

UNIVERSITÄT
HEIDELBERG



CSI

Centrum für soziale Investitionen und Innovationen
Centre for Social Investment

Visions for the Future – Research Foundations and the Grand Challenges

**Building Capacity for the Future
Carlsberg Foundation Conference**

Dr. Volker Then

Copenhagen, January 27th, 2015

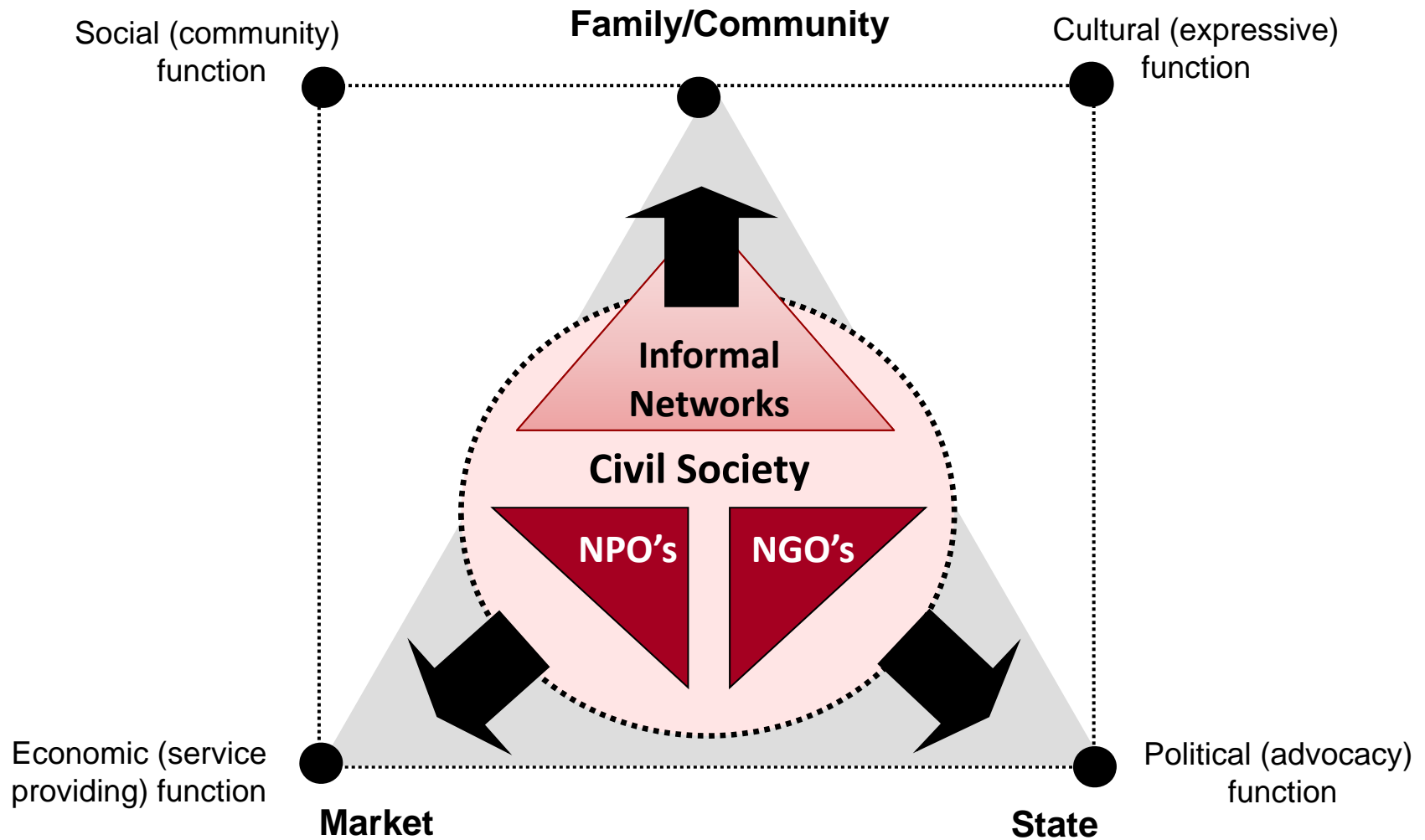


The core question of foundation strategies and their impact on grand challenges:

How can the tip of the tail wag the dog?



- ◆ **Philanthropy as Social Investment**
- ◆ Roles of Foundations in Society
- ◆ Strategic Focus
- ◆ Effective Philanthropy and Impact



Source: (Then/Kehl 2012, p. 60)

Necessary conditions

- Voluntary nature
- Public benefit orientation

Quality parameters

- Legitimacy (individual vs. collective)
 - Motive/ input legitimacy
 - Social return/ output legitimacy
 - Process legitimacy (civility)
- Commitment (actor-centred and structural)

Four societal functions

- Economic (service providing) function
- Political (advocacy) function
- Social (community) function
- Cultural (expressive, normative) function

Three Sector Relationships



- ◆ Philanthropy as Social Investment
- ◆ **Roles of Foundations in Society**
- ◆ Strategic Focus
- ◆ Effective Philanthropy and Impact

- **Value-Based** organizations (religious, political, humanitarian, moral)
- **Multiple Stakeholders**, goals and expectations (multiple bottom lines)
- **Multiple sources of income** (endowments, revenue from services, state transfers, donations)
 - ➔ Multiple income streams with high degree of uncertainty concerning effect and impact
- But:
 - **Independent**, private organization
 - Identity as self-governed and autonomous organization
 - Double legitimacy base: input and output legitimacy

3) The Role of Foundations Society (Anheier, Politics)

- **Complementarity:** serve otherwise undersupplied groups, demand heterogeneity and public budget constraints.
- **Substitution:** take functions otherwise or previously supplied by the state. Providers of public or quasi-public goods.
- **Redistribution:** of economic resources from higher- to lower-income groups.
- **Innovation:** in social perceptions, values, relationships, and ways of doing things.
- **Social and policy change:** structural change towards a more just society, recognition of new needs, empowerment of the excluded.
- **Perservation of traditions and cultures:** preserve past lessons and achievements under threat from social economic or cultural forces.
- **Promotion of pluralism:** experimentation and diversity; civil liberties against the state; challenging social, economic, cultural, environmental policy.

3) Philanthropy in Different (Welfare) State Regimes (Anheier, Politics)

- **Social democratic model:** highly developed welfare state; well coordinated relationship with the state, operating foundation or supplement to state activities. **Research strategies state-coordinated?**
- **State-controlled model:** foundations subservient to the state; restrictive laws, complicated administrative procedures, extensive oversight. – **Research strategies State-controlled?**
- **Corporatist model:** Subsidiarity! Operating foundations as part of social welfare or education systems, combine grant-making and operating functions. – **Private Universities?**
- **Liberal model:** Parallel system next to government, seeing themselves as alternatives to mainstream, safeguard of non-majoritarian preferences. **Research Strategies independent?**



- ◆ Philanthropy as Social Investment
- ◆ Roles of Foundations in Society
- ◆ **Strategic Focus**
- ◆ Effective Philanthropy and Impact

Market

- ◆ Market failure
- ◆ Demand heterogeneity
- ◆ Investment

Policy

- ◆ Reform processes
- ◆ Awareness
- ◆ Mobilization

Civil Society

- ◆ Publicity
- ◆ Engagement and volunteering
- ◆ Social movements

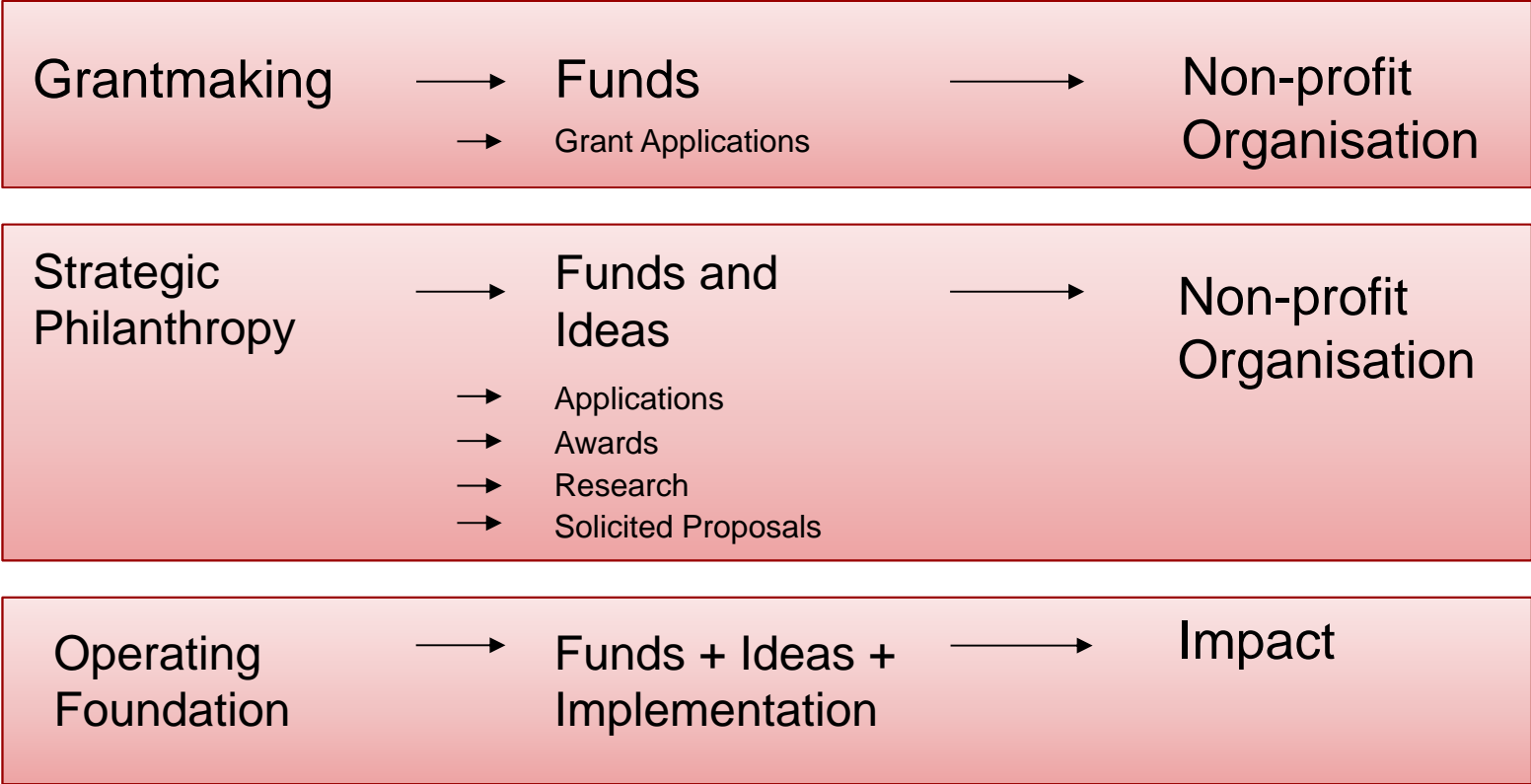
Know-How

- ◆ Research
- ◆ Qualification
- ◆ Application/Implementation

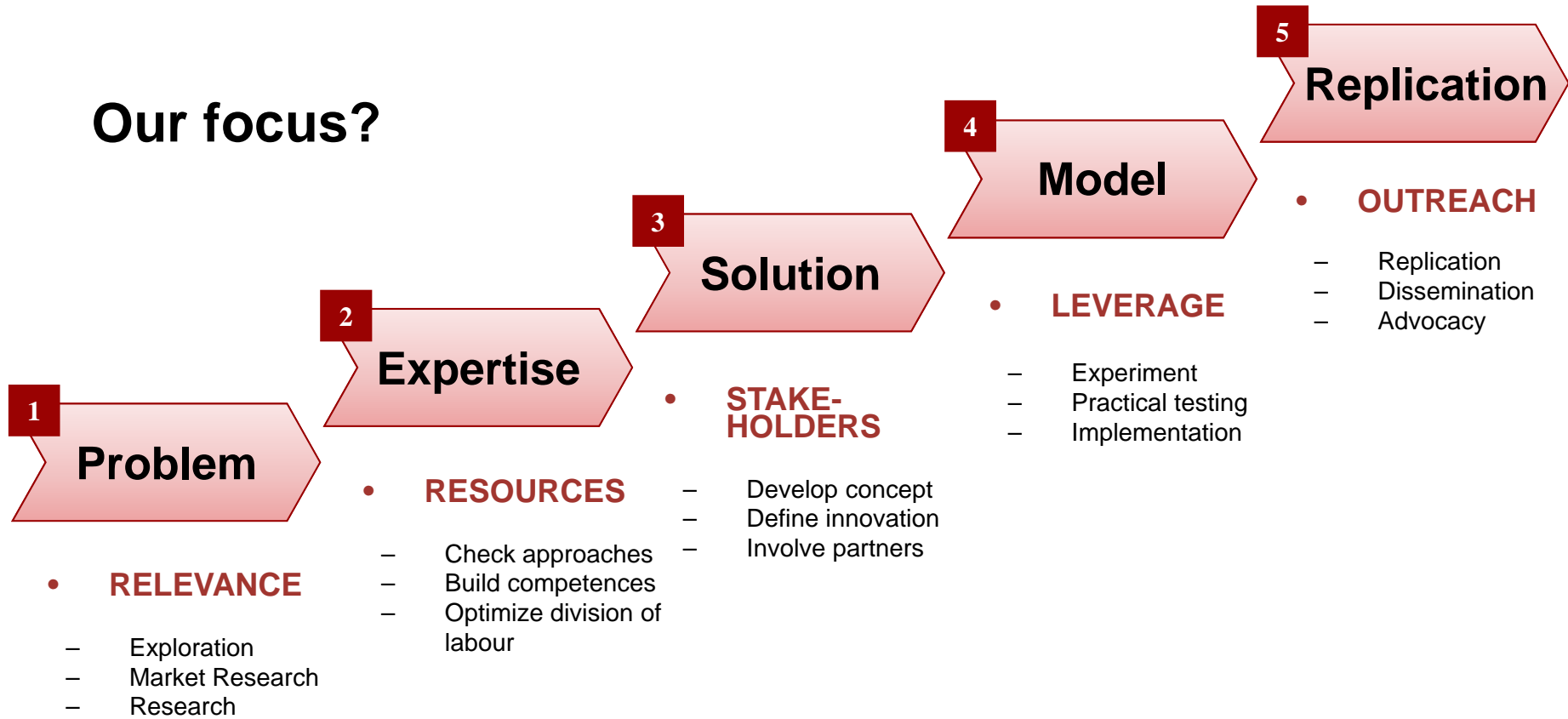
Working Approach of the Foundation



Intensity of Production



Our focus?





- ◆ Philanthropy as Social Investment
- ◆ Roles of Foundations in Society
- ◆ Strategic Focus
- ◆ **Effective Philanthropy and Impact**

- **No generic recipe** for problem solving:
 - Problem definition determines adequate method of intervention
 - Continuum from rational/strategic to highly experimental types of behaviour

- **Characteristics** of successful social Innovation:
 - Problem orientation (Nature)
 - Coherent Design (Structure)
 - Experimental Approach (Process)

- Philanthropic programmes with **demonstrable impact**:
 - **Problem-oriented** approach
 - **Reduce complexity** of problem (manageable & relevant)
 - **Tailor-made** to problem characteristics
 - **Fit** between problem, intervention, actors and resources.

Strategic Problem Solving II: Strategies of Pragmatic Philanthropy

		Aims	
		uncontroversial	controversial
Technology	unknown	Development of innovations	Muddling through (Lindblom 1959)
	known	Strategic philanthropy	Moderation, Advocacy

Source: Christensen 1985

Methods for Problem Solving III: Strategies of Pragmatic Philanthropy

		Control	
		high	low
Technology	unknown	Genuine experimentalism (Campbell 1969)	Muddling through (Lindblom 1959)
	known	Strategic philanthropy	Ad hoc interventions (development aid)

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