decade of learning and painstakingly gleaning and polishing the social wisdom that emerged. If I were to designate the most valuable of these insights, aside from the concept of community involvement and development from below, I would honor most the notion of consumerism and the invention of public advocacy. Without sustained pressure from those in need, economic growth and social progress will never flow beyond the elites and the bureaucracies through which they are filtered.

The common element in those and other accumulating hints of how to contend with paradox is the requirement that philanthropy move out of fixed and safe positions into more independent, flexible, and far more exposed stances between the contradictory forces that are generating tension and, without the resolving action of some agent such as philanthropy, will otherwise tear nations and neighborhoods apart. Philanthropy, from one point of view, paid dearly for its adventurousness during the past two decades—not only in the penalties dealt out through the Tax Reform Act of 1969, but even more so in the self-administered penance and confinement that followed. From a longer and more optimistic point of view, however, its confronting of harsher reality paid off. Stripped of some of its easier illusions and alliances—and its improprieties—philanthropy is that much more prepared to deal with the raw dilemmas now standing between our hopes for social justice and their fulfillment.

Those dilemmas are legion, and they dissolve interminably into each other for as far ahead as any futurist can see. But begin with two of the nagging questions and choices that lie immediately ahead.

Can philanthropy continue its preoccupation with social justice at home when far greater inequities are rampant and multiplying globally?

Some facile as well as some substantial answers come quickly to mind: "You have to begin someplace"; "We have an obligation to give at home"; "We know the problems in our own backyard"; "Everything is relative: an injustice close by is just as iniquitous, painful, and deserving of attention as an injustice somewhere else"; "We're powerless to do anything in someone else's sovereign territory"; "We're too small to make a difference beyond our own neighborhood"; "Try telling Congress, your own constituency, and the petitioner in front of you that you can't give at home because you're giving abroad."

If these aren't enough, there's yet another reason for thinking twice: the amount of time and money philanthropy [now] devotes to the cause of social justice at home is pitifully small compared even to a more global assessment of what is needed within developed nations such as the United States. If giving abroad becomes a mere substitute for giving that pittance at home, more has been lost than gained.

More, because the problems of social justice and the process of achieving it are linked. Take a very concrete example: the problems attendant on human migration. As development occurs, migration is a seemingly inevitable concomitant. In our times it has become massive; hundreds of millions of people are on the move. Whether forced or free, they are drawn as by the force of magnetism or osmosis toward places of economic and social attraction.

"Do it unto the least of these, and ye have done it unto Me." That mixture of challenge and comfort suggests one legitimate way of resolving the dilemma of whether to deal with the problems of injustice at home or abroad: do both in your own backyard. If developed nations were to attend more sympathetically than they have to the process of migration and the plight of migrants, they could considerably ease the social frictions that are generated by increasing global movements, and in much better conscience claim good citizenship. That mission alone could occupy the major part of any foundation's agenda in any of the more developed countries. Its

relevance to the current concerns of minorities and the urban and rural poor in the United States is obvious.

It would be too easy to stop there. Accepting only the responsibility for aiding migrants who manage entry into more developed countries merely deals marginally with the global problem of social injustice. Besides, a natural alliance is soon struck between established rich and newcoming poor, which discourages the arrival of any more. The zoning game that bars the urban poor from making it to the suburbs is just another expression of the exclusionary motives that build national immigration barriers. Philanthropy should think long and hard before becoming even a well-intentioned partner in that cabal. Indeed, philanthropy ought to be taking the lead in the opposite direction—of promoting, or at least sympathetically and constructively analyzing, the concept of a universal human right ultimately to move at will. It is hardly consistent to posit that right for human beings who, by accident of birth, have been placed within reach of opportunity but not for others who chanced to be born a boundary's distance beyond.

There is a very direct way in which philanthropy could help close the widening gap between the world's richer and poorer populations: by explicitly and aggressively prodding the more affluent communities [philanthropy represents] into meeting the quite modest quotas of foreign aid called for in the United Nation's strategy for the Second Development Decade.

There are several ways in which philanthropy might take the lead: by a stepped-up program of public and self-education; by a voluntary program of tithing and pooling; and by challenging corporations, which in the United States now devote less than a fifth of what tax laws permit in the way of charitable deductions, likewise to contribute and pool significantly larger sums for independently administered foreign aid or other forms of socially oriented investment. In the United States alone, stepping up corporate giving from the present 1 percent to the allowed 5 percent of pretax profits would yield approximately \$4 billion of additional resources. Coming now, that contribution would be a healthy corrective to the foreign bribery that recent disclosures suggest has become a widespread form of international corporate behavior.

If social justice is to be achieved, will more fundamental changes be required than philanthropy is ready or able to be party to?

Philanthropy in America has twice managed to accommodate itself to the massing of social problems: first when it shifted from personal charity to institutionalized giving, and second when it moved beyond the provision of direct services to the notion of strategic expenditures that would induce larger and more continuous spending by others. At both junctures philanthropy was responding to the obvious: if it was going to have any impact on the accumulating weight of social problems, it had to look for the longest levers it could find. That very process of searching was a contribution; philanthropy was freer than most to explore the next dimension.

It now seems clear that philanthropy needs—and is needed—to go searching again. The levers it has been using have proved too stubby. Constricting resources discourage the older strategy of pyramiding expenditures. To make the challenge to philanthropy even greater, the question is now being raised in this country and, even more so, in the Third World, as to whether philanthropy is too tied to established interests to be counted on for a willing spirit and an honest search.

The criteria for such a search—the tests of adequate leverage—are imposed by the nature of the poverty and urban problems, and by the fact that this time the judging will be done by the victims of injustice as well as by the doers of good. Society around the world has grown restive, sophisticated, ornery. The climate for leadership has grown hostile and, for self-appointed missionary work, almost impossible.

Can philanthropy, born of wealth and a set of systems under attack, meet the test and make still another creative adjustment to cultural change? Try answering that question in the context of what is needed to keep America's urban problems and the predicament of world poverty from becoming even more crushing burdens than they are.

After decades of analyzing and suffering the problems of urban demise, we now *know*, victims and experts alike, that we are not dealing with something that went wrong with the system, but with

the sorrier side of what went right. Most Americans have got what they wanted: cars, mobility, lawns, elbow room, new lifestyles, fewer constraints. They also got the freedom to escape. But their freedoms became other people's confinements, the more so as the voting power of suburbanizing majorities increased, and as the agendas for legislative bodies—private as well as public—served more and more the interests of the released, less and less the interests of the confined. That left the courts (because of their commitment to the constitution), philanthropy (to the extent it could mesh idealism with sobering considerations of the side its bread was buttered on), and the ghetto members (constantly subject to attrition of their own leadership through success or sell-out) to deal with the intensifying concerns of the urban poor.

We now *know*—and New York city's threatened bankruptcy seems to have been more instructive than riots, simply because the message got closer to most people's homes and pocketbooks—that the only way of easing "the urban problem" is by some fundamental changes in the ground rules by which everyone in the system prospers or suffers: changes in tax laws, zoning practices, income distribution, welfare financing, and the structure and functioning of government, corporations, and philanthropy itself. Fair to say, we have only a freshman's view of the systematic changes that are in order, even less informed a sense of how they can and should be synchronized. But one thing is certain, they all jab at Americans where it hurts: the freedom to go to it alone, to garner the benefits and slough off the costs.

Philanthropy is obviously at risk when it starts dealing with the ground rules of society, rather than with individual cases of injustice. Understandably, most of American philanthropy has not made the adjustment, but there is a growing segment that has. The spate of literature and activity addressed to the question of systemic change—revising state tax systems, for example, to provide more equal opportunity in education—gives reason to believe that philanthropy is capable of another enterprising stage in its own evolution.

Philanthropy's Dilemma

There is no entry point into this third stage of evolution—dealing with the ground rules of the established order—that offers a painless way for philanthropy to ease the pain of others.

One reason has already been made evident: systems in motion generate inertia, acceptance, and the simple fear of trying the unknown alternative. Resistance to redirection accumulates and becomes immense.

Second, it is extraordinarily difficult for philanthropy to act, or, certainly, to be seen as acting, in the neutral role it prefers. I doubt whether that professed neutrality was ever devoid of self-serving or of self-deceiving pretension, and I'm frankly glad that a more exacting social environment is forcing greater realism and self-realization within philanthropy. For it to move independently toward the points of maximum leverage on social change, however, will produce more of a tug with its own moorings than philanthropy has ever experienced.

Third, the emerging effort to deal with the ground rules of society inevitably brings philanthropy deeper into the territory of public policy and the turf that has traditionally been the domain of government and politics. None of the existing fictions, conventions, and protocols are really adequate to cover this entry, which explains the anxiety over the quickening dialogue between Congress and American philanthropy. But the imperative of growing philanthropic involvement in public policy also explains why both parties to that dialogue are sticking at it so tenaciously; why Congress, though lashing out against philanthropy, never destroys it; and why, in fact, even in its most hostile mood, Congress employs language and tactics ambiguous enough to let the evolutionary process move pragmatically ahead—pragmatically, but never comfortably.

Fourth, the closer philanthropy gets to the outer realities and inner workings of political systems, the more tempting it becomes to take on their logic and character and to lose the essential spirit of philanthropy. That spirit is to share blessing and hardship, and to bring together the universal and the particular. Politics, both domestic and international, measures things more by power and feasibility in the shorter run. By getting closer to that calculus,

philanthropy takes on a battle for its own soul that will be constant and wearying.

Philanthropy and Paradox: A Concluding Note

Weariness is probably the most debilitating consequence of paradox—and of the humanitarian assignment given philanthropy to make the dividing logics of prospering and suffering more consonant. A set of laws operates perversely against the reconciling efforts of social reform. The first law states that when forces get going in one direction, toward concentrated wealth or accelerating poverty, they keep moving that way with reinforcing effects. The second says that the more complex a system becomes, the more energy is required to accomplish any given amount of social change, the ratio mounting in proportion to the increasing number of consents to be negotiated and consequences to be thought through. The third holds that the more generalized the goal, and the more complex the means to achieve it, the greater the tendency for society to fractionate into competitive, but humanly comprehensible, communities of real or imagined self-interest.

Every one of these laws wears away at the energies of social reformers; their combined effect is enough to make even philanthropy wonder whether universal justice and macroengineering aren't beyond its capacities and any reasonable set of expectations—whether, after all, the best thing to do is to “clean up the corner where we are.” One glimpses those signs of retreat in the majoritarian consensus that colored the final votes of the Filer Commission in such a conservative gray. The message was that the dominant elements in American philanthropy were not ready to spend their energies or their equities much beyond the boundaries of their familiar interests. Nor were they ready to make substantial changes in the ground rules—or sacrifice the advantage—that generated, nurtured, and insulated their existence.

What the Council on Foundations has recently done, in adopting a formal resolution calling for renewed commitment of its members to the cause of social justice, is more in accord with the nobler purpose of philanthropy. I saw in that resolution a greater willingness than was exhibited by the Filer majority to preface any

reconsideration of society's ground rules with some public-minded rethinking about its own. But even the council's resolution was flawed (I would guess by the same inertial lapse in sensitivity that belies all our best efforts to change). Its wording respected only the human rights of "all *our* people"—italics added. What that phrase needs is a modifying adjective generous enough to embrace the whole world.

. . . And Reflection

The imbalance in resources between developed and developing nations is conspicuous in philanthropy. Modern foundations are the product of Western industrialization; even when they operate altruistically, they remain essentially paternalistic in their relationship to the world's and, for that matter, their own domestic poor. Philanthropy has accomplished a lot and can accomplish a good deal more, within the parochialism of its *status quo*, by illuminating and alleviating the condition of the world's "have-nots." The time has come, however, to raise the question of whether philanthropy itself should pluralize and distribute its resources more fairly on a global basis. The need for and the logic of locally controlled philanthropies within the developing world seem clear. I would propose that the major foundations of the developed nations undertake a systematic and common effort over the next decade to stimulate the growth of indigenous philanthropy, regional and national, within the developing world. The obstacles are formidable, but if philanthropy has generic worth as a complementary social process it deserves universalizing.

Domestically as well. The fatal flaw in Western philanthropy's performance at home is its one-sided character, which has the affluent unilaterally answering the two crucial questions posed earlier in this paper. Far better that our own less advantaged share the responsibility of working through those questions than have them wait passively to hear and then resent the answers given them by an established few.