*Ambassador James A.* **JOSEPH**
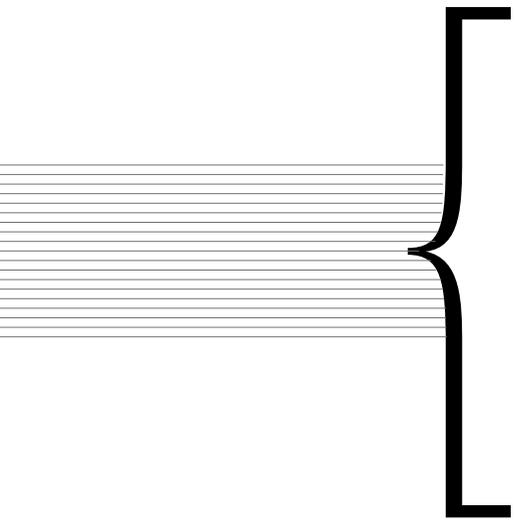
SHARPEN

THE SAW

AMBASSADOR JAMES JOSEPH is Professor of the Practice of Public Policy Studies and Executive Director of the United States-Southern Africa Center for Leadership and Public Values at Duke University.

Nominated by President Clinton and confirmed by the United States Senate in December 1995, he was the first and only American Ambassador to present his credentials to President Nelson Mandela. In 1999, President Thabo Mbeki awarded him the Order of Good Hope, the highest honor the Republic of South Africa bestows on a citizen of another country.

Joseph has had a distinguished career in government, business, education, and philanthropy. From 1982–1995, he was President and Chief Executive Officer of the Council on Foundations, an international organization of more than 1,900 foundations and corporate giving programs. He also served as Under Secretary of the Interior from 1977–1981 and as Vice President of Cummins Engine Company and President of the Cummins Engine Foundation from 1971–1976. An ordained minister in the United Church of Christ, he has taught at Yale Divinity School and the Claremont Colleges where he was also University Chaplain. In 1985, he was a Distinguished Visitor at Nuffield College at Oxford University and he serves presently as Honorary Professor and a member of the Board of Advisors at the Graduate School of Business at the University of Cape Town.

Joseph has served four U.S. Presidents. He was appointed to the number two position in the Department of the Interior by President Jimmy Carter and also served as Chairman of the Commission on the Northern Marianas. He was a member of the Advisory Committee to the Agency for International Development under President Reagan, and was appointed an incorporating director of the Points of Light Foundation and a member of the Board of Advisors on Historically Black Colleges by President Bush. President Clinton appointed him the first Chairman of the Board of Directors of the Corporation for National Service.

Born in Opelousas, Louisiana, and a graduate of Southern University and Yale Divinity School, Joseph began his career as an officer in the U.S. Army and later taught at Stillman College in Tuscaloosa, Alabama, where he was a leader of the local civil rights movement. A frequent speaker to academic, civic, and religious audiences, he is the author of two books, *The Charitable Impulse* and *Remaking America*. A third book on the changing role of ethics in public life is near completion.

Ambassador, you have spent much of your career serving as a leader, writing about leaders, and nurturing emerging leaders. Why do you believe leaders are important, especially within organized philanthropy?

Philanthropic leaders have access to platforms of power that very few people within a community will ever experience. Courageous foundation executives who use their moral voice not only have the capacity to influence the issues discussed within their organizations and among

their board members, but also to inform and shape the conversations in communities. Philanthropic leaders have the freedom to ask questions that government or business leaders in a community might be reluctant to raise, and they have power and influence that most non-profit leaders will never enjoy. The most effective foundation CEOs exercise their leadership and influence in ways that enable others in positions of power to bring institutional and individual resources to bear on issues that might be perceived as controversial or divisive—issues like the ones we are discussing today: race, equity, and poverty.

Given how important philanthropic leaders can be, I'm struck by the failure of most CEOs in seats of power to use their voice and influence to the fullest potential. Over the past forty years I have seen program officers and grantmaking strategies address these critical issues. But far too often, CEOs are silent, or at least very quiet, on these matters. There are notable exceptions, of course, but I'm afraid that they are a minority within the profession. I view the failure of most philanthropic leaders to ask difficult and penetrating questions about the communities where they invest their organization's dollars as one of the greatest disappointments about where philanthropy has gone—or has not gone—over the past decade.

Why do you think philanthropic leaders are reluctant to use their voice and power in the boardroom and in their communities?

My answer may come as a surprise, but I sense that much of the hesitancy of these leaders stems from the ambiguity presented by many of the challenges that confront local communities. In most cases, there are no clear right and wrong answers to the complex questions related to race, equity, and poverty. Many leaders prefer not to take too many risks on an issue that doesn't present a clear path to victory or even a definite resolution. They stay close to home on safer, less controversial concerns.

Can you talk more about the concept of ambiguity and how it relates to leadership?

Yes, but I'd like to frame my response in terms of ethics and draw on my personal experience. When most people talk about ethics, they tend to think about this concept in the way my father, a Baptist minister, did: right and wrong, good and evil, what to do and what not to do. In our country today, many people respond well to a president who proclaims absolutes, arguing that you're either with us or against us. For reasons unclear to me, people seem more comfortable living in a world of good versus evil. People are uncomfortable when leaders suggest that simplistic answers and slogans might not apply. You need look no further than Jimmy

Carter to witness a leader who started to lose his constituency when he started to talk about ambiguity. The ethics of ambiguity are not part of our national debate, and consequently, most leaders map out and follow the path of least resistance.

When I served in the Interior Department, I was faced with a situation that taught me about the critical importance of leading amidst ambiguity. At that time I had oversight of the American heritage parks, including Bikini Island. Many years earlier the United States had used the waters around the island for atomic testing and had moved the Bikini people off the island. The Bikini people petitioned me to allow them to return to their home island. Most of my colleagues saw the issue as a public policy decision. But, as I saw it, the issue at hand was much larger than a matter of public policy.

It was a *right versus right* decision. The people had voted overwhelmingly to return to the island, despite the fact that we had provided them with information about continuing radioactive contamination. They had all the evidence and yet they still wanted to return, knowing that their return could well mean an early death. I could justify democratic consensus, but I could also justify preserving the lives of people who did not participate in the decision-making process. Ultimately, I decided not to let them return to the island, but there was nothing clear-cut about the decision. It was ambiguous all the way.

What can be done to equip the next generation of philanthropic leaders to work strategically and courageously on issues of race, equity, and poverty?

The older I've gotten, the more I've come to believe that leadership is a way of being, not a set of competencies or skills. I can assure you that Nelson Mandela never had any major courses on leadership. But, he has a deep emotional intelligence and a profound sense of who he is in the world. For Mandela, the question is not "What to do?" but "How to be?" So when I think about leadership and leadership development, I think about how best to cultivate the emotional intelligence of women and men who will be called upon to act courageously in their communities and in the world.

When I completed my tour of duty as the United States Ambassador to South Africa, I traveled around that country and the United States meeting with policymakers, opinion leaders, and ordinary people to solicit their thinking about what concerned them most when they looked to the future. Some spoke of the need for political leaders who seek power to disperse it rather than simply wield it. Others spoke of the need for civil servants who understand that bureaucracies can be both efficient and humane. Some talked about the need for business leaders who understand that ethics is good business and that running a morally sensitive corporation can contribute directly to the bottom line. Others talked about the need for civic leaders who understand both the potential and the limits of civil society.

I kept hearing of the need for a new approach to leadership development, one focused as much on what it means to be responsible as what it means to be efficient. So I decided to commit my own future to identifying and helping to train a generation of leaders who understand the difference between clarifying moral ambiguities and proclaiming moral absolutes, a generation committed to using ethics to heal rather than hurt and to bring people together rather than divide them. I have learned that reconciliation requires leaders who are themselves prototypes of the kind of society they seek to build. In the leadership program I developed, we seek to bring both forms of ethics into the balance that is needed for a world that is integrating and fragmenting at the same time.

What insights and new ways of being do you hope the emerging leaders who complete your program will take with them when they return to their organizations and communities?

At a basic level, I hope they gain an understanding of the distinction between "hard" and "soft" power. "Hard power" refers to the use of military might or economic muscle to influence and even coerce. "Soft power" refers to the ability to attract and influence through the flow of information and the appeal of social, cultural, and moral messages. "Hard power" is the ability to get others to do what we want. "Soft power" is the ability to get others to want what we do. The former is based on coercion while the latter is based on attraction.

I first saw the impact of soft power during my tour of duty as ambassador to South Africa. Nelson Mandela represented the epitome of soft power. His moral and political stature in the world went far beyond that suggested by the size of South Africa's military or economy. His influence came from the power of his ideals and the elegance of his humanity. He is the prototype of the leader who seeks power to distribute it rather than simply to dominate with it, the kind of leader who not only transforms, but also elevates all those he encountered.

I hope, too, that the leaders who complete the program leave with an understanding and appreciation of the role that forgiveness must play in communities and countries as people struggle for justice. As Archbishop Desmond Tutu correctly notes, there can be no future without forgiveness. Forgiveness is part of a continuum that must include restitution if healing and reconciliation are to be enduring. What Martin Luther King, Jr., called *loving the enemy*, Nelson Mandela calls *reconciliation with old adversaries*. Anger, hostility, and resentment are corrosive of both the character of the individual and the community. Leaders of the future will need the strength and patience required to help people move beyond anger and establish bonds of trust and understanding that make forgiveness possible.

There is, perhaps more than ever, a need for leaders who can help communities move beyond the destructive habit of looking at people from an "us versus them" perspective. All too often these days I am reminded of a cartoon from the sixties showing two groups of people clustered on opposite sides of a boat with a hole in the middle. Each group says, "Gee, that's a nasty leak.

Thank God it's on the other side of the boat!" It's time for us to look across the many factors that divide us and acknowledge that we are all in the same boat. A hole in the middle could drown us all if not soon repaired. Not surprisingly, this is the best rationale I know for urging philanthropy's engagement with issues of equity. We share a common destiny and well-being as a people. If we do not act now, generations of youth will be underprepared, our capacity to thrive in a national and international economy will suffer, the progress we have made will be unraveled, and the values we have affirmed will be eroded.

*Can you talk about how you first became deeply engaged
in the work of promoting equity?*

During the early 1960s, I was the principal organizer of the civil rights movement in Tuscaloosa, Alabama. I started by engaging a group of young black ministers, and we eventually formed the Tuscaloosa Citizens Action Committee. From an initial group of four people, the committee evolved into a significant group of people who were involved in street marches and had the courage to stand up to the Klan and the police. My focus on equity, on eliminating inequity, really took hold in Tuscaloosa.

Some years later, I had the good fortune of serving as vice president of the Cummins Engine Company and president of the Cummins Engine Foundation. In addition to working on the corporate philanthropy side of the operations, I was responsible for public policy analysis, worldwide government relations, and corporate responsibility. They were extraordinary years, providing me with a sharper and more focused understanding of the tools and resources that can be used to promote equity. I left with a deep appreciation for the potential of public policy to effect positive change, as well as an understanding of the importance of the private, public, nonprofit, and philanthropic sectors working collectively in communities. Over the years I've seen a tendency among people in philanthropy and the nonprofit sectors to discount private enterprise and government, seeing them as contributing to injustice or as too bureaucratized and inefficient to be important allies. I'm afraid this is just another version of the "us versus them" mentality that holds us back from making sustained progress on the key equity issues of our times.

How do you understand the term equity, and how do equality and equity differ?

Well, there have been several paradigms that provide a framework for understanding the distinction between equity and equality. The first was the transition from "separate but equal" to equality of opportunity and affirmative action. I remember the day the Supreme Court decision outlawing segregation in schools was reached. I was in a sociology class at college when the professor came in and told the students how the court had acted. We all cheered, thinking that the meridian had been crossed.
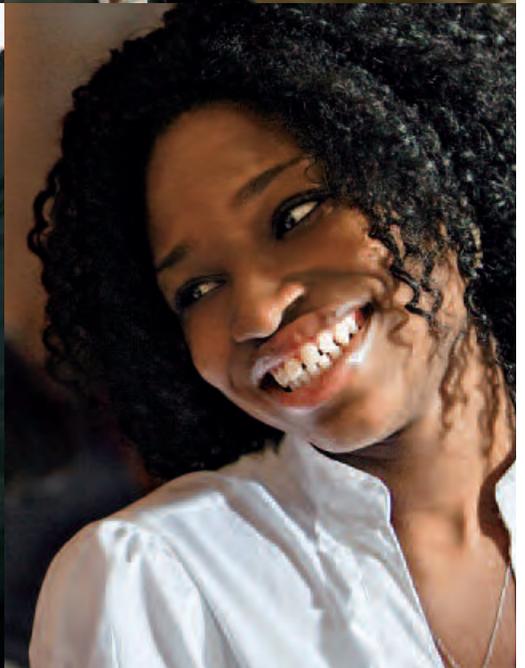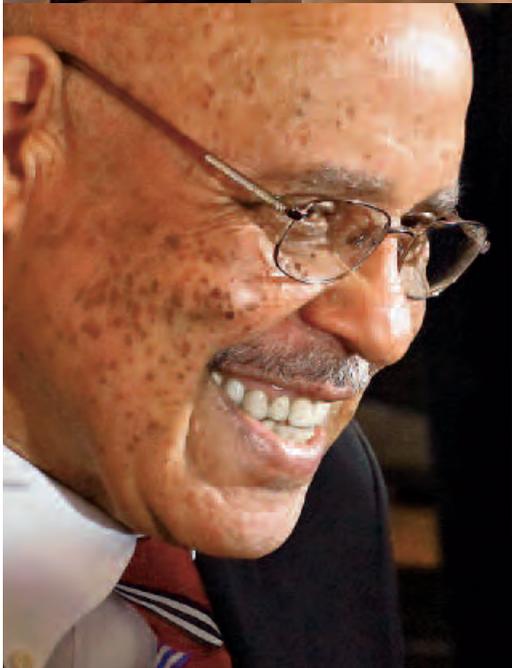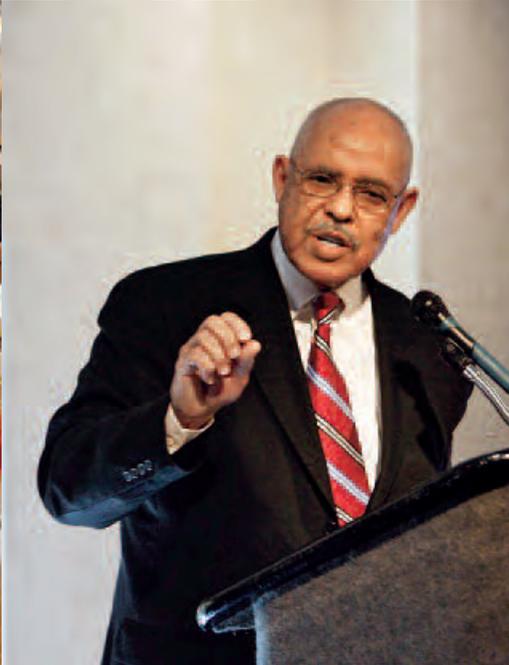
HOPE ALLOWS US TO SEE BEYOND WHAT IS AND TO IMAGINE WHAT CAN AND OUGHT TO BE. IT IS NOT SO MUCH AN ACT OF MEMORY AS IT IS AN ACT OF IMAGINATION AND COURAGE.

After leaving college, I came to understand that all too often equality of opportunity simply meant increasing the mix of people within an institution rather than changing the institution itself. Everyone was talking about integration and what the courts had done for black people by allowing us to be integrated into the larger society. But while some of the faces might have been different, the prevailing culture of the institutions remained. There was a definite hierarchy within these institutions. Black people had to assimilate to the dominant standards and values of that culture if we were going to survive and realize the success we had worked so hard to achieve.

After a few years, it became clear that something was wrong with this paradigm. I had attended black schools as a boy and had learned about courageous, talented black people who I wanted to be like. Under the paradigm of equality of opportunity, people were telling me that I had to be someone different. As more people awakened to this tension, the paradigm began to shift from a hierarchical pluralism to a demand for an egalitarian pluralism in which differences were understood as a source of creative tension and were respected and accepted. Egalitarian pluralism didn't require us to jettison our history, our culture, and our way of being to be accepted.

The *Gratz v. Bollinger* and *Grutter v. Bollinger* Supreme Court decisions involving the University of Michigan changed the conversation about diversity. Diversity was recognized as a good not because of what it does for the protected classes, but for the benefits it provides everyone. People started talking about inclusion, which from my perspective, is the third phase of the continuum. It simply isn't sufficient to have different people in the room if the folks who look different aren't sitting at the table where influence is peddled and power is distributed. When I talk about equity, I'm talking about the state in which all people have access to power and influence.

We still, however, have to talk about the need for equality of opportunity as a dimension of an equitable society. We haven't reached the place where we can let go of this language. The same is true about affirmative action. Affirmative action is not the end point, but it is a necessary part of the project. The problem with affirmative action is that the phrase itself has become so emotionally loaded that unless you have the opportunity to define your terms, people misunderstand what's being said. This is one reason I choose to focus on the language and vision of equity.

What resources do foundations have at their disposal to work on issues of equity?

The first, obviously, is *conventional capital*. The phenomenal growth in foundation assets has far exceeded anything I could have imagined when I entered the field almost forty years ago. Opportunities to use these resources creatively are enormous and extend far beyond traditional grantmaking. I'm encouraged to see more and more foundations considering ways of investing their assets which also advance their mission.

But using conventional capital effectively also requires that we look beyond decisions about individual endowments and consider that the foundation world as a whole controls almost half a trillion dollars. This is projected to grow to over two trillion dollars during the next generation and represents enormous opportunities to influence the larger financial markets. The way foundations invest these assets could influence how the larger financial markets invest. I don't think it's unreasonable to imagine that the cumulative investment power of foundations could make our country safer, fairer, and more prosperous.

I'd also like to see leaders pay more attention to the potential of micro-lending to jump-start self-help among the economically marginalized. The Nobel Peace Prize was recently awarded to Muhammad Yunus, the founder of the Grameen Bank in Bangladesh. Despite many doubters, he demonstrated that micro-loans could energize the entrepreneurial spirit in low-wealth communities around the world. He introduced the concept in 1976 with just $27 from his own pocket. Thirty years later, the bank has 6.6 million borrowers, 97 percent of whom are women who have gained a great measure of independence and self-sufficiency through the infusion of very small amounts of capital. A collaborative program-related investment strategy by a large group of foundations that used some small portion of their assets for micro-loans could far exceed the impact of the Grameen Bank.

Another set of strategies for promoting equity is based on the use of *social capital*. Robert Putnam popularized the concept of social capital, as a resource deriving from networks, norms, trust, and cooperation. Neither Putnam nor Robert Bellah before him applied the concept to foundations. I think it's time the field embraced this challenge.

Communities throughout the United States are experiencing demographic shifts in which new neighbors fuel local economies and a new middle class of color provides the potential for a new, stronger, civic culture. While there is a tendency to think of these groups only in relation to the demand side of philanthropy, many are now in a position to contribute to the supply side. Growing numbers of women, blacks, Latinos, East Asians, and South Asians are among today's wealthy, and they bring their cultural traditions as well as their assets to philanthropy. 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 are recognized.

Consider for a moment how deep and enduring the giving and helping traditions of some of the groups that are changing the face of our civic culture are. 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 Tocqueville 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 their most advanced forms in the potlatch ceremonies of the tribes of the Northwest and the custom of Chippewa mothers who used to have their young daughters take dishes of food to neighbors just to teach the child to give and share.

While the benevolent traditions of these groups are deep and enduring, many have only limited knowledge of the techniques of organized giving in perpetuity. The whole of the community can benefit from targeted efforts to activate their latent charitable impulses and provide information on the many incentives and options for organized giving.

What concrete steps can foundations take to cultivate social capital and build philanthropy?

One promising way that foundations, particularly community foundations, can begin to build social capital and activate the latent charitable impulse in communities is to introduce the giving circle model. Giving circles are an excellent way to introduce diversity of form, function, background, and cultural insight into foundations. When foundations reach out and talk to and listen to members of the Asian community, for example, the rich notion of philanthropy within that community becomes apparent even if it is practiced in ways that differ from that of most foundations. The same can be said of African-American and Latino communities, whose many manifestations of commitment to the public good have been traditionally overlooked. When foundations begin to interact with community members who have not often been invited to the table, they not only gain an appreciation of different cultural traditions, but they take an important step in building community and fostering civil society.

Another practical step that foundations can take is to simply begin talking to each other across institutional boundaries. One of the dangers that I've begun to see in philanthropy is its balkanization. Increasing, it strikes me that private foundations meet and work with other private foundations, community foundations meet and work with other community foundations, and corporate giving programs meet and work with other corporate giving programs. While I understand and can appreciate the importance of talking to one's peers, I believe that the creativity and power of philanthropy can only be fully realized if philanthropic leaders transcend their particular fields and concentrate on ways they can work together.

In addition to conventional and social capital, what other resources can foundations draw on as they address issues of equity?

We're at a critical juncture in our country's and our world's history, and we desperately need to see foundations using their *intellectual capital* more effectively. Foundations have access to information, ideas, and practices that can help shape community discourse and help strengthen community development. We need to help make the case to the larger public, for example, 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.

Many of the nonprofits that foundations support are engaged passionately in public life, but like Thoreau at Walden Pond, many build castles in the sky and then try to put foundations under them. (No pun intended.) Foundations can help them to ground their passion in persuasive evidence by providing knowledge as well as money. I find, for example, that people listen more attentively when I support arguments about the high cost of being poor with foundation studies showing that people in low-wealth communities pay more for things than their higher-wealth counterparts.

I know that many in philanthropy are advised that it is unwise, illegal, or too risky to get involved in support of advocacy groups that seek to inform or enrich the public policy process. I served on the Treasury Department Task Force that struggled to define "lobbying" and can tell you that there is much that foundations can do to objectively inform and influence policy. Moreover, the effects of their engagement in public policy throughout the nation are engraved widely and deeply in legislation, in court decisions, in public attitudes, and in social changes.

A fourth form of capital, what Robert Putnam called *reputational capital*, is the most frequently overlooked foundation resource. Like conventional capital for conventional borrowers, foundations can use their social capital as a kind of collateral for organizations whose formal credentials and written proposals understate their potential and reliability. A grant is a good housekeeping seal of approval that says to other potential funders that the foundation has done due diligence and finds this organization credible, accountable, and effective.

This is especially helpful to groups that are marginalized because of the personal histories of their leaders or the pathologies of those they serve. Leaders may be particularly effective in working with high school dropouts, former drug addicts, and the formerly incarcerated precisely because they were once victims of the same predicament. Because they greatly value support from more established community groups, they have an additional incentive to perform responsibly.

Moral capital is the fifth form of capital that a foundation can use in promoting and advancing equity. We are custodians of values as well as resources. My good friend Paul Ylvisaker, who was for a time the moral voice of our field, liked to describe philanthropy as a salt that cannot be allowed to lose its savor, as a distinctive function that, like religion, stands eventually and 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. He told foundation trustees to "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 decision-making."

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, "never 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." Paul was constantly engaged in the battle for the soul of philanthropy. That may once again be our common calling.

I'd like to shift the conversation from the resources available to foundations to promote equity to strategies that philanthropic leaders can invest in and support to realize this aim. What are some ways that foundations can begin working strategically on the equity front?

The capacity to ask good questions about how it does its work is one of the most fundamental strategies available to every foundation. When I first became director of the Cummins Engine Foundation, I believed that advancing equity started at home. This commitment required that the board and I ask questions about the assumptions and social analysis that informed our procedures and policies. As a body, we discussed strategies that we could invest in to help communities understand the need and to take actions to close social gaps. We spoke about the importance of including equity as a part of our determination of success in grantmaking. I'd encourage every foundation board to step away from its day-to-day work and ask these questions about its mission, aims, and operations.

Another way that foundations can work more effectively on issues of equity is by clarifying their understanding of the difference between philanthropy and charity. While many foundations have begun to consider the limitations of charity as a means to sustained social change, there is still much work to be done on this front.

In talking about this with philanthropic leaders, I use the story of the Good Samaritan to demonstrate the differences. We are told that a traveler finds someone badly beaten along the side of the road and stops to help. Suppose this Good Samaritan traveled the same road every day for a week and on each day found someone badly beaten on the road. Compassion requires that he give aid, but eventually compassion requires that he ask, "Who has responsibility for policing the road?" What started out as an individual act of private compassion leads to a concern with public policy. One is charity. The other is strategic philanthropy.

As you know, I serve as chair of the Louisiana Disaster Recovery Foundation established by the governor of Louisiana in response to hurricanes Katrina and Rita. I have concluded that the public response to these hurricanes should be a case study on the limitations of a paradigm of compassion that begins and ends with the parable of the Good Samaritan. Private donors have provided billions of dollars for relief, and the government is providing billions of dollars for recovery. I am sad to say, however, that neither sector has provided much for reform. While responding to the tragic plight of victims is worthy of praise, foundations should see this first response as the beginning of the process, not the end.

When the board of the Louisiana Disaster Recovery Foundation set out to define our grantmaking strategy, we were very careful to use an equity lens as part of our analysis and decision-making. As a result of that analysis, we made the decision to invest in community organizations that seek to ensure that disparate community voices are heard, new jobs and opportunities will be shared fairly, new housing will serve all income levels and sustain the integrity of all communities, the cost of development is shared fairly, and the need for

leadership renewal, community healing, and reconciliation are also addressed. I daresay we would not have agreed on this strategy if we had left a commitment to equity off the table during our deliberations.

Are there other strategies you would encourage philanthropic leaders to consider as they set out to tackle issues of race, equity, and poverty?

While I firmly believe that philanthropy can help educate the public about the policies and practices needed to make our society work for all of its citizens, it is not enough for leaders of the field to serve as advocates, speaking and acting on behalf of the marginalized groups: we must empower these groups to speak and act for themselves.

As I see it, we have all too often asked the wrong question in dealing with those who suffer from prejudice and poverty. We have been asking what we can do for them or about their predicament when we should have been asking what can we do together. Self-help is a principle all groups admire and often desire, but too many people assume it means that those disadvantaged by condition or color should be able to lift themselves by their own bootstraps, even when they have no boots. I like the concept of assisted self-reliance or participatory empowerment where the affected groups provide leadership but are supported by outside resources.

When neighbors help neighbors, and even when strangers help strangers, both those who help and those who are helped are transformed. When that which was "their" problem becomes "our" problem, the transaction transforms a mere association into a relationship that has potential for new communities of meaning and belonging. In other words, doing something for someone else—making the condition of others our own—is a powerful force in building community. When we experience the problem of the poor or troubled, when we help some-one to find cultural meaning in a museum or creative expression in a painting, when we help someone to find housing or regain his health, we are far more likely to find common ground. In serving others, we discover the genesis of community.

On the strategy front, I'd also encourage philanthropic organizations to invest in boundary-crossing leadership: people who can unite other people and appeal to our hopes rather than our fears. Strategic investments in a new generation of leaders can help bring new talent into mainstream institutions, equip our sector and the larger society to deal with the new demo-graphic reality, and cultivate civic and social entrepreneurs who are the agents of progress in the struggle to form a more perfect union. Although it may seem like we're facing a leadership vacuum, it is more likely that we have simply been looking in the wrong places for leadership. If we have learned anything from those who are building new societies in Eastern Europe and Southern Africa, it is that the next generation of leaders is not likely to fit the traditional mold, nor are those leaders likely to be found in traditional places. The days of looking for leaders

with the right endorsements and the right credentials as defined by established elite may be coming to an end. The leaders of the future are not likely to come riding out of the sunset on white chargers—heroes without heroism. Many will instead be ordinary people with extraordinary commitments. Their styles will be different. Their accents will be different and so will their color and complexion.

Earlier in our conversation, you commented that your good friend Paul Ylvisaker was a moral voice for the field of philanthropy. As you look out over the world of organized philanthropy, what are the ethical challenges and moral dilemmas you see facing foundations and their leaders?

In many organizations, ethics has come to mean compliance with rules and regulations. It is perfectly appropriate that more philanthropic organizations are paying increased attention to such issues as self-dealing, abuse of power, and conflict of interest. It's appropriate that increasing numbers are paying more attention to such public values as accessibility, diversity, and inclusiveness. All of these are important aspects of public responsibility, but the time has come to develop an ethic of philanthropy that goes even further.

Those of us in philanthropy must now call for a value system in which *how* you give matters as much as *what* you give. During my tenure as president of the Council of Foundations, I frequently warned against the disease of arrogance on the part of those with money and a lack of respect for those seeking it. Those who receive are not less than or different from those who give. They have feelings as well as needs. They warrant not only our beneficence but also our respect. When we engage in the act of giving, we must do so in such a way that the equality of the giver and the receiver is acknowledged. When considering the ethics of giving, we need to emphasize that responsible giving must be done thoughtfully. It must be marked by reflection, respect for the other party, and enhanced humility on the part of the donor.

The other urgent ethical mandate for leaders in philanthropy is the need to raise the question within our communities of how we can build community by design. The bonds of social cohesion are increasingly fragile, and people are hungry for a sense of connection and belonging in the places where they live. Deep within the African-American communal tradition is the notion that the best way to build and sustain community is by involving ourselves in the needs of our neighbors. The experience of becoming engaged in the needs of our neighbors provides a new perspective, a new way of seeing ourselves, a new understanding of the purpose of the human journey. Foundation leaders must not only use their voice and influence to raise this most timely question, but they should invest in strategies that support community building.

I'd ask you to reflect on your years serving as ambassador to South Africa and the years you lived in that country. What can we in the United States learn from South Africans about community building?

It's important to understand that South Africans began with a particular vision of community that affirms and acknowledges their connectedness. The country's leaders have struggled relentlessly to preserve something of the traditional concept of community embedded in their culture. It is called *ubuntu* and described best by the Xhosa proverb: "People are people through other people." The elders believe that it is through others that one attains selfhood. A person is defined in reference to the community. The hallmark of *ubuntu* is the statement, "I am because we are and, and since we are, therefore I am." There is also the saying, "Your pain is my pain, my wealth is your wealth, and your salvation is my salvation." It follows that if I damage the dignity or diminish the humanity of another person, my own dignity and humanity are damaged and diminished in the process. To understand *ubuntu* is to understand why an aging group of exiles and former political prisoners could emerge from the devastation of apartheid and not only affirm, but practice forgiveness and reconciliation.

The American vision of community is reflected in our notion of the commons and the vision of a "city on the hill." The problem with the American concept of community is that we confuse the sense of community we share in a crisis with the sense of community we need when the crisis is over. After 9/11, pollsters and pundits suggested that we were more united as a people than at almost any time in our history. I worried then, as I do now, that this sense of community was not sustainable. We were clearly united in our pain and grief, and we healed and were bound together by the many acts of generosity toward those who were victims. But we were so busy celebrating the new spirit of community that we didn't think much about how we could sustain it. Again, in this post-Katrina era, we've seen Americans united in outrage at what they saw and generosity but we've also seen how difficult it is to maintain this outrage and the generosity in the aftermath.

In what ways can the South African experience inform efforts in our country to promote equity?

South Africans recognize that eliminating the many inequities that restrict opportunity cannot be seen as simply a humanitarian gesture or even a civic or moral imperative. They understand the need to make the case that creating a new social and economic order is in the self-interest of both those seeking to acquire new wealth and those seeking to retain old wealth.

Those of us who continue the effort to form a more perfect union need to make it clear that the deficits in American democracy not only detract from our national ideals, but also sap our

national strength. We also need to make the case 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.

All Americans ought to be shamed by the images beamed around the world each day of poverty and powerlessness in a nation founded on the principle of establishing justice and forming a more perfect union. Those concerned about rebuilding our declining image abroad must be made to understand that changing world opinion of us as a nation will not come from how much money we put into rebuilding Beirut, as we most certainly will, but in how we go about rebuilding New Orleans and revitalizing neighborhoods in great American cities like Detroit.

Earlier in our conversation, you spoke about the critical need for leaders who can help people and communities forgive and move toward reconciliation. What lessons have you drawn from the South African experience about the process of authentic reconciliation?

South Africans understand that there can be no reconciliation without reconstruction and development. South African leaders understand that reconciliation that seeks only confession and apology from those who have benefited from wrongdoing and forgiveness from those who have been victimized by it is empty and incomplete. The work of reconciliation is not some cozy glossing over of what has divided people. Confession and forgiveness are part of a continuum that must also include reparation.

In South Africa, Bishop Tutu contends the whole process of reconciliation has been placed in considerable jeopardy by the enormous disparities that remain between the rich and the poor. It is this gap between the haves and the have-nots that poses the greatest threat to authentic reconciliation and enduring stability. The former archbishop uses every public opportunity to warn that unless houses replace the hovels and shacks in which most blacks continue to live, unless blacks gain access to clean water, electricity, affordable health care, decent education, good jobs, and a safe environment—things which a vast majority of whites and a small black elite have—South Africans, despite the painstaking work of the Truth and Reconciliation Commission, can just as well kiss reconciliation goodbye.

These are not the words we tend to hear about South Africa from those seeking reconciliation in this country. There is increasing talk of a potential Truth and Reconciliation Commission in the United States. Could it bring us closer together? Could it help us build and sustain a sense of community among the diverse groups that populate the nation? When Desmond Tutu proposed a Truth and Reconciliation Commission for the United States, the response of many African-American leaders was that what we need is a justice and reconciliation commission. These leaders argued that even those who wrote the American Constitution understood that if they were to finally form a more perfect union, they would have to first establish justice.

The South Africans also debated whether they should form simply an amnesty commission, a truth commission, or a justice and reconciliation commission. They chose Truth and Reconciliation because they recognized that they also had to reconcile conflicting images of the past. The United States has a different problem. It may be necessary to first reconcile conflicting images of the present. When Ralph Ellison wrote *The Invisible Man*, he pointed out how we had made the poor invisible. Today, every white family knows, or knows about, at least one black family that is doing well. As a result, they tend to live in psychological exile. They refuse to accept the reality that so many other blacks are doing badly. Where they accept it, they tend to reject any claim that this is somehow attributable to the legacy of slavery or segregation.

You just spoke about the particular challenges facing South Africa and the United States as they work toward reconciliation, with South Africa needing to reconcile conflicting images of the past and the United States needing to reconcile conflicting images of the present. How do issues of race and racism play out in the two countries?

As I see it, the wild card in the future of both South Africa and the United States is not simply the role of reconciliation, but the role of race.

South Africa's new politics is a novel practice of non-racialism. Having ended legal apartheid, the ANC government is committed to nation building that goes beyond racial to national claims. This vision of non-racialism is uniquely South African and should not be confused with what is often called multi-racialism or color-blindness in the American context. For black South Africans, apartheid was multi-racial. It brought racial distinctiveness to new heights. Even the term multi-cultural was a euphemism for apartheid's notion of separate development.

It is hard to find anyone in South Africa who will admit to supporting apartheid and its corollary of separate development. It would seem that everyone was either supporting or actively working for a new dispensation. The debate about how to eliminate racial inequalities is beginning to echo the debate in the United States. The ANC acknowledges that the deracialization of South African society will require race-specific remedies that take race into account. Some white South Africans argue that this is inconsistent with the ideal of a non-racial society. They call instead for race-neutral approaches. But, as the then Speaker of the South African Parliament, Frene Ginwala reminded a Cape Town audience, "This is manifestly not possible." "To deracialize," she argued, "we have to focus on race. Together with the racially based inequalities we inherited, we must use the very instruments, to manage society and to overcome the legacy, that are themselves shaped by racism and designed to perpetuate unequal relations." Black South Africans are arguing that they cannot go beyond race until they have removed the barriers created because of race. The government's approach is increasingly called corrective action.

The full flowering of democracy in South Africa may, thus, require a new language of non-racialism and corrective action. But, for the immediate future, it will sound very much like the American language of affirmative action, diversity, and inclusion. It is as true in South Africa as it is in the United States that no well-intentioned engagement of differences can be successful without acknowledgement of differences. If it was group identity that created a problem, group identity will have to be considered in resolving it. You cannot break a man's leg, then put him on the starting line of a 100-yard dash and seriously suggest that he has an equal opportunity.

What lessons would you hope Americans would take from South Africa's experience building a democracy and working to create a just and equitable society?

First of all, it is critical to remember that South Africans began their new democracy under the tutelage of leaders like Nelson Mandela and Desmond Tutu. Rarely has a nation been blessed with the presence of two cultural icons of their stature in the same generation and with such a strong commitment to reconciliation and community. They seem to instinctually understand the tensions not only between white and black, but traditionalism and modernity as well. The implication for the United States is that the process of reconciliation, reconstruction, and renewal requires highly committed, competent, and respected leadership.

Second, while it is right and appropriate that we give due credit to Nelson Mandela, he constantly reminded us that very little could have been accomplished without a cadre of committed and competent colleagues from across the political spectrum. Transformation, reconstruction, and reconciliation are the products of a national will to create a different future. Of course there are some high-profile dissenters, but the road on which the country is now traveling was carved by national consensus. The implication for the United States is that reconciliation requires a national will. We can sit around and lament the absence of such a will or we can set out to help shape it.

Third, race continues to be a problem in South Africa but it is on the table, under the lens of a public microscope. People are talking about it and many are doing something about it. The lesson here is that we cannot solve the problems created by race unless we take race into account in developing solutions.

Of course, we can never forget that black South Africans are a majority in South Africa. Their notion of community expressed many years ago in the first paragraph of the ANC's Freedom Charter and again in the national constitution claimed that South Africa belongs to all who live in it. The lesson here is that our nation should belong to all of our citizens without regard to race, religion, or wealth. Democracy is almost always defined as a system of government in which the people have the power, but for many it has come to mean a system of government in which the people have the vote, which is not always the same as having the power. We will need to take our democracy back if we are serious about engaging differences and eliminating inequities.

A final lesson that we in America can learn from South Africa is the need for signs and symbols of hope for the many who are threatened by a new culture of hopelessness. There was a time in the sixties in which optimism was high. We saw it after the March on Washington in 1963 and even now polls indicate that many of the people displaced by hurricanes Katrina and Rita in Louisiana believe that the region and its special qualities can come back. There are others, however, who despite their resilience will need to have their hope restored.

Hope allows us to see beyond what is and to imagine what can and ought to be. It is not so much an act of memory as it is an act of imagination and courage. It is an acknowledgement that what you can imagine you can probably create. This must have been the kind of hope that Vaclav Havel had in mind when he wrote, "I am not an optimist because I do not believe that everything ends well. Nor am I a pessimist because I do not believe that everything ends badly, but I could not accomplish anything if I did not carry hope within me. For the gift of hope is as big a gift as life itself." For all people struggling to eliminate racial and cultural tensions, it is critical to remember that our actions provide hope as well as help.

You frequently talk about the need for philanthropy to invest in groups that work on issues of public policy. What are the limits of public policy in promoting equity and dismantling injustice?

Policy is one of the levers to promote equity by eliminating formal impediments and facilitating a more equitable flow of resources. Policy is very important in leveling the playing field, but policy isn't enough. Policy creates the formal arena for equity, but civil society institutions have to follow through on the opportunities that have been created. And so, in addition to government and policy, we need civil society institutions with soul, values, and a commitment to promoting equity. The limit of policy is that it rarely has soul. It can create a framework and a structure, but we really need civil society institutions to carry the work forward and make equity a reality.

I'd like to conclude our interview by returning to the topic of leadership. What counsel would you offer the next generation of leaders who will guide the country's foundations?

When I was at the Council on Foundations we used to conduct an institute for new foundation staff. At these conferences, I met all these bright young people who were eager to do good. They were open to new ideas. After a few years in the profession, they were much less open to ideas from unconventional sources. That's a major concern for me: good, idealistic people

thinking they know everything and becoming conventional in the way they approach their work and their world. They're moral people. They mean well and want to do well, but they can't see how they've changed. The ambiguity between the good you intend and the bad you do as a result of good intentions is one of the things that I think people need to think more about. A good intention is not enough. Leaders—established and emerging—need to find ways to be introspective and commit to check their "arrogance quotient" from time to time.

What does that look like?

It means taking time to step back and reflect, rather than always focusing on the tasks at hand. It means paying attention to issues of self-care and renewal. It is essential that leaders step back and renew themselves in order to do their jobs better. It's not about a personal need for renewal, but about maintaining the capacity to serve the people you're trying to serve. I've seen far too many talented, committed people burn out because they were never able to understand that self-care is not a luxury but a necessity for leadership. I saw it in the civil rights movement: folks who were just on the front lines for far too long began to lose their effectiveness and didn't realize it.

Stephen Covey's story about the man walking in the woods illustrates my point. He comes upon a man cutting down trees, and asks him how his work is going. The woodsman says, "I did very well this morning, but this afternoon it's going much slower." The passerby says, "Maybe you ought to sharpen your saw." The logger replies that he has too many trees left to cut to take the time for sharpening. That's the way it is with so many of us. We've got so many things to do, and feel the need to be constantly engaged; we don't find the time to stop and sharpen the saw.

When I use the phrase "sharpen the saw," I mean reinvigorating, renewing, and re-energizing our minds, bodies, and spirits. Marcus Aurelius makes a similar point. He used to sit down each evening and reflect on the people who influenced him and the essential lessons of the day. His notes on these reflections became the *Meditations*. One of the things he said is that we need to remember what we learned from those we most admire and respect, finding time in our daily lives to step back, reflect on these lessons, and consider their implications for the future. We have to see the present not simply as the present, but as the first stage for the future.