

## Using Philanthropy for Diplomacy

*Thomas C. Foley*

United States Ambassador to Ireland

I cannot remember who first mentioned prior to my posting to Ireland that I should consider promoting philanthropy as one of my objectives at post. It may have been during consultations with Richard Haass at the Council on Foreign Relations or Michael Gallagher, Director of the Office of United Kingdom, Benelux and Ireland Affairs at the State Department. Whoever it was, it was an excellent idea.

Ireland has cleverly orchestrated a rapid rise in incomes and wealth over the last fifteen years, going from the lowest per capita income in the European Union to the second highest behind Luxembourg. Ireland's hard-earned and well-deserved economic growth has brought wealth and bounty unimaginable only a half generation ago.\* Ireland's already very generous culture is now aligned with new capacity creating a nascent interest in large-scale giving. Embassy Dublin saw an opportunity to share the US philanthropy experience with Ireland as it develops a philanthropic model of its own.

In Ireland, like most western European posts, we have been challenged to maintain the positive public image of the United States and the broad public support for US foreign policy that we enjoyed before the Iraq war. To meet this challenge, Embassy Dublin has developed a two-part public diplomacy strategy. First, we seek opportunities to explain US foreign policy to audiences who may not understand our policies or the motives behind them. Our standard isn't to win-over these audiences, but rather to show them there are two sides to the story. I believe we are meeting that standard. Second, we try to focus dialogue on areas where we agree or share things in common, and build relationships among opinion leaders in the arts, academia and the media.

An example of how we conduct the latter has been a series of dinners where we honor prominent Irish-Americans involved in the arts. We have had a poetry dinner with Billy Collins, a literature dinner with Frank McCourt, a comedy dinner with Conan O'Brien, and a visual arts dinner with Sean Scully. With 50-60 guests, we include people from the same art genre as the guest of honor as well as government leaders and opinion leaders from the business, academic and media communities. In addition to being very enjoyable events, these dinners provide an opportunity to showcase American talent and remind audiences of the many artistic and cultural contributions the United States is making around the world. The dinners also provide the opportunity to build personal

---

\* *Editor's Note: According to The Washington Post of April 3, 2008, Irish Prime Minister Bertie Ahern, "said [on April 2] that he would resign [on May 6] after almost 11 years in office. Ahern, 56, announced his resignation at a Dublin news conference as a government tribunal continues to investigate whether he received improper cash payments from businessmen in the mid-1990s. In a sometimes emotional 11-minute address, Ahern denied wrongdoing...The second-longest-serving prime minister in Irish history, Ahern took office in June 1997 during a period of breathtaking economic growth in Ireland....Under his watch, Ireland built hundreds of thousands of new homes and businesses and became awash with millionaires and even billionaires as the 'Celtic Tiger' economy boomed."*

relationships with non-traditional audiences and opinion leaders in academia, the arts and the media. This program has been very well received and has helped us with the media both in terms of what they cover and how US embassy personnel are handled in interviews.

The objective of these dinners, showcasing American assets and building relationships with non-traditional audiences, was recently expanded from a focus on the arts to include philanthropy. We developed a plan for a day-long symposium called, “A Dialogue on Philanthropy” held at my residence on February 21, 2008. The purpose of the symposium was to discuss how the US experience with philanthropy might be useful as Ireland develops its own philanthropic model.

The symposium included 12 guests from the United States from various parts of the philanthropic community, including development people from Harvard and Memorial Sloan-Kettering Cancer Center, tax and policy experts from the US Department of the Treasury and the Internal Revenue Service, a legal expert on taxes and trust law, several leaders of foundations, wealth advisers, and academics in philanthropy. From the Irish side, there were 85 participants including government policymakers, heads of philanthropic institutions, wealth advisers and wealthy individuals. The symposium included three sets of three 90-minute discussion groups, for a total of nine, covering tax policy, how private institutions such as our private universities generate such extraordinary support, and the role of foundations and other vehicles for sustained giving, among others. Each discussion group was moderated by one Irish and one American expert. After the symposium, we held a reception and then attended a dinner given for the group hosted by the President of Ireland at her home.

The event was very well attended and appreciated by all participants. We received considerable media coverage before and after the event, all of which was positive. A paper was produced summarizing the policy and other recommendations that emerged from the discussion groups. The paper was submitted to the government and others in a position to act on the recommendations.

Promoting philanthropy in the diplomatic context has a number of benefits and no drawbacks that we encountered. Like art, philanthropy is a topic with a lot of positive emotional appeal and on which few people disagree. The extraordinary US system of giving that has developed over 150 years is so unique and exceptional that people cannot help but be positively impressed by it. Highlighting philanthropy in America provides a special opportunity to remind people of the generosity and civic spirit embedded in American culture, as well as an example of where private sector institutions have excelled at serving the public interest.

The following excerpt from my remarks at the symposium demonstrates the power of talking about philanthropy in America:

“My goal for this symposium is to make available the US experience with philanthropy as Ireland develops its own philanthropic model. I, and I think I can

speak for my American colleagues, do not believe there is a right way and a wrong way to do this, nor is there a 'one size fits all' model for philanthropy. Rather we are here armed with a wealth of experience about how the system works in the United States and some sense of what policies and other aspects of its structure account for its remarkable success. Some of what works in the United States won't work here, and there are undoubtedly things that will work here that wouldn't work in the United States. If anything I, or any of my American colleagues, say during our time together sounds prescriptive or presumes that it's our way or the highway, let me apologize in advance. That is not the spirit in which we are here. We are here to share and discuss our experience.

With that disclaimer out of the way, let me brag a little about philanthropy in the United States because it is a truly impressive story. Charitable giving in the United States exceeded \$275 billion in 2006. This is an extraordinary amount of giving. It is over two percent of US GDP. This giving is the primary source of funding for our best charitable organizations, universities, museums, hospitals and research organizations. Private giving in the United States is everywhere—addressing public problems and building public assets both domestically and abroad. There are over 60,000 foundations in the United States, each with an articulated purpose ranging from curing diseases, to supporting artists, to improving our inner city schools. As an example of what this system produces, Harvard University, often rated as the top university in the world, has a \$35 billion endowment in addition to its many billions of capital in land, buildings, systems and curricula. Harvard never did and still doesn't receive any significant government support. All Harvard's wealth has been built on private giving, mostly from its alumni.

Harvard is such an important and influential institution in the United States. It is thought of as a public asset, which it is, but it isn't publicly owned or publicly governed. This may partly account for its remarkable success. Harvard is governed by a board of directors which determines its own successors. Neither Massachusetts nor our federal government has anything to say about who serves on the Harvard Corporation Board or affects any decisions Harvard makes. And yet, Harvard takes very seriously its responsibility to serve the public interest.

As a result of this structure of many of our institutions, we get some benefits that countries with publicly-owned institutions don't. These benefits include: diversity, incubation, and competition. When there is a single source of funding and governance for public institutions, an opportunity is missed for the creativity, concept testing, and effects of competition that occur when you have thousands of sources of funding supporting thousands of independently generated concepts and all separately governed. These are some of the same beneficial effects entrepreneurs and the marketplace have on economic growth in open, market-based economies versus nationalized, centrally planned economies. A privately funded hospital in the United States that doesn't provide competitive health care services will fail. A charitable concept in the United States that doesn't produce results won't be able to sustain private support. The diversity of these efforts and the competitive pressures

on them produce a very different result from government funded and managed institutions. I believe it is the private structure of many US public purpose institutions that accounts for the extraordinary level of support they receive, their excellence and their unquestioned broad and positive impact.”

The enthusiasm, appreciation and positive media we received for hosting “A Dialogue on Philanthropy” was far beyond what we expected. Not many in Ireland, not to mention in the United States, understand how extensive and extraordinarily generous the US system of giving is. Hosting “A Dialogue on Philanthropy” met and exceeded our objective of showcasing an important and very impressive part of our culture and social structure. It also provided the opportunity to present a gift of our experience to the host country, while simultaneously building relationships and goodwill among non-traditional opinion leaders. Although some aspects of the opportunity in Ireland are unique, opportunities to use philanthropy as a diplomatic tool probably exist wherever sufficient capacity exists to support sustained, large-scale giving.\*\*

---

\*\* *Editor’s Note: Those interested in learning more about the specifics of “A Dialogue on Philanthropy,” including the schedule, working group topics and the names and titles of the US participants, may call the US Embassy in Dublin at 353.1.668.8998.*