

# THE CASE FOR STRENGTHENING COMMUNITIES

– AVILA KILMURRAY AND BARRY KNIGHT,  
GLOBAL FUND FOR COMMUNITY  
FOUNDATIONS

## INTRODUCTION

Many institutional funders have an instinctive preference for bigger, better-resourced civil society organisations (CSOs). The rationale is that such an approach leads to better outreach and impact monitoring, due to economies of scale. This contribution to the 2015 CIVICUS State of Civil Society Report challenges this pattern of support for larger, more formalised CSOs, as opposed to community-based organisations. The perspective is derived from the work of the Global Fund for Community Foundations, which gives small grants to organisations that promote philanthropy in local communities, and operates in ways that differ markedly from conventional donor support.

## THE NEW AID ARCHITECTURE

The past 15 years have seen a trend towards a ‘big is beautiful’ approach in the funding world. The logic is that big problems, such as poverty, inequality and climate change, need big solutions. Only large scale and centrally organised resource distribution and logistics can address the size and scale of such seemingly intractable problems.

In 2008, former Ford Foundation Representative in East Africa, Tade Aina, described how in the ‘new aid architecture’ grants tend to go only to the larger, more formal, better-resourced institutions that possess structures acceptable to donor consortia.<sup>1</sup> Funds are narrowly allocated to specific programme or proj-

ect purposes. Funders, “do not support investment in endowments or property of local institutions,” he said, and this means, “less flexible support for issues that are determined and adopted autonomously by local institutions,” as they will, “have to fit either the national development agenda or the increasingly narrow focus of the big private donors.” He described an, “emerging consensus on procedures and methodologies, predominantly business and market driven and led by the philanthrocapitalists, who are being joined by the old philanthropies in their insistence on narrow focus, high impact, clear and measurable results.”

Despite some successes in reducing poverty in some places,<sup>2</sup> the new aid architecture has helped to create a global development industry that may not be fit for purpose. Many CSOs have become highly skilled proposal writers, budget jugglers and masters of development jargon, and compete with each other to serve the needs of external funders. The impact of international funding has distorted our sense of time (a five-year development project can be considered long term) and created lines of accountability that drive upwards and outwards. The result is hefty reports landing on desks in London or Washington, far from the people that development is meant to serve.

## LISTENING TO PEOPLE

There is evidence that this approach does not work for local people. In their report *Time to listen: hearing people on the receiving end of international aid*, Mary Anderson, Dayna Brown and Isabella Jean have

assembled the views of almost 6,000 people.<sup>3</sup> Their work suggests widespread dissatisfaction. Three complaints are commonplace. First, aid creates dependency; second, it reinforces existing hierarchies of power; and third, it has little respect for local people. A less common, but particularly damning complaint, is the tendency for one development project to breed another, in an endless chain of self-serving job creation projects for development sector elites, while casting local people as passive bystanders, and often denuding community organisations of their most skilled staff.

This should not surprise us. We have known since the 1960s that centrally controlled resource allocation is incompatible with local empowerment. In their classic study of the US Anti Poverty Programme, Peter Marris and Martin Rein showed that rational scientific analysis of problems, combined with large scale, centrally organised resource delivery mechanisms, fail to take root in local cultures, and any short term gains are difficult to sustain over time.<sup>4</sup> Peter Rossi, a leading expert on social programme evaluation, has noted the difficulties of creating a useful social programme, and proposed ‘The Iron law’. This states: “The expected value of any net impact assessment of any large scale social program is zero.”<sup>5</sup>

Moreover, a lack of engagement with the grassroots is a noted cause of failure. A 2013 report by the National Committee for Responsive Philanthropy argues that elite-driven, top-down approaches adopted by funders in the battle against climate change in the US have not achieved their goals, because of a failure to involve those grassroots communities directly affected by environmental harms that had the energy and resolve to take up the issues.<sup>6</sup>

As the contribution of local people through their own CSOs is downgraded, everyone loses: development aid professionals find it difficult to attain their goals, and local people experience insurmountable obstacles in making any contribution to the wellbeing of their communities. It is these very people who are essential in the process, because they know how things work, have assets they can use, and are already invested in the long term future of their place. Such treasures are present in all communities. Harnessing them in develop-

this trend is evident in the growth of a new class of autochthonous community foundations. While community foundations vary in their form, they are firmly part of civil society, and are organised and self directed, while being different from most CSOs, in that they raise their own assets, both from within the community and as intermediaries for external funders. Typically they use grants to other community based organisations as one among a number of strategies for building an inclusive and equitable society. Halima

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ment activity brings local ownership, greater capacity, a long term perspective and a desire for sustainability. Donors ignore local civil society at their peril.

## THE POWER OF 'OUR' MONEY

Donors tend to see small CSOs as lacking capacity. But that is often because their donors control them and frame capacity in their own terms. A new model in development -community philanthropy - is changing the power balance between donor and grantee, and

Mahomed has described how in Africa this puts Africans at the heart of development: "Over the last several years, there's been a newer wave of community philanthropy organizations. They are organic, rooted in context, not wedded to a particular concept, and they don't tick the boxes of someone else's notion of community philanthropy."<sup>7</sup>

It is the independence provided by money raised by local people and given to locally rooted CSOs that endows a community foundation with potentially transformative power. At a meeting in Bangladesh in September 2011, donors were stunned when they learned that Tewa, a community foundation working

with rural women in Nepal, has 3,000 local donors.<sup>8</sup> African Americans in the US south are increasingly establishing giving circles so that they form part of the answer to the problem of poverty, rather than being cast as people who need to be helped to get out of their poverty.<sup>9</sup> Small grants over many years from the Kenya Community Foundation enabled local residents of Makutano to design their own development agenda, which led to significant progress on water, food security and education. We could give many more examples of community foundations, because they are growing fast. The number of community foundations across the world has more than doubled in the past 15 years, from 905 in 2000 to 1,827 in 2014.<sup>10</sup>

## GRANT-MAKING MATTERS

Grant-making is a central feature of community foundations. Grants are particularly important in emerging market economies where money is in short supply. In March 2014, Alliance Magazine published a special feature on ‘grant-making for social change’ with contributions from all over the world.<sup>11</sup> Many of the articles were repetitive, and for magazine editor Caroline Hartnell this would normally be anathema. However she realised “if people writing independently are all making the same points, and so forcefully, surely this is indicative of something.” And this, she concluded, was that “Over and over, the point is made that grantmaking is important in countries where civil society is not well established.” In the issue Filiz Bikmen observed that in Turkey grant-making is about

increasing the capacity of civil society as “an investment in democratization.” And Akwasi Aidoo, noted that in Africa, for so long dependent on donor aid and only just now beginning to experience the reality of a developed and indigenous African philanthropy sector, “grantmaking becomes an essential tool in fostering new and more horizontal and transparent forms of mutual accountability between donors and recipients; it constitutes part of a paradigm shift towards a form of development that is driven and resourced by Africans.”

And yet, the idea of grant-making is dying among larger private foundations. Pablo Eisenberg has pointed out that 60% of US foundations will not receive unsolicited proposals. He calls this “a dangerous shift of the balance of power in the nonprofit world” because this enables donors to “call all the shots and exclude nonprofits with great new ideas.”<sup>12</sup> Such trends increase the tendency for international aid to be paternalistic, pursuing agendas that are driven by particular and specific social and economic performance indicators, without respect for and understanding of local realities.

## TOWARDS A NEW PARTNERSHIP

There is a strong case for revising the aid architecture. Bringing together aid agencies with community foundations would mean that both would gain. While aid agencies can bring resources and technical expertise to the table, local donors grasp the layers of

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complexity that only local people can understand. The strength of local donors is that they bring trust and mutual accountability into the relationship. By working together in multi-stakeholder partnerships, including through re-granting arrangements, partners can adopt a holistic approach to local challenges and build on local assets, rather than focus on the narrow range of problems identified in most aid programmes.

1 Quoted in B Knight and C Hartnell, 'They go 'round and 'round'', Alliance, September 2008, Vol. 13, 3, p31-4.

2 United Nations, UN Secretary General Ban Ki-moon's Synthesis Report for the post-2015 development agenda, The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet, 4 December 2014, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/69/700&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/69/700&Lang=E).

3 M Anderson, D Brown and I Jean, Time to listen: hearing people on the receiving end of international aid, CDA, 2012, <http://cdacollaborative.org/publications/listening-program/>

*lp-books-and-major-reports/time-to-listen-hearing-people-on-the-receiving-end-of-international-aid.*

4 P Marris and M Rein, Dilemmas of social reform, 1972 (Harmondsworth: Penguin Books, 2<sup>nd</sup> edition).

5 P Rossi, 'The iron law of evaluation and other metallic rules', Research in Social Problems and Public Policy, 1987, Vol. 4, p3-20.

6 B Niki Jagpal and K Laskowski, Real Results: Why strategic philanthropy is social justice philanthropy, 2013 (Washington: National Committee for Responsive Philanthropy).

7 Halima Mahomed is quoted in

B Knight, The case for community philanthropy, 2013, Aga Khan Foundation USA and CS Mott Foundation.

8 B Knight, The value of community philanthropy, 2012, Aga Khan Foundation USA and CS Mott Foundation.

9 Affiliated to the Community Investment Network. See <http://www.thecommunityinvestment.org>.

10 These and many other facts about community foundations can be found at <http://communityfoundationatlas.org>.

11 C Hartnell, 'When is repetition a virtue?', Alliance, March 2014. Vol. 19,

1, p3.

12 Pablo Eisenberg, 'Strategic Philanthropy' Shifts Too Much Power to Donors, 2013, <http://philanthropy.com/article/Strategic-Philanthropy-/141263>.