



# The New Philanthropy

By David Boyle

David Boyle is the author of *Authenticity: Brands, Fakes, Spin and the Lust for Real Life* (Flamingo, £12.99) and an associate at the New Economics Foundation.

## The New Philanthropy

### David Boyle

It used to be so simple. Liberals would call for more federal spending on welfare and conservatives would say it didn't work. That has been, more or less, the story of domestic politics in the United States since the New Deal.

Of course there have been populist administrations from the Left, on both sides of the Atlantic, who have pushed back the frontiers of federal social spending since its great days in Lyndon Johnson's War on Poverty. Neither President Clinton nor Prime Minister Blair attracted much enthusiasm from welfare liberals for their commitment to social change.

But there hasn't been much of a radical critique of welfare on the Left. And because it was left to conservatives to question why seven decades of welfare has made so little impact on the basic problem, often their criticisms seemed like special political pleading with a hidden agenda.

But that now looks set to change because a new critique of welfare is encouraging even liberals to start asking why social programs have been so ineffective. And the bundle of ideas and techniques which follow from that may be about to turn the cozy world of philanthropy on its head.

This is a revolution in its early stages. It barely has a label yet – though its practitioners are starting to call it “Co-Production.” It has hardly reached the stage of gathering the necessary hostility to make it noticed outside the *cognoscenti*. But its basic ideas have been around for some time.

This is partly a critique borrowed from the communitarian writers of the 1990s, like Amitai Etzioni and Robert Putnam. But neither Etzioni nor Putnam came up with a prescription about what could be done about the social problems they had identified; Etzioni because he thought the situation was almost hopeless, and Putnam because he thought it would right itself automatically. But now there seems to be the glimmer of a solution emerging, and doing so simultaneously on both sides of the Atlantic.

Also, while the communitarians concentrated on the impact of the Long Boom on neighborhoods and social cohesion, the new critique has in its sights specifically the ineffectiveness of public money spent on justice systems, public schools and even

---

David Boyle is the author of *The Sum of Our Discontent* (Texere) and a Senior Associate of The New Economics Foundation, London, England.

health systems – and asks: why don't they work? Why is it that the problems these gigantic bureaucracies were set up to tackle are as endemic as they ever were – youth crime, ill-health and school failure.

Again, there have always been reactionary answers to this question – falling moral standards, the collapse of social authority, damaging social habits. But something else is stirring out there, which is both practical and coherent: it looks as though it is in the process of providing a new agenda for social policy. It also builds on experience as diverse as the drop in crime in New York City and the aftermath of a major Japanese earthquake.

It is also an idea that began with an article a generation ago that appeared in *The Atlantic Monthly*.

The sociologist George Kelling is now at Rutgers University, but back in 1982, he and James Q. Wilson co-wrote an article in *The Atlantic Monthly* called “Broken Windows,” which made public detailed research in the South Bronx area of New York. If you broke one window there in a deserted block and mended it the following morning, they discovered, the building would stay intact, they said. If you didn't mend it, every window would be broken within 72 hours.

This discovery provided the theoretical basis for the policy that the NYPD put into effect in the 1990s. It meant that disorder seeks out places that don't care, and that meant first, that little things matter very much indeed, and second, that the key to cutting crime is going to be some kind of very local partnership between neighborhoods and police to tackle the little things that mattered to both of them.

“Broken Window” led to the so-called “zero tolerance” policing, and the tough reputation carefully cultivated by Rudolph Giuliani. It also led to a far less public, but equally important, series of partnerships that saw police and locals working hand in hand, block by block.

It also coincided with a number of other experiments that may not have been so public, but which collectively add up to considerably more than the sum of their parts. They also seem to be coalescing under the heading “Co-Production,” a term coined by the former civil rights lawyer and law professor, Edgar Cahn.

Put simply the Co-Production idea means that – if they're going to succeed in the long-term – welfare programs, policing or health, need to be equal partnerships between professionals and clients. That sounds like a pretty familiar idea because everyone has been paying lip service to it for a generation or more.

What makes the ideas behind Co-Production both more subtle and more revolutionary – and why policy-makers in Europe and Japan are getting excited about them – is that it is also the collective name for a series of very practical techniques which any professionals can use to transform their relationship with their clients, and work alongside them for a change.

As a result, what started as a simple critique of public institutions – that they are failing because they are unable to work on equal terms with clients – often ends up somewhere rather more surprising.

This has included some of the poorest neighborhoods in downtown Boston working alongside Harvard professors to eliminate drug resistant diseases. Or 16-year-olds from some of the most notorious projects in Washington running their own courts, and under license from the District of Columbia. Or people in St. Louis paying their doctor's bills with credits earned helping local seniors.

In other words, Co-Production means a strange mixture between common sense and what might otherwise be regarded as anathema by traditional liberals or conservatives, but taken together adds up to something much more powerful.

On the one hand, the “consumers” of justice, mental health services or health insurance are involved with professionals in a whole new series of reciprocal partnerships. On the other hand, for the gurus of Co-Production, welfare must be ‘earned’. This New Philanthropy means that things are no longer given away for free.

If it does take off, Co-Production means an end to the old familiar formulas of philanthropy. No more giving by wealthy, no more *noblesse oblige* and grateful recipients. Instead, it means reciprocal agreements with neighborhoods or traditional welfare groups that – if they are not exactly based on the market – they do certainly imply contracts and agreements.

And it does so with the ultimate hope that, for the first time since the inception of many of these giant public institutions, they actually work – they actually bring about the elusive holy grail of public policy: real change.

The vital role that ordinary people can play in crime prevention or disease prevention has been made clear by research on both sides of the Atlantic for decades now.

It wasn't just “Broken Windows.” It was the discovery that men are nearly twice as likely to have a heart attack when they are depressed. The risk that children will be in

an accident doubles if their mother is depressed. Anyone who lacks human ties to others, according to one study, is two or three times more likely to die during a nine-year period.

Then there were the dramatic 1997 findings by the Harvard School of Public Health in their study of more than 300 neighborhoods of Chicago – that the key determinant of the crime rate isn't income or employment or any of the traditional explanations. It is whether or not people are prepared to intervene if they see local children hanging around.

The underlying message behind all these findings was that delivering health or policing isn't just about professionals delivering services to a grateful but passive local population. It was the vital importance of extended relationships, trust and informal networks.

The new understanding is that human service programs have to do more than just help people. They have to enlist them in building and maintaining neighborhoods as well, which means that patients, seniors, neighbors, busy-bodies, are also vital assets – necessary to preventing crime, keeping people well, bringing up children and all the other tasks which society currently struggles with.

This idea of people as assets, pioneered by the work of John McKnight of Northwestern University – and his local asset-mapping exercises set out in his 1993 book *Building Communities from the Inside Out* – have been key to the development of Co-Production.

The difficulty is that, in many ways, our welfare systems and philanthropic bodies are geared in the opposite direction – that people are defined primarily by what they lack and will be very grateful when that is provided.

You can see here a glimpse of why these ideas have been resisted for so long by officials, politicians and professionals alike. Despite their lip-service to participation, politicians find it hard to entirely ignore their own ideas as providers for a grateful and passive electorate.

“They see themselves as public servants who bring the stuff that local people want, sprinkle something like fairy dust while everyone applauds,” said Michael Clark, whose Citizens Committee of New York City coordinates 12,000 neighborhood groups who were the real levers behind Giuliani's crime reduction. That idea dies hard for our elected representatives.

The training of professionals still hardly admits that they might also need their clients. Doctors and psychiatrists still see themselves as delivering health to grateful and passive patients, just as architects resist the idea that their buildings will be more successful if the people who live in them are involved as equal partners in their design.

Professionals who flirted with Co-Production until recently have also been treated with great suspicion by their colleagues. One of these was the celebrated founder of the charity Homebuilders, which provided intensive social work support for families in difficulties.

When Jill Kinney publicly questioned whether the permanent neighborhood support that families needed might be provided by neighbors once the trained professionals had gone, she was banished by her own organization. Her new organization Home Safe does just that.

But when those issues are so intractable that there is no other way than getting neighbors to do what had once seemed the sacred preserve of professionals, then there's really no alternative. Take, for example, the innovative "Co-Production" work carried out by the Boston-based charity, Partners in Health.

Partners in Health was founded in 1987 by two Harvard-trained doctors and anthropologists, Paul Farmer and Jim Yong Kim and a group of colleagues from the Harvard School of Public Health. In 1994, one of their co-workers in Lima contracted multi-drug resistant tuberculosis (MDR-TB) and died. It soon became clear that hundreds of people and the surrounding areas were also suffering from MDR-TB, thanks to disastrous treatment programs in the late 1980s.

Most medical opinion believes that tackling MDR-TB is usually linked with AIDS, and requires such expensive drugs – and such complicated safeguards to make sure that nobody stops taking the few powerful antibiotics before finishing the course – that only the very wealthiest communities can afford it. Health agencies advise that developing countries not even to try.

But against the advice of public health officials around the world, Partners decided to confront the epidemic – drawing on support from U.S. laboratories and solving the monitoring problem by training the local community to supervise the drugs in patients' homes.

It was local people who helped design and individualize treatments to suit each patient, and the whole project has been enormously successful. Partners is now

achieving cure rates of 80 per cent – as good as anything achieved in the USA but at a fraction of the cost.

Another major U.S. charity, Habitat for Humanity, has also been pioneering Co-Production with its simple houses that are built with the help of the new owners' families. As well as a down payment and the monthly mortgage payments, homeowners invest hundreds of hours of their own labor into building their Habitat house and the houses of others.

But Co-Production has probably been taken to its furthest logical conclusion by the work of Cahn, the former Kennedy speech-writer who co-founded National Legal Services and founded of the Antioch School of Law, now the District of Columbia School of Law – an institution dedicated to broadening the background of American lawyers beyond Georgetown and Harvard.

It was Cahn who first used the phrase to explain his particular approach to training lawyers. Students at the UDC School of Law are trained on the job by providing legal support for people and communities who need it but can't normally afford it – and this is where Co-Production comes in, because they don't do it for free. They charge out their time in a currency of Cahn's invention that he calls "Time Dollars."

This is not philanthropy, or if it is, then it's philanthropy of a whole new reciprocal kind.

The recipients of legal advice pay off their bill by earning Time Dollars themselves, either by passing on what they have learned to somebody else or by helping out in the community in some other way.

The Time Dollars idea came to Cahn in 1980, lying in hospital at the age of 44 after a massive heart attack brought on by his efforts to save the Antioch Law School from financial collapse. It arose out of his realization that he couldn't bear being the recipient of philanthropy himself, in the form of swarms of doctors and medical staff around his bed.

And if he hated being useless, he reasoned, the same was probably true for the recipients of welfare. It coincided with his own sense, after working in the administration of the War on Poverty, that the more people are subjected to welfare support, the more they doubted their own ability to fend for themselves. Charity, in other words, was seriously disempowering. No wonder it didn't work.

For Cahn, Time Dollars were a way of managing the requirement that people "give

back” in some way, which is where Co-Production becomes seriously controversial. After all, how can you expect at-risk people to give back when they are in crisis? And how can you risk undermining the purity of giving with these kinds of semi-legalistic, semi-market values?

Cahn replies that, actually, philanthropic money doesn’t seem to get to the poor. Most of it goes to the infrastructure and the professionals, and the current “message” of welfare and philanthropy is that people can only access help and support by having problems and crises.

“Charity has to become a two-way street,” he writes. “Money and philanthropy programs alone can’t cure social problems if we cannot enlist those being helped as partners and co-workers. And the way to send that message is by honoring the contribution that people can make by enabling it to confer the ability to secure the essentials to life.”

His Time Dollar Institute has been experimenting with a range of variations on this idea. In Chicago, Illinois, approximately a quarter of the funds received to operate a tutoring program in 20 or more elementary schools in disadvantaged neighborhoods goes toward cleaning and recycling donated computers that pupils can earn by tutoring younger ones – plus ten hours contributed by a parent.

The result has been a consistent average one-year gain in math and reading, measured by the results of standardized tests. When you consider that these are students who normally fell behind further and further each year, that represents a significant achievement.

Many of the tutors were also labeled academically deficient, or special education or attention-deficit deficient students, but they still turned out to be magnificent tutors – and they also became competent learners without really noticing it.

In St. Louis, Missouri, a neighborhood revitalization program put a similar principle to work, so that neighbors earn Time Dollars with each hour of helping each other. These are then used to “buy” help from other neighbors, to pay doctors fees, to take courses in the local college or to buy food and merchandise from a neighborhood time dollar store.

The St. Louis program now means that more than 8,000 people in 19 neighborhoods, acting like they are a kind of extended family, have generated more than 80,000 Time Dollars providing the neighborhood level support that is so badly needed.

In the same way, the Brooklyn-based HMO Elderplan has been rewarding members who help each other with Time Dollars that can be used to buy things like digital blood pressure cuffs, bathtub spa machines, taxi vouchers or a dinner at a social event with a friend or family member.

The result has been a marked increase in health, a decrease in the need for nursing home institutionalization, and less of the social isolation and depression that is known to have serious health consequences.

Time Dollars have now spread to a whole range of other places around the world. Cahn has been to 10 Downing Street in London, a city that now hosts nearly 30 Time Dollar programs already. He has lectured to key opinion-formers in Paris, and he has watched the idea take off across Japan during the 1990s in the sudden rediscovery of a sense of neighborhood after the traumatic 1994 Kobe earthquake – the Japanese equivalent of 9/11.

There are now well over 1,000 Japanese Time Dollar programs of various kinds, most of them using a Co-Production system known as *hureai kippu* (ticket for a caring relationship).

The implications for philanthropy are far-reaching. The president of the Kettering Foundation, David Matthews, once disclosed a dilemma that had worried a group of his colleagues for some years. Every time philanthropic foundations picked a problem to target, it seemed to get worse.

His explanation became known as the “Parable of the Blobs and Squares.” Squares were the hospitals, universities or professional organizations they funded; the blobs were the grassroots organizations with the networks and vitality able to actually get things done locally – but the money actually went to the squares, because they were trusted to manage it.

The trouble was that the squares never quite managed to reach out to the community. Yet if you trained the blobs to administer the money, lo and behold, they became square too.

Co-Production claims to be if not an answer, then at least an explanation for the parable’s basic problem: professionals and money aren’t enough. In fact, by themselves they may just perpetuate the original problem. Some kind of reciprocal agreement is necessary that can allow blobs and squares, people and professionals, to work in partnership that can access enormous reserves of ordinary people’s time.

Edgar Cahn's Co-Production is one way of achieving this. Philanthropists no longer simply give away their money or expertise – they trade it. Not for money, of course, because the neighborhoods they are helping don't have it – but for their time. He believes the result can be transformative.

“Some people in that situation have been in welfare all their lives, and have never been asked for anything back,” he says. “That can give the unintended message that they have nothing that anybody needs, when the opposite is true. Feeling useful is actually a basic human need, and it can transform people's lives.”

This critique has implications not just for philanthropists and federal welfare officials, but also for conventional volunteering, church-based charity and the ancient tradition of simple giving.

The Co-Production message is already being heard by the big foundations. In February 2003, Richard Rockefeller and Miguel Garcia will host a meeting of foundations about how to target the Co-Production issue. Rockefeller chairs the Maine Time Dollar Network, a highly successful alliance of Cahn's Time Dollar programs, and Garcia is a Program Officer in the Social Assets Division of the Ford Foundation. The purpose of the meeting is to explore Co-Production as a new framework for philanthropy in an era of fiscal austerity.

The Ford Foundation is funding three Time Dollar programs in El Paso and Houston, Texas and New York, which concentrate on integrating poor immigrant groups and build Co-Production into the existing work of local organizations.

The Annie E. Casey Foundation has launched Time Dollar programs as part of their programs in Des Moines, Iowa, San Antonio, Texas, Indianapolis, Indiana and Hartford, Connecticut intended as centers of expertise to other Foundation programs around the USA. It has been concentrating on support for families and communities and helping people get into paid work. The difficulty about getting mothers back to work is that, all too often, their families and the local community depend on them and can collapse as a result. The foundation believes that Time Dollars can provide the key to economic success at the same time as rebuilding communities.

The Bill and Melinda Gates Foundation has now backed Partners in Health's Co-Production work on TB with a major grant, and George Soros' Open Society Institute has asked them to take control of Russia's ailing TB treatment program. As a first step towards this, they have been working with Russian doctors to take on the epidemic of MDR-TB in the prison and surrounding community of the Siberian city of Tomsk.

Behind all this effort lies a redefinition of work. If professionals and welfare officials need the active cooperation of clients to succeed, then – according to the Co-Production gurus – that needs to be recognized and rewarded somehow. It may not be marketable, but it is vital work nonetheless.

If you honor this as work and reward it with Time Dollars, argues Cahn, then you can give people buying power so that they can earn the basic necessities of life.

Co-Production along these lines potentially turns welfare on its head. It means the main focus is not the failures of the person before you at the desk, it's their capabilities and how they can put them to use.

Cahn is now trying to persuade the big foundations to allocate a percentage of every grant for necessities that can be earned by giving back. “Why not enable your clientele – your intended beneficiaries – to acquire what they need by doing exactly what they can do: providing the informal support, the mentoring, the companionship, the neighboring, the engagement and even the hell-raising so essential to the success of social programs and philanthropic initiatives,” he asks?

It would be a first step to making sure that some kind of reciprocity is built into all welfare and foundation programs. The New Philanthropy, in other words, is a two-way process.

The chances are that we will soon see what that looks like when it has become widely implemented, and there will probably be aspects of it that appall traditional liberals and traditional conservatives alike.

On the other hand, it might just work.

