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THE

FoundationReview®

Global
Community
Philanthropy

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editorial

This issue of *The Foundation Review* offers new insights into the growing field of global community philanthropy. Several articles look more deeply into specific nations: retrospective assessments of the development of community giving in Vietnam and Russia sit alongside a more theoretical reflection grounded in the South African experience of community giving as a vehicle for consciousness-raising. This issue also offers more practical assessments of specific practices, including social return on investment (SROI) metrics from Romania, and the community university model from Brazil. Finally, it offers comparative assessments of giving circles as one form of community philanthropy in the U.S. and U.K., and explores approaches to community management of large scale assets in Canada, the U.S., and Ghana. Each of these articles, from the broad and theoretical to the specific and applied, offer compelling insights and perspective on the fast growing and complex field of global community philanthropy.

Jason Franklin, Ph.D.

What was the impetus for this issue of *The Foundation Review*?

This issue of *The Foundation Review* got its start almost two years ago, soon after I began my tenure as the first W.K. Kellogg Community Philanthropy Chair here at the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. It was clear from the start that part of the Kellogg Chair's work would be globally focused, and so Jenny Hodgson, executive director of the Global Fund for Community Foundations (GFCF), was among the first people I reached out to.

Perhaps no organization has been more instrumental in the massive growth of community philanthropy practices across the globe in the past decade than GFCF. This collaborative fund was launched in 2006 as a pilot initiative of the World Bank, Ford Foundation, Charles Stewart Mott Foundation and WINGS (Worldwide Initiatives for Grantmaker Support — a global network of grantmaker support organizations and associations) in order to support the development of community foundations in transitioning and developing countries. In 2009, it became an independent institution, and since then, under Hodgson's leadership, the South Africa-based GFCF has reached across the globe to spur new organizing, build critical local capacity, and enable transcontinental learning, all in an effort to power this growing global philanthropic movement. Since its founding, the GFCF has awarded US\$4.2 million in grants to 176 organizations in 58 countries.¹

As we talked about ways to collaborate, Hodgson noted that the research on global community philanthropy still remained underdeveloped. This discussion led to a March 2016 call for expressions of interest from scholars, evaluators, and community philanthropy leaders to propose ideas for possible collaborative research projects, with potential funding of US\$2,500-5,000 per project. We ultimately received over 50 research proposals, from Brazil to Bangladesh. Although not scientifically representative, the proposals were certainly reflective of the state of the global community philanthropy discourse. It was clear, for example, that there are parts of the world — in particular, parts of Asia and Africa — where the idea of organized community philanthropy is not as well established as in other locales. Similarly, there was a strong correlation between the sophistication or ambitions of

¹Global Fund for Community Foundations. <http://www.globalfundcommunityfoundations.org/grants-awarded>.

research ideas and the existence of an established, or at least an identifiable, community philanthropy sector (however it defined itself), as indicated by the presence of at least one flagship institution. GFCF funded 14 projects from this initiative, and it is from these programs, and several others that received GFCF funding over the years, that we drew the focus of this issue of *The Foundation Review*. Each article that appears here was first submitted by a project team, then was subjected to peer review, and was ultimately accepted for publication.

It is safe to say that without the support of the Global Fund for Community Foundations this issue of *The Foundation Review* would not have happened. We are deeply grateful for both their direct support of several of the projects recounted in the following articles and their leadership in broader efforts to spur research on global community philanthropy and to build the field in general.

So what do we know about global community philanthropy?

If no organization has done more to build global community philanthropy than GFCF, perhaps no one person has done more to help advance data and research on this movement than Barry Knight. As an adviser to GFCF and director of the U.K.-based think tank CENTRIS, Dr. Knight is one of the world's leading researchers helping the field better understand the dynamics of community philanthropy. Data collected for the Global Community Foundation Atlas (developed by the Foundation Center in partnership with GFCF, CENTRIS, and WINGS) offers the best data on the field to date. From this effort, we know that between 2000 and 2010, the most common type of community philanthropy institution — community foundations — grew by 86 percent, with an average of 70 institutions created every year. Today, there are over 1,800 place-based foundations around the world, granting more than US\$5 billion annually. Almost three-quarters of these are less than 25 years old.² However, community philanthropy is more than just community foundations. As Dr. Knight wrote in his overview of community philanthropy in Europe:

The growth in community foundations has been organic, messy and unorganized, characterized by the nuances of local context and by emerging practices and values that suit each local context. It has also been marked by a loosening of tight definitional ties to the U.S. community foundation model — signifying a shift from the close relationship of siblings to that of a larger extended family... In the case of 'community foundation', a better formulation is therefore 'community philanthropy.'³

This broader definition includes giving circles, informal giving groups, Youth Banks, crowdfunding platforms, giving days, women's funds, Jewish federations, Muslim *waqfs*, Korean *gehs*, and much more. As the introduction to a series of case studies of global community foundations commissioned by the Charles Stewart Mott Foundation (and also authored by Barry Knight with his colleague Andrew Milner) notes:

The core similarities matter— all in some way help geographic communities mobilize financial and other kinds of capital for improvement of the lives of residents. But so do the differences. Some have endowments, some don't. Some are large, more are small. Some call themselves community foundations, others do not. This diversity is one sign of community philanthropy's flexibility, potential, and rising popularity.⁴

²Global Community Foundation Atlas, 2014.

³Knight, Barry (2017) *Community foundations in Europe*. (14–24) in Building Bridges for Local Good: A Guide to Community Foundations in Europe. (2017).

editorial

Today, thousands of organizations and hundreds of thousands of people are engaged in community philanthropy efforts across the globe. They are connected through a range of local, national, regional, and global networks that are advancing the practice. Perhaps the best recent summary of the state of the field is the 2015 in-depth review by Dr. Avila Kilmurray, which details the trends and patterns of community philanthropy in every region across the globe. First, she traces the development of the community foundation from its inception in 1914 — marked by the founding of the Cleveland Foundation in Ohio — through a century of development in North America; she then tracks its spread and adaptation across the world. Kilmurray notes the varied cultural and religious influences that shape community philanthropy in different regions and the impact of political and economic considerations on their growth and social role(s). Ultimately, Kilmurray observes the increasing connection between players in this global landscape and notes that “the circumstances of the Neelan Tiruchelvan Trust, pursuing a human rights focus in Sri Lanka, are very different from how the Vancouver Foundation experiences social need in Canada — and yet both are part of the global mosaic of community philanthropy.”⁵

What does this issue contribute to global community philanthropy research?

Given this continued global growth — and daunting diversity of practice — how can a single journal issue hope to contribute to this diffuse body of knowledge? How, ultimately, can you understand a global movement?

While a comprehensive understanding of the field may be hard to achieve when contending with the varied experiences and approaches to community philanthropy across the globe, it is possible to gain a general understanding by approaching the topic from a number of angles, as this issue of *The Foundation Review* endeavors to do.

Larisa Avrorina and **Julia Khodorova** from CAF Russia and **Dana Doan** from the LIN Center for Community Development in Vietnam each offer us insights into the country-spanning development of community philanthropy in two remarkably different environments. Avrorina and Khodorova take us on a journey to Russia’s “back country,” the largely rural and remote parts of the world’s physically largest country, where almost four-in-ten Russians live. Largely excluded from the changes brought about by *perestroika*, this article highlights how the development of community foundations in these disperse, small communities are encouraging volunteerism and community activism. In contrast, Doan’s article takes us to the high-density, urban environment of Vietnam’s capital, Ho Chi Minh City. She reflects on the journey of the LIN Center for Community Development since its launch in 2009 and offers a case study on building community philanthropy in an urban, socialist market economy and the dynamics of donor engagement, communication, and partnership which must be addressed by community philanthropy advocates the world over.

⁴Knight, Barry and Milner, Andrew (2016) What Does Community Philanthropy Look Like: Case studies on community philanthropy - Vol. 1, Charles Stewart Mott Foundation: Flint, MI - <https://www.mott.org/wp-content/uploads/2016/05/WhatDoesCommunityPhilanthropyLookLike.pdf>.

⁵Kilmurray, Avila (2015) Community Philanthropy: The Context, Concepts and Challenges – A Literature Review, Global Alliance for Community Philanthropy. Page 94. http://www.globalfundcommunityfoundations.org/information-bank/literature-review/Literature_Review.pdf.

Graciela Hopstein and **Angela Eikenberry** each contribute articles that offer us another approach to understanding community philanthropy as they explore different models beyond the traditional community foundation. Hopstein introduces us to the West Zone Community University (WZCU), an initiative implemented by *Instituto Rio*, a community foundation based in Rio de Janeiro, Brazil. The WZCU is not a formal institution of higher education, but rather a hub for informal education, training, and conversation in the community. Hopstein invites us to imagine the Community University model as one that aims to shift power and expand the common, central themes of the community philanthropy movement. Eikenberry explores the dynamics of giving circles, an increasingly popular approach to collective giving where (generally) small groups of people pool their funds and decide together where to direct their support. In this article, Eikenberry specifically investigates what type of organizations benefit from giving circles in the U.S. and U.K. and notes that generally small and locally based organizations, those which are most often overlooked by larger institutional donors, are prime beneficiaries of this form of community philanthropy.

Finally, **Mary Fifield**, **Cristina Vaileanu** and **Susan Wilkinson-Maposa** and **Bernie Dolley** each invite us to consider some of the future edges and emerging questions facing the field today. In doing so, they help us to refine our understanding of community philanthropy and imagine where this movement may be heading. First off, Fifield shares examples from the U.S., Canada, and Ghana of how community philanthropy is scaling up to support community-asset management in the face of growing pressure for industrial use of resources. Vaileanu offers an example of how one community foundation is confronting the perpetual challenge of measuring impact, applying a social return on investment methodology to analyze five innovative urban design and green technology projects funded by the Bucharest Community Foundation through a partnership with Porsche Romania. Both Fifield and Vaileanu offer examples of how community philanthropy is continuing to evolve and improve practice. Wilkinson-Maposa and Dolley, on the other hand, take a more reflective approach as they consider the asymmetrical power relations in international aid and development efforts. In the face of this challenge, they argue that community philanthropy must prioritize community empowerment alongside traditional priorities of strengthening capacities, developing assets, and building trust.

From countrywide reflections on the trajectory of community philanthropy, to exploring emerging forms or new techniques and priorities, the articles in this issue of *The Foundation Review* help us better understand this concept by offering a range of insights from experiences around the globe. Taken together, our hope is that these seven articles offer new insights and perspectives into aspects of the growing global movement for community philanthropy.

Jason Franklin, Ph.D.

W.K. Kellogg Chair for Community Philanthropy

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Thinking Big: Community Philanthropy and Management of Large-Scale Assets

Mary Fifield, M.F.A., Kaleidoscope Consulting

Keywords: Community philanthropy, community foundation, Global South, extractive industries, natural-resource management, community self-determination, sustainable development, grantmaking

Introduction

After many years under the radar in the Global South, community philanthropy is gaining traction among mainstream development actors. Taking many institutional forms — community foundations, grassroots environmental funds, and local giving circles, among others — community philanthropy institutions often operate on shoestring budgets and outside the expansive networks that benefit other types of aid organizations. Even at this small scale, however, community philanthropy has demonstrated the power to promote community self-determination, democratic decision-making, and more sustainable results from development projects.

Yet at a time when thoughtful, democratic stewardship of natural resources has never been more critical, many rural and indigenous communities face challenges from government and business interests engaged in large-scale natural-resource extraction on or near their territories. Can community philanthropy scale up to meet these challenges? Are there opportunities to create more equitable and effective arrangements that support community well-being, safeguard the environment, and satisfy government and business objectives? What are the implications for community management of assets in other sectors, such as ecotourism, forestry management, and renewable energy?

Research into emerging models suggests that community philanthropy can be a viable mechanism for communities to manage their own large-scale assets — if all stakeholders commit to transparent communication and trust-building and demonstrate the willingness to experiment with new ideas that test

Key Points

- This article presents three case studies — from Ghana, the U.S., and Canada — to examine how community philanthropy might scale up to support community asset management and increase the power of communities to determine their own development with much greater and more complex financial investments.
- Community philanthropy institutions have become increasingly popular — especially in the Global South, where they serve to harness local assets, cultivate local capacities, and build trust among diverse stakeholders. Although bilateral donors and other international development funders are beginning to recognize the power of these local organizations, they are usually considered small-scale actors.
- As resource extraction continues to reach into remote areas and other large-scale industries (e.g. solar energy, agroforestry) grow, pressure on resources and the rights of communities will intensify. This article illustrates the agility, responsiveness, and effectiveness of the Newmont-Ahafo Development Foundation, the Cherokee Preservation Foundation, and the Clayoquot Biosphere Trust, and presents a case that, despite organizational challenges, community philanthropy has demonstrated the power to promote community self-determination, democratic decision-making, and more sustainable results from development projects.

Research into emerging models suggests that community philanthropy can be a viable mechanism for communities to manage their own large-scale assets — if all stakeholders commit to transparent communication and trust-building and demonstrate the willingness to experiment with new ideas that test the strength of that trust.

the strength of that trust. This article discusses three community foundations — the Newmont-Ahafo Development Foundation in Ghana, the Cherokee Preservation Foundation in the U.S., and the Clayoquot Biosphere Trust in Canada — to explore how indigenous communities, governments, and corporations develop trust and an openness to experimentation through decision-making mechanisms, collective investment strategies, and sustainability planning. It also discusses the implications for applying these community philanthropy practices more broadly and areas for additional research.

The Growth of Community Philanthropy in the Global South

In the late 1990s, community foundations (also known as “community development foundations”) emerged as a strategy for addressing the persistence of poverty in the developing world despite decades of governmental and bilateral investments to reduce it. As donor agencies recognized that complex, systems-level problems were too multifaceted to be solved with a top-down, one-size-fits-all approach, they began to acknowledge the important role of civil society and partnerships with local groups. Yet

developing these partnerships proved difficult with the type of civil society organizations that existed at the time (Malombe, 2000).

Community foundations, which originally replicated the North American and Western European approach of building endowments as well as relationships among many local actors, represented a new mechanism through which donors and local stakeholders could partner in development outcomes over the long term. They promoted a higher degree of local ownership and played a “pioneering role [in] organizing and creating financial and human resource capacity at the local level” (Malombe, p. 3).

Since then, the field has grown and matured. In 2000 the World Bank counted 905 community foundations, ranging from well-established institutions in North America to new ones in the Global South. As of 2012 there were almost 2,000 community foundations, an increase of 120 percent (Worldwide Initiatives for Grantmaker Support, 2010).

Knowledge of how these institutions form, the role they play, and the shape they take has also evolved. Building permanent endowments was an early focus of community foundations such as the Kenya Community Development Foundation. But other priorities have emerged and in some cases eclipsed that goal, in part because such institutions in the Global South and Eastern Europe are formed by local people contributing and/or developing local assets.

In many cases money is part of this asset pool, but knowledge, networks, technical skills, and other intangible assets are also critical parts of the mix. While local financial assets are often small compared with those of institutions in the North, “soft” assets, which can be difficult to measure in economic terms, have a significant impact on community foundations’ development results. Social capital, in other words, constitutes a large part of the “balance sheet” of these institutions, and they differ from most of their North American and Western European counterparts in that they are “driven by ordinary people working from the bottom up of our societies,

rather than by wealthy people working from the top down” (Hodgson, Knight & Mathie, 2012, p. 12). While endowments can be important and advantageous, they are not necessarily a defining characteristic.

Recently, the term “community philanthropy” has gained popularity as a way to describe a family of institutions, including a new generation of community foundations that arise from particular local contexts and are shaped by the priorities, vision, and assets of local people (Aga Khan Foundation USA, Charles Stewart Mott Foundation, Global Fund for Community Foundations, & Rockefeller Brothers Fund, 2013). Women’s funds, environmental funds, and even some kinds of social enterprise and giving circles fall under this umbrella. While their structure, size, and goals may vary, they all

play important interstitial roles in society, harness the power of small grants and investments, help communities build on the assets they can mobilize themselves, build constituencies among people who are oppressed and excluded, and negotiate the territory between such marginalized groups and governments. (Hodgson et al., p. 4)

Unlike other types of civil society organizations that operate through short-term projects and project-based funding, community philanthropy institutions are designed for long-term sustainability and results. A recent publication on global developments in community philanthropy makes the case that “community philanthropy organizations develop long-term capacity in the form of the relationships, knowledge, infrastructure, and leaders essential to civil society — capacity that shorter-term approaches can’t duplicate” (Aga Khan Foundation USA et al., p. 4). This is not to suggest, however, that they cannot react quickly to urgent situations or make a significant short-term impact.

Various examples illustrate the agility and effectiveness of these institutions. In response to community demand during the 2011 Egyptian revolution, the Community Foundation for South Sinai — the local name for which is *mo’assessa* — organized workshops to help Bedu

Recently, the term “community philanthropy” has gained popularity as a way to describe a family of institutions, including a new generation of community foundations that arise from particular local contexts and are shaped by the priorities, vision, and assets of local people.

people participate in elections, resulting in record Bedu turnout and the election of the first Bedu woman to the Egyptian parliament. Because of the foundation’s track record and relationships, the community trusted the *mo’assessa* team for support during a very risky but monumentally important period (Gilbert & Khedr al Jebaali, 2012). After the major earthquake in Nepal in 2015, the women’s fund Tewa drew upon relationships established through more than 20 years of local grantmaking to provide disaster relief to people who were least served by government aid. As the immediate crisis subsided, the organization’s deep knowledge of the cultural, political, and economic landscape gained through long-standing local relationships enabled it to provide crucial recommendations for rehabilitation and systems change (Shrestha, 2015).

Community philanthropy practice, with its emphasis on local, transparent funding and governance, builds social capital and “sparks engagement, ... (enabling) community philanthropy organizations to effectively convene, inform, and mobilize residents in ways other organizations often cannot” (Aga Khan Foundation USA et al., p. 4). For funders interested in strengthening democratic processes and community resilience as well as in long-term results, community philanthropy organizations are increasingly attractive. The British charity agency

For all its strengths and increased exposure in the international development sector, community philanthropy is still often considered a “boutique” or small-scale approach.

Comic Relief, for example, invests in community self-governance and sees exciting potential in the community philanthropy model (Richmond, 2016). Even the U.S. Agency for International Development (USAID), which generally directs funds to large-scale projects, has begun exploring mechanisms to support community philanthropy through its “local systems framework,” which is now part of USAID’s principles of project design (Jacobstein, 2016).

Scaling the Community Philanthropy Model

For all its strengths and increased exposure in the international development sector, community philanthropy is still often considered a “boutique” or small-scale approach. Even enthusiastic funders express valid reservations: “We need to tread carefully and not rush to invest too fast or too much, as the wrong balance between external investment and community resources ... could upset the fragile symmetry of community philanthropy” (Richmond, p. 60). It can be a challenge to imagine how a model that is based on building local relationships and assets can be scaled up in terms of number of relationships, number or value of assets, or both.

Yet competing demands for global resources, the magnitude of environmental crises, and the urgent need for community self-determination require that we examine the potential to apply this model in new ways with a nuanced understanding of how to mitigate risks. For projects such as mineral or fossil fuel extraction, where

the financial value of assets is vastly greater than what many communities have managed previously and where social capital is critical for successful outcomes, the model offers practices that could transform unequal, transactional exchanges into productive conversations and joint decisions among people with shared power and a stake in mutually beneficial results. The same holds true for other types of production, such as agriculture or renewable energy, especially as the latter industry grows and displaces fossil fuels.

The three foundations discussed here differ in geography, culture, relationships with national and local government entities, natural and financial assets, and history. But they share certain characteristics: all were founded with substantial involvement from First Nations or tribal/traditional leaders, all serve rural areas that have faced severe economic hardship or lack of opportunity, and all were established in response to a new large-scale project that would transform the region’s economy. Each case explores decision-making, collective investment, and sustainability planning as lenses through which to view the potential for community philanthropy for large-scale asset management. These experiences shed light on some common challenges and the various ways stakeholders in each case addressed them.

Information for these cases comes primarily from interviews conducted with staff, board members, and other key stakeholders in 2015–2017, with additional data from internal reports, the organizations’ websites, and external publications.

Three Cases: Large-Scale Community Philanthropy

Newmont-Ahafo Development Foundation

In 2006, the U.S.-based Newmont Mining Corp. opened its first gold mine operation in Ghana’s Brong-Ahafo region. Brong-Ahafo is a major agricultural area, approximately 300 kilometers northwest of Accra, where two-thirds of the population has traditionally depended on subsistence farming (Opoku-Ware, 2014). Initially the

project faced opposition from some Ghanaian and international NGOs that had concerns about access to farmland, resettlement, and such environmental impacts as cyanide and hazardous waste disposal, water quality for aquatic life, and availability of water for nonmine uses (Levit & Chambers, 2005). The company and the government took action to address resettlement, employment, and some of the other concerns (planningAlliance, 2005). Although not all parties were satisfied, most community members and traditional leaders believed the benefits outweighed the risks and were willing to negotiate an agreement.

In 2005–2006, traditional leaders, youth, local authorities, and Newmont executives began discussing compensation and community development investment — local funding beyond the taxes and royalties directed to national coffers, in particular — to offset the disruptive impacts of mining. Direct payment to individuals was discussed, but the newer concept of collective investment through a community-led foundation also surfaced. Newmont executives had been exploring this idea with the World Bank and International Finance Corp., which provided \$125 million to develop the mine. After two years of dialogue and public meetings, traditional leaders, Newmont executives, representatives from 10 impacted communities, and local government representatives signed an agreement that established the Newmont-Ahafo Development Foundation (NADeF), the endowment of which is now \$13 million. The goal was to create a permanent asset base to finance long-term and ongoing development driven by the communities. Stakeholders believed this would generate more shared, sustainable wealth than would result from individual payments.

Clayoquot Biosphere Trust

People in the Clayoquot Sound region of Canada's Vancouver Island had experienced decades of conflict over diminishing natural resources, primarily fishing and timber, upon which First Nations and nonindigenous communities had relied for generations. In the 1990s a group of community leaders sought new approaches to heal painful divisions, rejuvenate

The three foundations discussed here differ in geography, culture, relationships with national and local government entities, natural and financial assets, and history. But they share certain characteristics: all were founded with substantial involvement from First Nations or tribal/traditional leaders, all serve rural areas that have faced severe economic hardship or lack of opportunity, and all were established in response to a new large-scale project that would transform the region's economy.

the economy, and honor the ecological, cultural, and spiritual importance of the area. With the support of First Nations, local communities, and local and regional governments, Clayoquot Sound was designated a UNESCO Biosphere Reserve in 2000. The biosphere reserve is a model that utilizes sustainable development and conservation practices to protect key habitats and stimulate a healthy local economy while recognizing aboriginal title and rights. The Clayoquot Biosphere Reserve is one of 669 such protected areas in the world (UNESCO, n.d.).

That same year, the Canadian government established an endowment fund (then worth \$12 million in Canadian dollars) for the Clayoquot Biosphere Reserve. Amid evolving treaty negotiations between the First Nations and the Canadian government, eight First Nations

In all three of these cases, the boards are not merely symbolic bodies; they have primary responsibility for the strategic direction and fiduciary health of the organization. The composition reflects the premise that communities have genuine ownership in the foundation, but that external stakeholders also have a role to play. Community members hold the majority of seats, and all three have a minority of board members who represent outside entities (e.g., governments, corporations, NGOs). All set term limits for board members.

and nonindigenous communities in the region formed the Clayoquot Biosphere Trust (CBT) to manage this endowment. The trust makes grants and provides technical support for community development, conservation research, and youth leadership development. The CBT is the only institution in Canada that combines a biosphere reserve with a community foundation model.

Cherokee Preservation Foundation

In 1997, the Harrah's Cherokee Valley River Casino & Hotel opened in Qualla Boundary, on the territory of the Eastern Band of Cherokee Indians (EBCI) in western North Carolina. Tribal leaders and North Carolina's governor at the time, James Hunt, recognized that the casino could generate significant revenue for the tribe

but could also have a negative impact on traditional Cherokee culture and community cohesion. They decided that a community foundation model that required gambling revenue to be invested through grants for community projects to community organizations and nonprofits would create the greatest long-term benefit for the tribe and those living in the seven-county area adjacent to Qualla Boundary, which includes tribal land. Subsequently the Cherokee Preservation Foundation (CPF), directed by the EBCI, was established through a tribal-state compact in 2000 with a multimillion-dollar budget from hotel and casino revenue.

Leadership Structure and Decision-Making

The governance structure of any institution reveals a good deal about its purpose and culture. In all three of these cases, the boards are not merely symbolic bodies; they have primary responsibility for the strategic direction and fiduciary health of the organization. The composition reflects the premise that communities have genuine ownership in the foundation, but that external stakeholders also have a role to play. Community members hold the majority of seats, and all three have a minority of board members who represent outside entities (e.g., governments, corporations, NGOs). All set term limits for board members.

The CPF and the CBT are governed by standard representational boards. The 12-member board of the CPF is appointed by North Carolina's governor. Seven representatives are enrolled members of the EBCI, two seats are filled by the tribal chief and another tribal government representative, and the remaining seats are filled by representatives from local government or other nontribal institutions. For the CBT, one board member and an alternate are appointed by each of the eight communities (five Nuu-chah-nulth First Nations communities and three nonindigenous communities) in the biosphere region. Two others are at-large positions, and four non-voting advisers represent federal and provincial governments. The board has two co-chairs, one

appointed by a First Nation and one appointed by a nonindigenous community.

The NADeF's governance structure is multilayered. The board has nine members — six locally elected community members, two Newmont representatives, and a board chair recommended by Newmont but approved by the foundation's Social Responsibility Forum, a body of more than 40 elected and appointed volunteers representing a wide variety of stakeholders: government entities, tribal groups, farmers, youth, women, Newmont, and NGOs. The forum manages the Ahafo Social Responsibility Agreement, a governing document that comprises individual agreements between Newmont and the communities for employment; conflict resolution and communications; and the NADeF. The more complex structure of the NADeF reflects the high level of transparency and community input necessary to manage relationships between the company and community members.

The type of leadership required for community foundations represented a new opportunity and some challenges for everyone involved in creating the organizations. In the case of the NADeF and the CPF, few community members had previous experience serving on boards, much less boards of organizations with such a unique structure. Both organizations identified individuals with expertise and credibility who could help the boards establish healthy working relationships and decision-making processes, and they invested in ongoing training for board members. The CPF hired an experienced executive director who is an enrolled member of the Choctaw Nation to help the board establish norms, procedures, investment policies, and expectations for program oversight. Serving as executive director for the foundation's first 10 years, she supported the board's evolution through changes in its membership and the organization's growth. Through the guidance of its co-moderators — a former minister of state from Brong-Ahafo and a vice chancellor of one of Ghana's leading universities — the Social Responsibility Forum has gradually become a deliberative body that discusses and votes on key issues strategically instead of relying on individual personalities to influence decisions.

In all three cases, stakeholders were reluctant at first to practice collective investment, even though they agreed in principle with the approach — that funds would be pooled and used for maximum benefit of the whole rather than simply divided up among individuals.

This culture also influences the NADeF board, though because all the board seats turn over at the same time, new board members do not benefit from their peers' institutional knowledge. The forum is considering staggered terms and mentoring to address this deficit.

Most communities of the CBT make appointments or call for volunteers to find board representatives, and this open process generally enables a wide variety of people to take a leadership role. Sometimes appointed members serve more out of obligation than interest, which poses a governance challenge, so the trust encourages communities to consider candidates' enthusiasm when making their selection. Another issue is maintaining the trust's visibility and credibility. Board members are the face of the organization in communities, yet many people move frequently for employment, cultural, or other reasons. So, while it is preferred that board members live in the community they represent, it is understood that this is not always possible.

Collective Investment

In all three cases, stakeholders were reluctant at first to practice collective investment, even though they agreed in principle with the approach — that funds would be pooled and used for maximum benefit of the whole rather than simply divided up among individuals. The board structure of the NADeF and the CBT, while

ensuring broad participation, had the inadvertent effect of promoting factionalism. As community representatives, board members believed that they were first and foremost advocates for their individual communities rather than a group making decisions for the collective benefit of all people and organizations with a stake in the organization. Community members themselves often expected the foundation (and, by extension, board members) to serve their individual needs.

In 2005 the CBT attempted to overcome this misperception by creating advisory committees that oversee grantmaking in particular topic areas, which not only takes pressure off board members to have to defend their community's "slice of the pie," but also helps the trust make grants to a wider range of organizations and projects. Interestingly, this approach (along with other changes in board processes and membership) revealed more fundamental divisions between board members who believed the trust should serve short-term local needs and those who wanted the trust to invest in longer-term, more comprehensive initiatives. In the early years, board members had lengthy and sometimes heated discussions about procedures or other operational issues, reflecting both the complexity of the endeavor and the uncertainty of an untested model. However, through grants that served multiple groups and purposes and investments in local festivals and public outreach, the public started to see tangible results and the trust gained wider community acceptance (Francis, Mendis-Millard, Reed, & George, 2010). This, along with ongoing conversations about the trust's purpose and mission, have helped the board resolve differences and build an effective decision-making team.

The CBT has a track record of successful partnership and relevant, diverse programming in Clayoquot Sound; now, staff are exploring new territory through the first "proactive" grant in education: In a departure from the standard approach of soliciting applications and approving funding, staff are collaborating in a more hands-on fashion with community partners to improve student performance and self-confidence through human-animal wildlife

interaction and monitoring that entails classroom and field work and a student symposium. Staff and the grantee organization are navigating new expectations and roles and, as a microcosm of the relationship-building that transpired at the board level, some of the same questions and challenges around trust are arising in this context. The CBT staff see this as an important step in the evolution of its partnership model and a vehicle for increasing the impact of its investments in conservation, sustainable development, and community well-being.

Although part of the NADeF's mission is to make grants in the Ghanaian communities it serves, to date the foundation has focused more on scholarships and infrastructure development, in part because of genuine need and in part because of a belief that infrastructure investment is "real" development. But a pitfall for infrastructure projects is that while they generate some temporary economic activity and tangible evidence of investment, the results are usually less than the sum of their parts. The reasons for this are numerous: elites often use high-visibility infrastructure projects, such as roads, to gain public favor in the short term while avoiding longer-term investments such as health care or education; cost overruns are common and create significant budget shortfalls in other areas; and infrastructure that is not evenly delivered exacerbates inequality (Bhattasali & Thomas, 2016). Likewise, scholarships — while often effective for individual students — do not in themselves create more systemic change. Compounding the problem, the foundation agreement divides the budget among the 10 communities and each can submit proposals for several activities, among which infrastructure and scholarships make up the lion's share. Although in theory communities could submit grant proposals, they usually request direct project delivery and only a small amount of the budget is allocated to grantmaking.

The NADeF has recently begun supporting multicommunity projects, such as a bamboo bicycle factory, which do promote more collaboration and awareness of collective benefit. The factory project was not a grant per se, but the NADeF

paid local community members to build it rather than hiring a general contractor. That arrangement afforded more direct contact with constituents, though budget and project management were much more difficult and it did not necessarily increase community self-organizing capacity.

The most promising development in this area are two pilot grants to community-based organizations for girls' education and an entrepreneurship program. The projects serve all 10 communities and four satellite towns bordering the mine catchment area. Encouraged by their success, NADeF board members approved a more ambitious multicommunity grant to improve education for primary school students. Several NADeF staff and some on the board believe these efforts have the potential to prove the case for collective investment. The more evidence that accumulates, the easier it will be for board members to work as a team for the benefit of the whole and for communities to trust that they will not be left out.

The CPF began making grants almost immediately to prove to the Qualla Boundary community that it was an active and trustworthy steward of funds. Initially the CPF team used a traditional "transactional" approach: soliciting proposals and giving financial assistance. However, the team quickly realized that a shortage of established nonprofits that could legally receive grants, the lack of a philanthropic culture, and the community's belief that individuals were entitled to foundation funds put the strategy at risk.

The CPF team realized it would need to help people understand the value of strategic investments to revitalize Cherokee culture and ensure the well-being of the entire community. To do this, it would also need to help build leaders and an ecosystem of community organizations to help bring about significant, systems-level change and create long-term benefit.

The team developed a "transformational" grantmaking approach characterized by three components: new skills and tools for grantees that apply to the individual, organizational, and community levels; convenings that bring people together and create a culture where continuous

Fostering a sense of community ownership and commitment to collective investment helps mitigate factionalism and spur better project outcomes, as the three cases show.

This is crucial, especially in situations where the assets are large, valuable, and pivotal to improving the economic outlook for communities. However, the social capital that is built in the process has another important function: increasing communities' capacity to plan for the use of natural and other resources and measure the long-term impact of those decisions.

learning is desired and expected; and solid partnerships among groups in Qualla Boundary, in the region, and at the national level so groups can share a wide variety of resources and ideas. More than 10 years later, people embrace the approach because they see proof in numerous successful projects, such as a youth leadership training program called Du-yu dv-I, or The Right Path, and broadband internet access for 60 schools in seven rural counties (Fifield, 2017).

Sustainability Planning

Fostering a sense of community ownership and commitment to collective investment helps mitigate factionalism and spur better project outcomes, as the three cases show. This is crucial, especially in situations where the assets are large,

valuable, and pivotal to improving the economic outlook for communities. However, the social capital that is built in the process has another important function: increasing communities' capacity to plan for the use of natural and other resources and measure the long-term impact of those decisions.

Unlike the other cases, the CBT was created explicitly to promote the long-term management and restoration of natural resources, honoring the cultural and spiritual importance of the Clayoquot Sound for First Nations and other communities. Therefore, planning to conserve natural resources for sustainable human use and to protect ecosystems is integral to the trust's mission, programs, and investment strategies.

The CBT aids the planning efforts of First Nations councils and local government agencies through a robust research and education program that draws upon scientific field data and other sources of data, including the health authority, school district, and provincial and federal governments, to better understand communities and ecosystems in the Sound. The trust integrates environmental data with sociological, cultural, and economic research to paint a multidimensional picture of the health of the region in its biennial report, *Vital Signs*. The report serves both to measure change and to inform conversations about policy and long-term planning among residents, local government officials, tribal leaders, and the general public.

The trust also brings people together for a variety of purposes, one of which is to define the organization's priorities in support of regional development goals. These gatherings help shape programs, investment priorities, and other operational objectives for the trust, and they maximize opportunities to build bridges across cultures, communities, and institutions (CBT, 2017).

In terms of financial sustainability, special endowment funds and donor-advised funds are key tools, though the fund also promotes individual donations to create a greater sense of ownership. The trust is embarking on a capital campaign to build a biosphere center where

residents, researchers, and visitors feel welcomed, and users of the center can explore and exchange stories, knowledge, and innovations. It will also generate some rent revenue to offset expenses.

As with many major extractive projects, environmental sustainability is a complex and controversial issue for the NADeF. During the mine's planning phase, Newmont and international NGOs tried to establish a participatory environmental monitoring program with community members in the region, but it did not take hold. Company executives said it was difficult to interest people because community members believe that environmental monitoring is the responsibility of the Ghanaian government, and as long as local soil and water are not polluted, they are not concerned. While there are probably several reasons why the program was not successful, NADeF staff and other stakeholders expressed a similar view, that environmental protection and remediation related to mining activities are Newmont's responsibility. The company now executes its environmental monitoring program and reclamation plan and coordinates with relevant government agencies; the NADeF does not play a role in that area.

However, the NADeF has the potential to help facilitate conversations about long-term planning and environmental sustainability, given the many leadership roles that community members occupy and the fact that the NADeF serves all 10 communities in the catchment area (and provides some support for adjacent communities). Although the foundation has the connections to bring people together to discuss big-picture issues, to date the relationships are more transactional than collaborative, and many people still struggle to understand how they are contributing to and benefitting from a collective planning body.

The NADeF's governing documents reinforce some of these perceptions through a narrow definition of "natural resources" and budget allocations that compartmentalize projects by type (e.g. social amenities, cultural heritage) rather than goals (e.g. increased youth leadership, healthier ecosystems). As a result, there is a

disconnect between development priorities and use of natural resources that limits the potential for positive, long-term impact. The mine has dramatically altered the landscape, ecosystems, social fabric, and economy of the Brong-Ahafo region, but as yet there have been no discussions about how to address these areas in an integrated fashion to promote long-term well-being, economic opportunity, and environmental health.

These challenges, along with its close association with Newmont, also affect the NADeF's ability to build additional financial assets, either through support from other funders, donor-advised funds, or special endowments. A number of leaders recognize the need to diversify funding, and some are exploring practical ways to increase the commitment to collective investment (and, by extension, planning), such as through donations pooled from scholarship recipients and a fund for remittances from Ghanaians abroad.

Of the three cases, the CPF is the only one with revenue that comes from a source that is not connected to management of natural resources. However, the foundation invests about 20 percent of its grantmaking budget in environmental conservation, and since Cherokee values such as spirituality, group harmony, and sense of place inform all programming, many projects include conservation activities.

In broader terms, the CPF occupies a key role in regional sustainability planning because it has developed trust, connections, and proof of its relevance to the community. It facilitates planning initiatives that help stakeholders consider the relationships among economic, environmental, cultural, and social issues and set priorities that integrate goals in all these areas. As a regional catalyst, it also supports a number of cross-sector initiatives that improve quality of life for EBCI members in Qualla Boundary and adjacent non-Native communities.

Leveraging every dollar it invests with \$1.45 from in-kind donations, matching grants, or other sources, the CPF has contributed \$187.6 million to the region as of 2015 (CPF, 2016). This strategy increases grantees', community

Differing greatly in region, ethnicity, culture, source of endowment, and government contexts, all three foundations face similar challenges, which are also some of the same challenges for smaller community philanthropy institutions. This suggests that certain core issues will arise regardless of the type of industry presenting the investment or the size of institution.

members', and partners' stake in the outcomes, as well as the total investment. A major emphasis in the next several years will be to reduce the dependence on gambling revenue and stimulate more local entrepreneurship while staying true to Cherokee values.

Reflections and Areas for Further Study

Though a small sample, these three cases reveal some important questions and patterns about how community philanthropy works, or can work, as a large-scale asset-management approach. Differing greatly in region, ethnicity, culture, source of endowment, and government contexts, all three foundations face similar challenges, which are also some of the same challenges for smaller community philanthropy institutions. This suggests that certain core issues will arise regardless of the type of industry presenting the investment or the size of institution.

Five key practices have shaped the outcomes for these cases, and they merit further study to determine how they might apply more broadly:

1. Community members must play a significant decision-making role from the beginning. This is a basic tenet of community philanthropy, but with a larger asset pool, especially from an outside corporate source, there is even more risk if community ownership is not the basis of the organization. Of course, numerous stakeholders' needs can result in overly complex governance structures. The simplest possible governance structure (where "simple" is defined by the context) is usually the most effective, and it must balance broad and meaningful stakeholder involvement with organizational agility, responsiveness, and sound decision-making.
 2. Building a leadership pipeline is especially important for large-scale asset management to ensure continuity in administration and vision. Well-defined roles and transparent communication about expectations can help avoid or mitigate power struggles, prevent burnout, and cultivate a diverse, unified group of leaders. The greater variety of roles that community members can fill beyond governance boards (e.g., on advisory committees, ad hoc committees, ambassador clubs, or fundraising teams), the more people will become knowledgeable about the work and invested in the institution, not just the funds. This strategy provides added benefit by building capacity not only inside the organization, but in the community at large.
 3. The learning and acceptance curve for collective investment can be steep, and for organizations of all sizes this is an area for growth and improvement. Proving the concept as early as possible helps community members see tangible improvements in their daily lives, and it motivates them to get involved. Grants that range in size, purpose, and constituents and that connect groups of people and initiatives that might otherwise be siloed serve several purposes. They build trust and relationships among community members, foster a sense of unity between community members and the foundation, and give grant recipients an opportunity to enhance leadership skills and establish new networks.
 4. Institutions with major endowments from one source need to encourage individual investments to maintain a shared stake in the organization. Revenue from a single or majority source can tip the balance of power that is otherwise equalized when most investors are contributing relatively similar amounts, as is the case with smaller community foundations. But when a corporation or other donor establishes a large endowment, even small contributions from individuals may create a sense of ownership, especially if they are bundled in a special donor-advised fund or other targeted investment that produces tangible results.
 5. Development priorities and natural resource use should be closely linked, whether or not the source of revenue comes directly from natural resources. Community philanthropy institutions that have large-scale assets will also have a large-scale impact, for better or worse. With a clear understanding of how development relates to natural resources and all other components that contribute to quality of life, these institutions can occupy a pivotal role in supporting sustainable regional planning and mitigating poor investments. An integrated approach to planning also makes it possible to measure change more holistically, not simply through standard Western socio-economic indicators but others such as spiritual significance, beauty and reverence, and reciprocity that are reflected in indigenous worldviews.
- Despite international laws (such as the U.N. Declaration on the Rights of Indigenous Peoples) and national regulations, often communities are not able to exercise their power to choose whether to accept a large-scale project and, if they do so, they are not usually afforded the opportunity to negotiate fair terms. In some cases, corporations or government agencies simply ignore the laws; in others there is no existing context or structure to help communities

research, discuss, and reach a decision collectively, so conversations and agreements occur in isolation or without full consensus. In both of these scenarios, the existence of a community philanthropy institution, established before the proposition of a large-scale project, would be an enormous advantage. Drawing on the social capital and decision-making processes that community philanthropy institutions foster, communities would have a mechanism through which to consider how a new project would alter the community and environment, what would be required to maximize benefit and minimize risks, and whether the investment is worth it for them and under what terms. Even in situations where the community's rights are being willfully violated, the self-organizing that comes through community philanthropy institutions can give communities power to raise the visibility of the situation on the ground and seek outside support.

Therefore, understanding how to support the growth of community philanthropy institutions before a large-scale project is proposed, either by outside entities or by the community itself, is another important piece of the puzzle. Research on areas of new or intensifying resource extraction (e.g., Cambodia, Madagascar) and communities that are experimenting with new endogenous revenue projects (e.g., cacao production in Ecuador and the Dominican Republic) could shed light on the conditions necessary to build strong local institutions in anticipation of outside forces that can permanently change the culture, environment, and economy of a place and a people. From this data, valuable tools could emerge to help community philanthropy become a primary strategy in equalizing the benefits of the global economy for communities and the sustainable use of the planet's finite resources.

Drawing on the social capital and decision-making processes that community philanthropy institutions foster, communities would have a mechanism through which to consider how a new project would alter the community and environment, what would be required to maximize benefit and minimize risks, and whether the investment is worth it for them and under what terms.

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The Community University Experience: Shift the Power or Share the Power?

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Keywords: Community philanthropy, the common, power, rights, social development

Introduction

Community philanthropy has grown visibly and significantly over recent years, and within this context it becomes crucial and urgent to analyze the causes of this phenomenon. In the current scenario, marked by crises in the major narratives (and the political model of modernity) and particularly the representative policy, the return to the local and the different dynamics of community organizations become powerful and transformative political paradigms.

The return to “communisms” — understood as the introduction of common and universal benefits and wealth and nongovernmental public spaces — implies the creation of different types of activities and collective organization at a local level. This trend allows us to better reflect on direct participation processes. Furthermore, the organization of the community dynamic also promotes the creation of transversal and cooperative work and networking. At the same time, however, new conflicts, dynamics, and demands emerge and it is necessary to study and analyze these phenomena.

As stated by Jenny Hodgson (2013), the visible growth of community organizations and collectives — grassroots groups, funds, community foundations, etc. — can be seen within this larger context: as a consequence of social movements that have emerged in recent decades as spaces of struggle for the establishment, recognition, and defense of human and civil rights. From this perspective, the emergence (particularly in the Global South) of a diverse set of community and philanthropic institutions — community foundations, women’s funds, environmental funds, and other types of multistakeholder

Key Points

- The recent growth of community organizations and collectives can be seen as a consequence of social movements that have emerged in defense of human and civil rights. This article reflects on an initiative implemented by Instituto Rio, a community foundation based in Rio de Janeiro, Brazil, within the context of this expansion of community philanthropy.
- The initiative — the West Zone Community University — works to strengthen civil society actors so they can lead efforts to secure civil and human rights, decentralize the production and sharing of knowledge, and construct a public, democratic space for local communities. The analysis will focus on the potential of the Community University case to inform the field of community philanthropy and on the possibility that universal elements of this initiative can be more widely applied.
- The article closes with reflections on the role of community foundations in different global contexts, specifically in terms of their capacity to resolve local problems, connect multiple social actors, and assume a leadership role implementing dynamics focused on “the common good.”

foundations — can also be understood as a response to the crisis:

Global forces such as economic recession, migration, and climate change are making themselves felt on a community and neighborhood level. As social and economic inequalities increase and governments continue to reduce basic services in many parts of the world, local people are becoming increasingly active about addressing their concerns. (Hodgson, 2013, p. 238).

The Community University initiative is guided by the key principles of universal access to human and citizenship rights and the implementation of a culture of territorial coordination networks — principles that should be understood as a point of departure for promoting the development of local communities.

The process of expanding different forms of community organization has produced multiple publications and driven many discussions from different perspectives. At the end of this article, we reflect on the role of community foundations within different global contexts — specifically in terms of their capacity to join different voices to resolve local problems, connect multiple social actors, and assume a leadership role implementing dynamics focused on “the common good.”

The Community University Initiative

The purpose of this article is to reflect on a specific experience: the West Zone Community University. Since 2014, the initiative has been promoted and implemented by Instituto Rio — a community foundation based in Rio de Janeiro, Brazil — within the context of the expansion of community philanthropy and current paradigm shifts.

The West Zone of Rio de Janeiro has the lowest United Nations Human Development Index (HDI) in the city, while containing almost 50 percent of the population. The share of the zone’s

working-age population with a high school education is comparatively low — in some neighborhoods as low as 7 percent. In 2015, 30 percent of the city’s homicides occurred in the West Zone, as well as 39 percent of the city’s rapes — the highest rate in Rio. And even though slums, such as those in the West Zone, can be understood as territories of resistance, struggle, invention, and self-construction, they are also spaces where intolerance, violence, and exclusion reign, marked as they are by the absence of public services and government agencies and by the presence of militias and drug traffic.

The Community University initiative is guided by the key principles of universal access to human and citizenship rights and the implementation of a culture of territorial coordination networks — principles that should be understood as a point of departure for promoting the development of local communities. This initiative works to strengthen civil society groups, movements, and organizations so they can instill the dynamics of universal access to civil and human rights, the decentralized production and sharing of knowledge, and construction of a public, democratic space for local communities, understood as a common good belonging to all. The Community University is not an institution offering formal higher education. Instead, it is an umbrella of initiatives — a network of networks striving to encourage the sharing of experiences and work by promoting informal education activities like workshops, seminars, conferences, training sessions, and ongoing discussions organized by community-based organizations and local partners.

The author of this article is a professional with an academic background who oversaw a community foundation¹ for five years. Therefore, the challenge is to combine analytical, practical, and theoretical approaches so that an analysis of the Community University experience can be informed by both perspectives. This is no easy task in a scenario marked by positivist visions and binary logic, which tend to separate practitioners

¹Created in 2001, Instituto Rio was the first community foundation in Brazil. It works to promote social development in Rio de Janeiro’s West Zone. For more information, see www.institutorio.org.br.

and academics — introducing barriers to analyses and limiting approaches from the perspective of complexity.² We start with the recognition that both worlds — the academic and practical — have through different approaches contributed to analyses and discussions associated with current paradigm shifts. In particular, they have addressed phenomena related to the expansion of the types of community organizations, emerging concepts, and redefinition of old notions.

Certainly, the title of this article generates a central discussion about the issue of power that will be essential for understanding the dynamic of the Community University. As Jenny Hodgson observed in an interview during the Global Summit on Community Philanthropy in 2016:

I think that in development, we do not talk about power enough. Sometimes we presume that because we are all sitting together in the same space, we fail to see the unequal distribution of power. ... We are not talking about creating more gatekeepers or more power-holders: there is evidence of emerging practices in this field that show ways to balance power. I think that, generally speaking, as institutions we do not think enough about power. We think that we are having horizontal, equal conversations, but unless we reflect on where power resides and acknowledge it, we are not being very truthful. (Hodgson & Badia I Dalmases, 2016, p. 2)

Part of the discussion, then, will focus on the tension between the concept of “#Shift the Power” — the slogan of the 2016 summit — and the idea of “Share the Power.” We raise the following question: Will the notion of “Shift the Power” be sufficient for analyzing the Community University dynamic?

The Community University experience will be presented here based on the transformations confirmed within the global socio-political context that led to the emergence of a new paradigm (one that has gone by a number of names: “post-Fordism,” “cognitive capitalism,” etc.), through which it is possible to recognize that the notions of the

Part of the discussion, then, will focus on the tension between the concept of “#Shift the Power” — the slogan of the 2016 summit — and the idea of “Share the Power.”

common and community work have established themselves as effective alternatives for political and productive organization. To study both the transformations seen in the current scenario as well as this particular experience, we will address the analysis based on three key concepts that should be examined interconnectedly:

- the notion of the common, which will allow us to reflect on the concept of “communitary” and the types of emerging community organizations;
- power, which is crucial to understanding the complexity of the dynamics involved in the notions of “shift the power” and “share the power”; and
- general intellect or public knowledge, also essential for understanding community work, cooperative networks, and the dynamics of sharing the common.

Moving forward with the initial reflections, we ask ourselves: Why is the Community University a significant experience?

Certainly, the Community University can be considered a broad social technology that can be implemented within different contexts and realities. The purposes of this article are to explore the potential of this experience to influence the field of community philanthropy and to locate the universal elements of this initiative that will allow us to apply concepts and dynamics to a

²Addressing complexity puts the focus on analyzing relationships and interdependencies among the key elements in the transformation process, mapping the dynamics, multiple actors involved, paradoxes, and contradictions.

[T]he current context is characterized by the introduction of new production and organizational dynamics based on the dynamic of the common, leading to the emergence of new actors and the construction of nongovernmental public spaces.

range of realities. Initially, this experience may be significant in that it can serve as a reference for community foundations working in different global territories, inspiring reflections that lead to concrete actions — specifically for those who seek to create a culture of transformation through cooperative and community networks. Indeed, the purpose of the Community University — and of the reflections that we want to encourage with this article — is to leave a legacy in global communities by instilling a specific world vision and concrete dynamics of community work, as well as the production of the common and territorial coordination, that will strengthen local capital and leverage significant transformation.

Working to Build the Paradigm: The Common, Power, and Community Work

The modern political crisis as verified on a global scale — that is, the exhaustion of models based on government centrality, wage labor, and representative democracy — is a phenomenon that allows us to explain the emergence of a new paradigm. Undoubtedly, the current context is characterized by the introduction of new production and organizational dynamics based on the dynamic of the common, leading to the emergence of new actors and the construction of nongovernmental public spaces.

But how can we understand the phenomenon of growth in different types of community

organizations within the context of the paradigm shifts underway? What is behind this phenomenon? What are the main trends, dynamics, and emerging concepts?

Antonio Negri and Michael Hardt (2009) argue that the notion of the common should be understood as “an open network in expansion, in which all differences can be expressed freely and equally, offering the means of convergence so that we can live and work in common” (p. 27). From this perspective, the concept of the common is associated with both the struggle for new rights and the idea of a productive territory determined by the relational and cooperative dimension and communication and associative flows. In this sense, the notion of territory cannot be understood as a homogeneous space, but rather as a terrain composed of power relationships.

When we talk about the common, we need to think of the idea of the law of the common as inseparable from the production process: The common is not given, but rather, produced. Furthermore, even though we are surrounded by shared common goods — the natural resources we consume, the air we breathe, the languages we use, etc. — we can create these only in cooperation, as part of the production process of our lives. This is so because common goods are more social relationships than they are material objects. The common is productive, and productivity is inherent in the experience of new movements and production networks; free flows of knowledge; bonds; the production, circulation, the sharing of content, images, values, and subjectivity.

The notion of public knowledge, directly associated with the idea of the common, constitutes other key concepts. It is based on the recognition that knowledge is produced collectively and publicly and, therefore, is considered cognitive common content shared through communication and cooperation networks that should be viewed as the main productive forces. And based on this dynamic, it is possible to see transformative forces at work and the emergence of innovative types of relationships with public and private actors. Certainly, the new technologies of

communication and information play a central role in this dynamic and within the context of the shifting paradigms, facilitating information and knowledge production and sharing processes.

Community is produced every day through the collective actions of subjects, creating the common. The common consists of the lasting connections we build to make life even more alive — connections that cannot be limited to institutions or things (water, earth, nature). In this sense, the so-called material and immaterial “common goods” cannot be understood only as objects, bodies separated from people. Rather, they are what communities do so they may remain common to all. Nevertheless, the notion of the common cannot be understood as the absence of conflicts and antagonisms. In the current scenario, the struggle for the common has been introduced not only as a revolutionary political and productive action, but also as an antagonistic force — resistance to the “old paradigm.” References to this “revolution” and the paradigm shifts underway can be found in today’s emerging social movements: the international Women’s Marches on January 21, 2017, and the Women’s Strike on March 8, 2017; recent occupations of public spaces such as Wall Street and Madrid’s Plaza del Sol; protests waged by environmentalists, black populations, indigenous groups, and migrants struggling for the recognition of old and new rights.

Through these resistance actions, the movements emerging in the current scenario were able to establish their position against both the historical problems of social inequality and the excluding dynamics inherent in the globalized capitalist system. Consolidated from the construction of strategies for struggle and innovative political agendas based on the recognition of racial and ethnic minorities and specific gender and socio-cultural situations and their intersectionalities, the resistance actions of these collectives are focused on both claiming rights

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and combating social, cultural, and economic exclusion. And it is significant that the efforts of these movements are based on both resistance to the power in place and the quest to create new languages and signs, new agendas and types of cooperative and self-managed production and organization, creating new spaces and periods marked by struggle and exodus.

It is a biopolitical revolution³ that encompasses the most diverse forms of life. The construction of intersectional subjectivities that emerge through the networks and flows inherent to the movements and mobilizations that, besides seeking to differentiate themselves from refusing the entire binary identity pulse, seek to intensify their work in the field of producing new narratives, giving them consistency and transformative power. From this perspective of community networks, the power of the common is certainly biopolitical because it implies

³The concept of biopolitics is also key to understanding the transformations underway, since it involves an intricate and complex intersection between power and life. The fact that power is inserted into life itself and has reached the social fabric as a whole — creating dynamics related even to what Gilles Deleuze (1992) calls the “society of control” — does not mean there is not resistance. Saying that life resists means that it affirms its power, or, in other words, its capacity for invention, production, and subjectivation.

Sharing the power means recognizing that relationships of power are fluid and shifting, and that communities and community organizations possess transformative power not only through expressions of resistance, but also in their capacity to intervene in realities, introducing innovative types of organization and social production.

not only how life resists the power in place, but also the construction of new forms of life. Accordingly, “communitary” is by definition antagonistic because it implies the construction of challenging types of power that extend beyond the power in place — formal democracy, wage relationships, etc. — as an affirmation of other forms of life and social organization. According to Michel Foucault (2000), every social relationship is a relationship of power. However, power does not necessarily imply a relationship of domination, given that “from the moment in which a relationship of power exists, there is a possibility for resistance” (p. 251). Power and resistance walk hand in hand, and from this perspective power cannot be thought of as static, as something given, but rather as a set of multiple collective devices and mechanisms that allow people to generate resistance and reestablish new balances or social pacts.

From these initial reflections, we believe that the “shift the power” concept is not sufficient for analyzing the dynamics of power when we are analyzing the transformations underway, since it is based on the assumption that it deals with “something” that can change from one group to another, depending on the circumstances

and social contexts. From the perspective of constituent power (Negri, 1994), power should be understood as strength — as the capacity for permanent creation, an uninterrupted flow of transformation. The concept of constituent power refuses any measurement, determination, or sign of external definition. Subordinating the constituent power to a specific purpose implies capturing its strength — controlling and subjecting its creative force; it means thinking about a power whose very purpose is to order and regulate the power of its strength. And it is based on this argument that the “share the power” concept appears the most adequate to us — not only to understand the complexity of the notion of power within the context of the new paradigm, but also to understand the dynamics of the Community University. Sharing the power means recognizing that relationships of power are fluid and shifting, and that communities and community organizations possess transformative power not only through expressions of resistance, but also in their capacity to intervene in realities, introducing innovative types of organization and social production.

The Experience of the Community University: Share the Power?

The purpose of the Community University is to promote the creation of an open and democratic public space for the access and production of knowledge designed to make the community development process more dynamic through the creation of partnerships with public, private, and civil-society entities. It is a constituent experience because it arises from the idea that communities have the power to produce and share knowledge and common goods, transforming realities based on innovative types of local organization and the construction of open and democratic public spaces.

As such, the Community University initiative is aligned with the dynamic and concepts introduced within the context of the new paradigm and is a significant experience that fits within the modes of operation that Jenny Hodgson, Barry Knight, and Alison Mathie (2012) call *The New Generation of Community Foundations*. The

authors present important reflections for thinking about (or rethinking) the role of community foundations within the context of the “new economy,” the crisis of the state, and, consequently, within a scenario marked by the rise of new political and social dynamics. From this standpoint, the concepts of social justice and emergence of collaborative and cooperative dynamics with all sectors and actors present in the area of activity through the construction of networks and partnerships become essential strategies because they represent authentic social-innovation actions.

Within the scope of the emergence of this new generation of foundations, the Community University seeks to develop innovative dynamics focused on the construction of a fair and open society to promote the development of active communities by strengthening the local social capital and creating spaces of trust and engagement within and between the local communities. However, it is important to highlight that the Community University is associated with Instituto Rio’s grantmaking program⁴ and was designed to offer ongoing support to organizations and civil-society groups and to strengthen existing local networks. Since the culture of giving cannot be restricted to a grantmaking program alone, it is important to clarify that the Community University also works with people who share their work, time, knowledge, experiences, and networks.

In 2015, the Community University promoted approximately 80 activities involving funded civil-society organizations and partners, including courses, gatherings, workshops, chats, panels, sports events, lectures, artistic and cultural exhibits, nature trails, and visits to supported projects to promote an exchange of experiences and sharing of knowledge. The main themes addressed during those activities involved topics in gender and race, youth, religious intolerance,

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human rights, citizenship, environment, artistic and theatrical creation, cinema and video, health, community communication, cultural production, and the culture of peace. There were about 800 participants: 89 percent were members of the supported collectives’ coordination team; 56 percent were members of technical teams (teachers, workshop leaders, etc.); and 56 percent were community audiences.

In 2016, one of the Community University’s strategic activities was the West Zone Youths’ Letter, initiated at a meeting of youth in May and constructed over six months with participation from local youth and leaders, civil-society organizations, social activists, universities, and private and governmental institutions in the region. The letter asserts a purposeful agenda to promote the rights of young people in the West Zone to a more just, democratic, and sustainable city. The

⁴The Instituto Rio grantmaking program is based on three integrated processes: calls for proposals (selection process); capacity building through the development of training programs for community leaders; and monitoring and evaluation focused on processes and results. The support work is focused on social transformation and achieving structural changes that have the potential to guarantee the human and civil rights of less-favored populations, the redistribution of all aspects of well-being, and the promotion of diversity and equality among the different categories of gender, sexual orientation, race, ethnicity, culture, and disability.

The fact that the Community University is a space for promoting social justice also affirms its political role: according to Ruesga and Puntenney (2010), this mission is clearly associated with the processes of social transformation, empowerment, and expanding access to civil and human rights.

main topics for debate, chosen by the participants, were rights within and access to the city; education, work, and income; safety and bullying; and gender and race. A facilitator collective created to implement the initiative was made up of various public and private organizations⁵ that worked with the participants committed to the initiative and were the key actors for its mobilization.

The West Zone Youths' Letter initiative was a significant experience in territorial coordination. It gathered together a diverse set of actors working on a common agenda and then elaborated on a proposal calling for recognition of the fundamental rights of a population that has historically suffered from discrimination. Its principles are fully aligned with the spirit of the Community University: self-management, territorial coordination of local networks, sharing dynamics, and the collective production of a rights' agenda. And the initiative was significant in the field of advocacy by encouraging open dialogue with different social sectors to influence public policy, in this case concerning issues of concern to young people.

It is important to recognize that the Community University is a political initiative, a concept that, according to Emmett Carson (2012), refers to the capacity to promote transformation within the context of a democratic society. Carson also affirms that if we recognize community foundations as political organizations, they cannot be viewed as neutral spaces since they must deal with conflicts and other complex relations among actors in government, civil society, and the marketplace, and because they must offer solutions by creating spaces for engagement and participation. The fact that the Community University is a space for promoting social justice also affirms its political role: according to Ruesga and Puntenney (2010), this mission is clearly associated with the processes of social transformation, empowerment, and expanding access to civil and human rights. For Ruesga and Puntenney, the effectiveness of grantmaking programs to further social justice depends on their objectives, beginning with the clarity of the concept and its implications for human rights and extending to identifying the germane inequalities and the strategies to eliminate their causes.

The West Zone of Rio de Janeiro — the Community University's neighborhood — is plagued by social and political conflicts characterized by violence by police and drug traffickers, urban disorder, and profound inequality, particularly among the large sectors of the population that have limited mobility and access to public and private goods and services. Yet it is still a territory characterized by vibrant social and cultural activity, including communication and media, tourism, community-based agroecology initiatives, Afro-Brazilian collectives, tourism, theater groups, and hip-hop, funk, rap, and graffiti artists. These activities are rooted in place; their sources are the daily experiences of the local favelas: the fight against violence and marginalization, affirmative action, and the search for alternative means of production. These movements of denunciation and resistance are a productive force, with the capacity to create wealth and introduce types of production and

⁵The members of the collective group were Instituto Rio, Casa Fluminense, Farmanguinhos, FioCruz Mata Atlântica, and UNISUAM.

organization through new networks of youth and neighborhood associations, community leaders, artists, entrepreneurs, and small producers united by a common idea: transforming peripheral communities whose talents and potentials are undervalued due to social, racial, and class-based prejudice.

Among Community University's challenges are to value social wealth and the common good, and to build an effective public sphere. It acts on these by recognizing existing conflicts and identifying local assets and their potential to promote shared experiences of a horizontal character, the participation and involvement of different actors, and the introduction of types of collective and self-managing organizations. Indeed, within the context of the new paradigm, the dynamics of resistance and production should be understood as inseparable, forming part of a process that involves both. Furthermore, recognizing the socio-cultural movement's potential and capacity for resistance, Instituto Rio has worked through the Community University to offer permanent support for projects in these areas. In 2015, for example, 89 percent of the collectives selected for grants were in cultural areas, 50 percent worked in human rights and affirmative action, and 67 percent were involved in community development projects.

Although the Community University was launched three years ago, it is still early to evaluate its full impact on the territory and actors involved. It is, however, possible to analyze processes, and statements from leaders of some grassroots community organizations shed light on what they perceive to be the contributions of the Community University:

The West Zone Community University was a really great idea that came from Instituto Rio. It was designed to bring the institutions together, since each one does its work separately. So when this initiative comes with the idea of integrating through a big network, we had the opportunity to learn more about the work that others do and to exchange experiences.

What interested us about the Community University was to avoid the idea of creating

dynamics from the top down [and instead] a horizontal sharing, so through this experience the community knowledge produced by the organizations could be shared and disseminated. In this way, we can become the leaders of our own development. This is truly the concept of what this university is.

The chief executive officer of Instituto Rio also shared some observations on its role in the Community University initiative:

You don't help institutions only with grants; you help institutions with technology, you help them with governance, by sharing activities and ideas, because there are extraordinary people at these institutions. We hope to continue growing together to form a large network. This is my expectation.

Conclusion

The concept of the political entrepreneur, developed by Antonio Negri (1999), may be effective for analyzing the work of the Community University, if it is understood as a local actor who combines the social, administrative, and political conditions of production. Rather than assuming direct involvement with production, the political entrepreneur creates the conditions for it to happen, building bridges between actors, promoting dialogues, investing and donating resources to leverage and mobilize networks, and valuing the cooperative work of various movements in the construction of a public space and the common rights of citizenship.

We know that today, cooperative social and production networks organize their work around the creation and dissemination of knowledge. The universalization of rights can occur only through transversal and horizontal production (from inside to inside, down to up). For rights to become universal, they must first become material. Accordingly, it is necessary to break down the myth that by definition, in a democracy the law extends opportunities to all citizens, who are equal under the law. Indeed, this is the priority for community organizations and funds that work to empower citizens and communities, operating in a tense and contradictory territory when it comes to formal and real rights.

Our intent was to use the Community University model as a heuristic standard to find the most encompassing, universal elements with which to think about the dynamics associated with the production of the common and community development based on two structuring axes: the relationship between the common and law — the common and power, and its relationship with the development of community philanthropy in different territories and within different contexts.

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Who Benefits From Giving Circles in the U.S. and the U.K.?

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Keywords: Giving circles, philanthropy, giving, volunteering, charities

Introduction

Around the world, social transformation is producing a greater need for philanthropy. At the same time, this transformation — specifically, a breakdown in traditional support structures as society becomes increasingly fragmented and individualized — is motivating people to become more active at the micro level (Hustinx, 2010; Wuthnow, 1998). Giving circles have emerged from this context, providing donors with a hands-on, do-it-yourself approach to philanthropy and engagement.

Giving circles bring people together to support organizations and individuals, and frequently include social, educational, and engagement opportunities that can connect members to their communities and to one another. One of the reasons most-often cited for joining a giving circle is a desire to become more involved in the giving process — engagement that goes beyond merely writing a check to interacting directly with beneficiaries. Some describe giving circles as “democratizing” philanthropy for this reason and because giving circles seem to attract people not normally engaged in traditional philanthropy — the less wealthy, women, and young professionals. They also foster learning about community issues as well as the charities attempting to address those issues. Giving circles have emerged as an alternative to mainstream, professionalized, bureaucratic philanthropy (Eikenberry, 2009).

Given their grassroots nature, it is impossible to say how many giving circles exist. By many indications, however, they are growing in number worldwide: Dean-Olmsted, Bunin Benor, and Gerstein (2014) estimate one in eight American donors have participated in a

Key Points

- Giving circles have emerged around the world as an alternative to mainstream, bureaucratic philanthropy. This article examines the types of organizations that benefit from giving circles in the U.S. and the U.K., drawing on data from interviews, surveys, observations, and documentation collected in both countries.
- The findings show that giving circles tend to fund certain types of organizations — often those that are small and locally based, startups and newer organizations that are reorganizing or transitioning, those that have a business orientation, and those that can engage members or show significant impact in relation to their size.
- While some populations, such as women and girls and those from minority racial and ethnic groups, appear to be benefiting more from giving circles than had been the case in traditional philanthropy, giving circles may do little to shift the norm — that most philanthropy does not go to the poor and needy. For organized philanthropy, supporting giving circles may be a means to expand giving to traditionally underserved groups and might help shift funding to smaller community organizations.

giving circle. An increasing number of giving circles have been identified in Canada, Japan, South Africa, Australia, Romania, Bulgaria, the United Kingdom, Ireland, various locations in Asia, and elsewhere. While a growing body of research has mapped out the landscape of giving circles and their impact, it has focused almost exclusively on donors/members (Bearman, 2007a, 2007b; Beeson, 2006; Dean-Olmsted et

Who benefits from this giving? One reason people contribute to charitable organizations is a belief that their support benefits the poor and the most disadvantaged (Mohan & Breeze, 2016). However, philanthropic giving in the U.S. goes primarily to religious organizations (32 percent of total) and education (15 percent); human services receive only 12 percent of contributions and health only 8 percent (Giving USA, 2016).

al., 2014; Eikenberry, 2009, 2010; Eikenberry & Bearman, 2009; Eikenberry & Breeze, 2015; Ho, 2008; Moody, 2009; Ostrander, 2007; Rutnik & Bearman, 2005; Shaw-Hardy, 2009; Thiele, Eikenberry, Metton, & Millard, 2011; Witte, 2012). Very little attention has been paid to funding recipients or, in particular, understanding what types of beneficiaries are attractive to giving circle members and how this might differ from more conventional giving.¹ That is the focus of this article: Who benefits from giving circles in the U.S. and the U.K.?

This question is important for several reasons. As approaches to philanthropy evolve, it is essential that nonprofit organizations seeking to improve social conditions understand how

new philanthropic tools and approaches will impact society. Who benefits and who loses with these new approaches? Community foundations and other philanthropic institutions in the U.S., the U.K., and elsewhere have devoted staff and resources to start and support giving circles with the assumption that these groups will inform giving and improve its impact. Understanding who benefits is key.

The literature review that follows provides an overview of who benefits from traditional philanthropy and discusses what we know from published research on giving circles. The methodology is then outlined — research draws on data from nearly a decade’s worth of interviews, surveys, observations, and analyses of secondary sources from studies conducted in the U.S. and the U.K. Findings are presented, and the article ends with discussion and conclusions.

Literature Review

The nonprofit sector in the U.S. is a significant force: In 2013 there were more than 1.41 million registered nonprofits, receiving over \$2.26 trillion in revenue and holding \$5.17 trillion in assets (McKeever, 2015). Charitable contributions from individuals (80 percent of the total), private foundations (15 percent), and corporations (5 percent) amounted to \$373.25 billion in 2015 (Giving USA, 2016). The U.K. had 167,109 registered charities in 2016, receiving an annual income of almost \$94.9 billion (Charity Commission, 2016).

Who benefits from this giving? One reason people contribute to charitable organizations is a belief that their support benefits the poor and the most disadvantaged (Mohan & Breeze, 2016). However, philanthropic giving in the U.S. goes primarily to religious organizations² (32 percent of total) and education (15 percent); human services receive only 12 percent of contributions and health only 8 percent (Giving USA, 2016). Other studies have found that less than

¹For exceptions in the U.S. context, see Eikenberry (2008) and Ray (2013).

²Although part of this funding is funneled into assistance for the poor, a large portion stays within the religious organization to benefit its members. Saxon-Harrold, Wiener, McCormack, and Weber (2000) found in a 1996 survey that “of the \$9.6 billion in donations by religious congregations, 66% was distributed within the denomination, 23% to organizations outside the denomination, and 11% was given in direct assistance to individuals” (p. 5).

one-third of all charitable contributions go to the poor (Matthews, 2013; Center on Philanthropy at Indiana University, 2007). The Institute for Jewish & Community Research also found that only 5 percent of the total dollars from gifts of \$1 million or more goes to social service organizations; 44 percent of total dollars goes to colleges and universities, followed by hospitals and other medical institutions (16 percent), and arts and cultural organizations (12 percent) (Tobin & Weinberg, 2007). Minority-serving organizations receive a very small percentage of contributions — only 3.6 percent of foundation dollars goes to minority-led nonprofit organizations (Greenlining Institute, 2006) and estimates are that between only 5 percent to 7 percent of foundation giving is earmarked specifically for programs and activities benefiting women and girls (Foundation Center & Women's Funding Network, 2009). Among individual donors, 14.6 percent report giving to a particular area that impacts women and girls (Women's Philanthropy Institute, 2016). There are disparities across organizations — smaller organizations with budgets under \$2 million, representing 80 percent of charitable institutions in the U.S., typically receive the smallest share of philanthropic funding (McCully, 2008).

In the U.K., religious causes also receive the largest percentage of individual contributions (14 percent), followed by medical-related areas (13 percent), children (12 percent), and overseas (12 percent). The homeless (4 percent), disabled (3 percent), and elderly (3 percent) receive a much smaller percentage of total contributions — even less than animals, at 7 percent of the total (Charities Aid Foundation, 2015). Higher education and charitable trusts and foundations were the main destinations for million-pound donations in 2015 (Breeze & Newby, 2015). Particular racial or ethnic groups represented only 4 percent of total spending (NCVO, 2016). In a study of European foundation giving, which included the U.K., just over one-third of foundations (37 percent) said at least some of their programmatic activities are specifically intended to benefit women and girls; most of the surveyed foundations, however, devoted less than 10 percent of their expenditures to such support (Shah, McGill,

Based on interviews and document analysis in the U.S., Eikenberry (2009) found giving circles attract people from diverse backgrounds, including those experienced and new to philanthropy, those from diverse wealth levels and diverse racial and ethnic identities, and, especially, women. However, diversity was more apparent across giving circles than within giving circles.

& Weisblatt, 2011). Mohan and Breeze (2016) show only a small percentage of U.K. charitable giving is directed to the poor and needy. Most charities are also small, with a median expenditure of just under \$17,000.

What explains these giving trends? In mainstream philanthropy, donors in the U.S. and the U.K. tend to “support beneficiaries with whom they identify as a result of personal connections, common experiences, and shared membership of social networks” (Mohan & Breeze, 2016, p. 80). Thus, wealthy philanthropists — who provide the bulk of philanthropic dollars — tend to give the bulk of their donations to organizations from which they or their family directly benefit, such as a symphony, church, or alma mater (Odendahl, 1990; Ostrower, 1995), as well as to amenity services such as education, culture, and health (Wolpert, 1993).

How do giving circles compare to these trends? Based on interviews and document analysis in the U.S., Eikenberry (2009) found giving circles attract people from diverse backgrounds, including those experienced and new to philanthropy,

those from diverse wealth levels and diverse racial and ethnic identities, and, especially, women. However, diversity was more apparent across giving circles than within giving circles. Giving circles in the U.S. also seem to give a large percentage of their funding to children and youth and to women and girls. The emphasis on funding these groups may be explained by the trend for giving circle members to be younger than typical major donors (and therefore more likely to have children at home) and female. Funding seems to go largely to populations that are similar to the giving circle membership: women's giving circles, for example, tend to give to women and girls. They also give to mostly small, local nonprofit organizations.

The demographic makeup of giving circle members in the U.K. also encompasses a range and mix of backgrounds, but relatively fewer than in the U.S. that target a particular race or gender group for membership. Members also appear to represent a range of income and wealth levels, from high net worth to much less wealthy, including students committed to giving away 1 percent to 5 percent of their income (Eikenberry & Breeze, 2015). In addition, most groups appear to target their giving to smaller organizations, where they perceive that their funds will have a more tangible benefit. Many members are adamant about not supporting “mainstream” and national or animal charities of any size (Eikenberry & Breeze, 2015). Published research has yet to fully explore who benefits from giving circles.

Methodology

This examination of who benefits from giving circles draws on nearly a decade of data, collected using various methods:

- A 2007 study included creating a database of giving circle funding recipients and grants drawn from secondary data sources, as well as interviews with 17 fundraising professionals working with beneficiaries of giving circles (see Eikenberry, 2008).
- A 2008 study, supplemented with 30 interviews, surveyed members of a sample of 26 giving circles, plus a control group of donors not in giving circles, to understand the impact of giving circles on members' giving, volunteering, and engagement (see Eikenberry & Bearman, 2009).
- A 2013 study of the landscape of giving circles in the U.K. included 39 interviews with people representing or associated with giving circles, as well as data from observations and secondary sources (see Eikenberry & Breeze, 2015).
- Two 2014-2015 studies: one surveyed members of seven giving circles or networks of circles ($n = 201$) and a control group of donors not in giving circles ($n = 158$) to understand impact on members; one included 16 interviews with professionals representing charities and social enterprises about their work with giving circles, as well as interviews with 22 members of giving circles (see Eikenberry, 2015a, 2015b).

Findings

In the U.S., at least \$28.4 million was received by giving circle beneficiaries between 1996 and 2005; grant amounts were available for 52 percent of funding recipients. The average gift size was \$28,781 and ranged from \$90 to \$715,000. In the U.K., at least \$20.65 million was given between 2002 and 2014; grant amounts were available for 65 percent of gifts. They ranged in size from a one-time gift of about \$320 to about \$1.6 million given over several years; the average gift amount was \$12,128.

What areas benefited from these donations? Forty percent of gifts from giving circles in the U.S. went to human services organizations. Education and arts and culture organizations received the next largest amounts; education organizations, however, received more than 55 percent of the total amount while only 26 percent went to human services groups. The lowest number of gifts and amounts went to international and religious organizations. (See Table 1.)

Data from a 2008 survey in the U.S. also shows members of giving circles were significantly more likely to give to organizations that support

TABLE 1 U.S. Giving Circle Funding Program Areas, 1996–2005

Area Funded	Number of Gifts	Percentage of Gifts	Amount of Gifts	Percentage of Total Amount
Arts & Culture	176	13.6%	\$2.66 million	9.4%
Education	237	18.3%	\$15.69 million	55.3%
Environment & Animals	50	3.9%	\$562,284	2.0%
Health	100	7.7%	\$566,098	1.9%
Human Services	518	40%	\$7.45 million	26.2%
International	46	3.6%	\$328,965	1.2%
Public Benefit	139	10.8%	\$876,934	3.1%
Religion	22	1.7%	\$269,187	1.0%
Total	1,288	100%	\$28.4 million	100%

women; ethnic and minority groups; and arts, culture, or ethnic awareness than were the control group respondents. Some of these data may be explained by the fact that giving circle member respondents are also more likely to be women or from communities of color than are the control group respondents. As their length of time in a giving circle increased, however, respondents were more likely to report giving to support women, to ethnic or minority groups, and to other areas even when controlling for group membership.

Giving circle members were also more likely to donate to “other” areas, such as the environment, neighborhood development, advocacy, and international aid. Differences in the probability of making donations to causes such as people in need of basic necessities; sports and recreation; education; and health care/medical research were statistically insignificant. Giving circle members were statistically less likely than members of the control group to give for combined-purpose funds and for religious purposes or spiritual development. (See Table 2.)

TABLE 2 U.S. Areas of Giving in Last 12 Months: Giving Circle Members Versus Control Group (Percentage of All Respondents)

Area Funded	Giving Circle	Control
Arts & Culture	68%	57%
Basic Needs	86%	87%
Combined Funds	57%	70%
Education	76%	75%
Ethnic/Minority	66%	43%
Health Care	65%	67%
Other	73%	55%
Religious Purposes	62%	74%
Sports & Recreation	34%	37%
Women & Girls	76%	54%

TABLE 3 U.K. Giving Circle Funding Program Areas, 2002–2014

Area Funded	Number of Gifts	Percentage of Gifts	Amount of Gifts	Percentage of Total Amount
Animals	2	0.15%	Unknown	0%
Arts & Culture	97	7.21%	\$435,326	3.3%
Community Development	39	2.90%	\$134,793	1.0%
Overseas Development	201	14.94%	\$1.89 million	14.5%
Emergency Relief	3	0.22%	\$8,154	0.1%
Education	180	13.38%	\$1.03 million	7.7%
Environment	260	19.33%	\$3.13 million	24%
Health	132	9.81%	\$2.78 million	21.4%
Human Rights & Justice	195	14.50%	\$1.69 million	13%
Peace	110	8.18%	\$1.25 million	9.6%
Recreation & Sports	10	0.74%	\$54,121	0.4%
Social Welfare	116	8.62%	\$610,418	4.7%
Total	1,345	100%	\$13.01 million	100%

Gifts in the U.K. database show the largest percentage for which information was available — 19.3 percent — went to the environment, followed by overseas development (14.9 percent), human rights and justice (14.5 percent), and education (13.4 percent). Animal-related causes and emergency relief received the fewest number of gifts (0.1 percent to 0.2 percent). Environmental organizations/projects also received the largest share of funding (24 percent), followed by health (21.4 percent) and human rights and justice (13 percent). Social welfare or human services received 8.6 percent of gifts and 4.7 percent of funding. (See Table 3.)

The 2014–2015 survey in the U.K. shows similarities between the giving circle member and control group respondents for the most popular areas selected. Both groups listed the following as their top areas: international/overseas relief

or development; poverty, homelessness, or provision of basic necessities; and health, hospitals, and medical research. The giving circle member respondents, however, were significantly more likely than the control group to give to women and girls, ethnic and minority groups, and citizenship or community development. The control group was significantly more likely to give for educational purposes. This might be explained by the fact that a large number of the control group members were donors to an educational institution. (See Table 4.)

The interview sample of 17 funding recipients in the U.S. shows that the majority of organizations were relatively small and locally based. About half also tended to be fairly new, having started only in the past five years. Many of these organizations — even the more established among them — seemed to be undergoing transition.

TABLE 4 U.K. Areas of Giving in Last 12 Months: Giving Circle Members Versus Control Group (Percentage of All Respondents)

Area Funded	Giving Circle	Control
Animal Welfare	17.9%	20.9%
Arts & Culture/Heritage/Science	25.4%	27.8%
Citizenship/Community Development	24.4%	12%
Education	28.4%	50%
Environment	20.9%	23.4%
Ethnic & Minority Groups	14.4%	4.4%
Health, Hospitals, & Medical Research	43.3%	46.8%
International/Overseas Relief or Development	57.7%	57.6%
Poverty/Homelessness/Provision of Necessities	54.2%	45.6%
Religious Purposes	20.4%	22.2%
Sports & Recreation	10%	12.7%
Women & Girls	32.8%	15.2%
Other purposes	11.9%	13.9%

For the newer organizations, this meant moving from a startup to a more established position. Notably, nine out of the 11 executive-level directors interviewed were in their mid-30s to 40s, and most of them had started their organization. This information was not sought, but the level of experience and director's age came up in nearly every one of the interviews.

When measured by annual income, organizations in both the U.K. database and the interview sample ranged in size from very small to very large. Most organizations, however, were small to medium-size: 77 percent had annual incomes of less than \$1.2 million (£1 million), and in the sample seven had an annual income of \$129,000 to \$1.29 million (£100,001 to £999,999) and eight had an annual income of \$1.2 million to \$11.6 million. Organizations ranged in age as well — the average was 16 years for the database organizations and 14 years for the interview sample. Twelve (57 percent) of the organizations in the

interview sample were 10 years old or newer. Due to incomplete data, it is difficult to know how many beneficiaries are new organizations. We can assume that many of the organizations for which we could not find registration information are newer and smaller.

Nonprofit professionals interviewed in the U.S. said they thought what made their organization attractive to their giving circle funders was that they tended to be small and had a proven track record. The executive director of one organization characterized it as an “appealing size for local giving circles. They like that it is big enough that we have proven ourselves but it is small enough that they feel like they can provide tangible support.” Several interviewees said their organization's business orientation and focus on showing results appeal to funders, especially to groups like Social Venture Partners. Many interviewees also said they believed their mission was key — that they were filling a “real need” in the

community and that giving circle members were attracted to this.

More detailed themes emerged from interviews, observations, and documentation about the types of organizations and projects that appealed to giving circles in the U.K. One major theme was that the organization could provide what appeared to be “good value for money” or leverage. This might be because the organization was smaller or not as well funded, so the value of the gift from the giving group was more significant for the organization; that it had low overhead or could otherwise show a relatively high return on investment; or that the organization could leverage additional funding or create significant change with the gift. In the first instance, a U.K. giving circle member noted:

[I]f there's a project that shows really good leverage for the amount of money they might get, that's got a really defined project where £4,000 or £5,000 would make a really significant step forward, that's much better than just adding to their sum total of fundraising.

In the second instance, a beneficiary said:

[I]t's value for money. I can say to somebody with absolute confidence that if they donate £100, 200 children in sub-Saharan Africa will be protected from the effect of these diseases for 12 months. ... We were able to tick their boxes because the salaries for our staff are pretty much covered by [host] and unrestricted donations — or even restricted donations that have come in from larger bodies like USAID or DFID. And that meant that we were able to offer leverage to smaller donors, whose money we would then use to start up new programs in new countries.

There was also discussion about this at a giving circle event, where members reviewed the strengths and weaknesses of three charities that had pitched to the group. This was taken from observation notes:

The first person to comment said that he thought all three of the charities were deserving. Another person agreed but said [Organization No. 3] was “quite large” and their gift would be a “drop in the bucket” compared to a gift to [Organization

No. 2], with a £28,000 budget — the [Organization 3] brochure alone cost more than the gift they could give. ... An accountant said that if they did a cost-benefit analysis, supporting [Organization No. 3] would be a “no-brainer.” ... Another person reminded the group about [Organization No. 1] — he said you can see where the funding will go and see the benefit directly. There seemed to be a sense that the group would like to see results from their funding more quickly than the longer-term benefit of the work of [Organization No. 3].

Regarding the leveraging of additional funding or creating significant change, a member of one group noted that it funded an organization because

we were looking for a transformational charity — by which I mean a charity that through the skills that it imparts, through doing its charitable work, actually leads to a complete change in the life circumstances of the people that receive their support and training. So it filled that transformational brief, it fulfilled the educational brief. We wanted to focus on women because we felt that that was a more impactful way of making the recycling of money back into the correct areas of society.

The size of the organization or newness of a project also appeared to be important. A member of one giving group noted:

We're a tiny donor, so there's no point in us supporting these bigger organizations; it'd just be a drop in the ocean. So, I think we want things that are small scale, where we think that what we are adding is making a difference.

Several beneficiary interviewees also noted that their small scale was appealing. Another member spoke of being “very, very keen on ... starting something, ... not try[ing] to bring something to the next level. We were very keen on trying to start something brand new.”

In addition, the organizations or projects with the most appeal were able to connect members directly with the work or make the work of the organization accessible or easy to understand. This was done by giving members direct experience, by showing clear outcomes or how the

support might be used. One beneficiary organization director noted:

[I]t was very tangible, so we could say to them: “This money is genuinely going into this project” [W]hen we take people down to see the project ..., people walk away very enthusiastic about what we do. We help very disadvantaged young people. That’s extremely tangible: the young people who’ve got some amazingly distressing back stories. And I think you can’t fail, as a human being, to be moved by that. So, I hope that that was another reason why they wanted to get involved with us.

Beneficiary organizations also appeared to share similar values or interests with the giving circle and its members. This included not only areas of work or populations served, but extended to shared entrepreneurial philosophies and business-like approaches. One organization leader, when asked what was appealing about the organization, responded:

We want to empower people. And when you’re sort of donating to [our organization], you’re investing in young people. It’s a positive message of empowerment, and I think those values chime with people who are entrepreneurial or commercially minded because it’s about self-help — providing opportunities and support.

Some interviewees and documents noted organizations were appealing because they seemed to be innovative, progressive, and on the cutting edge — that is, not a “typical” charity. The Network for Social Change, for example, describes itself as “championing people and projects with the capacity to break the mold of conventional answers” and funding projects that “are out of the mainstream, are novel or cutting edge” (2007, p. 2). One giving circle member noted an interest in supporting “disruptive” charities:

I like them because I thought they were different, a bit more progressive. I thought it was very different for a charity typically like theirs, [with] an image of being very elitist and quite stuffy, to then try something completely out of their comfort zone. And that, in itself, is very different. ... [W]hen I use the term “disruptive” to [describe] some of our members, perhaps I would use the same [for] charities

Beneficiary organizations also appeared to share similar values or interests with the giving circle and its members. This included not only areas of work or populations served, but extended to shared entrepreneurial philosophies and business-like approaches.

that are a bit disruptive in their field. We’ve met charities [that] are really small, who have no money, but ... are doing such disruptive, amazing things. ... [T]hey don’t even realize it.

Finally, many of the organizations supported were also described as being open, responsive, flexible, and engaging — they had charismatic or engaging leaders that were open to working with the giving group. The leader of one beneficiary organization remarked,

We’ve also been very open and flexible as to what people want to get involved with and to do. So as far as we’re concerned — as long as it doesn’t require huge, huge amounts of time from us where we wouldn’t otherwise be doing it — we’re happy for teams to get as involved as they want or just to do a little bit on the side, so long as there’s clarity about what it is they want to do. ... I think that’s been quite appealing as well.

The three most prevalent reasons to emerge for why some organizations were not supported were that they did not fit with the giving groups’ focus area or criteria, were too big or complex, or appeared to be unresponsive.

Discussion and Conclusion

The research findings show that giving circles and their members give in diverse areas; giving circles in the U.S., however, are most likely to give to human services, education, and arts and culture

Supporting and promoting giving circles may be a means to expand and shift giving to traditionally underserved groups in philanthropy, such as women and girls and people of color. It might also help expand and shift funding to smaller organizations that are less well-known in the community. However, hosts and others supporting and promoting giving circles may want to also help members understand the challenges faced by smaller charities and manage expectations about the impact of their funding.

organizations and least likely to give to international and religious organizations. Giving circle members are also less likely than a control group to give for combined purposes. In addition, giving circle members are more likely than a control group to support women; ethnic and minority groups; and arts, culture, or ethnic awareness.

In the U.K., the largest percentage of gifts went to the environment; overseas development; human rights and justice; and education. Animal-related causes and emergency relief received the fewest number of gifts. Health organizations received relatively fewer gifts, but a relatively larger percentage of total funding. Giving circle members in the U.K. were also significantly more likely than the control group to give to

women and girls, ethnic and minority groups, and citizenship or community development.

Thus some populations, such as women and girls and those from minority racial and ethnic groups, appear to be benefiting more from giving circles than from traditional philanthropy (Foundation Center & Women's Funding Network, 2009; Greenlining Institute, 2006). Some of this may be explained by the demographics of giving circle members. But even when controlling for that, respondents appeared more likely to report giving to organizations that support women and ethnic or minority groups as their length of time in a giving circle increased. Less funding also seems to go to traditionally popular areas such as religion, combined purposes, animals, and emergency response (Charities Aid Foundation, 2015; *Giving USA*, 2016). A large portion of funding from giving circles, however, still goes to education, health, and arts and culture. In addition, in neither the U.S. nor the U.K. were giving circles members more likely than others to give to basic needs or poverty-relief areas, although giving circles in the U.S. especially were giving a large percentage of gifts to human services.

Ultimately, giving circles may do little to shift the norm that most philanthropy does not go to the poor and needy (Matthews, 2013; Mohan & Breeze, 2016). It might also be noted that while the amount of support from giving circles ranges from small to quite large gifts, the overall amounts represented only a small percentage of overall philanthropic giving over the same periods.

Giving circles also tend to fund certain types of organizations: often small and locally based, new groups or startups or that are reorganizing or transitioning, those with a business orientation, and those that are able to engage members or show clear benefits or outcomes — especially a significant impact in relation to their size. U.K. beneficiaries also tend to be described as innovative, progressive or on the cutting edge, and responsive. Charities not selected for funding were often seen as too big, more mainstream, or not responsive. This seems to run counter to traditional philanthropy, which tends to go to

larger, more established organizations (Burke, 2001; McCully, 2008); however, all types of donors, including giving circles, tend to want to know that their giving is having an impact regardless of the type or size of the organization (Mohan & Breeze, 2016).

Thus, larger and more complex organizations, as well as those that are small or run by volunteers and that don't have the capacity or resources to be responsive, engage supporters, or show outcomes, may be less likely to receive support from giving circles. While giving circles may be more open to funding small organizations, there may be a limit to how small. Some giving circles, for example, require that a beneficiary engage supporters directly; a small or new organization or project might lack the capacity for that type of engagement. New organizations or projects often need support for capacity building, which might be seen as a drawback by giving circle members who want to leverage direct impact. Some giving circle members might have unrealistic expectations about what their giving can do when they expect it to be "transformative."

There are several implications here for organized philanthropy. Supporting and promoting giving circles may be a means to expand and shift giving to traditionally underserved groups in philanthropy, such as women and girls and people of color. It might also help expand and shift funding to smaller organizations that are less well-known in the community. However, hosts and others supporting and promoting giving circles may want to also help members understand the challenges faced by smaller charities and manage expectations about the impact of their funding.

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Analyzing the Social Value of Bucharest Community Foundation Programs: Social Return on Investment

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Keywords: Social return on investment, community foundations, outcomes analysis, social value for stakeholders

The Context

The community foundation movement is a relatively recent one in Romania. The first foundation of its type was established in 2008 in the western city of Cluj Napoca; almost 10 years later, the country has a network of 15 community foundations with a substantial geographical reach. The Bucharest Community Foundation,¹ founded in late 2011, raises funds from local businesses and individuals to finance projects designed to create inclusive, welcoming communities. With the support of over 5,000 local donors and more than 350 volunteers, the foundation has so far provided more than \$600,000 in funding for over 230 education grants and other projects. In our fifth year, total funding equaled the entire amount we were able to provide to local communities in our first four years of operation.

The foundation manages four annual small-grants programs and several annual community volunteering and fundraising events. Although each of these is evaluated through reports from grantees, surveys, and feedback gathered in meetings, we wanted a method or instrument that would allow us to analyze the impact of our work on local community development.

In May 2015, Porsche Romania launched Mobilizing Excellence,² the carmaker's first corporate social responsibility (CSR) program in the region. Developed with support from the foundation, the program has three strategic aims:

Key Points

- In search of a suitable method to measure the social impact of its programs after five years in operation, the Bucharest Community Foundation turned to social return on investment (SROI) analysis to determine the social value produced by one of its grants programs. The internationally recognized method measures the social, environmental, and economic impact of a project or program, quantifiably analyzes outcomes from the perspective of stakeholders, and assigns a monetary value to those outcomes. Assigning a monetary value to a project outcome may help the project team, donors, and the impacted community to evaluate its benefits in comparison with the initial investment the project.
- With the help of its evaluation partner, CSR BootIQ, the foundation analyzed five innovative urban design and green technology projects it funded through Mobilizing Excellence, the corporate responsibility program the foundation established with Porsche Romania.
- The foundation wanted to determine if and how SROI analysis, a method relatively unknown in Romania, can be a useful tool to systematically assess the social impact and value of programs funded by community foundations. This article discusses the results of the evaluation and shares lessons learned.

¹For more details on the foundation in the Romanian language, see www.fundatiacomunitarabucuresti.ro.

²For more details on the program in the Romanian language, see www.mobilizamexcelenta.ro.

1. Stimulate small initiatives of participatory urban design to improve public spaces and make the city of Bucharest more hospitable to its residents,
2. Harness innovative, small-scale projects to create a greener city, and
3. Encourage youth participation in sports and the arts.

Mobilizing Excellence was developed in line with the values and principles of Porsche Romania — excellence in innovation and design — and extended to communities by supporting people with similar interests and talents. The program was launched through a public call for project proposals and scholarship applications, and independent juries made up of experts in their respective fields selected the projects to receive funding. From the beginning, the program was seen as a long-term investment in the community.

At the official launch, Porsche Romania and the Bucharest Community Foundation announced that the impact of the Mobilizing Excellence projects would be evaluated using the social return on investment (SROI) method. In Romania, SROI is a relatively unknown. Given our partnership with CSR BootIQ,³ the only consulting agency operating in Romania that had certified expertise in SROI, we proposed this method to Porsche; it readily agreed. We knew we would offer relatively small grants (\$10,000 to \$12,000) for short-term projects (up to nine months) to stimulate urban design and eco-innovations that had the potential to attract local and professional communities, but we did not know exactly what the projects would look like. And using SROI on small-scale projects funded through a CSR program was new to all three partners.

What follows is an outline of the SROI methodology, a discussion of how we assisted CSR BootIQ with logistical and programmatic issues related to the projects it was analyzing, the results of the evaluation, and lessons learned.

Social return on investment is a method that analyzes the results of a project using a combination of quantitative, qualitative, and financial data. It tells the change story of a project, from the framework set by the project team to its ultimate reality in the field.

Methodology and Process

Social return on investment is a method that analyzes the results of a project using a combination of quantitative, qualitative, and financial data. It tells the change story of a project, from the framework set by the project team to its ultimate reality in the field.

The term SROI first appeared in the context of a cost-benefit analysis for social enterprises in 2000, when it was used by the Roberts Enterprise Development Fund (Millar & Hall, 2012). Two years later, the William & Flora Hewlett Foundation brought together a group of SROI practitioners from the U.S., Canada, the U.K., and the Netherlands to update the methodology. The group produced the Blended Value Map, a tool to integrate social and financial returns in mapping the outcomes or impact of philanthropic investments (Emerson, 2003). In 2006 the international SROI Network — now known as Social Value UK — was formed to contribute to the method's continued evolution. In 2007, the British government commissioned a consortium led by Social Value UK to continue work on guidelines to help social businesses seeking government grants to account for their impact using a consistent, verifiable method. In 2009 this consortium produced the first Guide to SROI, whose language was amended in 2012 to make it more

³For more details about CSR BootIQ, see www.csr-bootiq.com.

relevant to international audiences and to various sectors and types of organizations.

This standardized SROI method provides a quantitative approach to understanding and managing the outcomes and impacts of projects, businesses, organizations, funds, and policy. It takes into account stakeholders' views of impact and assigns financial "proxy" values on outcomes and impacts identified by stakeholders that typically do not possess a market value. In this way, people whose values are often excluded from market measurements gain a voice in resource allocation. The method is especially useful for organizations and teams that want to learn more about the value they produce and how they can produce more with the same human and financial resources, and for long-term projects that place people at their center. Many public and private organizations are using SROI to analyze the social value of their work.⁴

There are two general types of SROI analysis (Nicholls, Lawlor, Neitzert, & Goodspeed, 2012):

- *Evaluative SROI* analyses evaluate actual outcomes within a given period. These are most useful when a project is up and running and there are good data on outcomes.
- *Forecasted SROI* analyses predict social value if an activity achieves its stated objectives. They are used to assess the likely impact of a project that is still in the planning stages or where outcomes data are lacking. A forecasted SROI can be followed with an evaluative SROI to verify the accuracy of the analysis.

The SROI analysis method encompasses seven principles (Nicholls et al., 2012, p. 9):

1. "Involve stakeholders." Stakeholders should inform what gets measured and how.
2. "Understand what changes." Formulate a theory of change for the initiative and articulate how change is created; evaluate that through evidence, recognizing positive and negative changes as well as those that are intended and unintended.
3. "Value the things that matter." Use financial proxies to express the value of the outcomes.
4. "Only include what is material." Determine the relevant information and evidence that must be included in the accounts in order for stakeholders to draw reasonable conclusions about impact.
5. "Do not overclaim." An organization should claim only the value that it is responsible for creating.
6. *Be transparent.* Demonstrate the basis on which an analysis may be considered accurate and honest, and that it will be reported to and discussed with stakeholders.
7. *Verify the result.* Ensure the appropriate verification is arrived at by an independent source.

Carrying out an SROI analysis involves six stages (Nicholls, 2012, pp. 9–10):

1. *Establishing scope and identifying key stakeholders.* An SROI needs clear boundaries for what the analysis will cover and who will be involved in the process and how. Service users, funders, and other agencies working with the client group are often included in an SROI.
2. *Mapping outcomes.* Through engaging with relevant stakeholders, an impact map — a theory of change — is developed that shows the relationships among inputs, outputs, and outcomes.
3. *Evidencing outcomes and giving them a value.* This stage involves finding data to show whether outcomes have happened and then giving them a monetary value.

⁴For an extensive report on this work, see www.socialvalueuk.org/report-database.

4. *Establishing impact.* Those aspects of change that would have happened anyway or are a result of other factors are taken out of the analysis.
5. *Calculating the SROI.* This stage involves adding up all the benefits, subtracting any negatives and comparing the result with the investment. This is also where the sensitivity of the results can be tested.
6. *Reporting, using and embedding.* This vital last step involves verification of the report, sharing findings with stakeholders and responding to them, and embedding good outcomes processes.

Seven principles underpin the application of an SROI evaluation. (See Figure 1.) An SROI analysis is carried out in six stages. (See Figure 2.) Depending on the scope and scale of the project, the process can take up to several months.

Seven principles underpin the application of an SROI evaluation. An SROI analysis is carried out in six stages. Depending on the scope and scale of the project, the process can take up to several months.

The foundation analyzed five urban design and ecological innovation projects funded by the Mobilizing Excellence program's first round of grants:

- Auto Eco-Innovation,⁵ implemented by the Ecoteca Association. The project team worked with specialists in environmental

FIGURE 1 The Seven Principles of SROI

1. **Involve stakeholders.** Inform what gets measured and how this is measured and valued by involving stakeholders.
2. **Understand what changes.** Articulate how change is created and evaluate this through evidence gathered, recognizing positive and negative changes as well as those that are intended and unintended.
3. **Value the things that matter.** Use financial proxies in order that the value of the outcomes can be recognized.
4. **Only include what is material.** Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5. **Do not overclaim.** Only claim the value that organizations are responsible for creating.
6. **Be transparent.** Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders.
7. **Verify the result.** Ensure appropriate independent assurance.

Source: Nicholls et al., 2012, pp. 96–98

⁵For more details in the Romanian language, see www.facebook.com/cddpolizu/?fref=ts.

protection from Bucharest Polytechnic University on an innovative system to harness automotive and related waste, designing and testing various “up-cycling” solutions — alternative uses for waste identified as difficult to recycle. The work inspired a new commitment to sustainability among university students, and the campus offices of the Center for Sustainable Development, which were renovated by the project team, hosted debates and up-cycling workshops for the community.

- Green Mogo roof garden and greenhouse,⁶ implemented by the Greeninitiative Association. The team designed and built a roof garden and greenhouse to serve as educational tools for Bucharest’s Green Mogo Center for Training and Energy Counselling.

The center hosts educational programs about green energy, permaculture, and sustainable agriculture and the project included a pilot education program and practical demonstrations of permaculture and sustainable techniques for roof gardens.

- At the Grassroots Level,⁷ implemented by a group of four architects and civic activists. The project renovated space in a dilapidated industrial building to house a community cultural center that, notably, is one of very few public spaces in Bucharest accessible to people with disabilities.
- Make(you)R(own)Space (*Intrarea Violoncelului*),⁸ implemented by D’Avent, an NGO in Bucharest. *Intrarea Violoncelului* was the first space in Bucharest dedicated to

FIGURE 2 The Stages in SROI

1. **Establishing scope and identifying key stakeholders.** It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process, and how.
2. **Mapping outcomes.** Through engaging with your stakeholders, you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs, and outcomes.
3. **Evidencing outcomes and giving them a value.** This stage involves finding data to show whether outcomes have happened and then valuing them.
4. **Establishing impact.** Having collected evidence on outcomes and monetized them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration.
5. **Calculating the SROI.** This stage involves adding up all the benefits, subtracting any negatives and comparing the result with the investment. This is also where the sensitivity of the results can be tested.
6. **Reporting, using, and embedding.** Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes, and verification of the report.

Source: Nicholls et al., 2012, pp. 9–10

⁶For more details in the Romanian language, see www.facebook.com/Centrul-Green-Mogo-557071394370356.

⁷For more details in the Romanian language, see www.facebook.com/nevedemlafrulierbii.

⁸For more details in the Romanian language, see www.facebook.com/ViolonceluluiHub.

TABLE 1 Mobilizing Excellence Projects: Key Stakeholders

Auto Eco Innovation	Trailer for Research and Activation/City School	At the Grassroots Level
<ul style="list-style-type: none">Specialists in environmental protection from Bucharest Polytechnic UniversityCenter for Sustainable Development volunteersProject team	<ul style="list-style-type: none">Metropolitan Library (main partner)Architecture and sociology studentsStudents' coordinatorsProject teamOrganizations using trailer for community events	<ul style="list-style-type: none">Organizations using space for community eventsPartners in renovationProject team
Make(you)R(own)Space		Green Mogo Roof Garden
<ul style="list-style-type: none">Volunteer buildersProject team		<ul style="list-style-type: none">Student volunteersProject team

creative recycling, but could only be used in warmer weather. The project transformed it into a year-round makerspace, using an innovative building method based on an expandable container structure. The building is the first to be based on a prototype created at the Technical University in the eastern Romanian city of Iasi, and is the first small-scale building insulated entirely with hemp. The project also organized a series of public workshops on hemp use for building insulation.

- The Trailer for Research and Activation/ City School,⁹ implemented by studioBasar. The team wanted to test methods for developing public space in what is known in Romania as a “dormitory” neighborhood. Such neighborhoods, built during the communist period, are densely populated and lack the infrastructure for community development. The mobile trailer, attached to a public library in Bucharest, generated the public space to house an experiential learning program that piloted two approaches: one on participatory architecture that involved feedback from library users, and an interdisciplinary approach in which students in architecture and

sociology worked together on projects to develop community spaces.

The SROI analysis, performed by CSR BootIQ with logistical and programming support from the foundation, required almost nine months to complete. At the outset, the project proposals — developed by organizations that were relatively small and new to the work — presented overly broad theories of change and identified target groups rather than specific stakeholders. The foundation and the evaluator worked with the project teams to clarify intended changes and identify their projects’ key stakeholders. Evaluation began when the projects were about midway in their implementation, and as work neared the end the evaluator and the teams reexamined the projects’ initially selected stakeholders to confirm that their perspectives were still relevant to project goals. The result was a total of 18 categories of key stakeholders for the five projects. After the projects were finalized, CSR BootIQ sought feedback from 43 stakeholders about the changes — positive and negative — they perceived as a result of the projects: 10 replied to online questionnaires and 22 answered questions in interviews; in-depth interviews were performed with 11 stakeholders. (See Table 1.)

⁹For more details in the Romanian language, see www.facebook.com/%C5%9Ecoala-de-Ora%C5%9F-Biblioteca-din-Militari-1708614112691671/?fref=ts.

Social return on investment analysis is highly useful in illustrating the impact of large-scale projects. It is especially meaningful when working with corporate donors, because it assigns monetary value to the outcomes and impacts of a project.

The feedback phase was time-consuming, lasting about two and a half months: arranging meetings with the range of stakeholders during the summer, which coincided with the end of work on the projects, proved quite difficult. Additionally, most of the projects focused on building innovative structures and testing designs and solutions; the shorter implementation phase left fewer opportunities to interact with beneficiaries and users. As a result, we determined that the final analyses would need to combine evaluative and forecasted SROIs.

Another difficulty arose when we asked the evaluator to state all values and the SROI ratio in Romanian currency (RON). SROI analysis involves outcomes that can be valued only by use of proxy indicators: the financial proxies used in the SROI are a combination of the costs of publicly available economic goods and services, secondary research utilizing studies that value the impact of appropriate intervention services, and the “willingness to pay” approach.

CSR BootIQ chose financial proxies for this analysis based on the outcomes maps drafted for each stakeholder: for example, one of the outcomes reported by student participants in the Trailer for Research and Activation/City School project was increased professional capacity; the proxy chosen

by the evaluator was the participation cost of a camp on social-participatory architecture. But there are very few financial proxies to be found in Romania. The Global Value Exchange database¹⁰ provides more than 1,000 outcomes, indicators, and valuations for SROI analysis, but they are calculated in British pounds and based on the gross domestic product of the U.K. For the values of identified proxy indicators expressed in other than Romanian currency, we decided to use the corresponding Romanian National Bank exchange rate for the August 2016 to express social value. For the proxy indicators from the Global Value Exchange database, all values in British pounds were pondered by 1.91 — the ratio between the U.K. and Romanian GDPs’ purchasing power parity for 2015.¹¹ The SROI reports for the five projects were finalized in September 2016 and presented to project teams and stakeholders for feedback; the final reports were ready in October 2016.

Results

The social value expected to be produced for the stakeholders in all five projects was greater than what was invested, with amounts that ranged from 1.5 RON to 3.7 RON for each RON invested. (See Table 2.)

Since the projects were highly experimental and innovative and most of the activities were piloted, analysis of most of the outcomes were based on a forecasted SROI. All of the projects involved volunteers and students, who were important stakeholders and had almost as much involvement in the projects as the project teams. As a result, the social value produced by the projects for those students and volunteers was quite high. Along with a greater sense of empowerment, the project teams gained a greater capacity to develop and implement innovative projects as well as to attract new partners and additional resources in support of their efforts.

The SROI reports will help the project teams to better implement future projects, and act as a validation of their work for peers and potential

¹⁰The Global Value Exchange database is available at www.globalvaluexchange.org.

¹¹The data for both GDPs, reported by the World Bank, were taken from Trading Economics, at <https://tradingeconomics.com>.

TABLE 2 Social Value Expected to be Produced for Key Stakeholders In Each Project

Auto Eco Innovation	Trailer for Research and Activation/City School	At the Grassroots Level
Specialists = 84,000 RON Volunteers = 54,000 RON Project team = 17,955 RON	Metropolitan Library = 17,618 RON Students = 48,769 RON Coordinators = 0 RON Project team = -2,443 RON Users of the trailer = 100,800 RON	Users of the space = 193,637 RON Partners = 199,788 RON Project team = 2,560 RON
<i>Total social value = 155,955 RON</i>	<i>Total social value = 164,743 RON</i>	<i>Total social value = 395,985 RON</i>
<i>Total investment = 73,015 RON</i>	<i>Total investment = 44,870 RON</i>	<i>Total investment = 232,390 RON</i>
SROI ratio = 2:1 RON	SROI ratio = 3:7 RON	SROI ratio = 1:7 RON
Make(you)R(own)Space	Green Mogo Roof Garden	
Volunteers = 17,415 RON Project team = 146,954 RON	Volunteers = 17,415 RON Project team = 146,954 RON	
<i>Total social value = 164,369 RON</i>	<i>Total social value = 164,369 RON</i>	
<i>Total investment = 109,455 RON</i>	<i>Total investment = 109,455 RON</i>	
SROI ratio = 1:5 RON	SROI ratio = 1:5 RON	

donors. For Porsche Romania, the report shows the social value of its investment and validates its decision to make long-term investments in the community. For the Bucharest Community Foundation, the SROI reports and process were the pilot use of an internationally recognized method of evaluation for our grantmaking programs. The process also positioned the foundation as a member of Romania's emerging community of practice on impact analysis.

Conclusion and Lessons Learned

Social return on investment analysis is highly useful in illustrating the impact of large-scale projects. It is especially meaningful when working with corporate donors, because it assigns monetary value to the outcomes and impacts of a project.

On the other hand, SROI is not the most appropriate method for analyzing the impact of small, innovative projects. Nor is it always suitable for a community foundation like ours. We need to determine how our work contributes to the development of grassroots organizations and encourages citizen activism while also analyzing capacity-building work with our grantees — work which is not always very visible.

- Social return on investment is a time-consuming and expensive evaluation methodology: our process began in March 2016 and the reports were finalized the following October. If the time spent on logistical arrangements, work with project teams, interviewing stakeholders, research, reporting, and making adjustments in response to the feedback was compensated at an hourly

Our foundation is considering simpler evaluation approaches that respect the seven principles of SROI and the outcome-mapping exercise for stakeholders.

rate, the cost would be almost equivalent to a grant offered by the Mobilizing Excellence program. Given our foundation's resources and Romanian market realities, it is a tool that we cannot afford to employ on a regular basis.

- Difficult decisions have to be made as issues emerge during project implementation and in choosing proxy indicators. In addition, there are various personal outcomes — increased self-esteem, for example — that cannot be easily assigned a monetary value.
- SROI analysis is more appropriate for larger projects that have many direct beneficiaries and a longer implementation period. If we were to use it again with our grantees, we would wait a longer period after a project was finalized before conducting the analysis, especially for projects that involve developing products, structures, and spaces.
- The SROI method is limited in its ability to make meaningful comparisons. The social value of projects, especially if they are dissimilar, are difficult to compare since the value for each project is based on the perceptions and beliefs of the stakeholders regarding how their lives have changed at the time they are consulted. In this respect, SROI analysis is of more use to organizations that are doing the same type of projects.

However, pieces of the methodology can be adapted to other methods of assessing impact. Our foundation is considering simpler evaluation approaches that respect the seven principles

of SROI and the outcome-mapping exercise for stakeholders. Understanding our contribution to the development of our community remains critically important to the foundation, its donors, and its grantees.

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Community Philanthropy in Russian Remote Areas

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Keywords: Philanthropy, community development, rural funds, community foundations, remote areas, Russia

Introduction

The nonprofit sector in Russia has been rapidly developing since the late 1990s. The first community foundations emerged in large industrial centers: the Togliatti Foundation in 1998 and the Foundation for Development of Tyumen in 1999. Along with a community foundation established in 1999 in Chaikovsky, a small town in Permsky Krai, they emerged as flagships and experimental spaces for local philanthropy development and were able to demonstrate that the community foundation model can respond effectively to local issues and develop relevant social initiatives. The development of private and corporate charitable foundations followed in the early 2000s, along with the emergence of state programs in support of certain NGO projects; these activities took place in regions where resources for such development were available.

Where financial and human resources are in place, there is a clear path to developing local philanthropy: Carry out a needs assessment, attract resources through donations from individuals and socially responsible businesses, and begin implementing a program. Essential to this process are people who can articulate topical issues and explain to the community why it is important to address those issues and how doing so will improve their quality of life. But what if such resources are scarce — or don't exist at all? What if the community is located in a remote territory, perhaps thousands of miles away from a major city or regional center? There, it might be considered strange to raise the topic of philanthropic development.

Many small towns and settlements in Russia were excluded from the changes brought about by perestroika. This was especially true for

Key Points

- Russia's "back country" — remote, nonindustrial areas that are home to almost 40 percent of the population — was largely excluded from the changes brought about by perestroika. People who live in these areas, where NGOs are almost never present, are often unaware of the resources available to address local issues. These regions require new development models that focus on fostering community engagement, and the community foundation model has proven to be the most useful and adaptable.
- This article is based on the results of research conducted by CAF Russia in 2016 on the development of community foundations in remote, rural communities and small towns in Russia. The goals of the research were to assess the current state of these foundations, analyze their activities, identify their characteristic features, and explore their role in community development as a unique phenomenon of local philanthropic activity in Russia. A number of case studies serve as examples.
- This research, carried out as a part of CAF Russia's Program for Development of Community Foundations and funded by the Global Fund for Community Foundations, found that the characteristic feature of Russian's small community foundations is that they often become an element of local self-governance, promoting cooperation between residents and local officials by bringing them together to discuss a community's needs and develop responses.

Many small towns and settlements in Russia were excluded from the changes brought about by perestroika. This was especially true for Russia's "back country" — largely nonindustrial rural areas that are home to almost 40 percent of the population.

Russia's "back country" — largely nonindustrial rural areas that are home to almost 40 percent of the population. NGO Resource Centres usually operate in major cities and focus their support on the development of NGOs, while paying little — if any — attention to community development. People who live in remote areas where NGOs are almost never present are often unaware of the resources available to address local issues or the opportunities to attract such resources. These areas require new development models that focus on fostering community engagement, and the community foundation model has proven to be the most useful and easy to adapt.

CAF Russia, a partner of the CAF Global Alliance, works to pioneer effective and sustainable ways of giving by supporting donors with a range of services, and works closely with NGOs to build capacity and fundraising capabilities. It started working in the field of local philanthropy development in remote territories as part of the Local Self-Government and Civic Engagement in Rural Russia project, supported by the World Bank. One of the key objectives of the project was to develop civic activism and engagement to help resolve local problems. At the outset, the project's objective seemed quite ambitious and CAF was not completely confident that it would be able to develop local philanthropy in such communities. Ultimately the project was successful in only one of the three regions, Permsky Krai with an initial implementation

from 2003-2005, but it also laid the foundation for development of rural community foundations in other regions of Russia.

More than half of the active community foundations in Russia are "rural funds," located in rural areas and remote, nonindustrial territories where there is little available funding and no large business presence. Significant advances over the past 10 years through the internet and other technologies have helped underdeveloped territories gain access to the common information space. Access to best practices and case studies accumulated by community foundations have stimulated development of the model and inspired local activists. Over the past few years, rural funds have seen the greatest development, and can be considered the main drivers of success for local philanthropy development in Russia.

The geographic spread of community foundations in small settlements is quite broad; they operate in 29 constituent entities of the Russian Federation that vary in socio-economic condition, financial opportunities, culture, and civil-society development. At present, there are 70 community foundations in Russia. (See Figure 1.) Nineteen of them are in regional industrial centers; another 51 (73 percent of the total) are in small towns (35) and rural areas (16). (See Figure 2.) The majority of small-town community foundations are located in Siberian Federal District, where 18 of the district's 24 community foundations are in small towns.

Rural community foundations work in settlements with populations ranging from 3,500 to 14,000. The community foundation most remote from Moscow is located in the Plastun Settlement, with a population of 4,500, in Permsky Krai. Founded in 2014 in the northwestern Karelia Republic, the Pryazha Settlement, which has a population of 3,500, is the smallest settlement with a community foundation.

The Role of Community Foundations in Remote Regions

Community foundations in rural areas and small industrial towns play a central role in the

FIGURE 1 Number of Community Foundations in Russia

FIGURE 2 Geography of Small Community Foundations

Local improvement is a priority for more than 80 percent of small community foundations in Russia. The foundations locate and obtain resources for restoration and renovation of municipal buildings such as libraries, museums, clubs, and sports arenas; clean parks and public gardens; and improvements to other public spaces.

development of local self-governance, attract and mobilize resources for the creation of community centers and other public spaces, and foster civic activism, new cultural traditions, and the revival of local artisanship. (See Figure 3.)

Local Self-Governance

Community foundations in remote territories far from Russia's regional centers work in close connection with local authorities. The emergence of a community foundation is often in response to municipal administrators who are seeking local partners to implement NGO-supported programs; these officials often lack the knowledge and experience to work effectively on social projects with other groups. Unlike the NGO model, community foundations are in a position to influence a range of community and regional development issues. As a rule, leaders of a community foundation are well-known and have earned a reputation that inspires trust among local people.

Community foundations also have the potential to attract funding from both local sources and regional and federal grantmakers; they are members of various regional and federal networks, which enables them to share information and

methods, and to access what new resources are available to local communities despite the current economic crisis. The wide range of foundation activities, their knowledge of fundraising methods, the ability to tap the undiscovered potential of local community members, and the opportunities these foundations have to attract additional external financial resources make the cooperation between foundations and local administrators mutually beneficial. In rural areas, the community foundation itself often becomes a participant in the functions of local self-governance. Community members unite to identify local issues and create a management infrastructure to address these issues and thereby improve the quality of life in the community; the community foundation provides the institutional structure to support these activities.

An example of this can be found in the locality of Maksimovka, located on the outskirts of Ufa, the capital city of the Bashkortostan Republic. Maksimovka is considered remote and abandoned, and has very poor infrastructure. The local community foundation conducted a street-by-street needs assessment that analyzed the availability and condition of buildings, roads, and pavement; recreational facilities and playgrounds; public lighting; the water supply; and other assets. The assessment found that the area lacked a kindergarten, a pharmacy, accessible public transport, and trash collection; the children's outpatient clinic was in terrible condition and local roads were in poor shape.

There are 10,000 residents in the Maksimovka area, the majority of whom are pensioners, and many people there were ready to work together on local improvements. Four local pensioners organized an initiative group, and local and regional authorities were notified that the group had been established to oversee the renovation of dilapidated infrastructure. Street committees were formed to energize local residents, and the committee chairs received training. Competitions were sponsored to encourage involvement in improvement efforts; local volunteers conducted regular campaigns to clean up the Maksimovskoye Lake waterfront and other areas.

FIGURE 3 Areas of Activity for Small Community Foundations (Percentage Participating)

The effort succeeded in uniting local residents to work on common problems. There are mechanisms to identify infrastructure needs, provide information about them to street committee chairs, and explore possible solutions. Pensioners are involved in these activities, which gives them a renewed sense of purpose and agency. The appearance of the residential area improved significantly: the waterline is clean, a recreation area was organized, a trash-collection system was implemented, and roads were repaired. Most notably, there is now an active community life that features celebrations, contests, performances, and other events. Relationships among neighbors improved with these additional opportunities to spend time together. The quality of life in Maksimovka improved significantly.

Public Spaces and Community Centers

Local improvement is a priority for more than 80 percent of small community foundations in Russia (Avrorina & Khodorova, 2017). The foundations locate and obtain resources for restoration and renovation of municipal buildings such as libraries, museums, clubs, and sports arenas; clean parks and public gardens; and improvements to other public spaces. The projects require the involvement of local

stakeholders, administrators, and business representatives; the community foundation is in a position to act as coordinator, initiator, and facilitator. But the role of community foundations is not limited to the renovation of infrastructure and other physical improvements. They also sponsor social projects that lead to further development of public spaces, and they organize important community events. The role of the foundation is to stimulate community life through local activities and to create an environment for the development of new initiatives.

Two case studies illustrate these functions:

- In the Plastun Settlement, a project was developed to renovate a sports facility and complete construction of a community center whose building was the central piece of architecture in the settlement, but had remained unfinished for several decades. The local community foundation attracted a significant partner to secure part of the funding, and raised the remaining funds.
- In the Pryazha Settlement of the Karelia Republic, a summer garden for the enjoyment of residents and to host local events was the first open space in the settlement

Community foundations are a substantial influence on the development of volunteering in their regions — because volunteers are their key resource, foundations actively seek to recruit and motivate them.

created by residents, who planted flowers and trees and supplied toys and books for children. The project fostered mechanisms for cooperative efforts within the community, involved residents in identifying shared values, and facilitated an act of self-governance within a small community. The foundation also organized an effort to build a skating rink that has become a center for community life, obtaining funding from settlement funds, local residents and entrepreneurs, and a subsidy from the republic.

Civic Responsibility

Community foundations are a substantial influence on the development of volunteering in their regions — because volunteers are their key resource, foundations actively seek to recruit and motivate them. Volunteer activities and public events are the most widespread formats for community foundation work, and almost 80 percent of small community foundations use them.

In the Chastinsky District of Permsky Krai, for example, an ecological program called Rural Eco-Controllers relied on the involvement of many volunteer youth. The controllers inspected four settlements in the district that were suffering acute environmental problems, including illegal timber extraction and unsanctioned waste disposal and wastewater discharge. As these inspections were being conducted, a group of district activists emerged that included young people and veterans. About 50 people took part in another ecological initiative, Clean Chastye, which cleaned up recreational areas on the banks

of Kama River. Unsanctioned waste disposal was eliminated, garbage was collected for recycling, and the district's oldest well was renovated.

Grant competitions are another approach to developing civic activism and dissemination of ideas generated through the project to the broader community. Despite small budgets, almost all small community foundations (90 percent) use grant competitions to support charitable projects and resident initiatives, usually one or two each year.

The “My Village” competition in Permsky Krai, for example, seeks to boost community involvement and overcome the lack of integration among self-governance bodies and residents in the territories of Perm CF Alliance (a formal alliance of CFs and other NGOs of the region that broadens the horizontal networking of organizations working in the field of support for socially oriented NGOs, development of civic activism and philanthropy). It has helped develop leadership and activism among rural residents and foster social change in rural areas. The competition, held among settlements, features such categories as best settlement in the district; most socially active village; friendliest village; most attractive village for tourists; and most sporting village; as well as a category for children: “the village of my dreams.” One of the key features of the competition is the display of community spirit — residents exhibiting concern for their village and a willingness to remain active citizens, working together (applicants are required to demonstrate community support by convening fellow residents or collecting their signatures). In short, the best village is defined more by the commitment of its residents than by the condition of its buildings and roads.

Reviving and Establishing Traditions: Creative Community Work

Faced with limited available resources, small community foundations use creative approaches to encourage social change. Involving the arts to raise funds, inspire local participation, and encourage tourism — by organizing performances, proposing new events, and restoring abandoned traditions — is a noteworthy

FIGURE 4 Case Study – Pryazha Karelians' crafts – 'Art village' project – North of Russia

example. Organizing new civic events is an important element in enriching community culture and has a long-lasting effect on regional development by forming an image and brand for external audiences and attracting the attention of business and local authorities.

A case study of this approach can be found in the Maima Settlement in the Altai Republic, a southern Siberian community of 11,000 people located almost 2,500 miles from Moscow. The Perspektiva Community Foundation sponsored a musical — *Two Stars* — that featured local teachers, doctors, administrators, and business owners. These community leaders volunteered their time, rehearsing at night for several weeks and challenging themselves in a new role — as performers in a fundraiser for the local community. Residents celebrated the show as the local event of the year. Most importantly, these fundraising performances brought together a range of social groups in the community and gave many people a chance to discover new talents — some of the local artists have been recognized at international competitions — while raising public awareness of charitable giving as a form of civic

engagement. Proceeds from ticket sales funded grants for youth social projects, which led to the creation of a youth bank to fund new ideas and projects — a new phenomenon in the community which places youth in decision making roles to decide about funding for new projects.

In Maima, local donors now regularly support social projects. By using creative approaches to mobilize resources and inspire community participation, the foundation demonstrated how the community's quality of life can be improved and how undiscovered community resources can be developed and put to socially beneficial use. Maima's experience soon spread to other districts of the republic and beyond. Similar productions are being presented at the State Theatre in Gorno-Altaysk, the capital of the Altai Republic, where there is great public interest in taking part in the performances — and thus in supporting charitable projects.

Another example of using creative community work to foster local development can be seen in the Pryazhinsky District of the Karelia Republic. The Art Village Project, begun in

June 2014, is aimed at the revival of traditional Karelian crafts as a way to attract tourists. More than 100 residents learned to make traditional gifts and souvenirs at workshops and courses in weaving; ceramics; knitting and needlework; spinning; natural dyeing; and cooking held in all the district's settlements. An artisan shop was opened in the district's Ethnic and Cultural Center, along with an online shopping site, to sell goods made by local residents. (See Figure 4.) The project has produced multiple benefits — creating a new income source for villagers, providing space for the demonstration of traditional crafts, and fostering an opportunity for the preservation and development of the local historic and cultural heritage.

Small Community Foundations: Organizational Development

The survey research by CAF Russia (Avrorina & Khodorova, 2017) also captured data on the organizational development of small community foundations: their sources of funding and other resources, how they are staffed and managed, their approach to designing and structuring initiatives, and the specific and sometimes unique needs of foundations serving Russia's remote rural areas:

- *Local resources:* Regional authorities are much less likely to support community foundations than are municipal authorities, community organizations, and local residents. In addition to their reliance on volunteer support from community members, CAF Russia found, 76 percent of community foundations get funding from businesses; 57 percent receive grants from NGOs and individual donations; 38 percent receive funding from regional or federal grantmaking programmes, and 19 percent receive government subsidies and grants (Avrorina & Khodorova, 2017).
- *Management structure:* Most community foundations in Russia's small towns and rural areas were established by small groups of people or individual activists. These foundations usually have one or two paid staff

members (e.g., director, accountant), who often work part time; most of the work is done by volunteers. The board of trustees of a small community foundation, where work is done in close cooperation with local authorities and businesses, plays a much more important role compared with those of foundations that operate in bigger cities. Almost 80 percent of small foundations have boards that include local officials, business representatives, and community members. An active board of trustees can act on behalf of the foundation, raise funds, and enhance the foundation's reputation in the community, but only half of the community foundations surveyed reported having boards that work actively.

- *Social activity mapping:* A new strategy launched by CAF Russia's Program for Development of Community Foundations, social activity mapping uses data obtained through a survey of local residents asked to evaluate the most urgent problems facing their community (e.g., public health, education, employment) and to describe how they might participate in solving them. It provides practical analysis of the social capital of a particular community, and identifies potential leaders and points of growth. The map provides the community with evidence that lays the foundation for transformation and a new resource that helps foster initiatives and build relations, as well as systems to manage them. The mapping method itself revealed that the act of seeking input from local residents motivates them to support problem-solving activities — creating a new community resource.
- *Foundation needs:* Improved management and strategic planning skills, as well as financial and legal literacy, are in demand among small community foundations, along with access to seminars and conferences that address organization and management.

Also important is training in project management skills, social-impact evaluation, new

fundraising techniques, and new skills to work with donors and communities.

Conclusion

By utilizing new methods for attracting resources, mobilizing community assets, and generating social change, community foundations in rural areas and small towns in Russia are encouraging volunteerism and community activism among residents with a range of interests and priorities. The development of the foundations themselves depends greatly on the availability of national and regional organizations that can be sources of consulting and infrastructure support.

By participating in grantmaking programs, community foundations not only attract new external resources, they also motivate residents of remote territories to take advantage of new opportunities for civic participation and creative cultural expression and commerce. Projects that support civic initiatives mobilize community resources that had gone unrecognized or unused, a function that is especially important for regions located far from central areas.

The characteristic feature of small community foundations is that they actually become an element of local self-governance, promoting cooperation between residents and local officials by bringing them together to discuss local needs and problems. In this way, community foundations themselves become an important resource for local development.

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Building Vietnamese Community Philanthropy: Understanding the Experiences and Expectations of Donors to the LIN Center for Community Development

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Keywords: Community philanthropy, Vietnam, nonprofit partnerships, community development, community-led development, building local capacity, philanthropy

Introduction

The LIN Center for Community Development (LIN) was established in Vietnam in 2009 to facilitate and support community philanthropy — the mobilization of local people and local resources to solve local problems. Specifically, LIN set out to provide support services that would help local nonprofit organizations, skilled volunteers, and donors to mobilize local resources and fulfill their potential as vehicles for sustainable development in Vietnam. By 2016, LIN formed partnerships with over 200 local nonprofit organizations, connected thousands of skilled professionals to pro bono service opportunities, and assisted hundreds of individual and institutional donors to identify or support investments.

To stay true to the foundation's cause, the founding members of LIN sought to attract and sustain local support for a significant proportion of its programs and operations. Because LIN's programs and services were unique among nonprofits and development organizations operating in Vietnam, the team recognized the need for proper research and evidence of impact if it hoped to attract local partners and supporters. For this reason, the license for LIN to operate in Vietnam included research as a core activity, in addition to training, grantmaking, consulting, and volunteer matching. The bulk of research produced by LIN during its first six years has focused on the needs and capacities of Vietnamese nonprofit organizations as well as their feedback on LIN's programs and services (LIN Center for Community Development, 2015, 2016). Although the team has

Key Points

- Vietnam's steady economic growth over the past two decades interacted with existing patterns of inequity, social exclusion, and geographic disparities to widen the gap between those who can and cannot obtain quality education, a stable income, and access to quality basic services. Meanwhile, after the World Bank classified Vietnam as a lower middle-income country in 2010, several international and bilateral donors announced plans to gradually decrease their development assistance.
- It was under these circumstances that Vietnam's first community foundation, the LIN Center for Community Development, was established in Ho Chi Minh City in 2009. Its mission is to build a stronger community by providing support services to local philanthropists, including nonprofits, donors, and skilled volunteers, to help local people address local challenges.
- This article shares the experience of the institutions, companies, and individuals that have contributed, directly or indirectly, to LIN's objectives. It looks at factors that led to donor decisions to invest in LIN or other local organizations; donor satisfaction and perceptions of the impact of LIN's work; benefits of and challenges inherent in partnering with local organizations; and the potential for future partnerships with local nonprofits. It aims to serve as a case study of the development of community philanthropy in a large urban center within a socialist market economy.

conducted or supported some research to understand the donor and volunteer communities in Vietnam (LIN, 2009; Nguyen & Doan, 2015), the team never formally requested feedback from its donors about their level of satisfaction with LIN's work, perception of its impact, or reasons for making a contribution to LIN.

Meanwhile, by the end of 2015, it became critical for the LIN team to explore opportunities for expanding and enhancing relationships with local donors. Over the previous two years, the value of foreign contributions to LIN increased significantly compared to the value of local contributions, even though the number of donations from Vietnamese people and companies exceeded the number of donations from foreign sources. The imbalance in the origin of LIN's revenues generated two concerns. First, the allocation of resources to meet foreign funder requirements — specifically, reporting requirements — could negatively impact LIN's ability to meet local priorities. If more time and resources were allocated to making foreign donors happy, it followed that fewer resources would be allocated to keeping local donors happy. Second, the requirement that the Vietnamese government approve all foreign contributions to nonprofit organizations operating in the country was consuming considerable resources and the waiting time to receive an official approval was steadily increasing — to as long as 12 months.¹ These delays presented a high-risk scenario for management, which is why the LIN team sought to study its existing donor relationships and the potential for increasing revenues from local sources.

In 2016, with financial support from the Global Fund for Community Foundations, LIN implemented a study of its donors' experiences with and perceptions of the organization: the reasons donors contributed, their level of satisfaction, and the challenges and unmet expectations

[T]he research was intended to serve as a case study on the relationships between one community philanthropy organization and the donors supporting its work to build local capacity, connect local resources, and promote trust in local nonprofit organizations.

encountered by donors to a local organization. One objective was to assess the potential and methods for increasing local support. Moreover, because LIN is an umbrella organization for hundreds of registered and unregistered civil-society organizations operating in southern Vietnam, the research was intended to serve as a case study on the relationships between one community philanthropy organization and the donors supporting its work to build local capacity, connect local resources, and promote trust in local nonprofit organizations.

Executive Summary

From August 2009 to March 2016, LIN sought to attract cash and in-kind resources to provide support services to local people and local organizations actively engaged in designing and implementing solutions to local problems. By 2016, LIN had received contributions from more than 560 unique donors, of whom two-thirds were Vietnamese. More than half of those contributions were valued at less than \$25, and roughly 85 percent of all donations made to LIN during this time were designated for its small-grants program, the Narrow the Gap Community Fund.²

¹Vietnam's Decree 93/2009/ND-CP on the Management and Use of Foreign Non-Governmental Aid states that an appraisal shall be completed within no more than 20 days following the receipt of a full and valid dossier. In LIN's experience, however, appraisals took much longer — in some cases, up to 18 months.

²The Narrow the Gap Community Fund pools contributions from multiple sources to allocate several small grants, three times a year, to local nonprofit organizations addressing issues deemed important to local people. Grant recipients are selected by local people through an evaluation process undertaken by volunteers. Once a year, the selection process includes an online and offline vote.

FIGURE 1 Pooling Local Funds to Support Locally Led Initiatives

To address the decline in production of traditional herbal medicines in Vietnam, especially in Long Xuyen, An Giang Province, the Herb Garden Group (Vườn Thuốc Nam) and the Mỹ Thạnh Southern Herbal Clinic received a grant in 2016 from LIN's Narrow the Gap Community Fund to build an herb garden and equipment for drying herbs. The project sought to ensure that low-income patients had access to herbal medicines and to build a conservation area to preserve and protect rare medicinal herbs.

FIGURE 2 Engaging Local Stakeholders in Program Design and Evaluation

The Huynh Tan Phat Foundation was one of 12 nonprofits to join LIN's 2016 Community Partnerships Initiative, which focused on building strategic-planning and leadership skills with pro bono support from local professionals. Through the initiative, the foundation learned how to conduct a better beneficiary survey, which helped it determine why fewer students were attending computer classes and how it could better meet the needs of the students it supports.

In April 2016, all current and past donors for whom LIN retained an email address were invited to respond to an online survey; 102 donors completed the survey by the April 22 deadline. Over the following three months, two team members conducted one-on-one interviews with 20 past donors and one major potential donor that had expressed interest in giving to LIN. Each respondent received a transcript of the interview for review and prior to finalization and analysis.

The research produced several noteworthy findings:

1. Donors saw LIN making an impact with nonprofit capacity building and, to a lesser extent, building connections with, and capacity for, local philanthropists. Nevertheless, donors said they would like to know more about the indirect impact of LIN's work — specifically, how support services to donors, nonprofits, and volunteers benefit marginalized communities.
2. Donors were drawn to LIN's mission or approach to development, but donor satisfaction and peer referrals were far more instrumental in attracting contributions and expanding LIN's support network.
3. While project funds were the most common resource contributed to LIN and other local nonprofits, donors appeared to be willing and able to provide other types of support, including leveraging their social capital and offering unrestricted funds, if they were made aware or convinced of the need and value. This finding was particularly notable because most civil-society organizations in Vietnam have assumed otherwise.
4. Donors indicated that investment in improved external communications would help LIN to increase contributions from existing donors and make it easier for those donors to explain the importance of

While LIN donors are regularly asked to provide feedback on events and activities in which they participate, the online survey and in-depth interviews conducted in 2016 represent LIN's first formal effort to request feedback from its donors about their reasons for giving and their perceptions of LIN's work.

community philanthropy to other donor prospects.

5. To enhance donor relations, LIN will need to invest in its own capacity to improve communications, impact reports, and donor stewardship — and identify donors that are willing to support this investment.

While LIN donors are regularly asked to provide feedback on events and activities in which they participate,³ the online survey and in-depth interviews conducted in 2016 represent LIN's first formal effort to request feedback from its donors about their reasons for giving and their perceptions of LIN's work.

Methodology and Demographics

In April 2016, an online survey was emailed to 562 past donors to the LIN Center for Community Development. The survey looked at factors that led to a donor's decision to support LIN and at perceptions of LIN's working style and results. Respondents were invited to complete the online survey anonymously, or if they wished to receive a copy of their responses and

³LIN has collected feedback from its nonprofit partner organizations every year since 2013, and its NPO partner survey reports from 2015 and 2016 are available online (LIN, 2015, 2016).

The selection of donors to interview was explicitly designed to best represent the variety of experiences and actual demographics of LIN's donors, with a focus on donors based in Vietnam.

a chance to win a voucher from a local restaurant, to provide an email address. In total, 102 donors (an 18 percent response rate) responded to the online survey by the April 22 deadline and 34 percent provided an email address. Given that the survey population included donors that contributed at least one time between 2009 and March 2016, numerous email addresses in LIN's database were no longer valid.

An initial request to donors was emailed on April 8 and, in an effort to increase the survey response rate, three reminder emails were sent — on April 18, April 21, and on the survey's deadline, April 22. For two reasons, no other channels were used to contact past donors. First, until 2015 the LIN team requested only a donor's name and email address for ongoing communication. Second, unique links to the online survey were sent to donors in batches, according to the value of their contribution. This made it possible to identify differences in responses based on contribution size, if any might exist, without having to ask the donor to recall the size of the donation. Given the constraints, and upon consultation with a survey expert, LIN targeted a 15 percent response rate and was therefore satisfied with the actual rate of 18 percent.

For the second phase of the study, the LIN team conducted in-depth interviews with 20 donors in Vietnam, all of whom donated to LIN at least once prior to the research, and conducted one additional interview with an interested major donor.⁴ The interviews sought answers to three questions: (1) Which factors led donors to invest in LIN or other local nonprofit organizations? (2) What were the benefits of and challenges and limitations involved in partnering with LIN or other local nonprofits? (3) How will donors continue to support LIN or other local nonprofit organizations?

The selection of donors to interview was explicitly designed to best represent the variety of experiences and actual demographics of LIN's donors, with a focus on donors based in Vietnam. The research team sought to interview donors who could provide constructive feedback — positive and negative — about LIN's work based on the depth of the donors' experience with nonprofit organizations operating in Vietnam. Interviews were conducted by one of two LIN representatives, in Vietnamese or in English. Most interviews were conducted in person, but one was conducted by telephone and two by Skype. Each interviewee received a soft copy of their interview transcripts via email, and was asked to verify the content prior to analysis.

Two-thirds of survey respondents (and 80 percent of interview respondents) were female and based in Vietnam. More than half contributed to LIN more than once; 42 percent reported being first-time donors. More than three quarters of survey and interview respondents were between the ages of 30 and 59. Thirty percent of donors completing the online survey contributed less than \$20 to LIN, and 12 percent contributed at least \$5,000. Forty-two percent of survey respondents reported working in the private sector; 40 percent reported working in

⁴In addition to a donor who wished to remain anonymous, the interviewees were or represented Intel Vietnam, Irish Aid — the Embassy of Ireland in Vietnam; the Justice Initiative Facilitation Fund; MM Software Business & IT Consulting, Dang Thi Ngoc Dung, Dang Thi Thanh Van, Do Quang Vu, Do Thi Bich Thuy, Ha Thi Thu Ngan, Lam Quynh Anh, Nguyen Thu Thuy, Nguyen Khanh Dung, Nguyen Thi Ngoc Lan, Ton Nu Thi Ninh, Truong Khoi, Vu Thi Quynh Giao, the Research Center for Management and Sustainable Development, SIT World Learning Vietnam, the Asia Foundation, and USAID Vietnam. Three of the donor institutions participating in this research provided more than one contact for the in-depth interview. As a result, LIN spoke directly with 25 individuals representing 21 unique donors. USAID Vietnam had never made a grant to LIN, but was interviewed for this research because of its stated interest in building community philanthropy in Vietnam.

either the local or international nonprofit sector. Nearly half of the interview respondents represented individual donors, while the remaining respondents represented a mix of international NGOs, local nonprofits, international aid agencies, and companies.

Report Findings

Connection to LIN

Donors were asked how they first came to know about LIN: 65 percent of survey respondents said they did so through at least one peer or donor recommendation. When asked whether they, or someone else, was responsible for making the decision to support LIN, 68 percent said they alone made the decision to contribute to LIN, 22 percent reported that at least one other person was involved in funding decisions, and 10 percent said someone else in their organization made the decision to donate to LIN.

In an optional, open-ended question, LIN asked survey respondents to summarize why they decided to donate to LIN. Two-thirds responded to this question, and the answers were sorted into categories. The most common explanation (58 percent) for supporting LIN was a belief in its mission or vision; others cited an interest in LIN's approach (25 percent), confidence in the capacity of its staff (24 percent), and trust in LIN as an organization (16 percent). Among the respondents' remarks: "LIN is doing very important work to support the development of Vietnam's nonprofit sector and [building a] culture of philanthropy"; "I was impressed with the work they are able to do with such little funding"; and "LIN is an ethical organization with a focused mission to make a positive change."

The survey asked respondents how often they engage with LIN or participate in its programs. The most popular form of engagement by donors was reading LIN emails. Other, less common forms of donor engagement were talking with LIN staff, attending events, volunteering, or accessing LIN's website or social media channels.

Younger donors volunteered with LIN and visited its Facebook page more often than did older

Despite the low number of donors who had contributed core funding to nonprofits in the past, the majority said they would be willing to contribute to operational costs.

donors; older donors read emails from LIN more frequently than did younger donors. Meanwhile, volunteers were more likely to attend LIN events, more frequently visited its Facebook page, and talked more often with LIN staff.

Resources Contributed

LIN asked interview respondents about the resources they contributed to local nonprofit organizations (NPOs). Nineteen of 21 respondents provided project funds and more than half contributed professional skills, such as advice or training, toward building organizational or staff capacity. Just over a third contributed personal or professional time to legal work, graphic and website design, management, and other professional services. Several institutional donors supported capacity building of grantees by engaging experts, conducting site visits, organizing peer-sharing events, or supporting reviews of existing or draft laws and policies affecting nonprofits.

Core Funding

LIN wanted to know how donors feel about contributing to operating costs: salaries, rent, utilities, equipment, and day-to-day expenses that are part of operating an effective nonprofit. In the follow-up interviews, donors were asked whether they had contributed or would be willing to donate to a nonprofit's operational costs. Only two had previously contributed core funding to LIN, and two others said they contributed core funding to at least one other nonprofit. Despite the low number of donors who had contributed core funding to nonprofits in the past, the

majority said they would be willing to contribute to operational costs. One respondent observed:

Our society still prioritizes donating directly to the disadvantaged; few have thought about contributing to a philanthropic organization to keep it running. We need a natural way of communication to raise awareness and create consensus for this legitimate need. It will be difficult to persuade the average person. ... Vietnamese people often think that we are the disadvantaged group and that foreign aid will help Vietnamese nonprofits and charitable organizations. This way of thinking is a hindrance to the progress of building a self-sufficient social system.

Among donors open to core funding, one third said the nonprofit organization would need to prove it is transparent, accountable, and effective. The required proof ranged from a demonstration of program impact to a detailed budget that outlined operational and program costs. One respondent remarked:

I believe that a charity has to have operation costs, but I want the costs to be clear. ... LIN should ask donors to contribute a percentage to overhead costs for contributions to any project. I don't mind that approach. ... It is just important that the NPO mentions — very clearly — what amount is going

towards operation costs and how much is going towards program costs. Or, another way to do this ..., LIN can say, "We need USD \$50,000 to operate LIN; who wants to donate?" I am happy to do that.

It is a positive sign that donors appear willing to invest in the operating costs of a nonprofit when given information about the purpose of those funds. Nevertheless, due to misinformation or insufficient communication between donors and nonprofit organizations there remains significant misunderstanding about operating costs. During interviews, the LIN team was able to explain the purpose of unrestricted funds and how contributions towards LIN's infrastructure allow for better research, planning, communications, and reporting.

Social Capital

In the context of LIN's work, social capital refers to the building up of local contacts and networks of people and organizations able to help an organization achieve its goal. Many nonprofits are at a disadvantage when it comes to building their social networks; they may be inexperienced at networking or building coalitions, or they may lack opportunities to connect with different communities or socioeconomic groups. For this reason, LIN organizes a variety of networking and

Matching Funds Helped LIN Build Social Capital

- In 2014, a Hong Kong-based donor interested in learning about local nonprofits committed to triple all funds donated locally to LIN's Narrow the Gap Community Fund. This matching commitment helped LIN raise funds while exposing the donor to 30 local nonprofits.
- The Global Fund for Community Foundations gave LIN its first matching grant in 2012. Although the cash contributions raised locally did not reach the original goal, the value and number of in-kind contributions exceeded expectations and helped reduce program costs while increasing the number of new supporters to LIN. The donor's response was that in-kind contributions are just as valuable as cash contributions and, together, LIN exceeded the target number of value of local contributions.
- As part of a grant to LIN in 2014, Irish Aid — the Embassy of Ireland in Vietnam contributed matching funds for the Narrow the Gap fund. It was mutually agreed that it would be better to cap the amount Irish Aid contributes to ensure that LIN continues to sustain and attract new sources of local support for the fund. It was also a conscious effort by LIN to avoid becoming too dependent on one donor.

matchmaking events as well as awareness-raising campaigns, which are designed to help its nonprofit partners build their social capital. In the online survey, 65 percent of donors said they came to know about LIN by way of a peer or donor introduction. And most interview respondents said a key reason for their contribution was that a friend or peer recommended LIN. This result is one tangible indication of the value of social capital for LIN and local nonprofits.

During one-on-one interviews, donors were asked if they leverage their contacts to support local nonprofits to, for example, attract funds, recruit volunteers, connect with strategic partners, or identify appropriate government contacts. More than half of donors interviewed said they helped build social capital for LIN or another nonprofit. Many said they bring friends to events, encourage friends to attend events, share LIN's online campaigns, and encourage friends to engage. However, while a handful of donors said they help nonprofits to build social capital intentionally — to attract other donors or volunteers, others said they did it unconsciously or only when asked to do so. One donor replied:

Normally, when I bring up NPOs, it is in the context of networking, talking with friends. I would introduce the topic, as it is a hobby of mine, something that I like to do in my free time. It is not a conscious decision on my part to spread the word [on behalf of that NPO].

A couple of donors said they contributed funds toward projects or activities that were designed to build social capital. Several institutional donors said they host annual meetings of grantees, often with other stakeholders, with one of the objectives being to help nonprofits build social capital.

LIN Donor Satisfaction

Eighty-eight percent of donors surveyed were satisfied with LIN. Just two donors expressed dissatisfaction, and 10 percent were neutral. (See

More than half of donors interviewed said they helped build social capital for LIN or another nonprofit.

Figure 3.) Meanwhile, LIN's Net Promoter Score (NPS) — a metric used by organizations to assess customer loyalty — was 67 (scores of 50 or higher are considered excellent).⁵ The NPS was derived from answers to the question, "How likely are you to recommend LIN to a friend or peer?"⁶ (See Figure 4.)

Responses to satisfaction and NPS questions were compared by gender, age, location, number of contributions, and language used to respond to the online survey. Two correlations were revealed: Donors contributing more frequently to LIN were more likely to recommend LIN (correlation coefficient = 0.225), and older donors reported higher satisfaction.

Survey respondents evaluated LIN on nine aspects relating to its actions and communications. Average scores ranged from 4.3 to 4.7 on a scale of one to five (with five as the highest score). During face-to-face interviews, LIN asked donors to describe factors that went into their decision to support LIN. Two most commonly cited were a shared belief in LIN's approach and trust in LIN or its team. More than half of interviewees said they contributed to LIN because they liked its vision, mission, or services. A representative response:

"LIN has a clear philosophy and principle of building local capacity. ... You seem to have established effective, positive working relationships with local counterparts of different kinds. ... This idea of empowering, trying to build capacity, is what is needed."

⁵NPS is calculated by subtracting the combined percentage of scores of 9 and 10 from the combined percentage of scores of 6 and below (scores of 7 and 8 are not counted). NPS scores range from -100 to 100. The score is used to measure overall satisfaction with an organization's product or service and/or loyalty to the organization (Reisenwitz, 2017).

⁶Possible responses ranged from zero – "not at all likely to recommend" to 10 – "definitely would recommend."

FIGURE 3 Satisfaction With LIN Team **FIGURE 4** Net Promoter Score Question Results

Half of the interview respondents mentioned trust as another key reason for donating. LIN earned trust through a referral from a friend or colleague; a relationship with a LIN team member; or a direct, personal experience working with LIN as a volunteer, advisor, or event participant. One respondent reported:

I heard about LIN for a few years, but I got the opportunity to really learn about LIN when I worked on a project to strengthen civil-society organizations [CSOs] in Vietnam. ... I started to study about CSOs in Vietnam that were involved in supporting community-based organizations in fundraising, and CSOs involved in community fundraising. Also, I talked with other CSOs and they referred to LIN as an organization I could trust.

Importance and Impact of LIN Services

Survey and interview respondents identified nonprofit capacity building as the most important and impactful among LIN's seven core services.⁷ During follow-up interviews, donors indicated whether and to what extent LIN made an impact on 10 stated objectives. Aligned with

results from the online survey, most interviewed donors recognized that LIN is successfully building nonprofit capacity. Several said they received favorable reports directly from local nonprofits. Donors who felt LIN's impact was moderate or small said more could be done to build nonprofit capacity (e.g., more coaching or mentoring).

Donors participating in this study perceived LIN to be improving relations and building connections between nonprofits and philanthropists in Vietnam, citing firsthand experience or feedback from other nonprofits. One institutional donor said LIN played a key role in improving the culture and practices of giving and volunteering in Vietnam. While the LIN team believes that its work helps to advance the field of philanthropy in Vietnam, it has not yet conceived of an approach to measuring the direct impact of its programs and services on donor and volunteer behaviors. Another respondent said that while the relationship between philanthropists and donors is improving, she doubts whether the two groups would continue to work together effectively

⁷All of LIN's core services were rated "important"; mean scores were 2.5 to 3.2 on a scale from zero ("not important") to four ("extremely important"). Nonprofit capacity building, however, was rated notably higher than LIN's other core services: small grants, pro bono volunteer matching, directory of nonprofits, donor advisory services, networking, and donor education.

without LIN's support. Comments on the sustainability of its approach forced deep reflection by the LIN team and merit further research.

Donors also recognized that LIN builds community assets, trust, and resources, though some believe that its reach is limited and its impacts may be short-lived. Interestingly, a couple of donors said it appeared to them that LIN receives little local support — although most LIN donors are, in fact, of local origin. Many donors suggested that improved marketing and communication could increase local support. Dang Thi Thanh Van, a respondent who is both a skilled volunteer and a donor to LIN, said she believed that its impact on volunteers is important and underreported:

I met many people who started out volunteering with LIN and then moved on to support another nonprofit or do something on their own. After volunteering with LIN, they had a clearer idea about what is effective giving versus short-term giving.

When it came to advocacy, raising awareness about community philanthropy, and improving policies, many donors felt LIN could be doing more. Some donors saw LIN's network as limited in terms of numbers and reach; others suggested it produce more or improved reports, case studies, or articles.

By supporting nonprofits, donors, and volunteers, LIN seeks to make a positive impact on the marginalized communities they support. Donors, however, found it difficult to observe this indirect effect on marginalized communities. Some suggested ways to better approach this support, such as conducting outreach activities to vulnerable communities.

Donor feedback on LIN's services and impact aligns with prevailing concerns of LIN staff. Although the organization's mission emphasizes building capacity and engagement among local nonprofits, donors, and volunteers, insufficient resources and capacity limit the team's ability to support the latter two. And, since 2009, most funding to LIN has been restricted to nonprofit capacity-building activities. The team cited two

Donor feedback on LIN's services and impact aligns with prevailing concerns of LIN staff. Although the organization's mission emphasizes building capacity and engagement among local nonprofits, donors, and volunteers, insufficient resources and capacity limit the team's ability to support the latter two.

key reasons for this situation: it was easier to find donors willing to support nonprofit capacity building, and LIN did not allocate sufficient unrestricted resources toward research and communications activities that might have helped to build a stronger case and community of support for its proposed donor and volunteer services.

Unmet Expectations

LIN asked interview respondents about unmet expectations and suggestions for improvement. The most common response involved more or improved communications.

In one case, a donor reported a confusing appeal for support and collaboration:

[W]ho is the person who connects with the companies to raise funds for LIN? I am not sure if this person is really good. When you shared different opportunities for collaboration, it was neither relevant nor close to [our company's] priorities. What I think the fundraising manager should do is to meet offline and share one another's plans. That way, the nonprofit and company can stay in close touch to identify future opportunities for a "win-win" collaboration.

While is it always more difficult to measure indirect impact than direct impact, the bigger challenge is whether LIN can do it in an environment where nonprofits are limited to activities that are within an approved scope. LIN's current strategy is to build the capacity of local nonprofits so they can better measure and report publicly on the impact of their own programs.

The interviewer in this case was able to clarify that LIN never had a fundraising manager, let alone a fundraising officer, due to insufficient general operating support. At the same time, this feedback helped LIN recognize that reliance on pro bono volunteers affects its ability to build productive relationships with donors and donor prospects.

In another case, the donor posed this comment as a question during the interview:

Normally, when a donor organizes a capacity-building program or sharing session it is both the right and responsibility of grantees to participate, because we pay for staff [salaries]. I remember when LIN was asked to attend training; we negotiated a reimbursement for that staff to attend the training. No [other grantee] ever asked us to pay for his or her staff's time and expenses to attend one of our trainings.

LIN had the opportunity to explain that the team struggled with the donor's budget template, particularly in estimating the cost of staff time. LIN calculated the number of staff hours required for the project and calculated the hourly rate for each staff member, based on salaries.

During and after project implementation, the donor "invited" a member of LIN's management team to attend or present at meetings with other stakeholders, which took place outside of Ho Chi Minh City. LIN's participation in these events was not anticipated and therefore unaccounted for in the project budget for staff time and travel expenses. This was why LIN asked the donor to cover the costs for staff to participate and why the team was surprised when the donor expressed disappointment with LIN for making this request. The interviewer then asked, "How else could LIN cover these expenses?"

Donors also advised LIN to share more information about its work and that of local nonprofits, as well as on the impact of LIN and nonprofits on marginalized communities. By publishing more stories, case studies, and lessons learned, LIN might help people think more deeply about these issues and further their understanding of the role and importance of community philanthropy and volunteerism.

Donors also expressed an interest in seeing evidence or examples of how LIN's work, specifically its nonprofit capacity-building activities, helps local people and marginalized groups to improve their lives. While donors understood this to be LIN's goal, they said they could not be sure that it had been achieved. One respondent advised:

LIN has to show people how their donations help the communities. There were reports, but they didn't catch the donors' attention. These reports need to be improved or more frequent so people can see that the contribution of an intermediary, like LIN, can make a positive indirect impact on the community.

The LIN team is exploring ways to measure indirect impacts, specifically the benefit to local people and communities who receive support from nonprofits, donors, and volunteers. While is it always more difficult to measure indirect impact than direct impact, the bigger challenge is whether LIN can do it in an environment where nonprofits are limited to activities that are within an approved scope. LIN's current strategy is to build the capacity of local nonprofits so they can

better measure and report publicly on the impact of their own programs.

Donors suggested other areas for improvement as well: offering donors more ways to get involved and give to LIN (e.g., online), strengthening financial reporting, enhancing the grantee selection process, engaging in policy advocacy, collaborating more with government and companies, and conducting additional research on community needs.

Donor Intentions and Challenges

Interview respondents were asked to share future giving priorities and perceived challenges. In terms of approaches to giving, suggestions ranged from detailed strategies for sustainable community development to allowing donors to specify the cause or nonprofit they plan to support. Encouragingly, over half the respondents listed priorities that resonate deeply with community philanthropy, such as investing in local capacity to solve local problems and supporting an ecosystem for local philanthropists to give effectively. These respondents mentioned the need to move beyond traditional philanthropy, a desire to improve communications by nonprofits with philanthropists and government, and the need to form strategic partnerships to achieve greater impact.

Donors were asked if they would continue to support local nonprofits and whether there is a difference in how they support them as compared with international nonprofits. The nonprofit, institutional donors had a clear intention to focus more, if not entirely, on locally led initiatives. For other donors, preference for local versus foreign nonprofits depended on cause alignment or the donors' impression of need and/or the quality of the proposed solution. Many interview respondents said that despite challenges and reservations involved with partnering with local nonprofits, they would continue supporting LIN or one of its programs.

When asked about challenges donors face when giving, various frustrations were shared: limited space for civil society to operate or innovate in Vietnam, a lack of infrastructure (e.g.,

When asked about challenges donors face when giving, various frustrations were shared: limited space for civil society to operate or innovate in Vietnam, a lack of infrastructure (e.g., crowdsourcing) for giving in Vietnam, confusion about scalability and measuring impact.

crowdsourcing) for giving in Vietnam, confusion about scalability and measuring impact. One respondent observed:

We don't yet have — or we have very few — mechanisms that are known to people and trusted by people to invest in, especially a mechanism to make a monthly (or regular) donation. I used to think about this. ... But we need a trusted mechanism and an organization that will do what it says it will do with the funds.

Another said:

[Our organization] is challenged by whether or not there is a need for our partners to scale up their programs. Should they strive to be able to offer their programs nationally or should they focus on creating a solution that is truly local, which cannot be replicated elsewhere? We, like our partners, are also challenged by the requirement to demonstrate impact. We are supposed to aggregate results from different partners working in different ways, which can be very difficult. But we all recognize the need and we all want to be accountable for the money that we spend in Vietnam.

Conclusion

Despite a long history of philanthropy in Vietnam, historical examples of community members coming together to address local needs, and well-known proverbs touting philanthropy,

such as “the healthy leaf covers the torn,” many people questioned the willingness and capacity of Vietnamese people and institutions to contribute to civil-society initiatives. Nevertheless, this donor research reveals a willingness to support locally led development and ideas for growing that support.

One key finding from this research was the significance of social capital in attracting local resources. LIN’s experience proves that it is possible to gain the trust of a prospective donor through referrals, which suggests the importance of networking, communications, and donor stewardship. Although LIN had limited resources to allocate to these activities, the approaches it did employ — a contact database, monthly e-newsletter, annual report, well-networked board, and customer service-oriented team — proved sufficient in the early years.

Another key finding was that donors appear willing to leverage their own social capital and contribute unrestricted funds, provided they are first asked and then convinced of the need or the value. If LIN continued to trust the widespread belief that Vietnamese donors would not support infrastructure costs, it would not have tried to organize a November 2016 fundraiser — which collected more than \$17,000 toward its 2017 operating costs.

To act on donor suggestions and ideas for improvement, the LIN team understands that it will need to adjust its business model, investing more resources in its own capacity as it simultaneously works to build the capacity of other local nonprofits, donors, and volunteers. LIN’s most recent strategic plan features several new objectives involving strengthening the team’s ability to communicate effectively with key stakeholders and share stories about the direct and indirect impact of LIN’s work.

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#ShiftThePower: Community Giving as a Critical Consciousness-Raising Tool

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Keywords: #ShiftThePower, collective giving, community philanthropy tool

Introduction

Asymmetrical power relations in international aid and development efforts,¹ which favor the funder and cast the recipient as supplicant, are facing renewed challenges. Foundations, defined in this article as grantmaking institutions of all types, are being called upon to advocate for adjustments that allow people to decide what is best for themselves. The Global Summit on Community Philanthropy, convened by the Global Fund for Community Foundations (GFCF) in December 2016, used the banner “#ShiftThePower” to catalyze a discussion on what community-led development — based on community priorities, leadership, and ownership — can contribute to shifting power away from funders and toward communities (Hodgson & Knight, 2016).

This appeal comes at a critical moment globally where, alongside a growing narrative on the failure of aid and civil society, there are new conversations about “disruptions” — restrictions and policies that frustrate development efforts (Disrupt & Innovate, 2017). These dialogues signal the possibility that we are poised to usher in a new era in thinking and practice about aid and development. Yet history warns us to temper our optimism. The community-led orientation toward development and aligned trends in philanthropy have surfaced and resurfaced for decades, under various guises and with various intensities (Howarth et al., 2003, Knight, 2017). Yet they have consistently failed to transform the conventional top-down, outside-in paradigm of official development assistance (Keidan, 2016).

Key Points

- This article proposes that foundations committed to community-led development must be prepared to invest in efforts that empower the community. In particular, there is potential for funders willing to challenge the top-down nature of the current aid and development system through use of critical consciousness-raising to claim a transformative role in shifting from a “recipient” to a “citizen” approach to community development.
- For foundations to assist communities in criticizing this power imbalance and using the insights that result to challenge the system requires the “three-legged stool” of community philanthropy — strengthening capacities, developing assets, and building trust — to become a “chair” by adding a fourth leg — growing community power.
- This article explores community giving, a norm in communalist societies, as a viable entry point for helping communities explore and understand their own experiences, and presents a tool that calculates the financial value of a community’s contribution to its own development, defining it as equity that can be brought to the development table.

Proponents of community-led development argue that funder priorities have historically taken precedence over sustainable development. Claude Ake (1988), an African academic writing on “sustaining development on the indigenous” (p. 1) more than 30 years ago, argued that for change to endure, development efforts must build upon what people do organically: their

¹The “international aid” system refers to official development assistance by bilateral and multilateral organizations. “Development efforts” involve a broader set of actors and include contributions from civil society, philanthropy, the private sector, and the governments of recipient countries.

Behind the suggestion that foundations invest in community power and use the phenomenon of community giving as the starting point for critical consciousness-raising is the intention that foundations take on a leadership role in assisting communities in criticizing the power imbalance found within aid and development systems, and then in using these insights to challenge the system.

priorities, assets, leadership, knowledge, relationships, and their ways of working. In other words, they must embrace systems and structures that have been tried, tested, and trusted. Today, Jenny Hodgson and Barry Knight (2016), thought leaders in community philanthropy, speak of “durable development” (p. 33) — a paradigm grounded in the principle that people should determine and control their own destinies and in practices that support the agency of local people and their institutions. Common to both approaches is an agreement that power should be close to the ground.

If foundations are committed to effective development and are responsive to the request to “shift the power,” their task is to pursue concrete actions that will fulfill those commitments. Good intentions, while laudable, will lead to where community-led development has been before: in and out of style, but never resetting the course. While “#ShiftThePower” may be a fashionable mantra in certain development circles, there is still no strategy for this end game. This

article proposes this strategy: that foundations invest in community power.

This article — a reflection on what philanthropy can contribute to recalibrating the power dynamic in aid and development — explores what popular education theory and, in particular, Paolo Freire’s (1983) notion of critical consciousness-raising can offer foundations seeking to take a leadership role in growing the power of communities. Critical consciousness involves a deep understanding of a community’s experiences and subjugation and of its potential for transformation. Guided by appreciative inquiry — assigning value to community strengths and sites of power — this article explores collective giving, a norm in communalist societies, as a viable entry point for arousing critical consciousness. It then describes a tool, developed in South Africa, that measures and imputes a financial value to a community’s contribution to its own development, defining it as equity that can be brought to the development table.

Investing in Community Power: A “Simple” Framework for a Complex Challenge

Behind the suggestion that foundations invest in community power and use the phenomenon of community giving as the starting point for critical consciousness-raising is the intention that foundations take on a leadership role in assisting communities in criticizing the power imbalance found within aid and development systems, and then in using these insights to challenge the system. This could involve facilitating group explorations of personal experiences of violation and/or empowerment, which can lead to a critical understanding of the root causes of oppression and result in solidarity and a shared political commitment to change the status quo: to dismantle what exists and come up with an alternative architecture.

To “dismantle” implies the ultimate replacement of what is inherently flawed, rather than merely tweaking a current system to position communities more favorably within it. However, it will take time to shift the culture of

aid and development in ways that affect underlying strategies and processes entrenched for decades in systems, structures, and mindsets. #ShiftThePower is not an overnight fix: It calls for a long-term vision as well as an iterative, building-block approach — and a good dose of modesty as well. Community philanthropy is a relatively small and emergent field, still on the margins of the space where the heavy hitters in development — bilateral, multilateral, and international NGOs — are operating. This condition, however, is not necessarily a liability. Foundations have the strength that comes from personal relationships, based on trust, with communities and networks of communities around the globe. And these relationships position them, probably better than any other actor, to do the deep and reflective work of critical consciousness-raising.

Supporting communities in resisting the ineffective aid system to which they are accustomed is a way for foundations to confront the irony that community-led development often operates with a “top down” approach. Currently, such mobilization appears to be coming from international and national NGOs exemplified by the GFCF and the Movement for Community Led Development,² a community of practice seeking to elevate discourse related to policies and practices. Beyond this, however, foundations can support communities in claiming power by leveraging two strengths — their credibility and their reach. For foundations, community-led development is not a fad — it is at the center of community philanthropy (Bernholtz, Fulton, & Kasper, 2005). This has equipped them with practical tools as well as experience in such approaches as participatory grantmaking and inclusive governance structures. In addition, both foundations and communities are capable of “blending” vertical and horizontal philanthropy — how funders mobilise and use resources and practices favored by communities (Wilkinson-Maposa, 2009a, Mawiyoo & Ngule, 2016).

The wide reach of foundations in supporting community-led development stems from the fact

The wide reach of foundations in supporting community-led development stems from the fact that community philanthropy is globally the fastest-growing institutional form of giving. More than 1,680 foundations practice this form of philanthropy — most located in North America and Europe, with the remainder scattered across Latin America, the Caribbean, Asia, and Africa.

that community philanthropy is globally the fastest-growing institutional form of giving. More than 1,680 foundations practice this form of philanthropy — most located in North America and Europe, with the remainder scattered across Latin America, the Caribbean, Asia, and Africa (Worldwide Initiative for Grantmaker Support, 2010). Foundations have access to a vast network of communities, among them those hardest to reach. They can also tap into national and regional networks and alliances to build political clout: steps taken to grow community power at the local level can feed into state-level efforts, which can then cascade into national, regional, and ultimately global work.

From a Three-Legged Stool to a Chair: Expanding the Community Philanthropy Paradigm

The community philanthropy paradigm described by Hodgson & Knight as a “three-legged stool” (2016, p. 31) balances on three interconnected interventions:

²See <https://communityleddev.org>.

Just as Freire has faith in the student's ability to see beyond personal success or self-interest and in the teacher's ability to see education as a way to make historical progress — one epoch marking an advance on the preceding one — community philanthropy has to be grounded in the belief that community has the ability to see beyond the narrow prospects of “receiving money” to realize the role it can play in demonstrating the inefficiency of the aid and development system.

1. strengthening capacities, including relationships, knowledge, infrastructure, and leaders;
2. developing assets, financial and otherwise; and
3. building trust so that communities unite and act together.

The stool becomes a chair, however, with the addition of a fourth leg: investing in community power. The essence of this is the idea that foundations with the political will to challenge power asymmetries can enable communities to claim their power by investing in relevant capacities that allow them to do so — including

the development of a critical consciousness as a transformative force.

Against this backdrop, attention can turn to a more detailed consideration of what popular education and Freire's theory of critical consciousness can offer philanthropy in taking this leadership proposition forward. It sets the stage for suggesting that community giving is a potential entry point for consciousness-raising, before offering up a tool that measures and imputes a financial value to this social norm for an estimate of the equity that a community brings to the development table.

Critical Consciousness-Raising as a Transformative Leadership Strategy

Popular education — an approach to education in which people engage with each other and the educator as co-learners to consider the issues that affect their community so they can act on them, is not new. Indeed, *Pedagogy of the Oppressed*, Freire's (1983) book on popular education theory, continues to inspire more than 30 years after its publication. Rather than a proposal for a learner-centered model of problem solving, it is an argument for active learning as a radical act with the potential to transform the scaffolding of oppression (Halves, 2015). According to Freire, popular education is a vehicle for “the downtrodden” to develop a “critical consciousness” — a shift in mindset that allows them to question their own behavior as “prescribed” by “the oppressor” (p. 19). In other words, communities can begin to see themselves in a different way — through their own story and experience rather than through an external lens. The theory is that if individuals, communities, and community organizations³ are empowered through an appreciation of what they can do with what they have in order to advance their own aspirations and vision, a reversal occurs: from an internalized sense of disempowerment to a predisposition to claim power. Only the oppressed — those misused and taken advantage of, Freire maintains — can liberate themselves.

³The definition of “community organization” embraces a diversity of grassroots community structures that include registered community-based organizations; associations, societies, and clubs; and projects or activities. “Members” of these organizations include staff, board members, volunteers, and interns.

Freedom, he argues, begins with realizing you are the “host” of the oppressor (p. 33).

Just as Freire has faith in the student’s ability to see beyond personal success or self-interest and in the teacher’s ability to see education as a way to make historical progress — one epoch marking an advance on the preceding one (Halves, 2015) — community philanthropy has to be grounded in the belief that community has the ability to see beyond the narrow prospects of “receiving money” to realize the role it can play in demonstrating the inefficiency of the aid and development system. This framing raises the bar, asking foundations engaged in community philanthropy to interrupt a system that is fundamentally flawed. Freire argues that the best hope for breaking a cycle and changing history is a critical understanding of the systems in which we operate. This requires looking beyond what is no longer tolerable and toward a better order that has yet to be built. The task for philanthropy, Freire would argue, is to be a leader — to work with communities to find ways of creating awareness, encouraging reflection, and supporting the community’s ability to act on that new consciousness.

Suggesting that philanthropy can elicit community self-awareness is not to patronize community. Rather, it recognizes that the internalized notion of community as the inferior in the development partnership positions it as a “client” — a recipient of services — rather than a body of citizens with the assets and ability to make decisions and act as an agent of its own change (Mathie & Cunningham, 2008). Responsible leadership must recognize that change is not achieved spontaneously — a lesson demonstrated in the 1980s by the focus in international development on participation and decentralization. It was presumed that despite years of community exclusion from centralized development planning and implementation, communities had the necessary preparation to participate in government planning and budgeting at the local level. This lesson — not to assume readiness — is important. It can’t be predicted with confidence when communities and community organizations will be prepared to challenge a system, however unfair and ineffective, within which they have become

Producing data on community equity — a calculation of the value individuals and community organizations add to the development process — is a way to enhance an understanding among community members, foundation staff, and their constituencies of the norms and features of collective giving that play out in a specific location and context.

accustomed to working. This brings to mind the adage, “better the devil you know than the devil you don’t”: The status quo, however failed, can be seen as a safer bet than taking a chance on the unknown.

Collective Giving as an Entry Point for Philanthropic Leadership

Collective giving is a strategic entry point that philanthropy can leverage in helping communities question their ascribed role in aid and development. For the purpose of this article, collective giving refers to noncoercive, “collectivistic” giving that groups “initiate, inspire, and oversee” and in which individuals participate through group ties (Eckstein, 2001, p. 829). Such giving enables people to address community problems and aspirations through community structures.

Producing data on community equity — a calculation of the value individuals and community organizations add to the development process — is a way to enhance an understanding among community members, foundation staff, and their constituencies of the norms and features of

collective giving that play out in a specific location and context. These data can be used to more accurately measure and describe a contribution to a community — a familiar question found in grant applications in the United States and elsewhere; to put the resources mobilized by funders into perspective, in particular if levels of “sacrifice” made by the poor are factored in; and to fill an information gap. Financial figures are typically presented to quantify government spending, corporate social investment, and other forms of development assistance, but not to demonstrate a community’s contribution to the effort.

Detailing and valuing community giving, as demonstrated by a case study for this article, can also build community confidence that awakens it to its own worth and lead to the dismantling of existing architectures and their replacement with a new system, partnership regime, and power dynamic.

The tool for measuring community giving is informed by an asset-based community development (ABCD)⁴ approach, which highlights a community’s assets and resources—including agency (Mathie, Cameron, & Gibson, 2017). It also applies the concept of horizontal philanthropy, which supports self-help through the mobilization of resources by and for a community, as distinct from verticality, or resources mobilised by one community for the use of another (Wilkinson-Maposa, Fowler, Oliver-Evans, & Mulenga, 2005).

Measuring and Valuing Collective Giving: A Five-Step Process

The tool detailed here emerged as a response to concerns that communities enter into grantmaking relationships as “beggars,” lacking a full appreciation of their own considerable efforts toward development. Community organizations developed skills in filling grant applications and identifying what they need and did not

have, but were not being asked to detail, in any systematic and evidence-based way, their own contributions to their development (Wilkinson-Maposa, 2009b).

The tool was developed with funding from the Ford Foundation and using social action research, and tested by 10 community-based organizations (CBOs). Its design was a collaborative effort by a researcher from the University of Cape Town’s Graduate School of Business, University of Cape Town⁵; the Ikhala Trust,⁶ a community grantmaker in South Africa’s Eastern Cape Province; and one of the trust’s development partners, the Janensville⁷ Development Forum (JDF), an umbrella body of CBOs. It is particularly relevant for foundations working with grassroots organizations and in communities where collaborative ways of working are the culturally embedded norm. It can be used across any sector, is suited to rural or urban locations, and is uniquely designed to be used in contexts where an economy operates on both official and nonformal levels — a feature widespread in the Global South. It is useful for single organizations as well as networks or similar groupings of community organizations.

Use of the tool involves five steps.

Step 1: Community Consultation

The initial task is to identify why it is useful to measure and give a financial value to community giving: How does the community help itself? Who helps the organization, and how? What kinds of help should be measured? What are the benefits of knowing this?

Next, practicalities and logistics are sorted out: Will the tool be self-administered or facilitated? Will the assessment happen in real time — collecting data from the outset — or in retrospect? What will be the period of assessment: a matter of months, or a year? Who will lead the process

⁴ABCD, an acronym coined by Kretzmann and McKnight (1993), is used to draw attention to how communities self-organize and use local skills and capacities through formal and informal associations.

⁵See www.gsb.uct.ac.za.

⁶See www.ikhala.org.za and www.abcd.org.za.

⁷JDF is no longer in existence.

and provide the information? Finally, templates must be customised and a pilot test conducted.

Step 2: A Community Profile

The next task is to have the community organization describe itself by creating a profile, a project that can be facilitated by considering seven questions:

- What funding comes into the organization, and where does it come from? Membership fees? Grants? Donations?
- What skills, experience, and knowledge are available to the organization — planning, bookkeeping, organizing, recording and minutes-taking, guidance, fundraising? Where do these come from? Who provides them?
- What people — employees and volunteers — are available to the organization? What do they do? Who manages it — executives, a governing board?
- What access does the organization have to infrastructure and equipment — buildings, equipment, vehicles? Are they owned (e.g., a computer)? Are there access rights (i.e., to land), or permissions, such as the loan of a venue?
- How important are assets — money, people, physical objects — to the organization's work, and why? Is any one of them more important than the others?
- Does the organization work alone or with others? Can it create a picture or map that illustrates the organization's relationships with and links to others?
- What has the organization accomplished? What difference has it made? What is the most important change it has contributed to the community? What do others in the

community have to say about the organization and its work?

Step 3: A Record of Community Contributions

Members of the organization — staff, board members, volunteers, interns — should discuss and record what and how much they receive from the community over a set period of time in order to take stock of the total resources the organization is able to access from within the community. These resources might include:

- unpaid labor — time donated by volunteers toward management, governance, and meetings, as well as hours spent delivering products or services to the community;
- money — membership fees, donations (including remittances and diaspora contributions), and proceeds from fundraising activities; and
- in-kind gifts and loans — goods and materials (e.g., catering equipment, furniture), space or venues (including tents for events), and transportation.

These calculations allow members to reflect on what the resources allowed them to do, opening the way for appreciating their value and importance. The process of itemizing can also be an organizing tool: identifying, for example, what types of contributions are likely to come regularly and can therefore be anticipated, and what types are largely ad hoc.

Step 4: The Financial Value of Community Contributions

An annual tallying of the financial value of contributions allows an organization to calculate the equity it has generated from the community's own resource base. That tally makes a statement about the amount of community giving it attracts, leverages, and converts into action. Financial value is assigned to the labor time of volunteers, using hourly rates comparable to equivalent paid work in the area. The value of in-kind resources, tallied in terms of units received, can be difficult to quantify if the

This tool is by no means flawless. It favors assets and agency that are tangible and recognizable and is silent on other forms of capital, such as moral and intellectual investments, that communities bring to the development table (Joseph, 2016).

contributions are recorded retrospectively; it is easier to assign values if their receipt is recorded in real time because the current value of a contribution can be used.

There are a number of factors to consider in imputing financial value: Are there gaps and inconsistencies in the information? Has the best locally comparable paid-work rate been identified?

Step 5: Measurement Results

Documenting the results and sharing them within the organization can help members vet and verify the measurement, analyse its meaning, and explore its potential use. The best format for disseminating the information should be determined based on the intended audience, the purpose of the documentation, and its intended use.

Using and Adapting the Tool

This tool is by no means flawless. It favors assets and agency that are tangible and recognizable and is silent on other forms of capital, such as moral and intellectual investments, that communities bring to the development table (Joseph, 2016).

This excludes from consideration the values and principles a community can contribute to development and social justice efforts, access to local systems and institutions that can enhance efficiency and effectiveness, and knowledge of the local environment and context — a most critical factor.

Assessing community giving can be problematic; four considerations stand out. The first is variations in terms and meaning. There are various ways to define a “volunteer,” for example; a strict interpretation of “unpaid work” does not always apply. In some communities, volunteers can be compensated to varying degrees: with a reduced wage or a stipend, or with benefits such as transportation or a meal. Secondly, imputing a financial value requires particular flexibility in the context of a dual economy: value can be pegged to an official market value or to a rate valid in the informal or local economy. The cost of giving someone a lift to the workplace, for example, could be calculated using the automobile association mileage rate or using what one would pay to hitch a ride or hire a local taxi (a six-fold cost differential in one calculated case). Experience shows that community members have no trouble arriving at realistic calculations by drawing on a range of benchmarks: the government-awarded stipend, wages paid commercially in the area, what a volunteer has been paid previously for similar work, or what a volunteer would expect to be paid if employed.

The third consideration is how to frame data collection — in real time or in retrospect? The former has the benefit of deliberate record-keeping as an investment in accuracy; memory can be incomplete and unreliable. However, experience suggests that most organizations that rely on volunteers have some form of a labor roster. And it can also be the case that a once-off donation is so unusual that it is unlikely to be forgotten.

A final consideration is that in-kind contributions can prove difficult to capture and represent in a financial calculation. Contributions can be overlooked or undervalued, which can be unjust in contexts of poverty and scarcity. A workaround strategy is to simply list these practices, even if it is not to impute a value.

Critical Consciousness-Raising: Potentials and Limitations

The methodology established in this tool is ready for further testing, specifically the extent to which it is useful in contexts other than South

Africa and what it can contribute to philanthropic leadership in raising a community's critical consciousness. In the Janensville case there was an immediate and positive impact. Some organizations revised the calculations themselves and were able to confirm satisfaction. One individual repeated the process with her church group and reported that measurement added value and was an eye opener. Most of the organizations reported that the results had a motivational effect on their staff and volunteers, noting shifts in attitudes toward working overtime and "going the extra mile" as people came to see such contributions as adding value more than as a burden. The process also emboldened community organizations to see new uses for the data. "In our fundraising," observed one participant, "we can now point to our local contribution or local income with confidence because we have a value for it. We no longer thumb-suck our own contribution." Another noted that "we now have a clear picture of the value of our relationships with other organizations." Said a third: "This makes us more confident to approach funders; we don't feel like beggars." Another participant said, "We can use this information to build from the inside out. To strengthen ourselves."

These examples of impact on critical consciousness are encouraging and indicate a promising start. But these observations, that the data can be used by communities to better position themselves within the existing grantmaking protocol, reveal little critical thinking about how the aid and development system is structured. And that is not surprising: At the time the tool was being developed and tested, the narrative on the aid system's failure was not fully developed. The historical moment we have today had yet to mature, and our objective was to shed light on and value community equity rather than to pursue the macro goals of dismantling the present aid architecture and shifting funder-recipient power relations. More significant still for philanthropy in pursuing a leadership role in reaching this goal is what Freire (1983) labels the "fear of freedom" such that the "oppressed" have so deeply engrained the ideas and teachings of the "oppressor" that they resist casting off their vision of the

The first, "power within," refers to a person's sense of capacity and self-worth that comes from "reversing internalised powerlessness" (Mathie et al., 2017, p. 11). The second, the "power to," refers to the potential possibilities for action, including breaking free from the shackles that have held a community back (p. 3).

world and replacing it with self-determination and responsibility (p. 31).

Mathie et al.'s (2017) handling of power for an assessment of ABCD's effect on shifting mindsets and behavior aligns the transformational potential of Freire's notion of critical consciousness with two types of power. The first, "power within," refers to a person's sense of capacity and self-worth that comes from "reversing internalised powerlessness" (Mathie et al., 2017, p. 11). The second, the "power to," refers to the potential possibilities for action, including breaking free from the shackles that have held a community back (p. 3). Their findings from three countries — South Africa, the Philippines, and Ethiopia — indicate that a shift in focus from needs to assets helps to prompt a "momentary change in subjectivity as people begin to see themselves and others in a new light," and they refer to "aha" moments "in which an internalised sense of powerlessness is challenged as people reframe themselves as subjects capable of acting in concert with others" (2017, p. 3).

Similar to Freire, however, they signal that enabling a new mindset to take hold is a long-term process and continuous challenge in a structurally disempowering context. The

implication is that for critical consciousness to lead to long-term change, a community's awareness and understanding of its own power and context cannot be a fleeting or temporary effort. Instead, growing community power has to be a more consolidated, continuous, and multifaceted process, one that requires leadership and agenda setting. Foundations have a critical role to play here.

Conclusion

Power is a problem in international aid and development when funders have too much of it and communities too little. This equation adds up to bad development — the impact is not what is needed and inequities are disguised under a pretense of partnership. The ultimate challenge is to dismantle the system, rather than position community more comfortably within it, and to replace it with something else that is currently unknown. Foundations that are proponents of community-led development are responding to an invitation from the Global Fund for Community Foundations to explore what development could look like if the power dial was turned downward, closer to community, and to deliberate on the role of community philanthropy in making this happen.

This article contributes to that conversation, proposing that foundations embrace a transformative leadership strategy as a way to assist communities in stepping into their power and resisting the current aid and development system. The way to bring this about is to explore what Freire's theory of critical consciousness-raising can offer with its argument that it is the recipients — subjugates within the current aid and development system — who have the power to throw off the shackles, yet who at the same time can be fearful of shedding that to which they are accustomed and stepping into the unknown. From an appreciative inquiry perspective, the norm of community giving is one entry point for awakening communities to their own development experience, and the tool to measure and give a financial value to it, discussed in this article, is a potential starting point.

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executive summaries

Results

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Thinking Big: Community Philanthropy and Management of Large-Scale Assets

Mary Fifield, M.F.A., Kaleidoscope Consulting

Community philanthropy institutions have become increasingly popular — especially in the Global South, where they serve to harness local assets, cultivate local capacities, and build trust among diverse stakeholders. As resource extraction continues to reach into remote areas and other large-scale industries (e.g. solar energy, agroforestry) grow, pressure on resources and the rights of communities will intensify. This article presents three case studies — from Ghana, the U.S., and Canada — to examine how community philanthropy might scale up to support community-asset management and increase the power of communities to determine their own development with much greater and more complex financial investments.

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The Community University Experience: Shift the Power or Share the Power?

Graciela Hopstein, Ph.D., Public Interest Management Group

The recent growth of community organizations and collectives can be seen as a consequence of social movements that have emerged in defense of human and civil rights. This article reflects on the West Zone Community University, an initiative implemented by Instituto Rio, a community foundation based in Rio de Janeiro, Brazil, within the context of this expansion of community philanthropy. The analysis focuses on the potential of the Community University case to inform the field of community philanthropy and on the possibility that universal elements of this initiative can be more widely applied.

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Who Benefits From Giving Circles in the U.S. and the U.K.?

Angela M. Eikenberry, Ph.D., University of Nebraska

Giving circles have emerged around the world as an alternative to mainstream, bureaucratic philanthropy. This article examines the types of organizations that benefit from giving circles in the U.S. and the U.K., drawing on data from interviews, surveys, observations, and documentation collected in both countries. The findings show that giving circles tend to

fund certain types of organizations — often those that are small and locally based, startups and newer organizations that are reorganizing or transitioning, those that have a business orientation, and those that can engage members or show significant impact in relation to their size.

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Tools

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Analyzing the Social Value of Bucharest Community Foundation Programs: Social Return on Investment

Cristina Vaileanu, M.A., Bucharest Community Foundation

Social return on investment is a method that analyzes the results of a project using a combination of quantitative, qualitative, and financial data. It tells the change story of a project, from the framework set by the project team to its ultimate reality in the field. The Bucharest Community Foundation turned to SROI analysis, a method relatively unknown in Romania, to determine the social value produced by five innovative urban design and green technology projects it funded through Mobilizing Excellence, the corporate responsibility program the foundation established with Porsche Romania. This article discusses the results of the evaluation and shares lessons learned.

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Reflective Practice

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Community Philanthropy in Russian Remote Areas

Julia Khodorova, Ph.D., and Larisa Avrorina, CAF Russia

Russia's "back country" — remote, nonindustrial areas that are home to almost 40 percent of the population — was largely excluded from the changes brought about by perestroika. People who live in these areas, where NGOs are almost never present, are often unaware of the resources available to address local issues. This article is based on the results of research conducted by CAF Russia in 2016 on the development of community foundations in remote, rural communities and small towns in Russia. A number of case studies serve as examples. By utilizing new methods for attracting resources, mobilizing community assets, and generating social change, community foundations in rural areas and small towns in Russia are encouraging volunteerism and community activism among residents with a range of interests and priorities.

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executive summaries

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Building Vietnamese Community Philanthropy: Understanding the Experiences and Expectations of Donors to the LIN Center for Community Development

Dana R. H. Doan, M.P.P., LIN Center for Community Development

Vietnam's first community foundation, the LIN Center for Community Development, was established in Ho Chi Minh City in 2009. This article shares the experiences of the stakeholders who contributed, directly or indirectly, to LIN's objectives. It looks at factors that led to donor decisions to invest in LIN or other local organizations; donor satisfaction and perceptions of the impact of LIN's work; benefits of and challenges inherent in partnering with local organizations; and the potential for future partnerships with local nonprofits. It aims to serve as a case study of the development of community philanthropy in a large urban center within a socialist market economy.

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#ShiftThePower: Community Giving as a Critical Consciousness-Raising Tool

Susan Wilkinson-Maposa, Ph.D., University of St. Andrews, and Bernie Dolley, Ikhalu Trust

Asymmetrical power relations in international aid and development efforts, which favor the funder and cast the recipient as supplicant, are facing renewed challenges. For foundations to assist communities in criticizing this power imbalance and using the insights that result to challenge the system requires the "three-legged stool" of community philanthropy — strengthening capacities, developing assets, and building trust — to become a "chair" by adding a fourth leg — growing community power. This article explores community giving, a norm in communalist societies, as a viable entry point for helping communities explore and understand their own experiences, and presents a tool that calculates the financial value of a community's contribution to its own development, defining it as equity that can be brought to the development table.

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AN INSIDER'S GUIDE TO THE COMING PHILANTHROPIC REVOLUTION

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call for papers

FOR VOLUME 10, ISSUE 3

Themed Issue on Donor Intent and Legacy

The Foundation Review invites scholars, foundation professionals, evaluators, and others to submit ideas for articles that will advance our understanding of how donor intent and legacy influence, enable, constrain, and complicate grantmaking and other foundation processes and outcomes. Articles on this topic will be published in the September 2018 issue of *The Foundation Review* (Volume 10, Issue 3). To be considered for publication, please submit an abstract of up to 250 words to submissions@foundationreview.org by Dec. 15, 2017. If a full paper is invited, it will be due March 31, 2018 for consideration for publication in September 2018.

The complexities of donor intent and legacy touch all aspects of philanthropy — from writing mission statements, to devising strategy, to making grant decisions, to evaluating impact.

Navigating the complicated issues around donor intent and legacy means confronting many of the core questions of effective giving — questions about power, transparency, collaboration, expertise, loyalty, and the engagement of diverse voices.

For this issue, we seek articles that address issues of donor intent and legacy in grantmaking, such as:

- **The many ways donor intent and legacy affects grantmaking and foundations.** Intent and legacy can affect mission/vision statements, strategies, program areas and preferred issues/solutions, geographic focus, foundation governance and operations, approach to engaging grantees and stakeholders, evaluation, and other factors.
- **Implementing donor intent and legacy while also being responsive to public needs and partners.** Foundations often have to devise creative ways to honor intent and legacy and respond to evolving needs and beneficiaries and engage closely with partners and grantees.
- **When intent becomes legacy.** Foundations stewarding long-standing legacies have to find creative ways to advance this legacy while adapting to changing circumstances.
- **Donor intent and legacy in different types of grantmakers.**

Abstracts are solicited in four categories:

- **Results.** Papers in this category generally report on findings from evaluations of foundation-funded work. Papers should include a description of the theory of change (logic model, program theory), a description of the grant-making strategy, the evaluation methodology, the results, and discussion. The discussion should focus on what has been learned both about the programmatic content and about grantmaking and other foundation roles (convening, etc.).
- **Tools.** Papers in this category should describe tools useful for foundation staff or boards. By “tool” we mean a systematic, replicable method intended for a specific purpose. For example, a protocol to assess community readiness for a giving circle would be considered a tool. The actual tool should be included in the article where practical. The paper should describe the rationale for the tool, how it was developed, and available evidence of its usefulness.
- **Sector.** Papers in this category address issues that confront the philanthropic sector as whole, such as diversity, accountability, etc. These are typically empirically based; literature reviews are also considered.
- **Reflective Practice.** The reflective practice articles rely on the knowledge and experience of the authors, rather than on formal evaluation methods or designs. In these cases, it is because of their perspective about broader issues, rather than specific initiatives, that the article is valuable.

Book Reviews: *The Foundation Review* publishes reviews of relevant books. Please contact the editor to discuss submitting a review. Reviewers must be free of conflicts of interest.

Questions? Contact Michael Moody, guest editor of *The Foundation Review*, at moodym@gvsu.edu, or Teri Behrens, editor in chief, at behrenst@foundationreview.org.

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