The Ethics of Giving with Shariq Ahmed Siddiqui

Christiane Wisehart, host and producer: I'm Christiane Wisehart. And this is Examining Ethics, brought to you by The Janet Prindle Institute for Ethics at DePauw University.

[music: Blue Dot Sessions, Ghost Byzantine]

Christiane: Philanthropy expert Shariq Ahmed Siddiqui joins me to explain that the ethics of giving is a lot more complicated than we think.

Shariq Ahmed Siddiqui: The way philanthropy is structured, especially in the United States, favors philanthropy by the wealthy. It's centered at the top, and as a result over the years, it's crowded out those people that are not wealthy. Some of the major foundations and major philanthropists of the modern era, can dictate public policy for many countries.

Christiane: Stay tuned for our discussion on today's episode of Examining Ethics.

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Christiane: My guest today studies and works with philanthropists from all over the world. Shariq Ahmed Siddiqui is professor of philanthropic studies and the director of the Muslim Philanthropy Initiative at the Lilly Family School of Philanthropy at Indiana University. As we enter into what is traditionally a season of giving in the Western world, professor Siddiqui is here to help us understand the fascinating and complicated world of philanthropy.

[interview begins]

Christiane: What are some of the biggest questions with ethics and philanthropy in the 21st century?

Shariq Ahmed Siddiqui: Philanthropy has always been seen as this beautiful, warm, fuzzy, positive kinds of activity. But the reality is that philanthropy has a dark side to it. If you think about people that gave time, treasure and talent, they don't just give it for stuff that is great. They give it to stuff that isn't so great. For example the KKK or ISIS--these are also forms of philanthropy. They get less of our attention. I think the first piece of it is that there are some ethical dimensions of just pure right and wrong in what our money is used for.

I think the second piece of it is, that the way philanthropy is structured, especially in the United States, it favors philanthropy by the wealthy. It's centered at the top, and as a result over the years, it's crowded out those people that are not wealthy. I think that's the second ethical dilemma.

The third big issue that comes, is the power that philanthropy provides. Arguably some of the major foundations and major philanthropists of the modern era, can dictate public policy for many countries. In this country and overseas. The question is, should any one or two or small group of people, have that extraordinary level of power over the broader civil society. I think that's the third piece.

The final piece, I think, is philanthropy as we study it today and especially the way we study it in the United States and the West, has Greco-Roman origins, and is very Western centric. So the result is, that it doesn't allow space for indigenous forms or non-Western forms of philanthropy, to be really understood and be inclusive of those ideas. So these are some of the big ethical dilemmas that we face, both in the practice and the policy and the research of philanthropy.

Christiane: When we're talking about issues of power with regard to philanthropy, who gets to be in charge of that? How is that regulated? Or, when these questions are being asked, is anyone being taken to account for maybe abuses of power, or maybe just having so much power over public policy?

Shariq Ahmed Siddiqui: Different systems do it differently. In the United States, the reality is that we allow self regulations. There is very little regulation of philanthropists today in the United States. Which allows them the extraordinary power to do great things, but it also has no oversight. Sometimes we think why should governments or our society regulate how someone gives away the money? The reason is, in the United States, it's not their money, it's the people's money. Because if they weren't giving that money away, they would be paying more in taxation. They're getting a subsidy from me and you and every other taxpayer, in order for them to give away money, so that they can realize their philanthropic vision. From that perspective, in the United States, it's totally unregulated.

But if you go to countries, like for example, in China or in Saudi Arabia, they have stronger regulations of those sectors. We can always argue what is the right balance, but there are these different approaches to philanthropy and regulation. What's sad about all of these systems of regulation, is that the beneficiary is never one of those stakeholders that are designing systems of evaluation. If you're interested in supporting refugee causes, nobody on the regulatory side or on the philanthropic side has thought, "You know what? We should center our conversations and our evaluations based upon what those people think. What is their perspective to this problem?" It's this top down approach. So all the regulatory mechanisms are also top down.

Christiane: Most of our listeners are in the United States and we want the distribution of money or the distribution of help or aid, to be more democratic. What are some steps that we could take to make it so? Most of us aren't those billionaires who are doing the top down approach.

Shariq Ahmed Siddiqui: There are things that we can do both in the policy and practice realm to do this better. On the policy side, right now you get tax deductions to give away money. Now, the most recent COVID Relief Act that just happened earlier in 2021, for the first time said even poor people that don't do standardized deductions... The way you get tax credit, you reduce

your tax bill in the United States, is that you either take a standard deduction which is set, or you itemize. Well, if you're not wealthy and you don't have a mortgage and you don't have student loans, you're more likely to just take standard deduction. Which means that if you give away money, it's more expensive for you to give money than someone who is itemizing. Because you don't get benefits from a tax point of view.

I think the first piece of it is that you should be able to get that tax deduction, regardless of whether you take the standard or the itemized deduction. That should be brought out, just like they did in the most recent COVID Relief Bill in early 2021. I think that's one piece.

I think the second piece of it is, to really cap out how much you can claim for your tax deduction. There should be a top cap, so it's not like you're giving away 50 million and all of those reduce your tax burden. I think people's should give as much as they'd like. But I think that there should be a cap. From a regulatory point of view, I think those are some important features.

On the practice side, and also third piece, is that the way we have payouts right now, which is that if you have a foundation, you're only required to give out 5% of your foundation assets. But those could include staff for your own foundation salaries, it could be your accountants and all that. You don't really give out 5%, you spend 5%, some of which goes out. The vision is that if you only spend out 5% of your assets, this foundation will stay there for perpetuity.

I don't think that the idea of having a perpetual foundation is a great one. I think that we should have rather more aggressive spend down requirements, because the world has more problems today and governments are spending less. Fortunately, we need to solve these problems through innovative activities and philanthropy does that. Philanthropy is innovative in creating social good.

If you think about Atlantic philanthropies, or if you think about the Gates Foundations, they're not perpetual, but they will be able to last a long time and do good, but I think there should be more aggressive forms of payouts. That 5%, it should be a higher number. Those are some ways in which we won't see this accumulation of wealth that'll keep on growing and it won't cycle into the economy as a whole.

On the practice side, I think philanthropists need to include stakeholders in the decision making and envisioning of the solutions that they're hoping to solve. You can't go into an inner city and just think that you can impose some great social good idea. You have to go into those communities that have their own culture and traditions, and you have to engage with those cultures and traditions. The only way you do that, is by including them in your decision making.

Christiane: What percentage of philanthropists actually do that, actually include the stakeholders and their decision making?

Shariq Ahmed Siddiqui: Honestly, I don't have those numbers. I can just tell you from just working in the sector for 20 years, that it's not a common experience. There are good foundation officers and good foundations, which engage with their stakeholders in interesting ways. For example, the Ford Foundation has offices all over the world and predominantly the people that make decisions in those offices are from those local areas. The Ford Foundation has an office in Nigeria, which oversees, West Africa. All their staff are from West Africa, including the director of that office.

I think that's important. Because this way, you are creating a mechanism through which you are going to engage with those communities, with the lens of people in decision-making places so that that can inform strategy. That's an exciting way to sort of build out institutions. So Ford is an organization I've worked with, I've worked with their offices in Africa, and you can tell that those African colleagues bring their local community's perspectives to the conversations at the global level.

Christiane: I had a question about what you said was the fourth big issue around in indigeneity. Could you kind of repeat that issue for me?

Shariq Ahmed Siddiqui: In terms of the definition of Western philanthropy and indigeneity?

Christiane: Yes.

Shariq Ahmed Siddiqui: in a postcolonial mindset, in fact, much of the colonial period of time, indigenous traditions were seen as unscientific, uncouth and backward. The ideas that were coming from the colonial power were about science. It was about knowledge and so on. Without understanding that all of those indigenous traditions have their deep centers of knowledge and deep levels of training, through which they transmit knowledge.

If you think about Native Americans in the United States, they may not have had formal universities, but they had institutions through which they were able to convey knowledge, convey governance ideas, convey laws, and convey ways in which they could live their lives in the way that the society or community or the land that they occupy, could sustain. But we don't honor that. We feel that the scientific philanthropy movement has come in with the idea that all these indigenous ideas, all of these ideas that don't come from scientific West, don't bring anything of value.

The result is--and we know this from education reform for example--where we bring in first space reform, which is we need to teach a person so that they can get a job, or second frame, which is we need to teach a person so they become a good citizen. Those don't work. Because local communities that are beneficiaries of these reform efforts, don't see them as their own. That's why there's this idea called third space reform, where you educate a child because you just want to educate this human being to be a good person. When third space reforms go into the community, there is an alignment around those ideas. Because most traditions educate their

children, not necessarily for a job or for citizenship, but because they think that it furthers values and their perception of what a human being should be like.

The reality is there's enough people out there now, great scholars like Rob Ray and many others, that have kind of pushed back and said, "Hey, wait a second. Philanthropy is a good thing, but it can also be bad." But regardless of whether it's good or bad, we can all be better. Being better includes having people's perspectives that are not naturally the sort of these dominant versions that we always get to hear about. That's what I mean about this idea of lack of engagement of indigenous cultural traditions.

Christiane: With the rise of COVID-19 and the pandemic over the course of 2020 and 2021, the idea of mutual aid, which as most of the listeners probably know mutual aid is an old idea, it's been around for a long time. But it sort of recently came into the mainstream consciousness as a different and new way to approach giving. I was wondering, as someone who studies philanthropy and I'm assuming studies, like you said, you worked with bigger organizations like the Ford Foundation, what are your thoughts about this sort of rise in interest in mutual aid in the last year or so?

Shariq Ahmed Siddiqui: COVID has brought about some really challenging times and difficult times, but the rise or reengagement with this idea of mutual aid, is one of the positives that has come out of this. This is an example of one of the damage that scientific philanthropy had done. These are indigenous forms of philanthropy. If you think about mutual aid, if you think about going back to hundreds of years ago, regardless of whether you're in Africa or Asia or North America, anywhere, the way in which most people helped each other, was by just creating some sort of a collaborative within their community, where if someone needed help, whether it was childcare, whether it was food, whether it was just someone to talk to, this is how we used to do this stuff.

Then this idea came about that, "No, the only way that we're going to solve the world's problems, is by a scientific driven kind of top down approach. Because only people that have specific knowledge and education, can really come up with the solutions for the world today." But I think during the COVID-19 pandemic, what we discovered is that in fact, much of the meaningful change that really kept us going as people and as communities, was largely through this mutual aid.

If you go across the world, much of philanthropy is done informally. It's not through these overt, public, kind of, you're giving away tons of money. It's largely about saying, "What are the problems around me and how can I solve them?" In some ways, you have grandmothers taking in all the children from the community, so that the mothers can go out and work. That in itself, that person's time and that person's attention to those children, is a form of philanthropy. But these are things that we don't think about.

Just to go back to, when you think about this mutual aid, it goes deeper than that. If you think about the definition of philanthropy in Islam, it's not about just money and giving. Someone once asked the prophet, "How can we give charity?" He said, "Give away money." They said, "Well, what if we don't have money?" He said, "Well, go help someone so they can make money and then they will give away money." "What if we can't do that?" "Well, just then do something with your hands to do good. So volunteer." "Well, what if we can't do that?" He said, "Well, smile. Because a smile is charity." "Well, what if we can't smile?" "Well then if you're about to say and do something that's going to cause harm, don't."

So philanthropy in Islam, is not doing harm and trying to think and find ways to do good. When you incorporate that element of definition of philanthropy, it includes these ideas in mutual aid. That's why it's not surprising that much of the Muslim world, if you go to outside of the United States, much of philanthropy is informal. Much of philanthropy is in the form of people to people, people helping people.

People always joke with me and say, "Well, how are you going to measure a smile? Or how can you measure intentionality?" But can you imagine what the world would be like, if six billion people spent a significant amount of time every day smiling at each other? Six billion people spent the day thinking, "What are ways in which I am causing harm and what are ways in which I can do good?" If people think it, then that's going to cause them to react and do something about it.

Christiane: One of your areas of expertise within philanthropy is Muslim philanthropy. Correct?

Shariq Ahmed Siddiqui: That's correct.

Christiane: You know you said that you've been thinking about and writing about these issues for the last 20 years. What are some of the changes that you've seen or some of the shifts that you've seen with regard to Muslim philanthropy within this time period? Basically since, since 9/11.

Shariq Ahmed Siddiqui: I think post 9/11 Muslims and Muslim nonprofits and Muslim foundations and Muslim philanthropists have sought legitimacy. Because what they have been hearing from everybody, is that Muslims are foreign, even though one of the largest blocks of Muslim Americans happen to be African-Americans who, they have lived here for generations. In fact, we know that nearly 20% of slaves brought to the United States were Muslim.

They see themselves as being perceived as being foreign. So they've created legitimacy. And the tragedy that we have as a result, there's some good things that have come up as a result of this search for legitimacy and there are bad things. The bad thing about the search for legitimacy, is that we have had to fit within a box that's been created by mainstream philanthropy. We have had to live within the idea of what is considered to be a good, acceptable, legitimate Muslim, and that's one box, and then what is not. So we have had to contort

ourselves to fit within that box.

it's a tragedy that in order to seem legitimate, Muslim philanthropists have had to disconnect their spiritual values from their giving. We've done research that shows that most people give to faith-based or secular causes in the Muslim community and the general population, because of their faith. But somehow, to seem legitimate, Muslim philanthropists can't use spiritual norms or terms when they're engaging in their philanthropy, because they want to seem legitimate in terms of the money that they give away. I think that's one tragic piece, is this disconnect.

I think the second piece of it is, that Muslim Americans are a very young community and resulting in it being a poorer community than the national average. There's less money. But Muslim Americans are tasked with not only solving some of the problems that they face by themselves because mainstream foundations and philanthropists aren't willing to support Muslim causes, but then they have to do the extra job that you may be an organization and you may be a food kitchen where you're feeding the hungry, but then you also have a responsibility to fight back against Islamophobia. Every Muslim in this country is now called upon to defend Islam and Muslims. Which is this whole new charge, right? They're doing a lot with very little. And I think that is a second tragedy, because there is very little help from foundations.

The powerful piece of all of this, the great thing that has happened as a result of the search for legitimacy. One is I think despite their great diversity there’s a search for greater cohesion. It's a very diverse community with all the same challenges of managing diversity that our country does. But there's a realization and an attempt to sort of navigate that diversity. I think that's something that is forced upon them in a post-9/11, when you're under attack, you have to find ways to work together. So I think that's one piece.

I think the other piece of it is that, Muslims traditionally try to give in a way that the left hand doesn't know what the right hand is doing. It's very private. But what we're seeing, because in this search for legitimacy, that they're still giving like they were before, but now they're giving publicly. That allows us to have these really beautiful narratives and diverse forms of social good that are an important part of our national fabric. These were very hidden before. But now, they're part of our communities and so on.

And then the third piece of this seeking legitimacy is that, Muslims are finding more time to find interfaith allies or allies of people with other faiths or no faiths, to come together and do social good. I think that's something that's creating opportunities, both ways. They're learning a lot from other cultures and other traditions and other religions, but they're also bringing the Islamic values and so on to those conversations. I think that's a beautiful thing out of that.

The last piece I will say, and I'll end with one last challenge, which is that because Muslim philanthropists and nonprofits are seeking legitimacy, they're very good at working with people of other faiths. Because ultimately, if you think about, there's this concept of white adjacency. If I have a friend who's white, then maybe I'll be seen as being white, too. That makes me better.

Similarly, if you're a Muslim nonprofit, or Muslim philanthropists working with a philanthropist or nonprofit of another faith, if nothing else, it helps my legitimacy. "This group must be good. This Muslim organization, these must be the good Muslims, because they have some non-Muslim friends that they work with."

The challenge of all of that is that, because they're so resource limited, they're not working together. You have Muslim organizations that are duplicating their work, they aren't coming together and collaborating together, and that's one of the reasons why we've actually at the Lilly School have established something called the Community Collaboration Initiative. Those are some of the advantages and challenges in this post-9/11 world that Muslim American nonprofits sort of have to live in.

Christiane: Why do you care about this? What brought you to this work?

Shariq Ahmed Siddiqui: Sure. My father is a doctor, my grandfather's a doctor, my great-grandfather helped found the Pakistan College of Surgeons and Physicians. Then on my mother's side, I have relatives that have been socialists. They believed in the idea of elevating workers and elevating people that worked in farms. And to me, one of the ways in which I saw philanthropy and social good occur within the traditions that I learned about, my parents and my grandparents, is that you spent your life doing something worthwhile. You're a doctor, you're a lawyer, you're an engineer. At some point, when you are wealthy enough, then you give away and you spend time to volunteer and do all those things.

To me, that felt like such a waste of time. I'm going to have to wait for like 20, 30 years before I can really devote my time to doing good stuff. It was just impatience, that said, "Okay, if I go into this field and if I just do this work, then I can start from now. There are going to sacrifices, I won't make as much money. I may have to work longer hours, but I want to do with my life, something that transforms and makes the world better, than when I left it.

In this journey that I have, I started out as a volunteer, I then became a practitioner and then I became a lawyer, so that I could have the legal... so I could help in governance. Eventually, I became a scholar because every time I did something, and it's this impatience. I became a volunteer and I said, "Well, what if I worked full-time?" Then I became a full-time employee, then I said, "You know what? I'm not getting the impact that I like."

Finally I said, "Well, what if I did research and taught people? I, as one person, can only do so much. But my research and people I teach can reach many more." So it's that transformation of wanting to do more and more and more. So I fell into philanthropy.

The only difference between my story and many people like me, is that in my case, because my family has this rule, that you have to be a professional, that was the one thing my parents said, "You have to be a professional." I just did all the education that allowed me to say to them that, "Look, I'm a professional do-gooder. I have a master's in philanthropy and I have a PhD in

philanthropy." Because those are the degrees that you do in order to become a professional at that. I just felt called to do this, and I didn't want to waste life, which is so short, doing different things when I could just spend the entire life doing something like this.

[Interview ends]

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Christiane: If you want to know more about our guest's other work, or some of the things we mentioned in today's episode, check out our shownotes page at examiningethics.org.

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