

# **Investment in South Africa From Inside and Out: Reflections of an Overseas Friend**

Remarks of Gara LaMarche  
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It is an honour to be invited to share some reflections with you tonight. Since coming to Atlantic a little over two years ago, and learning of the work that Inyathelo does to strengthen the non-governmental sector in South Africa, I've been proud that this fine institution occupies a key place in our grantmaking portfolio, and stands as a model for support organisations all around the world.

To take part in tonight's awards ceremony is a double honour, because it gives me, and all of us privileged to be in this room, a bracing look at the range and quality of social entrepreneurship in South Africa – at the importance of visionary leadership coupled with smart management that exemplifies and furthers the vital mission of Inyathelo.

Whenever I am asked to speak these days, I always secretly wonder whether I am truly loved and wanted for my brilliant oratory and insight. After all, my job is to sit atop a big pile of money and steadily reduce it and I seem to have become a lot more wise, eloquent and smart since going into

philanthropy. But I will set aside my insecurity and say that I welcomed this invitation, and the scope given to me for my remarks, because it offers an important platform to address the opportunities and the challenges for philanthropic investment in South Africa, at a time when the case for involvement needs to be strong and needs to be heard. I hope I can make a contribution to that tonight.

It is with some trepidation that I take on this task, since I don't live or work here, though I have been coming to South Africa for ten years or so beginning with my work at the Open Society Institute, one of several posts in which I have had an opportunity to work to advance human rights and social justice. South Africa holds a special place in the hearts of the world, and in particular among those in the United States who have worked for civil rights and racial justice. It is not easy to overcome the insularity of many Americans, who are famously ill-informed about the world beyond our borders. But South Africa has been a striking exception. Few places have stirred as much passion and activism among Americans as South Africa in the apartheid era, and the struggle against a racist state seemed to many of us an extension of our own civil rights movement. So for many of us in the States, certainly for me, that is a very strong bond, and one which endures.

Since I don't know most of you, and don't presume what you know about The Atlantic Philanthropies, I want to start by explaining our organisation a bit, and talking about our work in South Africa. Then I will

conclude with some of the challenges facing those of us who believe in the dream of this amazing country, and what our common work must be in continuing to pursue it.

Atlantic is one of the largest foundations in the world – and the largest private funder in several of the seven countries in which we operate. We are the largest funder of human rights in South Africa. A central focus of our funding is advocacy campaigns to change social policy to improve the lives of vulnerable and disadvantaged people. That means that everywhere we work, we are engaged with government – as a partner where we can, as a spur where we must.

We place a strong emphasis on learning, evaluation and organisational capacity-building, and are rare among foundations in having a strong in-house unit, including staff in South Africa, to carry this out in partnership with our grantees.

We are spending down our assets by 2016 – just under 25 billion Rand, or \$3 billion in U.S. dollars are left to be spent in the coming years. This is a weighty responsibility – and harder than it looks, believe me! By the time we are done, we will be the largest foundation in history to have spent its assets and closed its doors. Like many others, you may ask why we decided to do this.

We are following the wishes of our donor, Chuck Feeney, who believes strongly in a philosophy he calls “giving while living.” By the 1980s, Mr. Feeney, who founded Duty Free Shops, transferred virtually all of his vast

wealth to the foundation. Since then, he has lived quite modestly, owning no home or car. Mr. Feeney, who serves on the Atlantic board, was heavily influenced by the American industrialist and philanthropist Andrew Carnegie, who believed that a man who dies wealthy dies disgraced. A few years ago, Chuck Feeney sent a rare note to the Atlantic Trustees, saying: "I believe that people of substantial wealth potentially create problems for future generations unless they themselves accept responsibility to use their wealth during their lifetime to help worthwhile causes." We have followed his lead.

The idea behind giving while living is that the world has many pressing problems, and if we can invest resources in them today, we make it less necessary to deal with them more urgently and less thoughtfully as crises later on. That lens guides the selection of issues that the Atlantic board identified – the challenges of ageing societies, the needs of disadvantaged children and youth, systemic abuses of human rights, reconciliation efforts in places with a history of conflict, and the delivery of health care to underserved regions and populations. Atlantic has focused on these specific areas, but of course, the giving while living approach could also be applied to other issues, like climate change.

Spending down your assets is not for everyone, and recognising the pluralism of philanthropy, we understand that most foundations will probably not choose to follow us. We have no desire to preach or scold others for choosing to remain perpetual institutions. There are many

positive reasons for assuring the strength and continuity of foundations over generations. We hope instead to be a model for those who might want to consider our approach.

We also hope to be an example in other ways. Last year, Atlantic adopted a social justice framework to guide our work, and is committed to supporting lasting structural change through advocacy with a special focus on individuals and groups that are marginalised, including the poor, communities of colour, immigrants, refugees, women, lesbians and gays, among others. Our work in South Africa is squarely within this framework, and indeed, the framework has been inspired to a considerable extent by what we have learned in our years in South Africa about how change takes place.

Atlantic was drawn here originally fifteen years ago, as apartheid was crumbling. Our presence here built on our grantmaking in the United States and in Ireland, made possible by the thrilling opportunities created by the historic shift to majority rule.

We were honoured to be partners in the efforts that were so critical at the outset, to bring to light the truth about the crimes of the apartheid era, helping to launch institutions, like the District Six Museum, to document what took place and commemorate the courage of those who refused to yield.

Atlantic did what it could to help those who led the way toward a Constitution that is the envy of the world, and to strengthen organisations,

like the Legal Resources Centre, which work through the courts to assure that constitutional promises are kept. Despite the many successes, no one should be complacent about the continuing strength and integrity of the constitution and the courts. Experience everywhere in the world, including the United States, shows that the protection of constitutional rights takes constant vigilance, and Atlantic has recently begun to make grants to initiatives to guard the national treasure of a progressive constitution and an independent judiciary.

When HIV/AIDS began to cut a lethal swath through South Africa, particularly in the most marginalised communities, Atlantic poured resources into campaigns to demand that the crisis be met with the intensity of the response it deserved, and have been proud to support the Treatment Action Campaign and the AIDS Law Project, among others.

Despite this strong focus on the fierce urgency of the AIDS pandemic, our larger view is that protection and advancement of public health cannot be done by a focus on disease alone. It depends on the kinds of engaged constituencies we see in the Treatment Action Campaign, and on the strengthening of everyday systems and structures. So we have made significant investments in the capacity-building of district health systems, particularly in poorer rural parts of the country, and, in strong partnership with Inyathelo, we support the training, retention and professional development of nurses, the backbone of the health system and nearly half of the country's health professionals.

Despite the pioneering role that the Constitutional Court has played in assuring the rights of lesbians and gay men to marry – a goal that still eludes us in most of the United States and the world – much work needs to be done as appalling attacks on lesbians and gay men have made it clear that legal protection, even at the highest level, is not sufficient. In this respect the culture lags behind the law, and Atlantic has worked to strengthen lesbian organisations and the voices of LGBTI groups among the poor and in communities of colour.

A continuing challenge of the new South Africa is the gap between hope and delivery of jobs and services for those worst off. Every country which has enjoyed economic growth in recent years – certainly every one in which Atlantic works, such as the U.S. and Ireland – has failed to address a growing gap between rich and poor. But in South Africa, it seems to me, the historic transformation of 1994 and the hopes it raised makes this gap an even more bitter pill to swallow. Atlantic has worked to support organisations fighting evictions of the rural poor and groups like the Centre for Criminal Justice in KwaZulu-Natal and the Rhodes Legal Aid Clinic in Grahamstown that advise the poor on how to access income support grants and take provincial governments to court to force them to meet delivery obligations, including back payments.

Last year's sickening wave of xenophobic violence, which forced thousands to flee their homes, underscored the importance of a final Atlantic priority, protecting the rights of immigrants and refugees.

Archbishop Tutu wrote last year in the wake of the violence, “We remain children of Adam and Eve, but far too many are still living in shacks... not able to share in the peace dividend.” So we have supported groups like the Musina Legal Advice Office in the Limpopo Province, which works to win rights for Zimbabwean refugees.

I don’t share all of this to brag about Atlantic, or even about the tenacious and visionary organisations we support in South Africa. You know them even better than I do. I do it to set a context of the challenges this country continues to face and the strength of the civil society response to meet them. South Africa is a country rich in talent, in democratic institutions, in goodwill, and in many other important measures. But now I want to move to what you might call the Jerry Maguire question – or rather, challenge – after the Tom Cruise movie of some years ago, which made famous the phrase: “show me the money!”

Indeed, where will the money come from to keep this country on the path it has travelled in the last fifteen years? Atlantic will be out of business in less than ten, so that is a question we think about quite a lot. Let’s start with government.

There can be no meaningful social compact without a primary role for a caring, responsive government, and that is why much of our work has focused on leveraging resources of the state, from access to benefits to access to anti-retroviral drugs. This emphasis must remain, even as the world financial crisis has also begun to impact South Africa’s economy.

South African domestic agencies for non-governmental funding, like the National Development Agency and the National Lotteries, have been criticised as highly inefficient, staffed by poorly-trained and underqualified workers, and overly bureaucratic in their decision making. This is not an acceptable or sustainable situation. That the lotteries and the NDA have been slow to disburse funds, even in the wake of a surplus, has led to the closure of valuable civil society groups. Inyathelo and the Charities Aid Foundation, South Africa are therefore beginning an important effort to conduct vital research and advocacy to support changes in funding practices and an end to bottlenecks.

What of private philanthropy? It can never fill the gap by itself, can't deliver justice or housing or an adequate standard of living for all South Africans without an active partner in government. But it can and should do more. Let's start with international donors.

South African civil society has long been overly-dependent on foreign funding, but over the last decade international funding has been steadily reduced by a number of factors, including the advent of democracy, donor fatigue, the impact of the economic crisis on international donors, and a growing tendency among Western governments development agencies to see South Africa as a middle-income country when aid has been reprioritized for the poorest states. These trends are particularly marked with respect to funding for human rights.

We've seen a few large U.S. and international foundations leave the scene here, and all have their own reasons, which I don't presume to second-guess. But despite the welcome entry into South Africa of newer players like the Dell Foundation and Elma Philanthropies, I know from talking with philanthropic colleagues that the commitment of other foundations is not as strong as it once was. What can we do about that?

To some extent, of course, this is a reflection of the hard choices that foundations, too, must make in a tougher economic time, when virtually all endowments are down sharply and only slowly beginning to rebound. But even so, choices for retrenchment are guided, in the best of all worlds, by a set of factors that include the likelihood of success, the strength of local partners, and the political conditions in a given country.

To an additional extent, honesty requires me to say that some foreign donors have been led to reconsider the scale and nature of their support because of their skittishness about trends and developments within South Africa itself.

South Africa has made an unusual, and perhaps unprecedented, journey from human rights pariah to human rights beacon for the world. Yet there is also a growing feeling, across racial lines, that democracy has been imperilled by a failure to deal openly and honestly with issues of poverty, race and AIDS, and from a bizarrely protective stance toward the Mugabe regime that has made both Zimbabwe and South Africa worse off.

Lindiwe Mabuza writes in his 1995 poem *Each Heavy Heart Beat*, “where are they today? The cynics? The detraction? The naysayers?” Well, some of them are still around, or resurgent in recent years, inside and outside South Africa.

But the apparent end of AIDS denialism, beginning with the appointment of Barbara Hogan and continuing under Minister Motsoaledi, and which President Zuma underscored in his address last week, is a huge relief to those inside and outside of South Africa who during the Mbeki years struggled to deal with the crisis by pushing against not only poverty and disease, but against a government that abandoned its moral responsibility and its scientific sense. It is also encouraging that, despite some concerning signals during his campaign, the early months of the Zuma Administration have seen a restatement of commitment to democracy and constitutionalism, a number of very good appointments, and a willingness to listen and engage with others, including those who disagree.

But the fact is, support for an investment in social change in South Africa cannot rely on whether Jacob Zuma is a populist, Thabo Mbeki a technocrat, or Nelson Mandela a secular saint. To deal with AIDS, to deal with poverty, to deal with human rights and migration, to reform education so that young South Africans are better prepared to take their leadership role in the challenges of the 21<sup>st</sup> century – all these things require investments in strong civil society organisations that will work to

influence governments no matter who is President. We've seen in the United States in recent months that the election of President Obama, with all the hope it engendered, provided the opportunity to make long-overdue change, but is still no guarantee of the result.

The shrinkage of international support means that South Africans, particularly during a time of hardship, need to support the growth of their own civil society and community institutions. One challenge, according to Inyathelo, is that many South Africans don't fully understand the size and scope of the work undertaken by the non-profit sector here, and they don't understand how this sector is funded. That's a huge communications challenge for all of you to explain even better what you do, why you do it, and why your work is worth supporting, and how it can have measurable impact in reasonable periods of time. Atlantic will strive to be your partner in this effort.

For their parts, international donors need to act responsibly in making decisions that can have serious consequences for human lives here. Atlantic has always believed, in keeping with our overall philosophy that the best decisions are made by those closest to the ground, in having our South African philanthropy guided by an indigenous staff. Whether or not other donors choose to follow that route, it's absolutely vital that their choices and strategies reflect deep and genuine engagement with those on the front lines here. And when a donor leaves an area of funding, or cuts back sharply, they must, if they possibly can, take steps with local and

other international partners to leave behind something sustainable. Atlantic is working to do this, for example, by helping to build a lesbian and gay community foundation that will endure after our funding has ended.

In addition, we need to step up efforts to promote and spread philanthropy by South Africans, not only because the greater wealth in this country ought to make possible investments in the lives of the poor and marginalised, but because any foreign donor considering maintaining or initiating grantmaking in South Africa will make a high priority, if not a prerequisite, of determining whether South Africans themselves are giving to the extent they can.

Some South Africa donors are already doing this. The Ackerman and Lubner families, both prior winners of the Inyathelo Family Philanthropy award, have long been committed to social responsibility in the country. But the sector is still heavily reliant upon foreign donors and more South Africans need to step up to the plate.

There is an understandable tendency in talking about philanthropy to focus on the wealthy, and on tax laws, charity regulations and other public policies that can be tweaked to increase the generosity of the well off. That is important, to be sure. But all over the world we have seen that the most generous donors are often those whose means are most modest, so I am greatly encouraged by the development of initiatives like Inyathelo's Youth in Philanthropy Programme, or YIPPSA, which gives young people a

chance to experience the power of giving in their own lives and communities and fosters habits that can last a lifetime.

However philanthropy develops here, and this is a matter in which we at Atlantic take considerable interest, it will forge a path that will be uniquely South African, and which will have waves of influence on the continent and around the world, given this country's position of political and moral leadership.

Allow me to end with another excerpt from Mabuza's poem that captures for me the excitement of working alongside all of you in South Africa, which still holds in its journey the hopes of so much of the world. He writes:

Come hold our breath  
Help us cross this river's  
Steady unstoppable flow  
For we have swum  
In its currents  
Emerged  
Warm  
All over the world  
For there too  
My freedom was won  
Come  
Hold tight here this hand

It belongs to other dreams

That seemed forlorn

Yesterday.