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
Social Investments as Cross-sector Phenomena

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

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
null
Foundation Characteristics

- **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?
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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
CSI

Working Approach of the Foundation

„Capital Market“

„Market of Ideas“

Grantmaking → Funds → Non-profit Organisation

Grant Applications

Strategic Philanthropy → Funds and Ideas → Non-profit Organisation

Applications
Awards
Research
Solicited Proposals

Operating Foundation → Funds + Ideas + Implementation → Impact

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Our focus?

1. Problem
   - RELEVANCE
     - Exploration
     - Market Research
     - Research

2. Expertise
   - RESOURCES
     - Check approaches
     - Build competences
     - Optimize division of labour
   - STAKEHOLDERS
     - Develop concept
     - Define innovation
     - Involve partners

3. Solution

4. Model
   - LEVERAGE
     - Experiment
     - Practical testing
     - Implementation

5. Replication
   - OUTREACH
     - Replication
     - Dissemination
     - Advocacy

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Strategic Problem Solving I: Basic Tenets of Pragmatic Philanthropy

- **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

<table>
<thead>
<tr>
<th>Technology</th>
<th>Aims</th>
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</table>
| **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

<table>
<thead>
<tr>
<th>Technology</th>
<th>high</th>
<th>low</th>
</tr>
</thead>
<tbody>
<tr>
<td>unknown</td>
<td>Genuine experimentalism (Campbell 1969)</td>
<td>Muddling through (Lindblom 1959)</td>
</tr>
<tr>
<td>known</td>
<td>Strategic philanthropy</td>
<td>Ad hoc interventions (development aid)</td>
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