

PHILANTHROPY AND THE REGENERATION OF COMMUNITY DEMOCRACY



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WITH ANNE FOCKE

KETTERING FOUNDATION

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Kettering Foundation

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Many foundations and giving programs have been partners with the communities of California's Pacific Northwest in ways that have advanced practices of community democracy. Regionally these have included Mel and Grace McLean Foundation, Sisters of St. Joseph of Orange, Patricia D. and William B. Smullen Foundation, Del Norte County Health Care District, and Sutter Coast Hospital, Crescent City. Foundations from outside the region, both from the state of California and from elsewhere in the country, have also been helpful partners: the James Irvine Foundation, Lila Wallace/Reader's Digest Fund, Robert Woods Johnson Foundation, the California Endowment, S. H. Cowell Foundation, Bill and Flora Hewlett Foundation, and the Ford Foundation.

This paper is also written in collaboration with ongoing efforts to understand and articulate evolving experience with philanthropy's capacity to support community engagement locally and nationally, including those by CFLeads, Grassroots Grantmakers, Philanthropy Northwest, the California Endowment, and others.

Above all and directly to the point, we acknowledge and celebrate the central contribution of the enormously engaged people who live in this part of the world, California's Pacific Northwest.

FOREWORD

THE KETTERING FOUNDATION IS ALWAYS ON THE LOOKOUT FOR THE CIVIC EQUIVALENTS OF ORVILLE AND WILBUR WRIGHT. Kettering's studies focus on what it takes to make democracy work as it should. And our research resonates with Peter Pennekamp's notion of "community democracy" as a "grassroots engagement where people uncover, activate, and energize their community's own assets." At Kettering, we understand democracy to be rule by the people through the work they do with one another and through their institutions. We want to learn more about how people might have a stronger hand in shaping their collective future.

We depend on opportunities to learn with civic inventors in order to further our own research. Peter Pennekamp, Anne Focke, and their colleagues in philanthropy remind us of the Wright brothers, as they chart new territory in grantmaking.

Kettering researches the problems behind the problems—problems that interfere with democracy's ability to function, such as the inability to overcome disagreements and distrust. These impediments make it difficult for people to act together when collective efforts are necessary, for example, in educating the next generation of young people. People need to combine their resources and their efforts, but they don't. They disagree on what should be done—not just on the facts, but also on what is right. When unable to work through these differences, they can't move ahead. Pennekamp refers to these problems as "dynamics of difference," and his work makes vivid how communities must come together politically before they can make progress on these divisive issues.

In trying to understand how best to evaluate progress in combating these problems behind the problems, we have become aware of the limitations of the politics of metrics, which are endemic throughout the corporate, governmental, and nongovernmental sectors. Metrics conflate "knowing" with measuring, when there are many other valid ways to know. The use of test scores alone to measure the effectiveness of schools and demonstrate their accountability is an example of this overreliance on metrics. It isn't working. A recent study by the Kettering Foundation and Public Agenda, *Don't Count Us Out*, shows a serious discrepancy between what schools report as evidence of accountability and what the public considers being accountable. In brief, most institutions see accountability as providing *information* (usually quantitative), while people think of accountability as a matter of the *relationship* they have

with the institution. Citizens want a frank, personal, morally grounded relationship. Information is helpful but not sufficient.

Again and again, whatever the field, leaders seem to be on a different page than rank-and-file citizens. For example, *accountability* itself is a term professionals use; citizens talk about responsibility. (It has been said that accountability is what is left when *responsibility* has been taken out). Certainly Americans want institutions to be transparent about what they are doing. Still, they aren't necessarily persuaded by "proof" of accountability based on quantitative measures. People may feel overwhelmed by what they consider meaningless numbers. Skeptical of metrics, they suspect they are being manipulated by statistics.

Pennekamp recognizes that philanthropy suffers from this same root problem, which often brings with it the implicit assumption that complex, deep-seated human problems can be solved by quick technical fixes, remedies whose effects can be quantified. (This is not to deny the benefits of the wonderful technical advances made over past decades.) In his discussion of time and convergence, Pennekamp challenges the dominant mentality in proposing that philanthropies work with communities for as long as it takes to tackle fundamental problems.

Perhaps the most serious effect of the overreliance on metrics for philanthropy is that on innovation. Research done with Kettering by George Frederickson, titled *Easy Innovation and the Iron Cage*, found that benchmarks and other performance measures used to demonstrate impact can have a deadening effect. Experiments that communities undertake to strengthen their civic capacity don't always produce the definitive outcomes that performance measures impose. And benchmarks can also keep community organizations from changing goals that need to change as experience dictates. Rather than following a predetermined path, inventive communities make their road by walking it. Following best practices like benchmarking can put them on a well-travelled path. So some civic inventors, rather than "playing the game" by agreeing to use benchmarks, have refused to work with outside funders. This not only imposes a hardship on innovators, but also is problematic for grantmakers who pride themselves on encouraging creativity.

We have been delighted to discover Peter Pennekamp, Grassroots Grantmakers, and other community-based or community-focused grantmakers in the mold of Orville and Wilbur. They face much of the same resistance that the Wright brothers faced with the leaders in aviation. Like the Wright brothers, they are charting a new course—one that could change how foundations do their work, and one that offers much promise in strengthening or reinvigorating democracy.

We are pleased to share this thoughtful and provocative piece with civic inventors everywhere.

—David Mathews

INTRODUCTION

FOR THE PAST 19 YEARS, THE HUMBOLDT AREA FOUNDATION (HAF) HAS BROUGHT A FERVENT BELIEF IN INCLUSIVE, ENGAGED COMMUNITIES TO ITS WORK in California's Pacific Northwest. These practices have been well accepted by increasing numbers of residents, community leaders, activists, and local institutions and have been adopted by some foundations both in and out of the region. We do not hold ourselves up as a "model" or as an example of best practices. We do know, however, that as a foundation inseparable from our larger community, we have learned a lot. We know, too, that the work is organic and iterative and that many open questions remain. While we have much yet to learn, we have much to share with others interested in this work.

Through this paper and other efforts, we seek ways to open what we do to others in the hope that they will do the same for us. We believe that America knows less than it needs to know about living, breathing, on-the-street democracy and that we in philanthropy, through our actions, can be part of democracy's regeneration.

The ideas and stories in this paper are tied to experience in our region; hundreds upon hundreds of people throughout the region have taken responsibility for the community-based and community-led action described. But our stories are just a sampling of a larger field of activity and development. The research reported here is part of a much larger inquiry by the Kettering Foundation, Aspen Institute Round-table on Community Change, Chapin Hall at the University of Chicago, Aspen Institute Community Strategies Group, Rural Development Philanthropy Collaborative, Stanford Center for Philanthropy and Civil Society, and others. And the stories told are only a small part of the total community democracy story of our region.

A PERSPECTIVE ON PHILANTHROPY

AFTER SPEAKING AT A RECENT MEETING OF COMMUNITY FOUNDATIONS, I was approached by the president of a large, well-established community foundation who took me aside to say that the challenge of community democracy as I had just described it “is not our history.” That is, it is not reflected in how community foundations are organized or the way they pursue their missions.

The inquiry described in this paper is located within a current debate in philanthropy and among its critics about the behavior of public foundations (including community foundations) and private foundations alike. The underlying assumption among foundations of all kinds has been that productive change comes from technical intervention through programs and services. However, various pressures, including frustration with results that all too often seem superficial and disappointing, have led to growing interest in something beyond traditional approaches. In a discussion with me, Anne Kubisch, director of Aspen Institute’s Roundtable on Community Change, noted that this “other” approach—variously described as community or civic capacity building, community-based problem solving, democratic institution building, comprehensive community change, and so on—is still met with skepticism. There is not yet enough experience or enough longevity to answer the skeptics who have concerns that it is “too processy” or “too political.”

This report is intended to give greater assurance that this “other” course for communities with support from philanthropy is indeed possible. At the same time, it is important to note that the paper reflects an open-ended process. It asks questions and leaves many of them hanging. These become important starting points for continuing and future research to improve understanding and provide concrete practices and tools for those interested in this work. Like the work of community democracy itself, learning about philanthropy’s role will constantly evolve.

Regardless of stated missions and program guidelines, philanthropies are rarely organized to meaningfully support civic engagement and grassroots democracy. The reasons for this are systemic, rooted in culture, history, and practice and not in poor intentions. The analysis provided in this paper is not about blame, nor is it about “good guys” and “bad guys.”

The most intractable obstacle to the proposition that modern, organized philanthropy can become a lively actor in a vibrant democracy is the culture-laden belief, often unconscious but seldom questioned, that possession of greater material wealth or professional expertise is necessarily accompanied by superior skills to make things better no matter what the circumstance. It's simply assumed that people with these assets know more. This top-down cultural presumption extends to narrow beliefs about the identification, measurement, and evaluation of effective philanthropic practice.

Culture is the pattern of social beliefs and behaviors that guide us in our everyday lives. In its role in predetermining a range of likely social choices, culture is somewhat

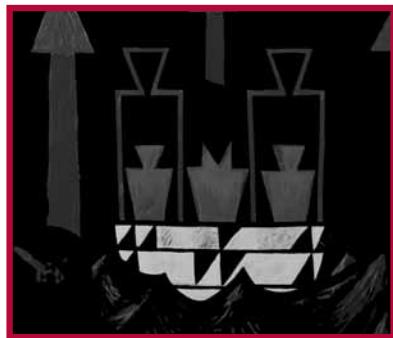
analogous to DNA's role in our physical and behavioral development. Culture is society's operating system. The culture of democracy is a strong medium that ensures democracy's sustainability as much or more than political systems can, and it thrives on the agency of citizens in their communities and neighborhoods. A vibrant and hearty culture of democracy in our communities, referred to in this paper as "community democracy," will protect freedom where armies, cause-related advocacy, and political rhetoric alone most certainly will not. Philanthropy, with its hierarchy of powerful boards and donors at the pinnacle supported by experts, and professional staff members

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chosen for content, administrative, or fundraising expertise, is inherently inhospitable to community democracy.

I have partnered with, presented to, worked for, been contracted by, and acted as trustee of foundations from very large to very small for more than a quarter century. Philanthropy has sometimes proven to be a powerful tool for equality and for community democracy, acting to amplify the voices of regional communities in the experiment of finding inclusive, self-determined futures. More often, however, philanthropies have been the amplifiers of outside interests and of their own board and staff agendas, with no apparent understanding of the powerlessness that their actions can visit on those who live in the communities they serve, whether the "here" is rural or an impoverished inner city or a suburb. This paper seeks to reveal on-the-ground truths about the beliefs and practices that work to reinforce the values of neighborhood and community democracy and to build equality, with the hope that the tide of history, including that of philanthropy, is running in our direction.

This paper explores the questions of “why?” and “how?” community democracy can be both a cultural choice and an organizing system for philanthropy. It does this through stories that demonstrate the principles and practices, continually refined by experience in our northern California communities and by lessons from other communities. From this experience a framework of principles are drawn that begin to describe our perspective on the nature of community democracy and that provide a beginning set of conclusions about how philanthropy can develop productive partnerships from the perspective of a place-based, community democracy.



POINT OF VIEW

BORN TO A FAMILY OF POLITICAL AND ETHNIC REFUGEES FROM NAZI GERMANY AND VICHY FRANCE, I virtually inherited the passion to resist authoritarianism and contribute to a continually re-invigorated democracy. I have been fortunate to have a career in which I could delve into questions of democracy in the arts and humanities, media, and philanthropy.

Over the last 19 years, the communities of California's North Coast have been the great teachers. They have taken risks and have created the ebbs and greater flows of local democratic process in spite of deep divisions and fearsome times. And they are always searching for better ways to live in what is already a lively if imperfect community democracy. The Humboldt Area Foundation board and staff have inspired, been inspired by, and helped motivate that process.

My thinking has been deeply influenced by many writers and mentors, most notably cultural activists and historians Bernice Johnson Reagan, Tomás Ybarra-Frausto, and Lawrence Levine; and Karuk (American Indian) cultural activist Amos Tripp. My perspective has been broadened by travels with David Hoffman, president of the Internews Network, to visit community activists in some of the world's tough places at tough times, including East Timor, Indonesia, Croatia, the Republic of Georgia; and by travels with my youngest son Sean, who was, for a year and a half, a worker in Uganda's far north, neighboring Sudan and the Congo. I have no words to describe the heroes of humanity we met or the reality of what they confront in the quest for equality and "voice," except that by comparison we in this country have no excuse, absolutely no excuse, for apathy and inaction.

WHERE WE STARTED

As I was hand-cuffed and the police were placing me in the backseat of a squad car with protesters 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?

*Don Banducci—
Founder of the Yakima Corporation*

DEATH BY CIVIL VIOLENCE CAME TO THE COASTAL REDWOOD COMMUNITIES OF NORTHERN CALIFORNIA IN THE 1990S. As Redwood Summer organizer Judy Bari was maimed by a car bomb and a felled redwood killed David Chain, another protester, the weight of civil and economic collapse came down heavily on the redwood region. Starkly revealed was the inability of local communities to separate from and mediate the conflict between timber protestors and timber workers, and between those in support of each side. National sentiment that romanticized the protestors while harshly stereotyping workers fighting for their jobs further inflamed local tension.

Over roughly the next decade, the “Timber Wars”—along with an increasingly complex regulatory environment, the automation of timber harvesting and milling, and decreasing stocks of old-growth redwood—continued to effectively whittle down employment in the timber industry. The result was a loss of union, blue-collar jobs comparable in scale to the heavy-industry job losses in Detroit. Some 1,300 jobs were lost in 1992 alone. As mill after mill closed, members of previously prosperous working communities either packed up and left or were left in poverty.

Like all public and NGO leaders in this region at that time, directors on the board of the Humboldt Area Foundation found themselves trying to serve a region riven by anger, economic dysfunction, and growing despair. As former HAF board chair Ed Nilsen articulated at the time, “All community members and organizations of good will have to break out of whatever limitations they place on themselves to help find solutions.” The HAF board felt profoundly accountable to help with critical issues. Directors were willing to employ whatever tools evidence suggested would help and were thirsty for more information and data to refine strategies. For an organization with 2.5 staff members and about 13 million dollars in assets at the time, the question was, “how?”

A vacated building in Eureka, California's Old Town marks where Stephen Gordon started Restoration Hardware, a national chain with no outlet remaining in the community or region where it began.

In 1995, Gordon described the frustrations of trying to grow a business in a community where economic-development planning, politics, and services were focused solely on attracting business from outside the area. He had pioneered the restoration of Eureka's seedy Old Town when he started the store, along with owners of a small handful of other Old Town business start-ups, with virtually no support from the city. The efforts of economic developers at the time were not geared to local entrepreneurs, but rather to recapturing the timber-mill-dependent economy, perhaps in the adjusted guise of a high-tech plant. Hewlett Packard seemed to be the target of choice, as if any choice actually existed.

Gordon's experience was one of many that painted a picture of a fractured, internally competitive, underresourced, and backward-looking economic-development system. His observations were largely echoed by some 40 other individuals important to potential economic growth who were interviewed by the foundation at the time. Perhaps most disturbing, none of those interviewed were involved in efforts to fix the system, and none even thought an honest avenue for a fix existed. Such was the depth of discord at the time. The very people we tend to stereotype as "insiders" were functional outsiders.

The people we interviewed were encouraged, however, by the possibility that the foundation could provide a staging ground from which to build an independent, coherent response to the failing economy. They were receptive for several reasons: they believed in the sincerity of our commitment, they trusted that we would be impartial, and understood that we had no intention of becoming yet another economic-development institution. In addition, no other turf issues existed to add to the mess. The region was failing economically because of a large multistate economic transformation. Humboldt was getting no help from the existing economic-development system, which was dysfunctional, internally in conflict, and working on faulty assumptions, not because it lacked institutions.

Timing was good. Over the next several years, an ever-increasing number of people came together through the Institute of the North Coast, a forum devised by the Humboldt Area Foundation initially to address the economic crisis. The foundation had turned its attention to improving economic life because reliable data linked increasing family violence to the dramatic loss of jobs, and for many years the foundation's core commitment had been to improving conditions for youth and families. We believed that prevention was a first priority and required us to work "upstream," that is, to work on conditions that underlay the violence.

While anger boiled through the region's communities, it became clear that people were desperate to find solutions for the crisis of economic decline. A growing num-

ber were willing to cross boundaries to do so, and economic development became the organizing theme. People on all sides grew to recognize and dislike the impact of powerful outside forces, both industrial and environmental, which undercut the public's ability to influence its own future. To paraphrase Tim McKay, an environmental leader, both loved and reviled; it was easy to see the timber workers as the enemy until the guy next door loses his job and doesn't know how to feed the kids, and you watch the children who play with your children become impoverished.

A snapshot of Eureka 17 years later shows an Old Town that has bloomed into 30 odd blocks of one of the region's most bustling centers for local retail business, some well established and some struggling, but all contributing to a vital and lively district. The first Restoration Hardware is now among the few buildings that remain empty.

This early intentional effort at community-led change, in answer to the challenges identified by Stephen Gordon and other economic leaders, was built on terms of engagement established by the Humboldt Area Foundation:

- Broad and deep public inclusion and engagement was the core condition of our commitment. This requirement rested on the belief that the best ideas, leadership, and knowledge could come from anywhere in the community. In the midst of the fighting, we would provide an alternative space for people who wanted to find solutions. We did not take stands in the disagreements. We resisted all efforts to get us to align with a particular side; we respected all sides, even those with whom we personally may have had deep disagreement.
- Responsibility for change resided unequivocally in the hands of community members willing to work with those with whom they disagreed without demonizing them. To emphasize this, the foundation determined never to override a community-led decision (unless it was illegal), as long as the leadership authentically involved the people affected by the decision as equals.
- The foundation would make staff support, facilitation, information, connections to resources outside the region, and network development and management a top priority to the extent that its resources allowed for up to 20 years.

In 1995, the James Irvine Foundation, a statewide foundation with little history in California's north, took an interest in both the impact of the timber economy decline and the way our region was attempting to deal with the problems. In 1996, Irvine, at its own instigation as part of a statewide initiative, provided us with five years of critical cash for facilitation, data collection and dissemination and, initially, two staff positions. Critically, the support honored the terms that we developed with the community. Although Irvine's help was limited to about the first third of the

period in which we focused on economic development, having the extra cash and an agreed-upon focus on community-led change allowed for a more concentrated start and helped build credibility and momentum.

Beginning in 1996, the economic-development system in Humboldt County was rebuilt from the top down and bottom up simultaneously. The most current data and analysis of effective economic-development practices from similar markets became the base for a set of principles, referred to as “Prosperity,” that both drove institutional realignment and were further revised by the economic-development institutions as they realigned. Prosperity was endorsed and adopted by the County Board of Supervisors, Humboldt State University, College of the Redwoods (junior college), Redwood National Park, and many others. The Prosperity Center opened with co-located and service-aligned economic development agencies working in a highly collaborative environment. Posters about the economy and life on the North Coast showed up in store windows all around Humboldt Bay and were used in school curricula countywide. Consideration of, and engagement in, what the “next economy” would look like occurred in open forums, in the schools, among organized stakeholders, and in public testimony.

Such a wholesale redesign of systems is rare, particularly through such an open process. But did it work?

From several perspectives, we are doing better than similar markets. We have seen rapid growth in the number of very small businesses that are adding thousands of jobs, and the county had lower unemployment during the recession than it had periodically experienced during seasonal unemployment before the timber crisis. At the same time, we still struggle with workforce development and the lack of well-paying blue collar jobs, and we are seeing growing income disparity. What all this means is not entirely clear. Merriwether Jones from the Aspen Institute, who first advised us on economic development in 1995, warned that attribution of the cause of economic change would prove impossible. Effective work could look like failure and ineffective work could seem successful based on larger economic trends.

LEARNING TO DANCE

When it comes to what is important, what really matters, what the priority is, communities are not wrong.

*Monica Mutuku—
Kenya Community Development Foundation*

THE HUMBOLDT AREA FOUNDATION RESPONDED TO THE URGENCY OF CIRCUMSTANCES BY RAPIDLY BUILDING AND JOINING PARTNERSHIPS AND NETWORKS devoted to crossing the lines of conflict and to confronting the serious concerns that the region's communities faced. We brought confidence in the community, trust, skill, and, only sometimes, money. Most important, we had, as some local partners commented, "no dog in the race." We could provide a clearly defined "commons" that others were encouraged to use as a community at their own volition, and we went to extremes not to be in competition with anyone and to live the belief that the best answers can come from everyone. We developed standards for our own work, which meant challenging and refining what we do, and we worked—and continue to work—hard to make the foundation's internal systems and behaviors consistent with an egalitarian ethos of neighborhood and community development.

During this period, HAF, along with some of our partners and colleagues and many residents from the region, made and tested a few assumptions. These were not "new," but were new to these communities:

- The tension generated by community disagreement or crisis—the Timber Wars is just one example—can be the source of energy and opportunity to construct solutions; and
- 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. Therefore:
- Lasting solutions come from neighborhood and community residents who come together in ways that honor the authentic tension between different aspects of the disagreement, who are motivated more by ending damage to the community than by their differences, and who take responsibility for creative and inclusive solutions.

These early assumptions may have gained a clarity and definition during profound conflict, but they have been repeatedly tested and borne out in less tension-filled community efforts to agree upon and make desired changes. They have become the base of an ever-evolving philanthropic practice based on neighborhood and community democracy—“community democracy” for short. At its core, community democracy challenges our notions of knowledge and of who holds, and can act on, the most critical information for constructive change.

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These assumptions, coupled with a realistic assessment of the limitations of the resources (financial and otherwise) that we brought to the community table, led us to relationships, partnerships, and networks both inside and outside the communities affected. HAF may have been small, but my service to foundations with assets in the billions of dollars has

taught me that the exact same limitations and choices apply there as well. These assumptions brought new opportunity to the region, increased the resources available to residents to change outcomes, and, in fact, built HAF’s various assets, including its financial assets, though this was never a condition of our commitment.

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. This has led to an adage often repeated at HAF:

Money is a type of fuel. Fuel may be critical, but it never helps select the most promising destination, decides what the destination’s most important characteristics should be, plans who to travel with, or chooses the path, much less selects the right vehicle. Once you know these things you can plan for the fuel.

We know as individuals that destinations chosen for us by others rarely lead to our success or meet their expectations. The same can be said for peoples, communities, and indeed the country as a whole. Therein lies the beauty and effectiveness of community democracy as an alternative to our growing culture of winner-takes-all conflict.

COMMUNITY DEMOCRACY

W

E DEFINE COMMUNITY DEMOCRACY 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.

The development and implementation of practices guided by this definition result in improved success of community endeavors and a strengthened sense of, and investment in, community for those who live there. It also implies a set of operating principles about how community democracy works, assumptions that must, in turn, inform the reorientation of philanthropic practice. This set of community principles has evolved from our experience in the early 1990s and those of our many partners, with a deep nod to thinkers like Harold Richman and John McKnight. These five principles, identified here in shorthand, have been the stars by which Humboldt Area Foundation has charted the course of its development as a community philanthropy:

- Dynamics of Difference
- Community Assets
- Community Commons
- Time and Convergence
- Essential Infrastructure

As our philanthropic practice evolved, we worked to take our commitment to community democracy seriously. Focusing on community democracy has been a way to get things done, but it has also become for us something like an ethical imperative. This has led to decisions that might otherwise be considered risky. The following five stories from our experience stand out to illustrate the five principles and the ways our practice changed once we adopted them.

DYNAMICS OF DIFFERENCE

COMMUNITY DEMOCRACY IS STRONGEST WHEN PEOPLE ARE WORKING CONSTRUCTIVELY ACROSS DIFFERENCES. The concepts of “hybridity,” “diversity,” “heterogeneity,” and “inclusivity” all suggest an essential characteristic of strong communities and therefore an essential condition of community improvement. Rather than ignoring or eliminating conflict, community democracy works with the dynamics of difference. In each of the stories told in this paper there is a moment when the tension between people with different experiences and beliefs is transformed into the source of creativity, becomes the motivator for action, and increases the chances for community improvement. This transformation seldom occurs without attention, intention, and skilled “midwifery.” The tension between individuals and groups with different experiences, cultures, or backgrounds can either be the foe of democracy, keeping hostility high and blocking the path to common ground, or it can be the most powerful force for innovation and adaptation.

In the late 1990s, United Indian Health Services (UIHS) proposed developing a new consolidated health facility, to be known as Potawot Health Village, that would integrate Native and Western medicines and that would be centrally located where mountain and coastal highways converge in the liberal college town of Arcata. In the process, prejudice crawled out of the woodwork. City permit hearings in 1997 provided a focus for an outpouring of objections from neighbors about the tom-toms that would keep them awake at night, about the casino they believed the project was a ruse for, and, most startling, about the loss of the land’s “traditional” use for dairy cattle grazing. (In fact, the location is the pre-conquest site of a Wiyot village.) Eventually the city council apologized unanimously to the nine tribes that jointly comprise UIHS, and in 2002, the Potawot Health Village opened to national attention for both architectural and environmental innovation. The organization saw a doubling in the number of American Indian clients served. What was not apparent immediately was the degree to which the tension and conflict faced at Potawot and the public discourse that it created would be a springboard for other developments.

Three years after the opening of Potawot the much more conservative Eureka City Council, six miles south of Arcata, voted unanimously, in a remarkable and tear-filled session, to return to the Wiyot tribe the land owned by the city on Indian (Tuluwot) Island in Humboldt Bay, where a massacre of peaceful Wiyots by white settlers all but obliterated the Wiyot tribe in 1860. This act of peace and reconciliation

was unique in America for having been achieved with no threat of legal action by the Wiyot tribe and no request for payment by the city. Occurrences like these in Arcata and Eureka, which began with confrontation and ended in reconciliation, led to increased and lasting coordination and communication between tribal, municipal, and county governments as well as between public and private organizations and individuals.

The dramatically improved acceptance of American Indians, as Native people in this region identify themselves, was led first and foremost by American Indians and their tribes, some of whom had been profoundly engaged since before 1970 in improving health and education in their communities and in returning balance to their cultures. These 30 years of development had been mostly hidden from white society, literally in the woods, both on and off the reservations.

When the UIHS board—comprised mostly of the women, their daughters and granddaughters, who had started the organization—first decided they were “ready to come out of the woods” and take their rightful place in town, white society was not ready to greet them. (Some white society still isn’t. The head of a personnel recruitment firm recently told me there were no qualified American Indians for senior-level jobs in the area.) Yet, as the conflict over use of the land grew, Indian and white “bridge builders” came forward to open doors and lower barriers.

To build Potawot Village, UIHS had to design a large facility and raise private funds for the first time in its existence. Humboldt Area Foundation provided enthusiastic encouragement from the earliest concept phase, support for planning, and space to meet. We were able to partner with then Ford Foundation president Susan Berresford, who had ties to the area, to help UIHS attract private funders who needed reassurance about what they perceived to be “lack of a track record.” We encouraged and joined with a rising tide of advocates.

While distrust of white institutions runs deep among Native peoples (and for good reason) the story of why philanthropy was trusted to be of assistance in matters related to Potawot Village goes back to an earlier year. In 1995, HAF received a planning grant from the Lila Wallace/Reader’s Digest Foundation to study public participation in the arts, using a civic-engagement model. In developing a working group, we gave priority to those already deeply engaged in cultural participation, and this shifted the balance from the normal caste of arts organizations to American Indian cultural leaders and artists. Again, this was difficult for the most traditional arts organizations to accept and caused initial tension. However, over the next months the majority of actionable ideas and the leadership to realize them came from American Indians in the working group.

Dozens of community outcomes have resulted from the trust that was built at that time and from the partnerships and networks that have been created or enhanced since then. One such outcome is that HAF now has Indian trustees, staff, contractors, and volunteers as an integral part of its organization and thus has become a more sustainable living bridge, a more completely realized community commons. Furthermore, the James Irvine Foundation and the Hewlett Foundation, among others, have used this commons to support community-led change by American Indians.

To claim the “dynamics of difference” as a fundamental principle is an attempt to describe ideas often intended by the words *diversity* and *inclusion* while trying to

avoid their too-frequent use in a representational or proportional way: “we need one of these and two of those.” Formulas will never replace honest, open, and constructive engagement by those who are implicated in the decision. American Indians often dominated the cultural participation

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work here because they understood it better, having had more experience and knowledge. No one would have known this in advance nor would the opportunity for Native leadership have surfaced had the value of participation not been examined from the start and a place made that welcomed the tension accompanying change.

Similarly, early in HAF’s commitment to economic development, the need for knowledge and experience required building bridges that could engage previously excluded and divided business leaders. The knowledge they possessed as a diverse group was an essential ingredient in the improvements that benefited the broader community.

A few conclusions can be drawn from this experience:

- Community processes must embrace the conflicts that otherwise create impenetrable, if often scarcely visible, barriers to community improvement. Without this, the barriers can seldom be removed.
- Using difference as a necessary and powerful tool for community improvement requires mature skills. It may seem too risky to many community actors, but in our experience, avoiding difference creates a far greater risk and yields little or no long-term benefit.
- One of the thorniest barriers to community democracy is that the value and processes of bridging difference is not part of the day-to-day vocabulary of most members of a community.

COMMUNITY ASSETS

A COMMUNITY ALREADY HAS ASSETS THAT ARE PIVOTAL TO CHANGE. No matter what needs exist (and endless needs always exist), it is a community's assets that offer opportunity for successful improvement. This is not an anti-outsider or anti-expert approach. Rather this principle proposes that if you do not build on what you have as a community, outside experts and outside resources are unlikely to make any practical difference. When the bedrock experience, cultural orientation, and skills needed to confront a barrier emerges from an engaged community, the odds of philanthropic support making a dynamic difference increase dramatically.

Communities are replete with latent assets. It can be hard to perceive the value of assets close at hand—perception is often blurred by proximity and familiarity. Uncovering such assets requires intention, creativity, and the enhanced vision that comes from everyone's knowledge, from dynamic differences.

In 1998, the Ford Foundation approached Humboldt Area Foundation with an offer of a large grant for economic development. Though the offer was a generous one, HAF turned it down. Ford's program would have provided training and peer learning from the Aspen Institute's Community Strategies Group, services we knew to be outstanding. But it also required a matching grant to develop an endowment to support economic development.

Despite a desire to participate in the Aspen program and an appreciation for Ford's generosity, we saw fundraising for the match as a diversion. It would have distracted us from supporting community planning and mobilization at the level of action and innovation we knew would be required as the timber economy continued in free fall. The result of the Ford challenge would have been a yearly payout of approximately \$90,000 from a \$2 million endowment, after several years of fundraising. In our estimation that amount, while helpful, would not have contributed a meaningful amount to economic development and would have diverted our scarce staff time from community engagement and action. We were fortunate, later, to be invited by Ford to participate in the Aspen program, and Ford became a significant contributor to cultural organizing by our region's American Indian communities.

Instead of accepting Ford's 1998 offer, we continued working with businesses, residents, economic-development agencies, workforce development, educators, and elected officials to innovate and reform existing economic-development frameworks

and policies and to establish expectations of economic development and policy leaders.

One such effort, which came to fruition at the height of the Timber Wars, involved a commitment by local timber owners and environmental leaders to meet for a year in private in search of ways to reduce conflict and build areas of agreement. Trust developed painfully and slowly between the two parties as resolution of the conflict over logging the Headwaters Forest moved through the courts and through state and federal processes. (Part of the national story included Julia Butterfly sitting in the tree named Luna, and Woody Harrelson chaining himself to the Golden Gate Bridge.)

On the very day that a federal and state payment of \$23 million was announced to compensate Humboldt County for the tax loss of making Headwaters a state preserve, an ad appeared in the local daily paper. The ad suggested rules for developing and governing the new “Headwaters Fund”: an open process available to all county residents should determine the use of the money; anyone should be able to

apply to the fund under clear guidelines; and no self-interested person should be involved in determining the use of the fund.

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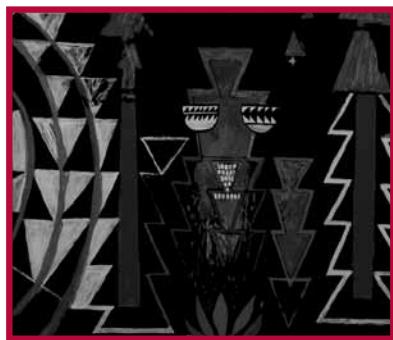
The ad was signed by the least likely leadership imaginable at the time: the participants in the timber and environmental meetings. By then they all knew that such funds historically disappeared quickly into existing projects, often with little lasting impact. With this backing, the County Board of Supervisors adopted the suggested rules, and the Headwaters Fund today continues to grow in importance and impact.

When asked later by a member of the County Board of Supervisors whether HAF would consider managing the Headwaters Fund, we had to say no. The residents who made the recommendations met at our office and we designed the ad. Thus, we would not have met our own criteria for impartiality.

Throughout this process, our focus was on bringing the community’s own assets to the table. The assets were unearthed by tensely diverse participation in a process inclusive of those with pronounced disagreements. Of course, \$23 million dollars was important, but the largest asset derived from the process was an upending of normal destructive politics. HAF acted as a commons, not as the “leader.” By supporting community democracy rather than directing our energy to the growth of the foundation’s assets, a much larger fund was realized far more efficiently than had we shifted our attention to the Ford match.

This example is dramatic and may seem unique, but numerous other experiences have led us to the following beliefs about community democracy:

- The greatest, though certainly not the only, assets a community will have, it already possesses, if only latently.
- Communities hold an untapped wealth of knowledge, and the potential for successful strategies to create the changes they want exists in every community.
- The wealth of communities, of which financial wealth is only a part, is dispersed and not concentrated among certain groups as we are generally taught to believe.
- The knowledge that advances an idea or understanding necessary to unleash a community's next success is often hidden in plain sight, obscured by our limited belief in who might have the knowledge and what background or experience might generate it.
- Community democracy requires that specific efforts have "authentic" resonance—that is, action is only pursued if the issue rises to the surface in the absence of outside agendas or funding priorities.



COMMUNITY COMMONS

CLEARLY IDENTIFIABLE AND ACCESSIBLE COMMUNITY COMMONS are essential to countering hierarchies, static power structures, nonproductive decision-making processes, and official sources of knowledge that suppress improvement. Space is necessary for a rich public life—space where people come together to build and experience civil society in an environment that assertively values community knowledge and where the playing field is level. In an era focused on private ownership and rights, such space is declining as is recognition of its value. When people speak with passion about community it is often the value of the commons that they are referring to.

Community “commons” are where innovation and community change happen. It is the place where the individuals, groups, and networks that make up a community come together to spark ideas, develop agreements, and build trust for common action. The story that follows was a true test of community democracy. The convenors brought together from around the region the most diverse grassroots leadership in anyone’s memory with no specific charge except to use the knowledge in the room to build new networks and identify and better understand common priorities.

Between 2004 and 2007, HAF, Humboldt State University, and the College of the Redwoods brought together regional community activists, each of whom reflected specific interests—business, environmental, American Indian, educational, and Latino—for three day-and-a-half-long retreats facilitated by Aspen Institute’s Center for Community Strategies. The three organizational convenors had no preconceived outcomes and would not retain any power over the proceedings or their aftermath. No interest in the room had a majority and no participants had been chosen to represent elected officials. All meetings started with the admonition that if anyone was comfortable they were probably in the wrong meeting. Membership remained largely the same over the course of the meetings. As fear and deep distrust was replaced by surprise and appreciation for the knowledge that members found in each other’s experience, energy and creativity replaced discomfort, new networks were created, and friendships formed.

These gatherings, which evolved from earlier work done through the Institute of the North Coast, came to be called Redwood Coast Rural Action (RCRA). RCRA continues today as an independent, regional network under the leadership of Kathleen Moxon, the founding director of the Institute of the North Coast when both were at HAF. Several

important and continuing efforts got their start through action at the 2004-2007 gatherings: the California Center for Rural Policy, a research center at Humboldt State University that provides regional community members with accurate information to support democratic action; Redwood Coast Connect, which became a policy leader in broadband deployment in California; and, a renewed and inclusive focus on regional economic development and community forestry.

The impact of RCRA could be seen in all three efforts. The number and diversity of communities that have taken advantage of the California Center for Rural Policy and the increased understanding of the power of data that the center fostered have exceeded all expectations. Hundreds of people met in town-hall meetings in small towns throughout the region to work on aggregating their demand for broadband. Laws supporting rural broadband deployment were passed by the state legislature and signed by the governor, and, in one case, significant fees were lifted permanently by the governor. Finally, the RCRA focus on community forestry was an important factor in the addition of over 50,000 acres to community-owned forests in the region.

Outcomes that can be attributed to the RCRA along with other experiences led us to the conclusions we make around the principle of community commons:

- Democracy happens in places where people feel safe enough to venture across boundaries of difference in culture, points of view, and background.
- Space has to be created for free association that crosses many lines without a specified purpose other than that identified by people in the community.
- To tap a community's knowledge and take advantage of the patterns of opportunity within it, flexible and completely transparent community forums have to be nurtured.

COMMUNITY “COMMONS”

ARE WHERE INNOVATION AND COMMUNITY CHANGE HAPPEN. IT IS THE PLACE WHERE THE INDIVIDUALS, GROUPS, AND NETWORKS THAT MAKE UP A COMMUNITY COME TOGETHER TO SPARK IDEAS, DEVELOP AGREEMENTS, AND BUILD TRUST FOR COMMON ACTION.

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.

Although the open, inclusive processes of community democracy can and do bring a community's most powerful resources to the table, these very processes are time consuming and unpredictable. In conversations with me, Harold Richman, founder of Chapin Hall, a policy research center at the University of Chicago, noted 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. The disconnect between a foundation's expectations for results (both what and when) and what a community process might deliver can be extreme. Large foundations tend to reward timeliness and predictability. These are traits that rarely produce systems change, even though systems change is typically a stated target of large philanthropies.

Convergence between time frames guiding different culture and practical aspects of common efforts is essential. Failure to understand this may be the greatest source of failure by philanthropy and government to create the conditions and possibilities for lasting or sustainable community improvement.

In 1995, as noted previously, the James Irvine Foundation took an interest in the region's economic crisis and the open process that HAF and others were using to ensure that the solutions would be "owned" by the community. We accepted a \$1.25 million grant, a quarter-million dollars per year for 5 years. Irvine supported our intention to develop a plan through a broad community process, which would determine and implement the ultimate course of action. One year into the plan a significant disagreement between the two foundations emerged and became an important learning moment for both. At that point, a newly hired Irvine program officer insisted, after a visit to HAF, that a more concrete action plan for Year Two be developed. As a result, HAF representatives traveled to Irvine's offices to suggest that we return the grant rather than break 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. Powerful outcomes continue to this day, a decade after the Irvine grant expired, and Irvine's courage in supporting community democracy as an answer to a tough problem has been borne out.

On the surface, it seems almost too obvious to identify the problem between the two foundations as a lack of synchronicity. But in many respects, this was indeed the case. That is, the problem could be seen as one of differing expectations about when and how results would be achieved. A large foundation—almost any foundation or agency—has an internal, hierarchical process that works on a different “clock” from the one that guides an unpredictable, self-structuring community. The simple answer for large, outside foundations concerned with “results” is to work only with community entities, such as government, higher education, local foundations, or large NGOs, whose hierarchies and expectations are similar to their own. This choice brings the foundation a level of comfort in terms of accountability, but misses the real and monumental capacity for improvement that a community has when its culture changes, not just when actions are taken that last only for the duration of the grant. Changing a culture takes time and the timing tends to be unpredictable.

Discrepancies in time frame do not occur only between large foundations and communities. What ultimately became the base for 15 years of economic improvement took 2 years to build because different segments and cultures within the community had different clocks, and widespread, sustainable cultural change happens only when differing time frames come close to alignment and, at critical junctures, converge.

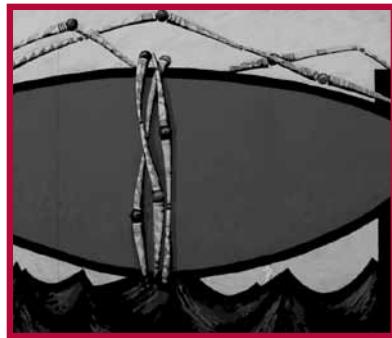
Failure to understand or respect the principles of time and convergence in examples such as these critically reduces the impact of most large foundation investments in specific places—often fatally. This can be true of investments by foundations located within communities as well, even if they start by recognizing the effective force of community democracy.

Community democracy and its support require attention to, and patience with, time and process. Conclusions we draw about time and convergence include:

- Change comes at the “speed of trust,” and the development of trust is not linear.

LARGE FOUNDATIONS TEND TO REWARD TIMELINESS AND PREDICTABILITY. THESE ARE TRAITS THAT RARELY PRODUCE SYSTEMS CHANGE, EVEN THOUGH SYSTEMS CHANGE IS TYPICALLY A STATED TARGET OF LARGE PHILANTHROPIES.

- Lasting improvement demands that community groups learn to engage other groups with differing time frames modified by culture, income, political background, life experience, education, and other factors.
- Supporting community democracy requires that a foundation calibrate its expectations for outcomes to a community's pace of change.
- Funders that do not recognize the variability of community time due to the foundation's own institutional limitations may have some short-term success but are apt to end in long-term failure.



ESSENTIAL INFRASTRUCTURE

THE AVAILABILITY OF SIMPLE TOOLS AND SUPPORTS DETERMINES TO A LARGE DEGREE WHO CAN AND CANNOT ENGAGE CIVICALLY. Seemingly small things can determine who can and cannot engage in community decision making: a place to meet, skill in organizing meetings and facilitation, a copy machine to print meeting notices for those without computers, availability of translation, child care, and transportation are all part of democracy's essential infrastructure. The existence of the infrastructure that makes citizen participation probable is always vastly uneven. Without intentional effort to provide a place in the room for those with "little" but knowledge, interest, and relevant experience, a community is robbed of the great advantages that come from comprehensive community knowledge, and the community commons risks being more of a club than a democracy.

Where do community members go to build the community they want, and where can they find the tools and processes they need to do so? Communities are replete with associations of relatively like-minded people and NGOs with specific missions, all of which are important to the life of the community. However, 19 years of work in the region has led HAF to conclude that no matter how many government agencies and NGOs are created to respond to specific needs or interests, the creativity and adaptability of civic life exists in the large spaces between them and in the changing conditions around them. So where are the places that allow people to come together across basically static associations, pre-specified missions, and governmental mandates?

Each of the stories above is, in fact, a story about a flexible infrastructure: for a diverse business community to jointly and openly tackle an economic downturn, for deeply conflicted timber and environmental leaders to find common ground, for American Indian health activists to access and contribute to the resources of the larger community, for very diverse grassroots leaders to identify and act on common concerns, and for large foundations to experience the benefits of community democracy in practice. Each demonstrates the need for a dedicated infrastructure to support the work of community democracy.

HAF has learned that, to generate something approaching equal engagement among people of differing resources, specific infrastructure support is essential. HAF often has a necessary role.

A simple fact is that the farther we venture from working with individuals and groups with established resources the more daunting is the task of providing adequate and effective infrastructure. Philanthropy often gives grants to nonprofits to provide infrastructure to low-income community members, thereby simply shifting the infrastructure imbalance to another organization not well prepared to provide it. Knowing this has led HAF to consider the next steps in adding to the infrastructure that it provides to build a commons that includes all who are interested.

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As this paper was being written, we were heading into two days of planning in the border wilderness between Humboldt and Del Norte counties with grassroots organizers, religious leaders, American Indian cultural organizers and educators, activists from NGOs, local funders, and PICO (community organizing) trainers. Our agenda was to see whether enough agreement could be built to begin constructing a formal, long-term, community-organizing platform for the region, based on relationships, rather than on causes.

First among the reasons for this effort was the belief, shared by many of us, that the benefits of community democracy can-

not be realized without greater equality in participation, and that equitable access to the process infrastructure is necessary for this to happen.

But just as motivating is frustration with our own failure—both that of the foundation and of our many partners—to employ and maintain a platform that supports the capacity of marginalized people to take responsibility for improving conditions adverse to them. For years we searched for the “right” theory of change and the “right” training, knowledge, or strategy that professionals can employ so those in poverty prosper. We should have known better.

In fact, we have plenty of reason to believe that the same principles and practices we have employed for the past 19 years to effect change by community members will be just as effective, if not more so, for those with low income or other barriers. We believe that those with the fewest resources stand to benefit the most.

Inspired by the Denver Foundation, the Piton Foundation, and a partnership of foundations supporting community organizing in Denver, HAF and many regional partners have received training in organizing for the past two years and are now exploring the establishment of a formal base in the region. It took some time to

overcome the fear of cause-related organizing, the type that many people are aware of through negative news coverage. The same powerful tools used in cause-related organizing can be, and are, being used to implement practical action that in the long run gives us a chance to bridge our differences.

Over the past 19 years, the Humboldt Area Foundation has seen many interests in the community benefit from the development of a stable infrastructure. Conclusions we draw about the infrastructure that is required to support an evolving community democracy include:

- For renewed citizen success at building community agreement and action, institutions will have to be designed as staging grounds for the complex functions of community democracy.
- As important as the infrastructure of governmental agencies, foundations, and NGOs may be to society, they can only be a part of the staging ground for a thriving community democracy.
- Investing in the essential infrastructure that supports community democracy is a human and financial expense that must be borne by those interested in the success of democratic solutions within specific communities and, by generalization, within the country as a whole.
- Community-based or embedded philanthropy has the critical flexibility and independence to support place-based equality and community democracy.



IMPLICATIONS FOR PHILANTHROPY

THE OBJECT OF THIS PAPER HAS BEEN TO DESCRIBE THE DYNAMICS OF COMMUNITY DEMOCRACY as we presently understand them and to reveal ways that organized philanthropy has been woven throughout the continuing evolution of this work. In each case, the opportunities and realities for constructive change were undertaken in partnership with foundations—some small, some large, some local, some distant—and the work stayed focused on open, inclusive practices and community-centered approaches.

The stories and observations in this paper are intended to raise essential questions about the intentions of place-based philanthropic work at all levels, whether the philanthropy takes the form of funders embedded in the community or of large funders far from the community they wish to support.

Philanthropy faces both powerful opportunities and bedeviling dilemmas when it joins with community members as they take responsibility for the change they want. The experience of the Humboldt Area Foundation and that of our many partners has led to the distillation of certain principles about philanthropy's role. The following seven principles are offered in a shorthand form:

- **Civic Capacity.** Philanthropy must be dedicated to developing the civic capacity of communities. This means moving beyond funding specific projects to doing philanthropic work in ways that help citizens (that is, all those who live and work there) develop the skills, knowledge, and agency they need to make decisions and to work together across their differences. Philanthropy also must recognize that forging a vital collective future requires the energy, ideas, experience, and participation of all willing citizens.
- **Horizontal Relationships.** Philanthropy must work for and with communities, not on them. Among other things, this means recognizing the critical distinction between support from inside a community and support from outside. Outside knowledge and support can be an essential part of developing community democracy if they operate on a community level and are aligned with, and engaged in, community-led efforts. The best outcomes result when philanthropies offer resources that citizens can draw on as they participate directly in democratic processes.

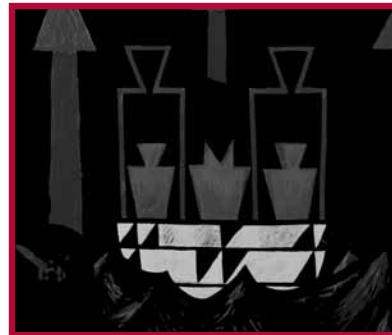
- **Citizen Agency.** Philanthropy must be carried out in ways that intrinsically advance citizen agency, that do not control the process or decision making, and that allow participants to take responsibility for their decisions. Predetermined outcomes—whether formulated by philanthropy or outside experts, or even when based on the experience of other communities—are antithetical to democratic process.
- **Impartiality.** Impartiality is essential to realizing philanthropy's powerful potential to provide a safe place for people to work across differences on their own terms. Philanthropy should be passionately pro-democratic without being otherwise preferential. Intentionally or not, partisanship imposes institutional power on decision making, thereby limiting civic engagement and reducing democratic action.
- **Equalizing Infrastructure.** Philanthropy must recognize that among community members there are deeply established differences in resources, capacity, and cultural assumptions and that preparation to come together across those differences must be available to all parties in advance. Philanthropy can create an infrastructure that partially equalizes the ability of all citizens to participate. Community organizing for community-determined ends can be a key part of this infrastructure and can have a profoundly equalizing impact for community members with fewer resources to begin with and less access to resources from elsewhere.
- **Flexibility.** Philanthropy must take advantage of its flexibility. Rather than lead with its grantmaking it can use its resources and develop its assets in more community-aligned and flexible ways. Philanthropy can serve by providing community commons and infrastructure. It can become advocate, organizer, mediator, researcher, witness, and provider of information and facilitation.
- **Democracy Is Where You Find It.** Philanthropy must move beyond traditional grantees. Free associations, networks, and groups of concerned citizens often have fewer barriers and more opportunity for community democracy than organizations working within the necessary limitations of a mission. Many traditional NGO recipients are structured to meet the usual grant and contract mandates, but, especially with their focus

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on specific missions, their flexibility to work for the wider community is limited.

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. The many really can accomplish what the few cannot.

Philanthropy is a potential key staging ground for the regeneration of community democracy precisely 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 can also play this role. And, through partnerships with these community institutions, larger private foundations can support the generation of the authentic change that they have often tried to impose without success.



REFLECTIONS

WITH THE CHALLENGE OF MAKING A MEANINGFUL DIFFERENCE in the midst of the civil disruption of the Timber Wars and economic decay, the Humboldt Area Foundation has followed a process of “making the path by walking.” Between 1994 and 2012, we have been guided—sometimes intentionally, sometimes intuitively—by principles that we have come to understand in the context of community democracy. During this time, Humboldt Area Foundation’s mission changed from “building philanthropy” to providing a “staging ground” for our communities to take responsibility for the changes they want.

We have participated with big philanthropy at its humble best and shuddered at its arrogant worst. It is the knowledge and learning we have gained since 1994 and the powerful opportunities we now see for philanthropy to join with communities as they rebuild through “community democracy” that are this paper’s subject.

It is my view that attention to community democracy is a necessary and unavoidable answer to our nation’s malaise. As democracy in the United States becomes ever more dysfunctional, so the importance of a thriving *community* democracy seems ever more essential. If the character of democracy cannot thrive among residents in our communities, can it survive as more than a shell in our national political system? Put another way, if we cannot find resolution, balance, and accommodation for complex issues in specific places, is it possible to find these things in the larger social and political landscapes of America?

On the day in 2010 that local homeless caregiver Betty Chinn received the Citizens Medal from President Obama, he asked her how it felt to meet the President of the United States. Incapable of anything less than complete honesty, Betty answered, “The same as meeting a homeless person.” It is in this spirit, and through local experience, that democracy still has a chance.

AS DEMOCRACY IN THE UNITED STATES BECOMES EVER MORE DYSFUNCTIONAL, SO THE IMPORTANCE OF A THRIVING COMMUNITY DEMOCRACY SEEMS EVER MORE ESSENTIAL.

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Peter Pennekamp has worked with and within philanthropy for 25 years. He is a trustee of the Bush Foundation of Minnesota and CFLeads, emeritus trustee of the California Endowment and Morris Graves Foundation, and executive director emeritus of the Humboldt Area Foundation, which he served from 1993-2012. He is a frequent speaker on philanthropy and community democracy, with previous experience as vice president of National Public Radio and director of the Interarts Program of the National Endowment for the Arts.



Anne Focke is a consultant in planning, research, and writing who works both independently and as senior advisor in The Giving Practice, the consulting arm of Philanthropy Northwest. From 1999 to 2008, she was executive director of Grantmakers in the Arts and was coeditor of its journal from 1991 to 2009. She has led the start-up of both nonprofit and for-profit enterprises, including Arts Wire, Artist Trust, and Artech.



This paper advances the field because it unpacks the notion of community democracy and defines it in actionable terms. It gives concrete examples of how one region of the country has built community democracy, and identifies tangible outcomes from those investments. Pennekamp has moved us out of the theoretical—and often the ideological—commitment to community democracy and into a space that offers clear implications for practice.

Anne Kubisch

Director, Roundtable on Community Change,
The Aspen Institute

Peter Pennekamp and the work done by the Humboldt Area Foundation have always exemplified the leading edge of how philanthropy can work with community. This paper, through real life examples and lessons learned, gives us the path.

Alicia Philipp

President, The Community Foundation
for Greater Atlanta

Regenerating Community Democracy is a timely reminder for the field of philanthropy that social change is a ground-up phenomenon; institutional philanthropy deludes itself into a belief system that social change is an innovation game.

Robert Ross

President and CEO, The California Endowment

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