



Redefining Accountability

On the international stage, accountability must refer not only to enforceable rules and regulations, but also the unenforceable laws of ethics and respect for culture.

BY JAMES A. JOSEPH

The idea of accountability in international philanthropy is close to my heart. One of the accomplishments that pleases me most when I look back on my 14 years as president of the Council on Foundations is the development and adoption of a statement of principles and practices that each member of the Council was required to sign as a condition of membership. It was no easy job back then to place accountability on the front burner of issues facing private philanthropy, but the times have changed. Across the world, there is an unquenchable thirst for accountability in government, in sports, in business and even in the nongovernmental sector.

Lots of people claim to be in the accountability business, yet most think in terms of holding someone else accountable. In *Rethinking Democratic Accountability*, Robert Behn distinguishes between what he calls an accountability holder and an accountability holdee. This is often the relationship between foundations—accountability holders—and the nongovernmental organizations they fund—accountability holdees. Although mutual accountability would be considered a radical idea by many, it is encouraging to note that a few foundations have started to seek feedback from their grantees.

We must consider carefully what we mean by accountability. The term usually refers to the extent to which one must answer to higher authority for one's action in society at large or within one's particular organization. It has become a catchall term referring to everything from financial control to implicit expectations of the diverse stakeholders to whom one is responsible.

Behn writes about the approach to accountability in the public sector. He says, "We have created government officials—auditors, inspectors general and independent counsels—whose sole task is holding other government officials responsible. Moreover, lawyers hold government officials accountable by suing them or by convincing juries to lock them up or at least give them a big fine." And, of course, journalists believe it is their mission to hold everybody accountable. They all form a kind of ethics police force.

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Who's Minding This Store?

When pondering who holds philanthropy accountable, we think first of government's role as the representative of the will and values of the people at large. However, government all too often represents the private wants of the people with the most power, rather than the public needs of those with limited power. One of the exceptions in the United States was the Tax Reform Act of 1969. Although the act may have come about for reasons that did not reflect government's finest hour, it did, in the end, discover and eliminate many abuses of the public trust.

We think also of the myriad stakeholders of organized philanthropy, who are concerned with how a foundation responds to the donor's original intent in an often dramatically different environment from that in which the donor lived. However, some stakeholders have far more power and influence than others. I have struggled over the years with whether or not there should be an ombudsperson for the foundation sector and, if so, where should this position be located and what enforcement authority can or should be granted to him or her? As president of the Council of Foundations, I examined this issue as a natural outgrowth of our own principles and practices requirements. I found very little appetite for the Council providing an ombudsperson, with many arguing that the Council would change its character and its audience if it moved from a voluntary association to an enforcer. Instead, we put together a committee of eminent persons in the field who would be willing to call on a foundation board or CEO about actual or alleged abuse to get voluntary compliance with the Council's standards.

I left the Council shortly thereafter [to become the U.S. Ambassador] for South Africa and did not get to test this compliance process. I still question whether foundations over a certain size should be encouraged to hire their own ombudsperson. I have heard many horror stories over the years about how badly some of the most well-meaning foundations have treated grantseekers, but I continue to make the case that unless we in foundations develop some way to enforce the principles and practices we affirm, govern-

ment will do the job for us. By failing to increase self-regulation, we make government regulation inevitable.

The words "accountability," "accountable," "account" and "accounting" all have the same root. So it is not surprising that the most obvious form of accountability focuses on how the books are kept and how the money is spent. That is obedience to enforceable rules and laws. I want to shift gears and now say a word about obedience to the unenforceable, which is the definition of ethics we used in developing a statement on principles and practices for Independent Sector.

Obedience to the Unenforceable

Several changes in the relationship between ethics and power should serve as a background for the accountability agenda in international philanthropy. In the past, we often used ethics to domesticate, humanize or control power, but we now live in an era in which ethics increasingly *represent* power. Business executives are finding that consumers are making choices on the basis of responsible corporate behavior. In international relations, leaders are finding that while military and economic muscle can be used to inflict or prevent pain, moral messages and acts of generosity and respect for local cultures can develop enduring influence. Civil society organizations are being asked to redefine what it means to be accountable to the public.

The old focus on efficiency is being matched across the world by a new focus on responsibility. When I completed my tour as U. S. Ambassador to South Africa, I traveled around Southern Africa and the United States meeting with veteran and emerging leaders to learn what they perceived as the leadership needs of the new century. Some spoke of the need for political leaders who seek power to disperse it, rather than simply dominate it. Others spoke of the need for civil servants who understand that bureaucracies can be both efficient and humane. Some spoke of the need for nongovernmental leaders who see themselves as custodians of values, as well as resources. Others spoke of the need for business leaders who understand that running a morally sensitive corporation can contribute directly to the bottom line.

Many people who have been demanding that their leaders behave ethically are now insisting that their institutions do the same. Whether or not you agree with the tactics of the demonstrators who now gather at meetings of the World Bank and the International Monetary Fund, the reality is that people are concerned about how institutions affect their cultures, communities and well-being.

The Battle for the Soul of Civil Society

Our field has a good legacy on which to build, because philanthropy has always been about values. My good friend Paul Ylvisaker, who was for a time the moral voice of organized philanthropy in the United States, liked to describe philanthropy as a salt that cannot be allowed to lose its savor, as a distinctive function that stands essentially on its moral power. In a memorable speech in Atlanta in 1987, he warned against allowing an alien spirit to attach itself to philanthropy. To foundation trustees, he said, “Guard the soul of your organization, even from your own pretensions.... Be willing to open up the black box of philanthropy to share with others the mysteries of values and decisionmaking.”

To foundation managers, he said, “Guard your own humanity.... If you lose your own soul—whether to arrogance, insensitivity, insecurity, or the shield of impersonality—you diminish the spirit of philanthropy.” To all associated with philanthropy, he said, “[N]ever lose your sense of outrage.... There has to be in all of us a moral thermostat that flips when we are confronted by suffering, injustice, inequity, or callous behavior.” He warned that the power of philanthropy could indeed corrupt. But conducted in a human spirit, it can also ennoble.

Ylvisaker was constantly engaged in the battle for the soul of philanthropy. That battle may be our common calling as we seek to persuade concerned elected officials and a curious public of the value added to democracy when citizens use private resources for a public good and as we seek to persuade our colleagues that ignoring ethics could damage our image, diminish our influence and defer the dreams of donors.

These are dangerous times for our world and

difficult times for our field. This can, thus, be a time to retreat and lower the voices and visibility of private philanthropy on the difficult issues or it can be an opportunity to refocus the mind and revitalize the soul of philanthropy. It would be a great retreat from the legacy we have inherited if we become so preoccupied with the preservation of our organizations and the need to increase our assets that we focus more on the techniques of the trade than the deeper meaning of the craft. Someone has to probe beyond the conventional wisdom that avoids controversy by maintaining the status quo. Those who are privileged to work for foundations should not be afraid to demand more of themselves, their colleagues, their foundations and those with whom they collaborate.

We still need to guard against conflicts of interest, learn to value and promote diversity, respect other cultures, practice transparency, determine what is reasonable compensation for reasonable work and ensure that we and our colleagues serve a public purpose. Eight questions to consider as you explore the accountability imperatives of philanthropy in an interdependent world are:

1) Do foundations and corporate giving programs sufficiently respect the autonomy and integrity of the relationship with grant-seekers? The very act of helping is an expression of power and it is often difficult to determine when the exercise of that power shifts from reasonable negotiation of a grant to unreasonable manipulation of a grantee. How do you resist the temptation to dictate and direct when you may have access to a wider arena of knowledge about what works and what fails and, of course, significant experience about how others have maximized the impact of limited dollars? As president of the Council, I often warned new staff that arrogance is both the original sin and the enduring threat to the soul of the philanthropic professional.

2) Do we pay as much attention to how we give as we do to what and to whom we give? Giving and caring are not only public values that need to be tempered with humility, they should also give rise to an ethic in which how you give matters as much as what you give. Responsible



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philanthropy requires consideration for the humanity of the recipient, who remains no different from the donor. We must acknowledge the equality of the giver and receiver. All forms of philanthropy, regardless of context or culture, should be marked by reflection, respect for the other party and humility on the part of the donor.

3) Do the values of private foundations match the values they require of the organizations they fund? Many foundations have narrowly defined the administrative overhead of nonprofits. But recent misunderstandings of the administrative costs of foundations have led them to make clear that philanthropy entails far more than simply giving money. Some have made the case that foundations can often function as effectively through “people giving” as “money giving.”

4) Is there a need for a new language to define and defend what we mean by philanthropy? Philanthropy has shifted from practical charity seeking to ameliorate unfortunate consequences to strategic philanthropy targeted to eliminate specific causes. This progression from private acts of charity to modern philanthropy offers opportunities for strategic intervention by philanthropy.

The most prominent example of the charitable impulse is the story of “the Good Samaritan” in the New Testament of the Bible. A traveler stops to aid a man he finds badly beaten on the side of the road. While this individual act is to be lauded, what happens if every day for a week the traveler finds someone beaten at the same spot on the road? Wouldn’t he be obliged to ask who is responsible for policing the road? In other words, what begins as a private act of compassion invariably leads to the more strategic question of public policy.

While foundations must respond to the need for charity in the wake of disasters, they also are uniquely prepared to empower the poor and the voiceless to hold public officials accountable for the policies they develop and the actions they take to rebuild. Foundations can strengthen the local nongovernmental sector to enable their representatives to participate in decisionmaking regarding where public resources will be used.

5) Is there a new arrogance that assumes that one sector of philanthropy is more noble than another? The pluralism of our field is our strength, whether it is pluralism in form or pluralism in focus, pluralism in scope or pluralism in size. Although each form of philanthropy and every donor’s intent is unique, we need to continue the trend toward collaboration and partnerships. We need also to respect the motives and methods that are reflected by size. Many of my students in the 1960s made the case that small is beautiful. Today, we should remember that small can also be effective, that what starts out as small may, if encouraged, become much larger and that small often introduces greater diversity than is generally recognized or appreciated.

6) Do we fully appreciate the opportunity for a new kind of diversity that goes beyond individuals and ideas to include civic traditions? Increasingly, some members of the racial and low-wealth communities we have associated primarily with the demand side of philanthropy are contributing to the supply side. Those individuals have the potential to greatly enrich the civic culture, but they are demanding respect for their primary community of heritage and history before they fully embrace the larger community in which they function.

I have spent many years in this field, but I still cringe every time I hear a new civil society guru speak of philanthropy as if it was somehow unique to those citizens who trace their ancestry back to Europe. We too easily forget, for example, that the first philanthropists on American soil were not the Europeans, but the Native Americans whose generosity enabled the new settlers to survive their first winter. Intrigued by this notion and disappointed in what I kept hearing, I began the research for the book I published in 1995 on the benevolent traditions of America’s racial minorities [*Remaking America: How the Benevolent Traditions of Many Cultures Are Transforming Our National Life*]. What I found were remarkable manifestations of the charitable impulse and civic feeling that in many instances predated the civic habits practiced and the civic values affirmed by the larger society.

As early as 1598—long before Cesar Chavez

started organizing farm workers—Latinos in the Southwest formed *mutualistas* and lay brotherhoods to assist members with their basic needs. Long before Rev. Dr. Martin Luther King Jr. gave his “I Have a Dream” speech, African Americans in the 19th century formed so many voluntary groups and mutual aid societies that some southern states enacted laws banning black voluntary activity or charitable organizations. Long before Europeans began to practice practical charity, Africans had helping traditions that preceded the modern notion of philanthropy. It is no longer possible to speak of a civic culture as if it were somehow unique to those who trace their ancestry to Europe.

7) What role will accountability play in the search for the next generation of leaders for private philanthropy? Recruiting the next generation of leaders will require foundations to look beyond the boundaries of their comfort zone. Effective philanthropy in both the home country and the host country will require that they include people with very different backgrounds at all levels. Their accents will be different and so will their color and complexion, but they will need to intuitively exercise respect for the culture and humanity of all those with whom they come in contact. This must be the new bottom line in accountability in both international and domestic philanthropy. Foundations must take the lead in demonstrating 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.

8) Do we provide sufficient time for the personal renewal of professional staff? Foundations have a legitimate bias toward reason and dispassion, but as Daniel Goleman and others now remind us, we tend to overlook the importance of emotional intelligence in our drive for excellence. Are we addressing the need for personal renewal and avoiding burnout? Stephen Covey tells the story of the man walking in the woods who comes upon a man cutting down trees. He asks the logger how he is doing and the man replies, “Not so well. I cannot seem to cut down nearly as many trees as I did this morning.” The passerby responds, “Maybe you need to stop

and sharpen the saw.” The logger looks at him in amazement and says, “Oh, I can’t do that. I do not have time. I have far too many trees still to cut.” For the health of our organizations and our people, we need to provide time to sharpen the saw.

At the heart of what I have tried to say is my encouragement of creative thinking and experimentation with alternative concepts and new forms of accountability in international philanthropy. Improved and more culturally sensitive performance will come from including obedience to the unenforceable in our thinking about accountability. Certainly, clear statements of what is expected in the handling of finances and what is considered fair are necessary. But we need more people who understand what Howard Thurman had in mind when he described cultural pluralism as being able to say, “I want to be me without making it difficult for you to be you.”

Imagine how different our world would be if more American philanthropists were able to say, “I want to be an American without making it difficult for African NGOs to be African, Asian NGOs to be Asian or Arab NGOs to be Arab.” Imagine how much more effective philanthropy could be if more Christians were able to say, “I want to be a Christian without making it difficult for Muslims to be Muslims, Jews to be Jews, Buddhists to be Buddhists and Hindus to be Hindus.”

These are awesome challenges in awesome times, but I am optimistic because there are foundation professionals heavily engaged in efforts to develop principles of accountability for international philanthropy. **FNC**

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