

RESPONSIVE PHILANTHROPY

Winter 2012-13

Challenge and Hope: Philanthropy and Community Democracy

By Peter Pennekamp and Anne Focke

[View this article in PDF](#)



As I was handcuffed and the police were placing me in the backseat of a squad car with protestors and loggers all around screaming at each other, I looked across the clearing to an old logger standing with his chain saw hanging limp from his hand with complete horror on his face. At that moment I knew I stood with him. How had things come to this?"

This incident, relayed by Don Banducci, founder of the Yakima Corporation and an environmental activist at the time, is a tale from the "timber wars" that gripped the Pacific Northwest 20 years ago. In this story, national timber interests and environmental organizations waged a policy battle in which local communities often became their proxies. The price paid, in a sense the war's collateral damage, was increased poverty and income disparity within individual communities and the entire multistate region.

Like all public and NGO leaders in the region at the time, directors on the board of the Humboldt Area Foundation (HAF) found themselves trying to serve a region riven by anger, economic dysfunction and growing despair. The question was how to help make a difference.

COMMUNITY DEMOCRACY

Beginning in the midst of the timber wars the HAF adopted, and over the past 20 years refined, a course of action designed to support what it now refers to as "community democracy," which we define as:

Grassroots engagement where people uncover, activate and energize their community's own assets, take responsibility for their formal and informal decision-making processes, and further their ability to work constructively with conflict and difference.¹

A thread that runs through Don Banducci's story and other resource-based conflicts in the region up to the present day is this: However unevenly, people have found ways to work together both within and across community lines of various types – environmentalists and loggers, Native Americans and commercial fisherman, low-income people and policymakers. A very long path still lies ahead, but examples of improved results from a supported community democracy are gaining traction as an effective approach to public policy and systems improvement.

The initial assumptions of HAF and its partners as they first entered the fray of regional discord have held up over time, even as they have been refined and built upon:

-

The tension generated by community disagreement or crisis can be the source of energy and opportunity to construct solutions.

-

The “right” or “successful” corrective course of action has to make sense to motivated community members who take responsibility for making it happen; expert opinions and data, while absolutely essential, are secondary.

-

Lasting solutions come from neighborhood and community residents who come together motivated more by ending damage to the community than by their differences, and who take responsibility for creative and inclusive solutions.

Through organizational policy, the HAF confirmed its belief that responsibility for change resided unequivocally in the hands of community members willing to work with those with whom they disagreed without demonizing them, never overriding a community-led decision (unless it was illegal) as long as the people affected by the decision were authentically involved as equals.

Early efforts, while gritty and in hindsight not very sophisticated, led to a cascade of energetic, highly adaptive and increasingly open networks and effective collaborations that continue to grow through good financial times and bad.

PRINCIPLES OF COMMUNITY DEMOCRACY

HAF learned valuable lessons from the work and repeatedly adjusted its practice. These lessons can be organized around five principles:

-

Dynamics of Difference. Community democracy is strongest when people are working constructively across differences.

-

Community Commons. Clearly identifiable and accessible community commons are essential; democracy happens in places where people feel safe enough to venture across boundaries of difference.

-

Community Assets. Communities hold untapped assets, and the potential for successful strategies to create change exists in every community.

-

Time and Convergence. Community democracy flourishes according to its own time frames, and productive change requires that disparate but interconnected efforts align and that the time frames guiding them converge.

-

Essential Infrastructure. Community democracy needs reliable staging grounds; the availability of tools and supports determines to a large degree who can and cannot engage civically.



CHANGE COMES AT THE SPEED OF TRUST

The role of organized philanthropy is woven throughout the stories that elaborate on each of the principles in *Philanthropy and the Regeneration of Community Democracy*. The following is just one excerpt from the paper, in this case describing some of the dilemmas that the principle of "time and convergence" poses for foundations.

Beyond the many differences that exist within a community itself, discrepancies between a foundation's expectations and what a community process might deliver can be extreme. Harold Richman, founder of Chapin Hall, a policy research center at the University of Chicago, observed that expecting community interests and actions to converge with foundation expectations and time frames is where place-based "investments" by large foundations most often fail. The dynamics of learning, disagreement and decision-making within a large foundation (and many smaller ones) are fundamentally different from the dynamics in a community. Large foundations tend to reward timeliness and predictability, traits that rarely produce systems change.

In 1995, the James Irvine Foundation took an interest in the Humboldt region's economic crisis and the open process that the HAF and others were using to ensure that the solutions would be "owned" by the community. HAF accepted a \$1.25 million grant, in equal installments over five years, roughly one-third of the length of the first stage of a regional effort. Irvine supported our intention to develop a plan through a broad community process that would determine and implement the ultimate course of action. One year into the plan a significant but unsurprising disagreement between the two foundations emerged. A newly-hired Irvine program officer required the development of what she considered a concrete action plan for Year Two. As a result, HAF representatives traveled to Irvine's offices to suggest returning the grant rather than breaking trust with our communities and the process already underway.

Irvine made the decision to extend the risk they believed themselves to be taking and honored the original terms. After a somewhat tense period, positive results started to roll in from the community-led process, and the relationship between the two foundations warmed up again.

The problem between the two foundations was a lack of synchronicity. It could be seen as one of differing expectations about when and how community-controlled results would be achieved. A large foundation has an internal, hierarchical process that works on a different "clock" from the one that guides an unpredictable, self-structuring community.

This and the other illustrative stories show how organized philanthropy, large or small, became more flexible and accomplished better results than standard practice would have produced.

Community improvement requires two strands of investments: one is in good programs and the second

--Anne Kubisch, Director
Roundtable on Community Change, the Aspen Institute

IMPLICATIONS FOR PHILANTHROPY

Philanthropy faces both powerful opportunities and dilemmas when it joins with community members as they take responsibility for the change they want. To establish a new role in civil society, philanthropy must recalibrate itself to fit within community democracy. It has to support the time and space needed to encourage the innovations that Americans can achieve when they work together based on interest and passion.

Philanthropy's role can include developing the civic capacity of communities, adopting and

respecting horizontal relationships, advancing citizen agency, maintaining impartiality, providing infrastructure that works to equalize participation, using philanthropy's inherent flexibility and moving beyond traditional grantees.

Philanthropy has a powerful opportunity to become a staging ground for the regeneration of community democracy because of its nascent flexibility and the potential variety of its resources. Community philanthropy, best known in the form of community foundations but not limited to them, can, with deep commitment, honesty and hard work, become the commons needed for communities to thrive. Some embedded private and family foundations also can play this role. And, through partnerships with these community institutions, larger private foundations can support the generation of authentic change that they have often tried to impose without success.

This article is based on "Philanthropy and the Regeneration of Community Democracy," a Kettering Foundation occasional paper written by Peter Pennekamp with Anne Focke and published in December 2012. The paper explores what the Humboldt Area Foundation learned through 20 years of intentional experimentation, learning and adjustment undertaken in concert with local, national and international colleagues and partners. The paper is available at: <http://the-commons.kettering.org/news/philanthropy-and-the-regeneration-of-community-democracy/>.

Peter Pennekamp is executive director emeritus of the Humboldt Area Foundation, which he served from 1993 to 2012.

Anne Focke is a consultant who works both independently and as senior advisor with the Giving Practice of Philanthropy Northwest.



Notes

1. Peter Pennekamp and Anne Focke, "Philanthropy and the Regeneration of Community Democracy," (Kettering Foundation: December 2012), <http://the-commons.kettering.org/news/philanthropy-and-the-regeneration-of-community-democracy/>

[View this article in PDF](#)

In this issue:

- [Supporting Litigation and Legal Advocacy: The Lessons of Citizens United](#)
By John F. Kowal
- [What America Needs Now from Foundations](#)
By Aaron Dorfman
- [Boosting Philanthropic Impact Through Mission Investments](#)
By Tracy Kartye
- [Member Spotlight: Bauman Foundation](#)
-

[Welcome to Responsive Philanthropy Winter 2012-13](#)



[View full issue \(PDF\)](#)

Responsive Philanthropy is the quarterly journal of the National Committee for Responsive Philanthropy (NCRP).

© 2013 All rights reserved.

[<< View articles from past issues of Responsive Philanthropy](#)