

# **An Annotated Bibliography of Recent Literature on Current Developments in Philanthropy**



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Researched and written by  
Indiana University  
Lilly Family School of Philanthropy

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## Introduction

As philanthropic organizations play an increasingly important role in societies around the world, the research on philanthropy – from giving and volunteering practices to regulatory frameworks to digital innovations – has also evolved in recent decades. It is important to develop a thorough overview of the relevant scientific discourses and literature on current developments in philanthropy. This will allow researchers and practitioners to enhance the understanding of philanthropy and to improve its practice worldwide. This report provides new insights on current developments and important changes in the global philanthropic landscape, including trends in global philanthropy and its interaction with other sectors of society.

### Overview of the Global Philanthropic Environment

Philanthropy – “voluntary action for the public good” (Payton & Moody, 2008) – has become a key player in contemporary societies aimed at tackling unaddressed local and global challenges, supporting innovative ideas, and empowering communities across the world. Indeed, cross-sector collaboration is one of 17 United Nations’ 2030 Sustainable Development Goals (SDGs) and in 2014, the United Nations Development Programme, Foundation Center, and Rockefeller Philanthropy Advisors in collaboration with global and local philanthropy networks and experts established the SDG Philanthropy Platform – a new vehicle for “catalyzing multi-stakeholder partnerships to advance the SDGs” (United Nations, 2014).

Simultaneously, philanthropy is transforming in response to economic volatility, political changes, demographic shifts, intensifying armed conflicts and natural catastrophes, and technological innovation. According to the 2018 *Global Philanthropy Environment Index*, more than forty countries introduced new regulatory frameworks for philanthropy between 2014 and 2018 (Indiana University Lilly Family School of Philanthropy, 2018). And while three-fifths of the economies included in the 2018 *Global Philanthropy Environment Index* have a favorable philanthropic environment, the number of restrictive initiatives and regulations has been increasing in recent years (Rutzen, 2015; International Center for Not-for-Profit Law, 2016). In 2017, eight governments passed restrictive laws on regulation and funding of philanthropic institutions, while another four proposed restrictive legislation in the same year (CIVICUS 2018).

Illicit financial flows, anti-money laundering laws, and foreign agent laws often set barriers to cross-border giving and global philanthropy, while governments seem to introduce explicit restrictions on fundraising activities as well. Some of the new regulations, however, are linked to the types of challenges governments face in the 21<sup>st</sup> century, especially with regard to cross-border giving. Several risks that may threaten national security – such as the flow of refugees around the world, the political and economic instability in the Middle East and in Sub-Saharan Africa, the increasing number of terrorist and cyber-attacks, and money-laundering, among others – have made governments quick to regulate fields that have not been regulated before.

Despite the restrictive regulatory changes in certain countries, global philanthropy is growing. Giving has increased in recent years in developed countries (Charities Aid Foundation, 2018). For example, the total amount of charitable contributions in Europe was estimated at €87.5 billion in 2013 (Hoolwerf & Schuyt, 2017), and U.S. charitable contributions reached a record high of US

\$410.02 billion in 2017 due to the growth of all four sources of giving – individual, foundation, corporate, and bequest (Giving USA, 2018a).

High net worth giving is also increasing, as individuals, corporations, and foundations aim to find new philanthropic investment opportunities. According to the 2015 Coutts *Million Dollar Donors Report*, US \$24.5 billion in the form of mega-grants—single donations of more than US \$100 million—was donated in 2014; US \$14.11 billion in the United States, US \$3.61 billion in China, and US \$2.67 billion in Hong Kong. In the United States, ninety percent of high net worth households – whose annual household income is greater than US \$200,000 and/or net worth greater than US \$1,000,000 – donated an average of US \$29,269 to charity in 2017 (U.S. Trust, 2018).

The Giving Pledge initiative—a commitment by the world’s wealthiest individuals to give away most of their wealth during their lifetime or in their will—also shows that high net worth philanthropy is emerging across the globe, as the number of pledgers—representing 22 countries—has been continuously increasing since 2010 (Giving Pledge, 2018). Additionally, more than half of the ninety leading U.S. and international philanthropists researched by Bridgespan – who collectively donated US \$42.4 billion between 2000 and 2016 to address social issues – supported causes that aligned with the SDGs such as good health and well-being, zero hunger, and quality education (Ogden, Prasad, & Thompson, 2018).

New philanthropic vehicles and technological innovations are also affecting the development of global philanthropy. In Europe, impact investing is the fastest growing investment strategy with a growth of 385 percent in 2016 (Eurosif, 2016). In Latin America, the number of hybrid corporations continues to increase and shape the philanthropic sector. In the countries of the Middle East and Northern Africa, social entrepreneurship and other business-like philanthropic organizations are emerging. Interestingly, in the U.S., commercial charitable gift funds have grown to occupy a highly visible role - new research estimates that contributions to donor-advised funds reached US \$22 billion in 2014, a record high (Giving USA, 2018).

Technological innovations – such as mobile and online giving, crowdfunding, and the use of cryptocurrencies – provide new opportunities to enhance philanthropy. In Sub-Saharan Africa, increasing access to mobile technology provides new opportunities to enhance domestic giving, as mobile applications can promote and facilitate charitable giving on the continent. The use of online tools, including social media and online donation platforms, are likely to proliferate in the future. Nearly two-thirds of donors worldwide prefer to give online and people from 150 countries and territories donated a total amount of US \$300 million online during the 2017 #GivingTuesday campaign which is the “global day of giving fueled by the power of social media.” (GivingTuesday, 2018) Crowdfunding is being used in many countries, and peer-to-peer online fundraising has gained popularity in the last years. Several countries and the European Commission have proposed regulations on crowdfunding services to improve access to and supervision of this innovative way of fundraising.

While new institutional forms and vehicles are supporting global philanthropy, the public started to focus on the legitimacy and roles of traditional institutions, such as foundations and international non-governmental organizations. Foundations’ lack of accountability and transparency, donor-directed purpose in perpetuity, and tax-exempt status have raised questions about the role of

foundations in the United States and Europe as well (Reich, 2016, Prewitt et al.; 2004). Hammack and Anheier (2010) argue, indeed, that private independent foundations might undermine democracies due to their insufficiency, particularism, paternalism, and amateurism.

Accountability and transparency of foundations, and philanthropic organizations in general, has emerged as an issue to be addressed in many countries of the world (Indiana University Lilly Family School of Philanthropy, 2018; Buteau & Leiwant, 2016). Accountability could improve the public image of philanthropic institutions and increase public trust towards them. Being transparent with different constituents, including grantees, partners, or the public, could enhance credibility and accelerate cross-sectoral collaborations. Better data could lead to a deeper understanding about how much and in what way philanthropic organizations support social causes across the world (OECD, 2018). And it could also lead to more developed research providing benchmark for global philanthropic actors.

The European philanthropic landscape also shows numerous challenges and opportunities. While the political and socio-cultural environments for philanthropy differ significantly between Western and Eastern Europe (Indiana University Lilly Family School of Philanthropy, 2018), several initiatives have been adopted within the European Union (EU) that shape the landscape of philanthropy across the continent. Several regulations and practices enhance cross-border giving in Europe. Judgements of the European Court of Justice (e.g. Stauffer – ECJ 14.9.2006 C-386/04, Persche – ECJ 27.1.2009 C-318/07, Missionwerk – 0.2.2011 C-25/10) have developed a non-discrimination principle related to tax treatment of philanthropy. However, it seems that administrative and reporting requirements might undermine the practical implementation of these regulations. Additionally, anti-money laundering and counter-terrorism regulation that occurs at both the EU and national level have continued challenging philanthropy, especially cross-border giving (Breen, 2018).

The new European Union General Data Protection Regulation (EU GDPR) was implemented in May 2018 to protect the fundamental rights of natural persons with respect to processing of personal data (European Commission, 2018). The regulation could also increase the administrative requirements of philanthropic organizations, especially those with fundraising activities. Indeed, according to the most recent *Fundraising in Europe* report, the rising cost of fundraising and the planned changes to the EU GDPR are the number first and third concerns European charities face.

While data on giving in Europe is still emerging, the 2018 CAF World Giving Index reported that 44 percent of Europeans helped a stranger, 37 percent donated money to an organization, and 19 percent volunteered their time. *Giving in Europe*, a recent study from the European Research Network on Philanthropy collected data on European philanthropy, including donations from individuals, bequests, corporations, foundations, and lotteries. In Europe the total amount of charitable giving exceeded the amount of EUR €87.5 billion (US \$100 billion) (Hoolwerf & Schuyt, 2017, p. 11). Germany and the United Kingdom are the only two countries where the total amount of giving exceeded EUR €23.80 (US \$25billion); and EUR €25.31 billion (US \$29.0 billion) respectively (Hoolwerf & Schuyt, 2017, p. 12). International causes are widely supported by private philanthropy especially in Austria, France, and Norway, where more than one-fifth of households donate to causes related to international aid (Hoolwerf & Schuyt, 2017, p. 16).



Finally, the rise of new technologies and vehicles such as impact investing, online giving and crowdfunding also promote the development of philanthropy in Europe. Impact investing, as it was mentioned earlier, shows a small but continuous growth in Europe. In Germany, the impact invested assets almost tripled between 2012 and 2015, reaching a total of almost US \$80 million, primarily supporting the employment sector and education (Bertelsmann Stiftung, 2016). Crowdfunding has developed fast in Europe and the EU has actively focused on and initiated dialogue around crowdfunding. In March 2018, the European Commission presented a proposal for regulation on European Crowdfunding Services Providers to improve access to and supervision of this innovative way of fundraising and impact investing.

It is clear that the lack of data on global philanthropy coupled with the ever-changing landscape of philanthropy highlight the need for not only additional research, but a more comprehensive understanding of the current state of research on global philanthropy. Therefore, this report aims to add to the growing body of literature on global philanthropy by outlining existing resources and literature.

## **The Current Report**

This report provides a general overview of the global philanthropic landscape and an annotated bibliography that summarizes a rich array of published reports and academic articles focusing on the following five themes:

1. Giving Across Borders and Redefining Community
2. Changing Vehicles and Opportunities
3. New and Hybrid Institutional Forms
4. Normative Framework for Philanthropy
5. Changing Landscape of Internationally Active Funding Institutions

The annotated bibliography demonstrates the breadth of research conducted in the last decade covering a wide variety of subtopics under each theme mentioned above. Given the complexity of the field and the growing body of research across disciplines, the bibliography does not aim to provide an exhaustive list of all relevant publications; instead, it highlights the most recent and relevant literature on the current development of philanthropy.

Using research databases and online search engines, the annotated bibliography lists academic literature, books, practitioner-oriented literature, white papers, and reports published in 2010 or later. Then, the researchers developed three to six subthemes under each key theme in order to highlight the primary research focuses. Overall, the bibliography covers 24 subthemes and includes a total of 131 articles, books, reports and other types of publications, and another 116 resources are listed as additional readings.

Based on the research content included in this document, the researchers would provide the following recommendations for future research:

- Collect, create, and analyze valid and reliable datasets that could be comparable across time and geography;
- Conduct research using different methodologies to offer in-depth knowledge about the global landscape of philanthropic developments; and

- Conduct and promote research on philanthropy in the Global South by collaborating with local experts and making current research available to the public.

It would also be beneficial for grantmakers, nonprofit professionals, researchers, and policymakers to develop an online hub collecting all resources across disciplines and languages on global philanthropy and new developments around the world.

This report is well timed, as the landscape of philanthropy is changing rapidly. The urgency of addressing global challenges, such as migration, natural disasters and climate change, and the United Nations' SDGs, highlights the growing importance and responsibility of philanthropy worldwide. The information presented in this report increases the understanding of global philanthropy and cross-sectoral interactions among foundations, policymakers, donors, and others interested in philanthropic trends. It also helps internationally active funding organizations review their international relations and practices using this report as a guide to develop activities for the future in ways that build on their established strengths.

## **Methodology**

### ***Initial Search Procedures***

Initial searches were conducted using Google and Google Scholar. Google Scholar was chosen as the primary academic source because it searches the whole internet, not just specific journals (Kendall, n.d.); it includes other types of academic sources in addition to journal articles, including books, theses and dissertations, conference posters and presentations, and reports (Kendall, n.d.); and Google Scholar finds the vast majority of citations found in other major academic databases (92 percent - 95 percent) (Martín-Martín, et al., 2018). Google's traditional search engine was also used to capture reports and other publications from organizations and practitioners. If the full text of a possibly relevant publication was not available, follow-up searches were conducted in other databases (e.g. ProQuest, EBSCO, etc.) and in the Indiana University Library System, which includes inter-library loan with most of the major libraries in the United States as well as in major cities around the world. These steps provided the full-text for all publications identified in the search.

In addition, once an initial set of relevant reports were collected, scholars, practitioners, or organizations that published major papers or reports on the topic were identified. We then specifically looked at all available publications from those individuals and organizations. Furthermore, we contacted several colleagues whose research focuses on specific sub-topics addressed in the bibliography to ask for recommendations of specific publications.

### ***Search Terms by Chapter***

G=Google; GS=Google Scholar<sup>1</sup>

#### **Chapter 1: Giving Across Borders**

- Cross-border (G, GS)
- Cross-nation (G, GS)
- Overseas (G, GS)
- Foreign (G, GS)
- International (G, GS)
- Foundations (G, GS)
- Corporate (G, GS)
- Grantmaking (G, GS)
- Charitable (G, GS)
- Donat\* (G, GS)
- Philanthrop\* (G, GS)
- Combinations of the above keywords (G, GS)

#### **Chapter 2: Changing Vehicles and Opportunities**

- Community foundation (GS)
- Community foundation data (G)

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<sup>1</sup> Searches within Google Scholar were limited to 2010 or later.

- Community foundation future (G)
- Community foundation report (G)
- Crowdfunding charity (G, GS)
- Crowdfunding philanthropy (GS)
- Donor-advised funds (GS)
- Donor-advised funds report (G)
- Giving circles (GS)
- Giving circles report (G)
- Impact investing (GS)
- Impact investing report (G)
- New emerging philanthropy (GS)
- New types of philanthropy (G)
- Philanthropy technology (GS)
- Philanthropy technology report (G)
- Social entrepreneurship (GS)
- Social entrepreneurship report (G)

### Chapter 3: New & Hybrid Institutional Forms

- B-corp (GS)
- Benefit corporation (GS)
- Blended value (G, GS)
- Flexible benefit corporation (G, GS)
- Impact investing (G, GS)
- Implementing systems change in NGOs (G)
- L3C (GS)
- Low profit limited liability companies (GS)
- Low profit limited liability corporation (GS)
- Mission investing (G, GS)
- Social enterprise (GS)
- Social entrepreneurship (GS)
- Social innovation (G, GS)
- System change (G, GS)
- System change nonprofit (GS)
- Systems change Africa (G)
- Systems change Asia (G)
- Systems change Australia (G)
- Systems change china (G)
- Systems change Europe (G)
- Systems change India (G)
- Systems change NGO (G)
- Systems change NGO (GS)
- Systems change nonprofit (G)
- Systems change nonprofit (GS)
- Systems change philanthropy (G)

- Systems change philanthropy global (G)
- Systems change Southeast Asia (G)

#### Chapter 4: Normative Frameworks

- Big philanthropy (G, GS)
- Big philanthropy Asia (G, GS)
- Big philanthropy democracy (GS)
- Big philanthropy Europe (G, GS)
- Big philanthropy governance (G, GS)
- Big Philanthropy Latin America (G, GS)
- Human Rights (G)
- MDG (G, GS)
- MDGs (G, GS)
- Millennium Development Goals (G, GS)
- Philanthropy international relations (G, GS)
- Philanthropy new roles (G, GS)
- Philanthropy partnership (G, GS)
- Philanthropy Sustainable Development Goals (G)
- Plutocrats philanthropy (G, GS)
- SDG (G, GS)
- SDGs (G, GS)
- Sustainable Development Goals (G, GS)
- UN Guiding Principles on Business and Human Rights (G, GS)
- Universal Declaration of Human Rights (G, GS)
- Universal Declaration of Human Rights impact on foundations (G)
- Universal Declaration of Human Rights impact on philanthropy (G)

#### Chapter 5: Changing Landscape of International Active Funding Institutions

- Civil society challenge (G, GS)
- Civil society restrictions (G, GS)
- Cross-border giving (G, GS)
- Cross-border giving challenges (G, GS)
- Cross-border giving regulations (G, GS)
- Foundation accountability (G, GS)
- Foundation democracy (GS)
- Foundation international aid (G, GS)
- Foundation legitimacy (G, GS)
- Foundation transparency (G, GS)
- Global governance (G, GS)
- Global philanthropy (G, GS)
- Global philanthropy global governance (G, GS)
- Philanthropy accountability (G, GS)
- Philanthropy international aid (G, GS)
- Philanthropy international development (G, GS)

- Philanthropy legitimacy (G, GS)
- Philanthropy official development aid (G)
- Philanthropy SDGs (G)
- Philanthropy sustainable development goals (G)
- Philanthropy transparency (G, GS)
- Private funding development (G)
- Private funding SDGs (G)
- Private funding sustainable development goals (G)
- Restrictive NGO laws (G, GS)
- Shrinking civil space (G, GS)

### ***Inclusion Criteria***

When deciding which publications should be included in the bibliography, we evaluated the publication using the following criteria:

1. Does the publication cover the identified topic?
2. Is the publication written and/or published by a reputable source?
3. Does the publication use rigorous methodologies?
4. Does the publication cover regions of the world not typically covered in other research? We searched especially for non-U.S. literature; despite this, there is still a significant number of sources from and about the United States.
5. Does the publication add something not covered in other included literature?
6. Is this the most recent version of this publication? This was especially important for reports published regularly.

The bibliography includes additional publications as additional readings for all themes and subthemes. This section includes 1) publications that focused on a different, less relevant topic, but included a section on the identified topic that extended the conversation; 2) publications that covered similar material to other literature included in the section but did not extend the conversation;<sup>2</sup> and 3) websites that provided links and/or resources about the identified topic.

### ***Strengths and Limitations***

In the course of developing this annotated bibliography, the researchers aimed to identify relevant research to ensure that the report is comprehensive and geographically inclusive.

#### ***Strengths***

- The annotated bibliography covers current trends and new developments in the philanthropic sector that makes the report valuable to the philanthropic community;
- This research includes several resources that provide information on philanthropic developments in different regions and countries, including countries from Sub-Saharan Africa and Asia;

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<sup>2</sup> When two or more publications covered essentially the same ideas, we included the publication that was more often referenced by practitioners or scholars or that was published by a reputable organization.

- The research team has access to well-known digital databases (e.g. ProQuest, EBSCO, etc.) and the Indiana University Library System, therefore the researchers were able to identify additional sources and find their full-text versions.

### *Limitations*

- The primary limitation of this research is that the scope of academic literature and practitioner reports seemed to be limited due to lack of valid and reliable datasets on philanthropy;
- Most of the searches were limited to publications available in English. There are two explanations for this approach: 1) The majority of academic publications on philanthropy is available in English; and 2) Google Scholar has been shown to prioritize the language settings of the user (Martín-Martín, et al., 2018). When possible, members of our team with fluency or proficiency in another language would include publications in that language. It should also be noted that most major reports were published in numerous languages;
- Additionally, as the research on philanthropy is still an emerging area in most countries, this research primarily includes resources that have been published in North America and Western Europe.

## 1. Giving Across Borders and Redefining Community

Although philanthropy is closely tied to local and geo-spatial contexts, with increasing globalization, the definition of community is changing and philanthropy has expanded beyond geographic boundaries, becoming more international as well. Social scientists have argued that notions of community that rely solely on geography may be outdated. Today's donors are increasingly interested in social change not only at local levels, but also across geographical boundaries. For example, U.S. community foundations have expanded their geographic focus. According to the *International Giving by U.S. Community Foundations: Local Communities with Global Reach* published by the Foundation Center and the Council on Foundations (2017), the average size of grants to international organizations increased between 2011 and 2014, and the Silicon Valley Community Foundation alone granted US \$98 million to international programs in 2014.

Individuals have become more engaged in cross-border philanthropy as well. A recent report found that about one-third of the 6,057 donors from 119 countries who participated in the survey donated to nonprofit organizations abroad (Nonprofit Tech for Good, 2018). Younger donors seek more engagement with the causes and issues they support compared to their older counterparts. Technology and the growing popularity of online platforms allow donors to establish connections with geographically dispersed communities. Moreover, the pace of technological progress means “virtual communities” can be built on shared identity, values, and purposes with limited face-to-face interactions. In addition, immigrants may support causes in their origin communities as well as their host regions. According to the *2016 Index of Global Philanthropy and Remittances* (Hudson Institute, 2016), immigrants worldwide sent a total of US \$580 billion back to their origin communities in 2014. Refugees also often volunteer for their home communities, as several German communities witnessed it during the 2015 refugee crisis (Indiana University Lilly Family School of Philanthropy, 2018).

This section reviews recent publications on cross-border philanthropy and the engagement of its major players—foundations, corporations, individuals, and nonprofit organizations. Recent literature that examines the impact of related regulations on cross-border philanthropy is also included here. Moreover, there is an emerging body of research focusing on international giving in the context of a specific country, which is reviewed at the end of this section to provide country-specific patterns and perspectives on cross-border philanthropy.

Key findings:

- Key factors affecting cross-border philanthropy include globalization, technological advancement and electronic communication, fiscal policy, over-regulation, and political stability and corruption; and
- Foundations, corporations, individuals, and nonprofit organizations are all important private players in international philanthropy, and the growth in cross-border philanthropy calls for stronger cross-sector collaborations.



### 1.1. Cross-Border Philanthropy (General Overview)

**Buijze, R. (2017). *Strategies in international fundraising for the arts*. European Research Network on Philanthropy 8th International Conference working paper, Copenhagen, Denmark.**

This article examined the strategies used by arts organizations to raise funds abroad. The author conducted interviews with 37 European and U.S. arts organizations, and analyzed annual reports, websites, and news articles on these arts organizations. Most of the arts organizations received funding from abroad, but they did not engage in fundraising from abroad actively. The decline in domestic funding from government, corporations, individuals, and other sources was the main reason why arts organizations started to raise money abroad. The author identified three fundraising strategies that these organizations used, including; fundraising efforts initiated by foreign donors; friends circles created by the organization in selected countries; and friends circles created by the organization for international donors in general.

**European Foundation Centre, & Transnational Giving Europe. (2017). *Boosting cross-border philanthropy in Europe: Towards a tax-effective environment*. Brussels: European Foundation Centre.**

This report reviewed the current fiscal environment for cross-border philanthropy in Europe, and proposed recommendations to simplify the implementation of the non-discrimination principle on tax treatment of philanthropy across Europe. According to this non-discrimination principle, if foreign charities based in an EU member country are comparable to domestic charities, they receive equal tax treatments as domestic charities. However, this principle has not been fully implemented across EU member countries, and in countries where the principle is in place, the processes to obtain equal tax treatment are often complex and expensive. Based on a previous 2014 study (European Foundation Centre, 2014, included in Section 1.2), this report analyzed information collected from experts across the EU and the profiles of 28 European countries, and proposed the following recommendations to improve the implementation of the non-discrimination principle.

- Tax authorities offer individuals and charities with publicly available and easily understandable information about the procedures to claim equal tax treatment.
- Tax authorities offer adequate training to its staff about cross-border philanthropy and the procedures to process such applications.
- EU member countries develop a comparability test to streamline the procedures. Examples of such a comparability test include the model certificate used in Luxembourg and the ANBI (Institution for the public good) status used in the Netherlands.
- EU member countries adopt a set of common public-benefit principles for comparability purposes in order to streamline and simplify the equivalency determination in each member country.

**Schmid, H., & Nissim, H. S. B. (2016). *The globalization of philanthropy: Trends and channels of giving*. In T. Jung, S. D. Phillips, & J. Harrow (Eds.), *The Routledge companion to philanthropy* (pp. 162-177). New York, NY: Routledge.**

This chapter offered an overview of cross-border philanthropy, or “transboundary philanthropy,” which was defined by the authors as “the transfer of money, in kind services, and volunteer time across borders, both by individuals and institutions who support human and environmental causes

outside of their countries of residence.” The authors discussed three theoretical approaches that explain the motivations for cross-border giving—social exchange theory, identification theory, and the identifiable victim effect theory. Then, several factors driving or hindering cross-border philanthropy were reviewed. These factors include the globalization process, technological advancement and electronic communication, tax laws and regulations, administrative and bureaucratic burdens as a result of over-regulation, and political (in)stability and corruption.

The author further examined each of the major players in global philanthropy—individuals, foundations, corporations, and diaspora, discussing the characteristics of each player and the patterns of their contributions. Lastly, the author reflected on the dilemmas for cross-border giving. Regulations over cross-border donations have increased in several countries around the world, which aimed at preventing illicit funds to terror organizations, but these regulations also tightened the control over international donations to legitimate charities. Additionally, cross-border giving contributes to the economic and societal development of recipient countries, but also has the potential to create an imbalance, or even widen inequality, between countries.

Additional reading:

Elsenhans, H., & Warnecke-Berger, H. (2018). Non-governmental development organisations. In *Handbook of Research on NGOs*. Edward Elgar Publishing.

European Foundation Centre (EFC), & Funders’ Initiative for Civil Society. (2017). *Why shrinking civil society space matters in international development and humanitarian action*.

Hemels, S. (2012). *The European Foundation Proposal: An effective, efficient and feasible solution for tax issues related to cross border charitable giving and fundraising*.

Ibrahim, B. L. (2015). States, Public Space, and Cross-Border Philanthropy: Observations from the Arab Transitions. *International Journal of Not-for-Profit Law*, 17(1), 72-85.

Moore, D., & Rutzen, D. (2011). Legal framework for global philanthropy: Barriers and opportunities. *International Journal of Not-for-Profit Law*, 13(1-2), 5-41.

Sirisena, A. B., & Shneor, R. (2018). Understanding international location decisions of poverty alleviation non-profit organizations. *International Journal of Emerging Markets*, 13(1), 2-26.

## 1.2. Regulations on Cross-Border Philanthropy

**Mayer, L. H. (2017). Globalization without a safety net: The challenge of protecting a cross-border funding of NGOs. *Minnesota Law Review*, 102, 1205-1271.**

This article offered a thorough discussion of using international investment treaties to protect cross-border funding for nonprofit organizations. Through an in-depth review of benefits and costs for nonprofit organizations, the author concluded that these treaties may not be a legally viable approach for all nonprofit organizations. In Part I of the article, the author reviewed the increasing

legal restrictions on cross-border funding across countries. In Part II, the author discussed the advantages and disadvantages of bilateral and multilateral investment treaties to counter those restrictions. In Part III, the author examined the financial, reputational, and principles costs faced by nonprofit organizations when invoking investment treaties. In Part IV, the author proposed two options to modify the existing legal measures to help nonprofit organizations address restrictions on cross-border funding through international treaties. In Part V, the author discussed several ad hoc approaches for nonprofit organizations to address these restrictions in their home countries. These approaches include:

- To lobby against such restrictions becoming law, or to lobby for the repeal of such regulations;
- To challenge the application of these restrictions under the host country's domestic law, rather than international law;
- To reverse or loosen such restrictions through diplomatic channels;
- To avoid such restrictions through workarounds in the host country; and
- To raise more funds from the host country domestically.

**Silver, N. (2018). *Regulating the foreign activities of charities: A comparative perspective*. Legal Studies Research Paper, No. 18/06, Sydney Law School, The University of Sydney.**

The increasing globalization of charitable activities abroad brought rising concerns for governments that these funds may be diverted for non-charitable and terrorist purposes. Therefore, governments have introduced additional measures to regulate cross-border activities by nonprofit organizations. Commissioned by the Pemsel Case Foundation, this report examined the legal and regulatory framework in four countries—Canada, United States, UK, and Australia—for nonprofit organizations to engage in cross-border activities. Through a comparative analysis, the report also discussed different approaches adopted by these countries and identified the following three common trends in regulations.

1. All of the four countries have included some geographic restrictions in tax legislation, constraining overseas donations or the use of charitable funds overseas.
2. All of the four countries adopted a combination of supportive and restrictive approaches to the governance of overseas activities of charities. They all provide guidance on related issues, but also have additional screening and reporting requirements for charities operating overseas, especially those that apply for government grants or contracts.
3. Three of the four countries, UK excluded, have self-regulatory mechanisms for charities in international aid and development, with reporting requirements and consequences for non-compliance.

The report further made recommendations to policymakers in Canada for reforming the Canadian regulatory framework on cross-border activities.

Additional reading:

Anheier, H. K. (2018). Philanthropic foundations in comparative perspectives: Assessments from twelve countries. *American Behavioral Scientist, Special Issue I*, 62(12).

Anheier, H. K. (2018). Philanthropic foundations in comparative perspectives: Assessments from twelve countries. *American Behavioral Scientist, Special Issue II*, 62(13).

- Böttcher, T. (2017). *Transnationale strukturen unternehmerisch tätiger NPO: Vergleich zwischen deutschem Gemeinnützigkeitsrecht und englischem Charity Law*. Springer, Wiesbaden: Springer Fachmedien Wiesbaden.
- European Center for Not-for-Profit Law, & International Center for Not-for-Profit Law. (2017). *The regulatory framework for fundraising in Europe*.
- Hayes, B. (2017). *The impact of international counter-terrorism on civil society organisations: Understanding the role of the Financial Action Task Force*.
- Heidenbauer, S. (2011). *Charity crossing borders: The fundamental freedoms' influence on charity and donor taxation in Europe* (Vol. 31). Kluwer Law International.
- Kozlowski, A., & Sullivan, K. (2018). *Cross-border philanthropy and counterterrorism regulations: Guidance for U.S. grantmakers*. United States: GuideStar.
- Miller Jr, J. E. (2013). Donors without borders: A comparative study of tax frameworks for individual cross-border philanthropy. *European Journal of Law Reform*, 15, 349-370.
- Stewart, M. (2012). Tax deductibility of cross-border giving: Australia gives no quarter. University of Melbourne Legal Studies Research Paper No. 605. *Social Science Research Network*. Retrieved from SSRN <https://ssrn.com/abstract=2154763>

### 1.3. Cross-Border Grantmaking by Foundations

**Benn, J., Sangaré, C., & Hos, T. (2018). Private foundations' giving for development in 2013-2015: Ongoing efforts to better reflect private philanthropic giving in OECD-DAC statistics on development finance. *OECD Development Co-operation Working Paper 44*. OECD.**

Based on a survey of 143 foundations located around the world, this report discussed the scope and success of cross-border giving for development. Together these foundations gave US \$23.9 billion for development between 2013 and 2015, with the largest share going to Africa (28 percent). In addition, between 2013 and 2015, foundation giving to development grew, but this growth was driven by a small number of organizations, primarily in Europe, and the Bill and Melinda Gates Foundation. Most of this cross-border giving went to health-related causes (53 percent), distantly followed by education (9 percent) and agriculture (8 percent). Most giving went to middle-income countries. Importantly, the report also covered giving by foundations based in *developing* countries, where most giving was domestic, but a small amount was cross-border, primarily between South-South countries (both countries located in the global south). In addition, most giving by these foundations went to education (48 percent). Finally, the report called for better, comparable data on foundation giving from all parts of the world.

**Breen, O. B. (2015). Allies or adversaries: Foundation responses to government policing of cross-border charity. *International Journal of Not-for-Profit Law*, 17(1), 45-71.**

This article explored the legal and policy aspects of emerging restrictions on NGOs to receive or use foreign funding around the world. The author discussed these restrictions with special focuses

on the development aid sector and the European and international laws. The author examined the restrictions in the form of “intentional pushback” and those with an unintentional adverse impact on cross-border philanthropy. The author further discussed the concept of “host country ownership,” and its scope and limitations. The author concluded with several proposed perspectives to consider the balance between government, local civil society, and foreign foundations.

**Foundation Center & Council on Foundations. (2018). *The state of global giving by U.S. foundations 2011-2015*.**

This report highlighted trends in international grantmaking by U.S. Foundations from 2011 to 2015. Drawn from all grants of US \$10,000 or more made by 1,000 of the largest U.S foundations, data analyzed in this report focused on grants made to non-U.S. recipient organizations and grants made to support international programs of U.S organizations. International grantmaking of U.S. foundations increased 29 percent from US \$7.2 billion in 2011 to US \$9.3 billion in 2015. The total amount of all grants made during this 5-year period reached US \$35.4 billion, slightly over half (52.5%) of which supported health issues. More than half of the international grantmaking (67% of grants and 58% of grant value) went through U.S.-based intermediaries. The report also included trends by foundation type, population focus, grantmaking strategy, geographic region, and other aspects.

**Foundation Center & Council on Foundations. (2017). *Local communities with global reach: International giving by U.S. community foundations*.**

This report shared trends in international giving by community foundations in the U.S. between 2011 and 2014. Drawn from all grants of US \$10,000 or more made by 1,000 of the largest U.S foundations, a total of 10,533 grants of US \$697 million were included in the analysis. Although international grantmaking by U.S. community foundations increased in terms of both the number and amount of grants from 2011 to 2014, international grants as a percentage of total grantmaking remained at around 5 percent every year during this 4-year period. Three-quarters of the total grant value benefited organizations or programs in 18 countries. The report also shared findings on other trends in international grants from U.S. community foundations, such as by subject area and funding source. The report further discussed findings from interviews with five community foundations, sharing their approaches, processes, drivers, and challenges in international grantmaking. The interviews reflected an expanded definition of “community” among these foundations. Through donor advised funds, these five community foundations supported not only issues at home, but also issues across the country and the world.

**Lajevardi, N., Bussell, M. R., Stauch, J., & Rigillo, N. (2017). Room to flourish: Lessons for Canadian grantmaking foundations from Sweden, Germany, and the Netherlands. *Canadian Journal of Nonprofit and Social Economy Research*, 8(2), 80-96.**

This article used regulatory frameworks from foundations in Sweden, Germany, and the Netherlands to inform recommendations for grantmaking at Canadian foundations. The article began by summarizing the current landscape of foundations in Canada. In particular, the paper described the current (2015-present) debate about regulatory laws governing foundations and philanthropy more generally, which centers on a failed proposal to provide tax incentives for major

gifts. The next section of the article applied Social Origins Theory to the development of foundations in Sweden, Germany, and the Netherlands. In these three European countries, limited regulation has allowed foundations to flourish. The article concluded by offering the recommendation that Canada loosen the regulatory restrictions on foundations to provide a better environment for foundations and philanthropic activity to flourish, including cross-border or international giving.

**Petersen, A. C. & McClure, G. D. (2010). Trends in global philanthropy among U.S. foundations: A brief review of data and issues. *The Foundation Review*, 2(4), 88-100.**

This article reviewed data on international grantmaking by U.S. foundations during the past two decades, revealing an exponential growth from 1990 to 2008. Several factors in the social context that may explain this increase were further discussed. The article then identified some key issues for U.S. foundations in international grantmaking.

**Spero, J. E. (2010). *The global role of U.S. foundations*. Foundation Center.**

This report provided an in-depth overview and discussion of the international work by American foundations. The report began with a review of the history of American foundations' engagement in international philanthropy, especially in the areas of foreign policies, economic development, agriculture, population, and human capital. The report then examined the growth of foundation funding in support of international work and discussed several factors that contributed to the growth. The report further explored foundation strategies and efforts in five areas—health, poverty, environment, democracy, and security. Lastly, the report discussed issues and challenges that foundations face today in their international work.

Additional reading:

Centre for Social Impact and Philanthropy, ASHOKA University, & Worldwide Initiatives for Grantmaker Support. (2019). *Enabling philanthropy and social impact in India: State of the support ecosystem*.

Foundation Center. (2018). *U.S. foundation funding for Latin America, 2014-2015*.

Foundation Center. (2016). *U.S. foundation funding for Australia*.

Foundation Center. (2015). *U.S. foundation funding for Africa*.

Jasinski, L., Davis, C., Somers, P., & Morosini, M. (2016). American Foundations and the Age of Global Philanthropy: How Brazil Fares in the Grant \$ Race. *Educação*, 39(2), 249-260.

Micinski, N. R. (2017). The changing role of the Ford Foundation in international development, 1951–2001. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 28(3), 1301-1325.

Petersen, A. C., & McClure, G. D. (2011). Trends in global philanthropy among US foundations: a brief review of data and issues. *The Foundation Review*, 2(4), 8.

Spires, A. J. (2011). Organizational homophily in international grantmaking: US-based foundations and their grantees in China. *Journal of Civil Society*, 7(3), 305-331.

Vogel, A. (2010). Democratic legitimacy of philanthropic foundations: US grant-making in the Middle East. In *Legitimacy Beyond the State?* (pp. 64-84). Palgrave Macmillan, London.

#### 1.4. Cross-Border Giving by Corporations

**Altuntas, C., & Turker, D. (2015). Local or global: Analyzing the internationalization of social responsibility of corporate foundations. *International Marketing Review*, 32(5), 540-575.**

This article investigated the corporate social responsibility activities and approaches of corporate foundations in host countries. The authors collected data from 24 local and regional foundations of three large multinational companies. The three companies were in different industrial sectors and all had over one-third of operations overseas. Overall, the authors found that all corporate foundations shared similar ideological objectives as their main branches, but their social focuses and approaches were adapted to specific societal problems and stakeholders in local countries. The findings had practical implications for transnational strategies of corporate foundations.

**Cowan, A., Huang, C. H., Padmanabhan, P., & Wang, C. H. (2013). The determinants of foreign giving: An exploratory empirical investigation of US manufacturing firms. *International Business Review*, 22(2), 407-420.**

The authors examined the determinants of foreign charitable giving by U.S. corporations, a topic that had very limited empirical evidence. The authors analyzed data from a sample of U.S. manufacturing companies making foreign ownership acquisitions in other countries between 2004 and 2010. The findings suggested that several firm characteristics, which were strongly correlated with corporate giving within the U.S., were also significant predictors of corporate giving outside the U.S. These characteristics included pre-entry return on assets, size, debt-to-asset ratio, and research and development expense as a function of sales. Furthermore, cultural distance (between host country and the U.S.) and foreign sales ratio were both unique predictors of corporate giving overseas. Additionally, the authors revealed that cultural distance mattered for corporate giving in developing countries only.

**Cowan, A., Huang, C. H., & Padmanabhan, P. (2016). Why do some US manufacturing and service firms with international operations choose to give internationally whereas others opt to give only in the United States?. *International Business Review*, 25(1), 408-418.**

This article explored the determinants of domestic and foreign charitable donations made by U.S. manufacturing and service companies during the 2004-2010 period. The author found that firm size and share of foreign sales both predicted corporate overseas giving. Return on assets and the level of free cash flow also predicted overseas giving by service companies.

**Hornstein, A. S., & Zhao, M. (2018). Reaching through the fog: Institutional environment and cross-border giving of corporate foundations. *Strategic Management Journal*, 39(10), 2666-2690.**

This article explored the relationship between charitable giving by multinational corporations and institutional environments in host countries. The authors analyzed data on overseas charitable grants made by 208 corporate foundations to 158 host countries from 1993 to 2008. These companies were all publicly listed multinational companies incorporated and headquartered in the U.S. and in a wide range of nonfinancial sectors. Overall, the authors found that foundations of multinational companies tended to give more to host countries where the rule of law was weak and the level of corruption was high, indicating a less transparent institutional environment in host countries. In these countries, corporate foundations tended to donate to international organizations as intermediaries, instead of local nonprofit organizations. Additionally, corporate foundations also tended to give more to host countries where companies established new subsidiaries or had a stronger need to interact with local stakeholders.

**Van Kranenburg, H., & Zoet-Wissink, E. (2012). SMEs' motives for international corporate giving: The case of international aid and development programmes support. *The Journal of Corporate Citizenship*, 47, 9-26.**

This article examined the motivations of corporate managers for corporate philanthropic support to international aid and development programs. The authors collected data by a mail survey of 83 general managers of small and medium-sized companies in the Netherlands in 2008-09. The study revealed a negative relationship between corporate donations to international aid and development programs and an organizational egoistic motive. Specifically, small and medium-sized companies in the Netherlands were less likely to donate to these international programs if their managers had stronger organizational egoistic motives, for example, donating for "a positive corporate image" or "a status of good citizenship." Moreover, small and medium-sized companies were less likely to donate to these international programs if the giving decisions were made by their contracted managers, rather than by owners.

Additional reading:

Adrian, C., Prasad, P., & Chia-Hsing, H. (2015). Do firms who give globally secure future financial performance? An investigation of US service firms. *International Journal of Business and Management*, 10(8), 29.

CECP, in association with The Conference Board. (2017). *Giving in numbers: 2017 edition*.

Hopkins, M. (2012). *Corporate social responsibility and international development: Is business the solution?*. London: Routledge.

Jamali, D. (2014), CSR in Developing Countries through an Institutional Lens, in Gabriel Eweje (ed.) *Corporate Social Responsibility and Sustainability: Emerging Trends in Developing Economies (Critical Studies on Corporate Responsibility, Governance and Sustainability, Volume 8)* Emerald Group Publishing Limited, pp.21 - 44.



### 1.5. Cross-Border Giving by Individuals

**Casale, D., & Baumann, A. (2015). Who gives to international causes? A sociodemographic analysis of US donors. *Nonprofit and Voluntary Sector Quarterly*, 44(1), 98-122.**

Drawing on data from the 2001 Survey on Giving and Volunteering in the United States, the authors examined the predictors of charitable giving made to international causes by U.S. individuals. The authors found that three individual sociodemographic characteristics—graduate education, being foreign-born, and religiosity—were strong predictors of international giving. In addition, two measures of social capital and civic engagement—confidence in charities and having volunteered in youth—were also strongly correlated with international giving. The findings offered practical implications for fundraisers about the profile of U.S. individual donors to international causes, and further confirmed that the predictors of giving vary considerably by charitable cause.

**Cunningham, H., Knowles, S., & Hansen, P. (2017). Bilateral foreign aid: How important is aid effectiveness to people for choosing countries to support?. *Applied Economics Letters*, 24(5), 306-310.**

This article explored which characteristics of recipient countries affected individuals' preferences for bilateral foreign aid allocations. By conducting an experiment with 185 students aged 18-20 in a New Zealand university, the authors examined five recipient-country characteristics in particular—needs, average income per person, level of trade with New Zealand, geographic proximity to New Zealand, and aid effectiveness. The findings suggested that aid effectiveness and the needs of recipient countries (as measured by the level of hunger and malnutrition) were both important attributes for individual endorsement of government foreign aid.

**Hudson, D., & vanHeerde-Hudson, J. (2012). 'A mile wide and an inch deep': Surveys of public attitudes towards development aid. *International Journal of Development Education and Global Learning*, 4(1), 5-23.**

This article examined the validity of existing surveys on public support for international aid conducted between 1999 and 2009. Overall, the authors found that existing surveys varied a lot in the ways in which they measured public support for development aid. They also raised three critiques of the validity of the existing measures and proposed several ideas for future surveys to improve measurement validity.

**Schnable, A. (2015). Religion and giving for international aid: Evidence from a survey of U.S. church members. *Sociology of Religion*, 76(1), 72-94.**

This article explored how religion shaped charitable giving by Americans through three pathways—values, social norms, and exposure to need. By analyzing data from the 2005 Global Issues Survey, the author confirmed that a sense of moral responsibility, social ties with congregation members, and exposure to international need through congregations were all positively correlated with individual giving to international aid. Moreover, the author examined the key factors associated with individual preferences for type of aid organizations, and found that church attendance, religious denominations, and congregational social ties were linked to a preference for church aid efforts over those of the government.

**Taniguchi, H., & Buttry-Watson, B. (2014). Japanese citizen participation in international development aid. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(4), 1091-1110.**

By analyzing data of Japanese adults collected from the 2006 Japan General Social Survey, the authors explored the key factors that were associated with individual participation in international development aid in Japan. The authors identified the following factors that had a positive correlation with charitable giving or volunteering by Japanese adults to help developing countries:

- Socio-demographics (i.e. gender, age, and education),
- Social network traits (i.e. membership affiliation, community volunteering, and interactions with foreigners),
- English language skills, and
- The level of endorsement of Official Development Assistance (ODA) projects.

Additional reading:

Cao, X. (2018). Impact of social information on intentions to volunteer domestically for foreign causes. *Nonprofit Management and Leadership*, 1-11.

De Wit, A., Neumayr, M., Handy, F., & Wiepking, P. (2018). Do government expenditures shift private philanthropic donations to particular fields of welfare? Evidence from cross-country data. *European Sociological Review*, 34(1), 6-21.

Desai, R. M., & Kharas, H. (2018). What Motivates Private Foreign Aid? Evidence from Internet-Based Microlending. *International Studies Quarterly*, 62(3), 505-519.

Einolf, C. J. (2017). Cross-national differences in charitable giving in the west and the world. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 28(2), 472-491.

Hansen, P., Kergozou, N., Knowles, S., & Thorsnes, P. (2014). Developing countries in need: Which characteristics appeal most to people when donating money?. *The Journal of Development Studies*, 50(11), 1494-1509.

Knowles, S., & Sullivan, T. (2017). Does charity begin at home or overseas? *Nonprofit and Voluntary Sector Quarterly*, 46(5), 944-962.

Pantea, M. C. (2013). The changing nature of volunteering and the cross-border mobility: where does learning come from? *Studies in Continuing Education*, 35(1), 49-64.

UBS. (2011). *UBS-INSEAD Study on family philanthropy in Asia*. UBS Philanthropy Services, INSEAD.

Wiepking, P. (2010). Democrats support international relief and the upper class donates to art? How opportunity, incentives and confidence affect donations to different types of charitable organizations. *Social Science Research*, 39(6), 1073-1087.

Wood, T., & Hoy, C. (2018). Helping us or helping them? What makes aid appeal to Australians?. Development Policy Centre, Australian National University. Discussion paper 75, Series ISSN 2206-3030X.

#### 1.6. Cross-Border Giving (Country-Specific)

**Atkinson, A. B., Backus, P. G., Micklewright, J., Pharoah, C., & Schnepf, S. V. (2012). Charitable giving for overseas development: UK trends over a quarter century. *Journal of the Royal Statistical Society: series A (statistics in society)*, 175(1), 167-190.**

Using data on charitable donations made to individual UK charities, the authors analyzed how charitable donations for overseas development have changed since 1978. The findings show a strong growth in charitable giving for overseas development, with an average annual growth of 7.4 percent from 1978 to 2004. This increase outpaced the growth in household income during the same period (at an average annual increase of 2%). Moreover, the growth rates of individual development charities have been volatile since 1978. Large charities in the development sector have become less dominating, receiving a smaller share of the total donations flowing to all development charities over time.

**Avellaneda, C. N., Johansen, M., & Suzuki, K. (2017). What drives Japanese INGOs to operate in Latin American countries?. *International Journal of Public Administration*, 40(8), 670-683.**

Japanese non-governmental organizations began to increase their attention to global issues in the 1950s and 1960s. It was estimated that there were around 400-500 Japanese international non-governmental organizations (INGOs). This article investigated the factors that motivated Japanese INGOs working in Latin American countries in particular. The authors collected data on Japanese INGOs operating in Latin American countries from 2009 to 2013 and country-level data on local needs, liberalization, business connections with Japan, and Japanese foreign aid. Findings suggested that need in a country (as measured by the level of development) and presence of Japanese business in a country were both important factors that were associated with the number of non-disaster-related Japanese INGOs in Latin America.

**Clifford, D. (2016). International charitable connections: The growth in number, and the countries of operation, of English and Welsh charities working overseas. *Journal of Social Policy*, 45(3), 453-486.**

This article presented new data to fill in a gap in research on the trends and geographic patterns of UK nonprofit organizations operating internationally, including both large and small international organizations. Using data from the UK's Charity Commission in 2014 and public country-level data, the author identified 16,502 nonprofit organizations registered in England and Wales in 2014 with international operations, less than a quarter (22 percent) of which were larger organizations with an annual income of £100,000 or above. Nearly 55 percent of these organizations operated in one country only, and roughly 60 percent operated exclusively within countries that were eligible for the official development assistance (ODA) as classified by the OECD. The total number of UK organizations with international operations had increased more than three times since 1995. Further analysis showed that nonprofits were less likely to work in countries with high levels of

political instability or corruption, and more likely to work in countries with strong historical and linguistic connections to the UK.

**Dreher, A., Nunnenkamp, P., Öhler, H., & Weisser, J. (2012). Financial dependence and aid allocation by Swiss NGOs: A panel Tobit analysis. *Economic Development and Cultural Change*, 60(4), 829-867.**

This article aimed to address the debate on whether financial dependence on official financial support affected the autonomy of nongovernmental organizations (NGOs) in foreign aid allocation. The authors analyzed detailed data on foreign aid allocated to low- and middle-income countries by over 300 Swiss NGOs during the period of 2002-2005. The findings revealed that the allocation of foreign aid by Swiss NGOs was in line with the allocation of official development assistance (ODA) and the allocation of aid by their NGO peers. Particularly, among officially cofinanced NGOs, a higher degree of financial dependence on government funding was correlated with a stronger alignment in the allocation of NGO aid and ODA. However, the authors found no statistically significant relationships between the degree of financial dependence on government funding and the tendency of NGOs to tackle poverty or to operate in countries with more difficult environments.

**Dreher, A., Nunnenkamp, P., Thiel, S., & Thiele, R. (2012). Aid allocation by German NGOs: Does the degree of official financing matter?. *The World Economy*, 35(11), 1448-1472.**

This article explored the link between financial dependence on government financial support and the foreign aid by German nongovernmental organizations (NGOs). By analyzing unpublished data on foreign aid made by 41 German NGOs to 152 recipient countries in 2005-2007, the authors found some evidence for an impact of financial dependence on NGO aid allocation. Specifically, the aid allocation of German NGOs was in line with the allocation of ODA and that of their NGO peers. A stronger dependence on official support, however, was found to be associated with a weaker tendency of German NGOs to work in countries with difficult environments. The findings also suggested a capping effect of financial dependence. German NGOs tended to allocate aid to countries with higher needs (as measured by per capita GDP) when less than 70 percent of their funding came from government support. For NGOs receiving more than 70 percent of funding from government, the allocation of aid was no longer correlated with the needs of recipient countries.

**Loman, B., Pop, I., & Ruben, R. (2011). Follow the leader: How Dutch development NGOs allocate their resources—the contradictory influence of donor dependency. *Journal of International Development*, 23(5), 641-655.**

In this paper, the authors investigated whether Dutch non-governmental development organizations (NGDOs) made their allocation decision on their development aid distribution based on public funding and policy influence. According to the needs-based model, NGDOs primarily concentrate their resources in the poorest countries. However, the donor-interest model argues that the political and economic interests of donors significantly influence NGDOs' grant allocation. In order to analyze the determinants for Dutch NGDO aid allocations, the authors developed a unique dataset of 73 Dutch NGDOs and their country-wise and sector-wise expenditures to official development aid recipients in 2007. The dataset covers 70 percent of the total amount of development aid expenditure of the Dutch NGDO sector. The analysis used a two-stage Heckman approach which assumes that "there is a difference between the selection of a country as aid

recipient and the actual amount sent to a specific country” (647). The authors concluded that the funding structure of Dutch NGOs were diverse in terms of their dependency on public and private revenues, therefore their aid allocation policies would vary too. One of the main factors that influenced NGOs’ financial decision-making was path dependency, which is to say NGOs’ aid allocations in the previous fiscal year influenced their commitments in the current year. Additionally, the country’s political regime and bilateral aid flows also seemed to determine Dutch NGOs’ country choice for their aid allocation. However, NGOs included in the analysis appeared to allocate higher percentage of their own funding towards countries that receive lower levels of official development aid in order to preserve an independent profile from the government.

**Molenaers, N., Jacobs, B., & Dellepiane, S. (2014). NGOs and aid fragmentation: the Belgian case. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 25(2), 378-404.**

This article examines the complexity of aid fragmentation, which refers to the situation where too many donors are working on a wide variety of projects in various sectors, in many countries, or through many channels. This issue adds a serious burden to recipient countries. Using Belgium as a case study, the findings suggested that the reform proposed by the Belgian Directorate General of Development Cooperation did not actually address the problem of aid fragmentation as desired. By collecting data from public data sources, a survey of NGOs, and in-depth interviews with major stakeholders, the authors examined the aid allocation, funding sources, the historical development, and the current state of NGOs in Belgium. A variety of factors, such as socio-political complexities, multi-layered governance structures, societal pillars, and consociational set-up, played a role in aid allocation and made it difficult to fight against aid fragmentation.

**Osili, U. O. (2013). *Non-traditional aid and gender equity: Evidence from million dollar donations*. WIDER Working Paper, No. 2013/076, ISBN 978-92-9230-653-3, WIDER, Helsinki.**

This article examined the trends in private donations from U.S. individuals, foundations, and corporations at the million-dollar level or above to improve gender equity in developing countries and investigated key country-level factors that influence these donations. By analyzing data from the Million Dollar List, the author found that charitable donations at the million-dollar level or above made to developing countries through U.S.-based international nonprofit organizations grew exponentially from 2000 to 2010. Similarly, donations at this level to gender-related causes also increased over time. The author revealed that million-dollar-plus donations to developing countries were positively correlated with population size, gross domestic product per capita, severity of natural disasters, and female mortality. By contrast, donations at this level made to gender-related issues were negatively associated with population and GDP per capita, yet positively associated with female mortality.

**Stobbe, M., Dickinson, H., & Disano, J. (2016). *Exploring Canadian philanthropic giving to the developing world: An estimate of values*. Saskatoon, Sask.: Social Sciences Research Laboratories, University of Saskatchewan.**

This report provided an estimate of the structure and magnitude of philanthropic giving from Canada to developing countries. Four types of Canadian philanthropic giving were discussed in the report—charitable organizations (including faith-based organizations), volunteering by individuals, student support from universities, and donations by corporations. The report estimated

that a total of CAD \$2.387 billion in aid and activities was provided by Canadian charitable organizations to developing countries in 2014, CAD \$40 million in volunteer labor was provided by more than 2,000 individuals who volunteered abroad in 2014, and CAD \$226 million in scholarships was offered by Canadian universities to international students. The report also discussed the limitations of existing data and challenges in assessing the dollar value of corporate philanthropic engagement in developing countries.

Additional reading:

Burkot, C., & Wood, T. (2017). *Is support for aid related to beliefs about aid effectiveness in New Zealand?*. Development Policy Centre Discussion Paper, No. 63, November.

El-Daly, M., & Khalil, M. (2017). *Philanthropy in the Arab world*. AFD Research Papers Series, No. 2017-59, October.

Hartnell, C. (2018). *Philanthropy in Russia*. Philanthropy for Social Justice and Peace, in association with CAF Russia, Alliance, and WINGS.

Hartnell, C. (2018). *Philanthropy in the Arab Region*. Philanthropy for Social Justice and Peace, in association with Alliance, Arab Foundations Forum, John D Gerhart Center for Philanthropy, King Khalid Foundation, Philanthropy Age, SAANED, and WINGS.

Hartnell, C. (2017). *Philanthropy in India*. Philanthropy for Social Justice and Peace, in association with Alliance, WINGS, and the Centre for Social Impact and Philanthropy, Ashoka University.

Office of the Scottish Charity Regulator. (2012). Monitoring of cross-border charities: Second year evaluation report. Retrieved from [https://www.oscr.org.uk/media/1356/2012-08-21\\_xb\\_final\\_layout\\_published.pdf](https://www.oscr.org.uk/media/1356/2012-08-21_xb_final_layout_published.pdf)

Silver, N., McGregor-Lowndes, M., & Tarr, J. A. (2016). Should tax incentives for charitable giving stop at Australia's borders. *Sydney Law Review*, 38, 85-120.

Tan, P., & Lam, S. (2018). *Philanthropic foundations in Asia: Insights from Singapore, Myanmar and China*. Asia Centre for Social Entrepreneurship and Philanthropy, National University of Singapore.

## 2. Changing Vehicles and Opportunities

Today's global philanthropic sector is inherently dynamic. The number of philanthropic organizations is growing worldwide, representing a myriad of institutional forms. In addition, the ways in which people can engage in philanthropy are constantly growing and changing. For example, community foundations, while they have existed for over 100 years, are changing the way they address social issues in their local communities. New vehicles for charitable giving, such as donor-advised funds and giving circles, are also expanding and engaging growing numbers of donors. Furthermore, technology continues to change philanthropy through new opportunities and challenges.

This section will review recent literature on community foundations, donor-advised funds, giving circles, and new technology, such as online giving, social media, and cryptocurrency.

Key findings:

- Community foundations are growing around the world and are evolving to better serve local communities;
- Donor-advised funds remain a highly controversial, but expanding, vehicle for charitable giving in the United States, particularly for high-net-worth donors;
- Giving circles are also growing in popularity in many parts of the world as a way to pool resources while maintaining agency to have a larger impact on societal problems; and
- Technology continues to present new ways to engage in philanthropy, but new technology also brings new challenges for nonprofit organizations.

### 2.1. Community Foundations

**CF Insights. (2017). *Columbus survey results*. Retrieved from <http://columbusurvey.cfinsights.org/>.**

The Columbus Survey, administered by CF Insights (a service of the Foundation Center), aimed to provide a “census of the community foundation field.” The most recent edition, from 2017, surveyed 269 community foundations in the United States (which hold approximately 90 percent of U.S. based community foundation assets), and estimated that the community foundation field held more than US \$91 billion in assets, received US \$9.7 billion in gifts, and awarded US \$8.3 billion in grants. The study found that assets held by community foundations increased significantly (19 percent) from FY2016 to FY2017. They also saw an increase in gifts and grants. Historical data from community foundations from 2002 to 2015 is also provided at [data.foundationcenter.org](http://data.foundationcenter.org).

**Community Foundation Atlas. (2014). *Community foundation atlas*. Retrieved from <http://communityfoundationatlas.org/>.**

The Community Foundation Atlas is the most comprehensive international data source of community foundations, including an organization directory, data snapshots, and first-person accounts from community foundations. The atlas relied on three main sources of data (email lists of community foundations from project partners, survey data, and data from the Foundation Center). In addition, community foundations are allowed to make corrections or updates to the profiles of their organization. The project has identified 1,867 community foundations in 74

countries around the world. Combined grantmaking from these foundations topped US \$5 billion. Of the 1,867 community foundations identified, 478 completed the survey, which asked questions about both the characteristics of the organization and about the social context of the local society. In addition to presenting descriptive information about the sector, the primary conclusion of the report was that it is difficult for individual community foundations to positively influence civil society processes, assets and trust, and a culture of giving and social change all at once. Community foundations typically focus on one or two of these areas.

**Hodgson, J., Knight, B., & Mathie, A. (2012). *The new generation of community foundations*. Global Fund for Community Foundations and International Development Research Centre.**

The authors provided an overview of new and emerging developments in the community foundation sphere, in three sections: 1) a literature review, 2) results of a meeting of scholars and practitioners, and 3) interviews and case studies of community foundations and philanthropists. The researchers provided a special focus on community foundations in the Global South, exploring themes including responses to disillusionment with conventional channels of aid, and efforts to implement inclusive, democratic decision-making processes in these regions. The authors concluded that community foundations have changed in recent years leading to a “new generation of community foundations.” This new generation is focused on developing trust and improving social justice and has also led to the creation of new hybrid organizational types (see section 3 of this report). The authors also noted that these organizations seek to emphasize the role of local communities and democratic participation.

Additional reading:

Easterling, D. (2011). Promoting community leadership among community foundations: The role of the Social Capital Benchmark Survey. *The Foundation Review*, 3(1), 81-96.

Mazany, T., & Perry, D. C. (Eds.). (2013). *Here for good: Community foundations and the challenges of the 21st century*. ME Sharpe.

Sacks, E. (2014). *The growing importance of community foundations*. Lilly Family School of Philanthropy.

## 2.2. Donor-Advised Funds

**Andreoni, J. (2018). The benefits and costs of donor-advised funds. *Tax Policy and the Economy*, 32(1), 1-44.**

Andreoni, an esteemed researcher within the fields of economics and philanthropy, attempted to quantify the societal benefits and costs of donor-advised funds. To do so, he created an “imaginary donor-advised fund account” that represents the average qualities of donor-advised funds and considers optimistic and pessimistic cases. He concluded that “Donor-Advised Funds are unlikely to stimulate more new giving than they cost in forgone tax revenues,” though certain policies, such as limiting the tax advantage of giving of noncash assets, may have increased the net benefits of donor advised funds.



**The Giving USA Foundation. (2018). *Special report: The data on donor advised funds.* Indianapolis: Indiana University Lilly Family School of Philanthropy.**

Using 2012-2015 IRS data that represented approximately half of all grant dollars from donor-advised funds, researchers developed novel insights into the grant patterns of donor-advised funds. They found that certain sectors receive greater funding from donor-advised funds than other forms of giving, such as education (28 percent of DAFs, compared to 15 percent total giving); while religion received considerably less funding from donor advised funds (14 percent versus 32 percent). Overall, results suggest the pattern of giving from donor-advised generally align with the trends of high-net-worth donors (who tend to give more to education than religion).

Additional reading:

Colinvaux, R. (2017). Donor advised funds: Charitable spending vehicles for 21st century philanthropy. *Washington Law Review*, 92, 39-86.

Hussey, M. J. (2010). Avoiding misuse of donor advised funds. *Cleveland State Law Review*, 58, 59-96.

Rooney, P. (2017). Have donor-advised funds and other philanthropic innovations changed the flow of giving in the United States? *Nonprofit Quarterly*.

Sherlock, M. F., & Gravelle, J. (2012). *An analysis of charitable giving and donor advised funds.* Congressional Research Service.

### 2.3. Giving Circles

**Collective Giving Research Group. (2016). *The landscape of giving circles/collective giving groups in the U.S.***

Created by the Collective Giving Research Group, this report provides a comprehensive overview of giving circles in the United States. It is the first of a three-part series (other parts yet to be released); in this part, they surveyed 358 giving circles (GCs) to understand the core features of the GC landscape, including number of GCs, demographic composition of GCs, amounts given by GCs, areas/issues/populations supported by GCs, structures or models of GCs, and the extent that community foundations or other institutions host GCs in the US. Among other findings, the report revealed that nearly half of GCs have been launched since 2010; that GCs have given at least US \$375 million (lower-bound estimate; US \$1.29 billion for higher bound-estimate); and that women are especially likely to join GCs.

**Eikenberry, A. M., & Breeze, B. (2015). *Growing philanthropy through collaboration: the landscape of giving circles in the United Kingdom and Ireland. Voluntary Sector Review*, 6(1), 41-59.**

Eikenberry and Breeze administered 27 interviews with members and staff of giving circles in the United Kingdom and Ireland in order to better understand this emerging vehicle for philanthropy. They developed a taxonomy of giving circles composed of six categories: mentored, 'live crowd funding,' hosted, independent, brokers and hybrid. The researchers also noted important differences between UK/Ireland philanthropy and more-often studied countries – namely, the

United States; for instance, recognizing that fewer giving circles in UK/Ireland are based on social identity (e.g., race, gender).

**Giving Australia (2016). Giving Australia 2016: Literature review summary report (Chapter 7: Giving Collectives).**

In Giving Australia 2016, Alexandra Williamson briefly summarized the Australian context, international context, and key issues and emerging trends of “giving collectives” (also known as “giving circles”). The author identified two key issues of giving circles in Australia: whether they partner with a host organization and how they can involve their members in experimental learning. Other emerging trends in Australia are, the disconnect between the interest of members and beneficiaries; the maintenance of the membership; and the enhancement of giving circle’s diversity and inclusion. The author identified 16 giving collectives (as of October 2015); however, she noted that there is no extant research on number, size, membership, or other features of these organizations.

**John, R. (2014). Giving circles in Asia: Newcomers to the Asian philanthropy landscape. *The Foundation Review*, 6(4), 9.**

John provides an initial investigation into giving circles in Asia, which he noted are “developing rapidly” within several Asian countries. He identified 23 giving circles directly linked to giving circles outside of Asia (e.g., United States or Britain), and also 14 “indigenous” giving circles in four countries (India, Singapore, Hong Kong, and Australia) that appear to have been created through local individuals or initiatives. A summary of these latter giving circles (from July 2014) was also provided (p. 83). John also noted that among these indigenous giving circles, were early indications that they were “evolving through innovation,” which is to say that the new generation of philanthropist in these countries have identified and implemented new and innovative ideas of giving while respecting their own cultural traditions.

Additional reading:

For a list of additional research on giving circles (including some of the above research), see <https://www.unitedphilforum.org/topic/giving-circles>

**2.4. Online Giving, Social Media, and Digital Currency**

**Blackbaud. (2015). *#GivingTuesday Trends: A Closer Look at the Online Fundraising Impact in the United States*.**

The report provided insight about Giving Tuesday based on its overall growth and determined its trends in terms of size and sector. Average gift amounts and future trends of giving were also discussed in this report. The report ended with key findings: Giving Tuesday has reached a year-over-year growth in online giving since 2012; large organizations were the most significant recipients of donations, a trend that is shifting; faith-based organizations received the largest amount of online giving through Giving Tuesday; and a growing amount of donations came via mobile phones.

**Charities Aid Foundation. (2018). *Bitcoin and BlockChain technology*. Retrieved from <https://www.cafonline.org/about-us/caf-campaigns/campaigning-for-a-giving-world/future-good/blockchain>.**

Charities Aid Foundation runs a thinktank, focused on current and future issues facing philanthropy, which explored BlockChain and Bitcoin's effect in philanthropic giving. This blog defined terms and provided a series of educational videos about major opportunities and challenges in giving with cryptocurrency. The videos explore topics such as: radical transparency of donations, anonymous cryptocurrency giving, role of BlockChain in boosting trust in charities, and possible changes in non-profit regulations. For example, they noted that digital currency could make it easier to get money to places in need (e.g. after a disaster) quickly.

**DataKind. (2017). *#GivingTuesday Insight Report 2017*.**

This report started with a comprehensive introduction of Giving Tuesday as a global movement reaching more than 100 countries around the globe. Conveying Giving Tuesday's goals and mission, the report highlighted trends in philanthropic giving, its partners, the power of storytelling in donor attraction, and the case of #GivingTuesday hash tag. The report's conclusion centered on the impact of machine learning and predictive technology in boosting giving in the Giving Tuesday movement and raised questions and discussions about increasing philanthropic giving and providing further resources to address social needs.

**Lehr, D, & Lamb, P. (2018). *Digital Currencies and BlockChain in the Social Sector: How Decentralized Technologies are Transforming Philanthropy and NGO works*. *Stanford Social Innovation Review*. Retrieved from [https://ssir.org/articles/entry/digital\\_currencies\\_and\\_blockchain\\_in\\_the\\_social\\_sector1](https://ssir.org/articles/entry/digital_currencies_and_blockchain_in_the_social_sector1).**

Starting with definitions of Bitcoin and digital currencies, this article investigated advantages and disadvantages of these technologies in the nonprofit sector. In general, the writers argued that cryptocurrencies expand fundraising opportunities and referred to the invention of Charity Coins to raise money for specific causes. For instance, Charity Water has created Clean Water Coins to raise money for its projects. Likewise, the writers brought attention to the demand for greater transparency and used BitGive Foundation's new initiative as an example. The initiative, GiveTrack, allows both parties to trace nonprofit transactions on a public platform. However, the article did not ignore the challenges facing this young technology, such as being inherently complicated, not user friendly, and not allowing reversal of an exchange in the event that disagreements arise among parties.

**Nonprofit Tech for Good. (2018). *2018 global trends in giving report*.**

This report provided benchmark survey data from 6,057 donors in 119 countries on how donors prefer to give and engage with charitable organizations and causes. Of particular interest, the report provided considerable information about the donor population's beliefs and attitudes towards technology in philanthropy. For example, 54% of respondents prefer to give online with a credit or debit card; generational differences in preferences to give online are reducing; and, 41% of donors have donated to crowdfunded campaigns.

Additional reading:

Lamb, P. (2018). Crypto-philanthropy: How Bitcoin and BlockChain are Disrupting the World of Giving. Retrieved from <https://medium.com/@pauljlamb/crypto-philanthropy-how-bitcoin-and-blockchain-are-disrupting-the-philanthropic-sector-80716dc7cb68>.

## 2.5. Crowdfunding

**Gleasure, R., & Feller, J. (2016). Does heart or head rule donor behaviors in charitable crowdfunding markets?. *International Journal of Electronic Commerce*, 20(4), 499-524.**

In this paper, the authors conducted novel research in the nascent field of crowdfunded philanthropy. As an overall aim, they sought to identify the underlying psychosocial mechanisms of donation behaviors in crowdfunding markets; furthermore, they sought to identify whether these mechanisms differ according to the target of the effort (e.g., individual or organization). Analyzing donor behavior on Razoo, an online platform that has generated over US \$270 million in charitable donations, the researchers found diverging motivations for giving to individuals versus organizations. Specifically, regression analyses suggested that crowdfunding success for organizations was more driven by outcome-related factors (e.g., likelihood of meeting fundraising target), crowdfunding for individuals was more influenced by “interaction-related” factors, including the level of dialogue around a campaign.

**Ryu, S., & Kim, Y-G. (2016). A typology of crowdfunding sponsors: Birds of a feather flock together?. *Electronic Commerce Research and Applications*, 16, 43-54.**

Ryu and Kim developed a cluster-based approach to classifying crowdfunding sponsors. Utilizing a motivational framework, they identified four distinct groups of sponsors: *angelic backer*, *reward hunter*, *avid fan*, and *tasteful hermit*. The groups are proposed to vary along six motivational dimensions: interest, playfulness, philanthropy, reward, relationship, and recognition. Lastly, it should be noted that Ryu and Kim did not solely focus on philanthropic crowdfunding, but other forms, as well; however, the findings are likely to be of interest to the philanthropic community.

### 3. New and Hybrid Institutional Forms

An important push towards innovation in the philanthropic sector has led to the adoption of new and hybrid approaches. There is growing interest in leveraging market forces to create social change on a large scale. Donors are also increasingly interested in supporting policy reform and advocacy to drive social change. Furthermore, the nature of advocacy may range from political donations that influence political and electoral outcomes to support for political-action committees and/or support for lobbying activities.

Research on new and hybrid institutional forms is still in its infancy compared to the rest of organizational and institutional studies. However, given the rapid growth in recent decades of some new and hybrid institutional forms, there has also been growing interest in understanding these forms. This section will focus on some of the most common or fastest growing new and hybrid institutional forms: social entrepreneurship and social enterprise; benefit corporations, B-corps, L3Cs, and flexible benefit corporations; impact investing, mission investing, and blended value; social innovation; and systems change (see *Appendix A* for definitions).

#### Key findings:

- Social entrepreneurship and social innovation are becoming more mainstream in countries around the world, but the growth of both differs significantly among countries;
- New legal organizational forms, such as benefit corporations, are attempting to balance social and financial outcomes, but more research is needed to determine if they add social value;
- Impact investing is a hot topic in the nonprofit and business sectors, but the long-term impacts of impact investing will determine if it is sustainable; and
- Systems change is influencing how philanthropy addresses some of the world's biggest problems.

#### 3.1. Social Entrepreneurship/Social Enterprise

*Organizations encompassing both social missions and earned-income strategies*

**Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of social entrepreneurship*, 1(1), 32-53.**

This article began by reviewing the history of social enterprise and social entrepreneurship in both Europe and the United States, focusing on 1990-2010. It then covers the national and regional differences within both Europe and the United States, including legal frameworks and histories. The authors noted that the nonprofit sector as a whole, in both the United States and Europe, played an important part in the development of social entrepreneurship. However, in Europe a history of cooperation between business and nonprofits played a large role in this development while in the United States, foundations played a large role. Changes in public funding also played an important part in the development of social entrepreneurship in both Europe and the United States. In the US, two factors related to public funding led to this development: shortcuts in public grants (short-term) and a simultaneous decrease in public support for nonprofits and increase in commercial income. On the other hand, in Europe, particularly Western Europe, public funding transformed to create environments conducive to quasi-markets. In Europe, the development of social

entrepreneurship was driven by many different combinations of market and non-market resources. The development of social entrepreneurship was driven by two schools of thought in the United States: the growth of earned-income strategies and the insistence of innovation to meet social needs. Despite these differences, the authors concluded that over time, European and American concepts of social entrepreneur, social entrepreneurship, and social enterprise have converged to a common understanding of these terms.

**Defourny, J., & Nyssens, M. (2017). Fundamentals for an international typology of social enterprise models. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 28(6), 2469-2497.**

In this paper, the authors developed a theoretical framework for social enterprise based on two major factors: principle of interest (mutual, general, capital) and resource mix. They then used this framework to understand four models of social entrepreneurship: the entrepreneurial nonprofit model, the social cooperative model, the social business model, and the public-sector social enterprise model. The entrepreneurial nonprofit model encompasses nonprofit organizations that include an earned-income business to support their mission. The social cooperative model includes mutual interest organizations that are democratically controlled by their members and include both single and multiple stakeholder organizations. The social business model includes businesses with strong corporate social responsibility (e.g. B-corps and blended value). Finally, the public-sector social enterprise model includes national and local government organization spin-offs or departments that use social enterprises for public benefit. They note that all four of these models developed from more traditional organization types with mutual or capital interest organizations moving more towards general interest missions and general interest organizations moving toward more business-like management. Furthermore, while all four models include a strong focus on mission, they vary in the limitations put on profit distribution, ranging from prohibition of profit distribution for entrepreneurial nonprofits (similar to other nonprofits) to no limitation on profit distributions for social businesses. They also differ in their governance models. Entrepreneurial nonprofits and social cooperatives are run through democratic governance models, public sector social enterprises are typically run through bureaucratic governance models and social businesses are run through either independent or capitalist business models.

**Bosma, N., Schøtt, T., Terjesen, S. A., & Kew, P. (2016). Global Entrepreneurship Monitor 2015 to 2016: Special Topic Report on Social Entrepreneurship. *Social Science Research Network*.**

The Global Entrepreneurship Monitor's (GEM) report on social entrepreneurship was described as "the largest comparative study of social entrepreneurship in the world," surveying individuals in 58 economies in 2015. In addition to measuring the size and scope of this domain, GEM attempted to uncover factors determining social entrepreneurship at the country-level and identify policies that may enable social entrepreneurship. Notably, the average prevalence rate of individuals who are currently trying to start social entrepreneurial start-ups (3.2 percent in economies included in the Global Entrepreneurship Monitor) lags behind commercial entrepreneurial start-ups (7.6 percent in the world).

**Hoogendoorn, B. (2016). The prevalence and determinants of social entrepreneurship at the macro level. *Journal of Small Business Management*, 54, 278-296.**

Hoogendoorn presented a cross-national study (including 49 countries) investigating the factors that predict social entrepreneurship amounts. Statistical analyses suggested that institutional support is the primary driver of social entrepreneurship; specifically, favorable institutional contexts, such as regulatory quality and public service expenditures are associated with an increased proportion of “social start-ups” (relative to all start-ups).

**Logue, D., McAllister, G., & Schweitzer, J. (2017). Social entrepreneurship and impact investing report: Report prepared for innovationXchange, Department of Foreign Affairs and trade by the University of Technology Sydney.**

In this report, the authors discussed research conducted in Australia about social enterprises in the Asia-Pacific region, with a focus on the Indo-Pacific region. While the larger research project focused on many aspects of social entrepreneurship in the region, the report focused on how to promote entrepreneurs’ participation in impact investing. They focused on the development of new businesses, including funding; support for social entrepreneurs, including building business skills; financing structures by the government and private sectors; and the role of platforms, such as crowdfunding, to connect entrepreneurs to sources of capital. They identified four key areas of research: entrepreneur support (crowdfunding platforms, microfinance), enabling services (regional network of incubators), marketplace (social stock exchanges), and capital (blended finance, pay by results).

**Stephan, U., Uhlaner, L. M., & Stride, C. (2015). Institutions and social entrepreneurship: The role of institutional voids, institutional support, and institutional configurations. *Journal of International Business Studies*, 46(3), 308-331.**

In this academic paper, Stephan, Uhlaner, and Stride provide a rigorous statistical analysis of factors that facilitate social entrepreneurship. In a study of over 100,000 individuals in 26 countries, they find support for a number of factors, including 1) government activism, 2) postmaterialist cultural values, and 3) socially supportive cultural norms, or weak-tie social capital.

Additional reading:

Dacin, M. T., Dacin, P. A., & Tracey, P. (2011). Social entrepreneurship: A critique and future directions. *Organization science*, 22(5), 1203-1213.

Nicholls, A. (2011). Social enterprise and social entrepreneurs. In M. Edwards (Ed.), *The Oxford Handbook of Civil Society* (pp. 80-92). New York: Oxford University Press.

Rawhouser, H., Cummings, M., & Newbert, S. L. (2017). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship theory and practice*, 1042258717727718.

### 3.2. Benefit Corporations, B-corps, L3Cs, and Flexible Benefit Corporations *Businesses committed to a social mission or public benefit*

**Artz, N., Gramlich, J., & Porter, T. (2012). Low-profit limited liability companies (L3Cs). *Journal of Public Affairs*, 12(3), 230-238.**

In this paper, the authors provided a thorough introduction to low-profit limited liability companies (L3Cs). They situated the conversation around L3Cs in the lower context of corporate social responsibility (CSR) and social enterprise. They argued that L3Cs provide an organization form ideal for social enterprises. They also considered the effects L3Cs might have on the business and the public sector. The authors differentiated between benefit corporations (first established in Maryland) and L3Cs (first created in Vermont). They stated that the primary difference between benefit corporations and L3Cs is that benefit corporations allow firms to prioritize societal or financial benefits, whereas L3Cs require societal interests to be prioritized over financial interests. The authors then argued that L3Cs, as a relatively new organizational form, need to be better integrated into public affairs management. They concluded by presenting the opportunities and risks of L3Cs from a management perspective.

**Kleinberger, D. S. (2010). A myth deconstructed: The emperor's new clothes on the low-profit limited liability company. *Delaware Journal of Corporate Law*, 35, 879-910.**

As opposed to most of the literature on social entrepreneurship, benefit corporations, and low-profit limited liability corporations (L3Cs), this article presented a negative view of L3Cs. The author argued that the designation is unnecessary and that it provides legal and tax benefits for something that only improves an organization's brand without actually providing societal benefit above what is already possible under the law. He stated that private foundations already had legal means to make program-related investments, but these means require purposeful decision-making on the part of the foundation, an aspect of the process that could be lost under the new regulations.

*Note: This view is also espoused by Callison & Vestal (2010) in their article "The L3C Illusion: Why Low-Profit Limited Liability Companies Will Not Stimulate Socially Optimal Private Foundation Investment in Entrepreneurial Ventures" Vermont Law Review, 35, 273-294.*

**Munch, S. (2012). Improving the benefit corporation: How traditional governance mechanisms can enhance the innovative new business form. *Northwestern Journal of Law & Social Policy*, 7(1), 170-195.**

In this article, the author explored the relatively new legal organization form: benefit corporation. The article covered the development of the form, the structure of benefit corporations, and the advantages and challenges associated with benefit corporations. Historically, social enterprises had to adjust their models to fit either the business or nonprofit organizational form. As a result, policymakers have sought a solution through hybrid organizational forms including benefit corporations and low-profit limited liability corporations. These hybrid organizations balance a social mission with financial gain. Next, the article reviewed the regulations defining hybrid organizations, which range from voluntary certifications (i.e. B Lab certifies B-corporations) to legal status (i.e. benefit corporation or L3C). The article also covered the benefits and challenges associated with benefit corporations. They noted that one of the biggest challenges is that the organization form is so new, meaning it is not well tested and has not yet withstood the test of time. The article concluded with recommendations to improve benefit corporations, which include



greater accountability; standardization of structures, policies, and practices; and increased transparency.

**Murray, J. (2011). Purpose with profit: Governance, enforcement, capital-raising and capital-locking in low-profit limited liability companies. *University of Miami Law Review*, 66(1), 1-52.**

This article provided an overview of social entrepreneurship, hybrid organizational forms, and low-profit limited liability companies (L3Cs). The authors began by exploring the limitations associated with the existing legal forms (for-profit and nonprofit) of organizations and by explaining how L3Cs bridge the gap to integrate both charitable and financial purposes. The authors then reviewed the governance of L3Cs and how L3Cs work within traditional business, legal, and economic models. They finished by exploring the use of crowd-funding for L3Cs. In the section about how hybrid organizational forms bridge the gap between for-profit and nonprofit legal forms, they talk about “workarounds” that include both designations (e.g. B-corp) and legal forms (e.g. benefit corporation, flexible purpose corporation, benefit LLC, and L3C). The authors argued that L3Cs are the most compelling hybrid organizational form. In addition, the authors responded to the criticism of L3Cs (e.g. Kleinberger, 2010) by providing ways in which L3Cs can be improved as the legal form matures. Finally, they concluded by describing the potential of crowd-funding to raise money for L3Cs by reaching a large number of investors, particularly investors who may be interested in the mission; decreasing the expectation for profit by investors (due to the small amount invested by individual investors); and by circumventing security law registration requirements. The authors offered concrete recommendations for L3Cs including giving managers greater ability to make business decisions, providing mechanisms for members to keep L3C managers accountable, ways L3Cs can raise capital (e.g. crowd-funding), and mandating that social investments retain their charitable purpose even if the organization’s legal form changes.

**Reiser, D. B. (2011). Benefit corporations-a sustainable form of organization. *Wake Forest Law Review*, 46, 591-626.**

This article discussed new hybrid organizational forms in the United States (low-profit limited liability company, L3C; and B-corp) and United Kingdom (community interest company, CIC). The first half of the article compared these three hybrid forms. The second half of the article explored ways to evaluate these types of organizations. Similar to other articles on benefit corporations, the author described the difficulty for these organizations to meet two missions (social and financial) and the difficulty in assessing how well these organizations meet both goals. The author concluded by stating that while these types of hybrid organizations have not yet fully realized the goals of social enterprises, but they are a step in the right direction. However, the author argued that further transformation is necessary to reach the full potential of hybrid organizations and social enterprises.

Additional reading:

Battilana, J., Lee, M., Walker, J., & Dorsey, C. (2012). In search of the hybrid ideal. *Stanford Social Innovation Review*, 10(3), 50-55.

Hiller, J. S. (2013). The benefit corporation and corporate social responsibility. *Journal of Business Ethics*, 118(2), 287-301.

### 3.3. Impact Investing, Social Impact Bonds, Mission Investing, and Blended Value *Using business profits to invest in the social good*

**Clark, C., Emerson, J., Thornley, B., Brett, D., Cox, C., Dailey, C., & McCallick, B. (2013). Impact investing 2.0: The way forward - Insight from 12 outstanding funds: Pacific Community Ventures, Inc., ImpactAssets, and Duke University's Fugua School of Business.**

This report, part of the Impact Investor Project, highlighted 12 high-performance impact investing funds from around the world, but primarily in the United States (8 out of 12). Through these case studies, the authors identified four common practices employed by these funds to elevate their performance: policy symbiosis, or cross-sector partnerships with the public sector; catalytic capital, or finding capital that leads to additional capital that might not otherwise be available; multilingual leadership, or leadership that understands money management and the sector that they aim to impact; and “mission first and last,” or giving both the financial and social objectives equal priority. Within each of these practices, the report provided examples from the case studies as well as concrete recommendations for other funds looking to improve their performance.

**Clarkin, J. E., & Cangioni, C.L. (2016). Impact investing: A primer and review of the literature. *Entrepreneurship Research Journal*, 6(2), 135-173.**

Clarkin and Cangioni sought to provide an overview of 73 reports, journal articles, and other sources concerning impact investing; they also highlighted limitations and suggestions for future study. They noted that research on impact investing, similar to microfinancing and other forms of social entrepreneurship, is “clearly...led by practitioners,” with scholarly research growing, yet not reaching desired levels. Clarkin and Cangioni also recognized that practitioner-led research can produce highly optimistic views of impact investing, and future research could benefit from more rigorous testing, including estimating the validity and reliability of metrics, cross-country comparisons, and longitudinal studies that track results over time.

**Daggers, J., & Nicholls, A. (2016). Academic research into social investment and impact investing: The status quo and future research. In O.M. Lehner (Ed.), *Routledge Handbook of Social and Sustainable Finance* (pp. 68-82). Abingdon, United Kingdom: Routledge.**

Daggers and Nicholls noted that academic research on social investment and impact investment is “lagging considerably behind practice.” The researchers divide their review into two sections: 1) outlining the current state of research in the academic field, and 2) looking towards the future of academic research, by interviewing more than 80 practitioners, researchers, and policymakers and identifying future research topics. Regarding the latter topic, the authors identified three main areas: 1) segmentation of the field, 2) data and transparency (including issues such as the role of data in improving accountability of investees and investors), and 3) issues of government (e.g., measuring impact of policy measures designed to encourage social investment and impact investment).

**Drexler, M., Noble, A., Bryce, J., & Impact Investing Working Group. (2013). From the margins to the mainstream: Assessment of the impact investment sector and opportunities to engage mainstream investors: World Economic Forum, Schwab Foundation for Social Entrepreneurship, and Deloitte Touche Tohmatsu.**

This report was produced through the World Economic Forum's Mainstreaming Impact Investing Initiative after an annual meeting. The report covered a wide range of topics including an attempt to come up with a cohesive definition of impact investing and to assess the current landscape of impact investing, as well as a section identifying the challenges faced by investors and recommendations for funds, the nonprofit sector, government, philanthropists, and intermediaries. The authors identified three key parts of the definition of impact investing: impact investing is an "*investment approach* and not an asset class," "*intentionality matters*," and "the outcomes of impact investing, including both the financial return and the social and environmental impact, are *actively measured*." Furthermore, they identified four main challenges for impact investing: the market is new and immature; transactions are typically small; impact investing does not fit within the mainstream asset allocation framework; and there is difficulty in measuring social or environmental impact.

**Lawrence, S., & Mukai, R. (2011). Key facts on mission investing. *Issue Lab*: Foundation Center.**

This article provided an overview of mission-related investing by foundations. The results were based on a module from the 2011 Foundation Giving Forecast Survey that asked specific questions about mission investing and types of investment vehicles currently used by foundations. They found that 14.1 percent of respondents engaged in mission investing, with the majority of these investments in the form of program-related investments (50 percent), some in the form of market-rate mission investments (22 percent), and the rest invested in both program-related investments and market-rate mission investments (28 percent).

**Mudaliar, A., Bass, R., & Dithrich, H. (2018). 2018 Annual Impact Investor Survey. Global Impact Investing Network.**

As part of this report, covering the eighth edition of the survey, the Global Impact Investing Network (GIIN) surveyed 229 impact investors, including fund managers, banks, foundations, development finance institutions, pension funds, insurance companies, and family offices from around the world in early 2018. The report provided an estimate of impact investing assets – US \$228 billion (lower-bound estimate) – and a five-year analysis of growth and trends in the area, by comparing results from the same respondents that participated in prior and current versions of the GIIN survey. Key findings highlighted the diversity and growth of impact investing, the importance of measuring impact, and the previous performance of these funds as well as future challenges for the industry. Notably, GIIN found that respondents reported high impact and performance of their funds. However, respondents also indicated various challenges for the impact investment market going forward. Among these challenges were issues related to available capital including the availability of "appropriate capital across the risk/return spectrum," government support, and high-quality investment opportunities; as well as issues related to knowledge and understanding of impact investing (including a definition and measurement of impact investing, research about the field, and professionals with relevant skills). The report also included a summary of the landscape of impact investment (asset allocation, fund managers, measurement, management, and performance and risk).

**Reisman, J., Olazabal, V., & Hoffman, S. (2018). Putting the “impact” in impact investing: The rising demand for data and evidence of social outcomes. *American Journal of Evaluation*, 39(3), 389-395.**

In this article, the authors argued that while most nonprofits and nongovernmental organizations (NGOs), including international development organizations, have long had to measure and prove their impact due to their accountability to communities and taxpayers, typical businesses have had to focus on profits and accountability to stakeholders. However, since 2007, social impact has extended to capital markets in the form of impact investing. The authors asserted that because of the new influx of private capital available to address social problems, there is a need for better and more meaningful data to measure impact. This is especially important to avoid just renaming traditional investing. They argue that there is already alignment between the interests of investors and evaluators, but that this alignment is being miscommunicated, leading to evaluation methods that don't serve the purpose of investors or evaluators. The authors are optimistic, however, that if investors and evaluators work together, better measurement and data on impact investing will lead to the improvement of both social impacts and financial returns.

**Reynolds, S., Gabriel, M., & Heales. (2017). Social innovation policy in Europe: Where next? *Social Innovation Community: D5.3: Annual State of the Union Report – Part 1*. Nesta & The Young Foundation. Retrieved from [https://media.nesta.org.uk/documents/social\\_innovation\\_policy\\_in\\_europe\\_-\\_where\\_next.pdf](https://media.nesta.org.uk/documents/social_innovation_policy_in_europe_-_where_next.pdf)**

This article argued that there is not yet a comprehensive policy or framework to guide social innovation. As a result, the goal of the article was to outline what this type of policy should include. They stated that policies for social innovation will enhance the supply and demand for social innovation and will also make policymaking more socially innovative. They came to this conclusion by reviewing current policies and legal frameworks throughout Europe and summarized these policies in seven categories: challenge-focused, human-centered, scalable, able to build capacities and skills, experimental and evidence-informed, open, and iterative. The authors also highlighted the importance of the EU in past and future policymaking for social innovation.

**Smalling, L., & Emerson, J. (2015). Understanding impact: The current and future state of impact investing research. *ImpactAssets Issue Brief*.**

This report aimed to summarize the current state of research on impact investing. In doing so, the authors provided a summary of available research, including a list of available reports on impact investing; identified gaps in research about impact investing; and identified future areas of research on impact investing. The authors stated that most research has focused on “Sustainable, Responsible Investing (SRI)” and “Environmental, Social Governance (ESG)” investing, which they argued is slightly different than impact investing in that SRI and ESG investing only focus on investment in public markets, while impact investing also includes private investment. Furthermore, the authors argued that research has made a strong case for the benefits of impact investing for organizations and investors, but little is known about the actual social outcomes, and particularly on evaluation of these outcomes. The authors called for research by both academics and practitioners to assess the risks and benefits associated with impact investment and blended value.

**Warner, M. E. (2013). Private finance for public goods: social impact bonds. *Journal of Economic Policy Reform*, 16(4), 303-319.**

Social impact bonds are a method of attracting private investment for the public good. They allow private investors to finance social services that have positive outcomes; payment is success-based. However, while they are growing in popularity around the globe and particularly in the United Kingdom, where they started, and the United States, problems remain. These bonds have been successful in attracting private finance to public services, but they can also undermine the evaluation process by limiting programs' abilities to critically reflect on their processes as well as be innovative or responsive in their solutions.

Additional reading:

Barber, B. M., Morse, A., & Yasuda, A. (2017). Impact investing. *Social Science Research Network*.

Brest, P., & Born, K. (2013). Up for debate: When can impact investing create real impact? *Stanford Social Innovation Review*.

Bugg-Levine, & Emerson, J. (2011). Impact investing: Transforming how we make money while making a difference. *Innovations*, 6(3), 9-18.

Daggers, J., & Nicholls, A. (2016). *The landscape of social impact investment research: Trends and opportunities*. Said Business School, University of Oxford.

Mintz, J., & Ziegler, C. (2013). Mission-related investing: Legal and policy issues to consider before investing.

### 3.4. Social Innovation

**Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). The open book of social innovation. *Social innovator series: Ways to design, develop and grow social innovation: The Young Foundation*.**

This book provided an introduction to social innovation including the process and outcomes of social innovation as well as the ways in which social innovation is integrated into the public, private, and nonprofit sectors. The authors argued that there is an emerging "social economy" driven by social innovation. The social economy places greater emphasis on the individual and relationships over systems and structures. They provided an overview of the stages of social innovation: identifying the issues or need for innovation, proposing new ideas, testing these ideas, sustaining, growing the practice, and finally, creating systemic change in society.

**Nicholls, A., Simon, J., Gabriel, M., & Whelan, C. (2015). *New frontiers in social innovation research: Springer*.**

This book covers a wide range of topics related to social innovation. The book is divided in three parts: the first part reviews the history and research on social innovation, the second part covers the interactions between social innovation and other parts of society, and the third part focuses on the outcomes of social innovation and new advances in the promotion of social innovation around

the world. Reviewing the chapters together, the editors identified six areas where future research on social innovation is needed: political disruption caused by social innovation, the legitimacy of social innovation in the eye of the public (including hybrid institutional forms), scaling social innovation, the ability of social innovation to join the market economy, standards for measuring the impact of social innovation, and understanding the negative outcomes of social innovation.

**Phillips, W., Lee, H., Ghobadian, A., O'Regan, N., & James, P. (2015). Social innovation and social entrepreneurship: A systematic review. *Group & Organization Management*, 40(3), 428-461.**

This article was a systematic review of social innovation and social entrepreneurship which attempted to synthesize the literature into a common framework: systems of innovation. The review used inclusion criteria to ensure they included research from all sectors and all countries [that had research available]. Most of the literature came from the U.S. and other western countries, but they were able to find some from emerging economies, particularly in Asia. The authors concluded that social innovation systems are working together to address social problems and that social innovation crosses boundaries and sectors. They also noted that institutions are needed alongside social innovation to provide support and to work together. Finally, the research highlighted the importance of networks in supporting social innovation.

**Voorberg, W. H., Bekkers, V. J. J. M., & Tummers, L. G. (2015). A systematic review of co-creation and co-production: Embarking on the social innovation journey. *Public Management Review*, 17(9), 1333-1357.**

This article reviewed the literature on co-creation and co-production in public innovation. The authors began by defining social innovation as “the creation of long-lasting outcomes that aim to address societal needs by fundamentally changing the relationships, positions and rules between the involved stakeholders, through an open process of participation, exchange and collaboration with relevant stakeholders, including end-users, thereby crossing organizational boundaries and jurisdictions.” Co-production or co-creation is the process through which the end-users – citizens, in the case of the public sector – are part of the production chain. Social innovation is a way in which citizens can become involved in co-production. The authors screened 5,358 journal articles and books, of which 122 were included in the review. They summarized the research on factors influencing the success of co-production relationships in social innovation with factors on the organizational side (e.g. attitudes and compatibility of citizen participation, risk-aversion, incentives) and factors on the citizen side (characteristics, awareness, risk-aversion, social capital). They also summarized the outcomes of co-creation and co-production, which included: increased effectiveness, involvement, efficiency, and customer satisfaction; social cohesion; and democratizing public services. The authors concluded by identifying gaps in the research and suggesting areas of future research.

Additional reading:

Cajaiba-Santana, G. (2014). Social innovation: Moving the field forward. A conceptual framework. *Technological Forecasting and Social Change*, 82, 42-51.

Westley, F., & Antadze, N. (2010). Making a difference: Strategies for scaling social innovation for greater impact. *Innovation Journal*, 15(2).

### 3.5. Systems Change

**Abercrombie, R., Harries, E., & Wharton, R. (2015). Systems change: A guide to what it is and how to do it. LankellyChase Foundation. Retrieved from <https://www.thinknpc.org/resource-hub/systems-change-a-guide-to-what-it-is-and-how-to-do-it/>**

This report included an extensive literature review and results from 18 interviews to review different perspectives on systems change. The authors summarized the theories and thinking about systems change into six perspectives that range from those grounded in practice to those grounded in theory. The practitioner and advocate perspectives, both grounded in practice, are associated with front line workers of service delivery and think tanks/consultants, respectively. People with the practitioner perspective typically work within the system(s) they are trying to change and push for change from within. People with the advocate perspective use their platforms to push for change. The learning and living systems perspectives, both grounded in theory, rely on academic disciplines: management studies and biology, respectively. The learning perspective focuses on learning and adaptation at all levels of the system, not just among leadership. The living systems perspective argues that systems are nested within each other and that there are natural core behaviors and interactions within and between each system. In between the practice grounded perspectives and the theory grounded perspectives fall two additional perspectives: the operational research perspective and the service reformers perspective. The operational research perspective offers concrete methods of systems change (hard systems<sup>3</sup> approach) as well as methods to cope with unpredictability (soft systems<sup>4</sup> approach). The service reformers perspective argues that the success of a system should be understood and evaluated from the perspective of the end-users rather than from the perspective of the organization. All six perspectives offer varying methods of systems change that can be applied to the social sector.

**EDGE Funders Alliance. (2017). Reorganizing philanthropy for systemic change. *Barcelona Commitment*. Barcelona, Spain: EDGE Annual Conference. Retrieved from <https://edgefunders.org/statement/>**

This statement was a commitment of funders, philanthropists, and social movement partners at the 2017 EDGE annual conference to support philanthropic efforts at both the local and global levels to promote systems change. In the commitment, they addressed five areas of transition: human dignity, rights, and justice; restorative justice; ecological approaches; systemic analysis of the interconnected root causes; and global, translocal strategies. Various philanthropic methods can be used to support systems change including consultations, investment approaches, grantmaking, and community efforts.

**Grady, H. et. al. (2018). Scaling solutions toward shifting systems: Approaches for impact, approaches for learning. Rockefeller Philanthropy Advisors. Retrieved from <http://www.rockpa.org/wp-content/uploads/2018/10/10-20-RockPA-Scaling-Solutions-02-WEB-1.pdf>**

This was the latest report for the *Scaling Solutions toward Shifting Systems* initiative started in 2016. This report emphasized best practices for funders who want to engage in systems change. Based on approximately three dozen interviews as well as conversations at conferences and

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<sup>3</sup> Hard systems have clear boundaries.

<sup>4</sup> Soft systems have unclear boundaries.

workshops, the results of the report showed that funders sometimes undermine grantees' goals, but collaboration between funders and grantees can lead to successful systems change. The report discussed a number of specific findings that led to two recommendations of next steps. The first recommendation is for funders to improve their policies and practices to allow for better collaboration with grantees and other funders. The second recommendation is for the sector to develop a structured network for learning about funder collaboratives. The report also included case studies of funders successfully engaging in systems change around the world.

**Junge, J. & Pulford, L. (2016). Taking risks and achieving greater impact: A view from global foundations. SIX. Retrieved from [https://socialinnovationexchange.org/sites/default/files/uploads/six\\_funders\\_node\\_adelaide\\_retreat\\_report.pdf](https://socialinnovationexchange.org/sites/default/files/uploads/six_funders_node_adelaide_retreat_report.pdf)**

This report stated that foundations are supporting systems change for a number of reasons including the realization that isolated projects do not have the desired impact, because grantees are engaging in systems change, and because they realize that systems change can be the best way to address ambitious causes. However, there are risks to foundations engaging in systems change such as risks to reputation, financial risks, risks of doing harm, and the risk of failing. The report argued these risks outweigh the risk of not adequately addressing the problem. The second half of the report highlighted examples of foundations successfully engaging in systems change and the methods they use to do so. Some of these methods include input from grantees, developing a narrower focus, restructuring the organization, taking a long term approach, recognizing leverage points, and adjusting their budgets to invest in systems solutions. They concluded by identifying areas within foundations that are necessary to address when engaging in systems change (e.g. organizational culture, leadership).

**Waddell, S. (2018). Four strategies for large systems change. *Stanford Social Innovation Review*. Retrieved from [https://ssir.org/articles/entry/four\\_strategies\\_for\\_large\\_systems\\_change](https://ssir.org/articles/entry/four_strategies_for_large_systems_change)**

This report attempted to classify strategies for systems change based on whether the strategy creates or deconstructs and whether it is collaborative or confrontational. These classifications are doing change (creation and confrontation), forcing change (destruction and confrontation), directing change (destruction and collaboration), and cocreating change (creation and collaboration). The report then used two case studies (Energiewende in Germany and marriage equality in the United States) to illustrate these classifications. Energiewende was an example of cocreation and relied on collaboration between scientists, engineers, and industry to create sustainable energy solutions. It was also an example of doing change when legislation allowed farmers and homeowners to engage in decentralized energy production. And finally, it was an example of directing change when the top utility company sold off its coal and nuclear power businesses and replaced them with clean energy services. Marriage equality in the U.S. was first an example of doing change but moved towards directing change when the fight for marriage equality moved from informal support to legal action. And finally, it moved to cocreating change, especially once religious coalitions joined in support of marriage equality. These examples show how the four strategies can all contribute to one societal transformation.



Additional reading:

- Academy for Systems Change. 2019. Transforming Social Systems. Retrieved from <https://www.academyforchange.org/>
- Alliance. 2019. Systems change [theme]. Alliance Magazine. Retrieved from <https://www.alliancemagazine.org/theme/systems-change/>
- Anand, P. U. & Hayling, C. (2014). Levers for change – Philanthropy in select South East Asian countries. *Social Insight Research Series*. Lien Centre for Social Innovation: Research. Retrieved from [https://ink.library.smu.edu.sg/lien\\_reports/6](https://ink.library.smu.edu.sg/lien_reports/6)
- Finance Innovation Lab. (2015). A strategy for systems change. Retrieved from [http://financeinnovationlab.org/wp-content/uploads/2015/04/FIL\\_SystemsChange-Web-Final.pdf](http://financeinnovationlab.org/wp-content/uploads/2015/04/FIL_SystemsChange-Web-Final.pdf)
- Hanleybrown, F., Kania, J., & Kramer, M. (2012). Channeling change: Making collective impact work. *Stanford Social Innovation Review*.
- Latham, N. (2014). A practical guide to evaluating systems change in a human services system context. *San Francisco: Center for Evaluation Innovation*. Retrieved from [http://www.pointk.org/resources/files/Latham\\_Human\\_Services\\_Systems.pdf](http://www.pointk.org/resources/files/Latham_Human_Services_Systems.pdf)
- Museum van boijmans beuningen. 2019. Change the system [museum exhibit]. Retrieved from <https://www.boijmans.nl/en/exhibitions/change-the-system>
- Van Kesteren, A. & Jongewaard, R. 2017. *Changemakers*. Amsterdam, The Netherlands: Museum van boijmans beuningen.
- Schwab Foundation. 2019. Leadership for system change: delivering social impact at scale [upcoming executive education module]. *Harvard Kennedy School*. Retrieved from <https://www.hks.harvard.edu/leadership-for-systems-change>
- Scottish College for Educational Leadership. (2017). Leading system change in Scottish education: A programme for those in senior leadership roles. *Leading Systems Change*.

#### 4. Normative Frameworks

Foundations have an important role in addressing global challenges and supporting local initiatives. Globally, foundations expenditures—including the costs associated with the foundation’s own social programs, grants and other financial support to third parties, and administrative costs—exceeded US \$150 billion in 2018 (Johnson, 2018). International giving from U.S. foundations experienced a 29 percent increase from 2011 to 2015, reaching a total of US \$9.3 billion (Foundation Center and Council on Foundations, 2018). European foundations are also significant actors in international giving; as one of the main causes to which Europeans give most is international aid, especially in Germany, Switzerland, and Belgium (Observatoire de la Fondation de France and CERPhi, 2015).

As more foundations provide international grantmaking across the globe, it is relevant to analyze the normative frameworks and values that influence foundations’ and other philanthropic organizations’ work to support societal change. Philanthropy has a key role in addressing global challenges and supporting the achievement of SDGs (United Nations, 2015) and the Universal Declaration of Human Rights (United Nations, 1948). In 2018, more than 50 percent of foundations surveyed in a recent study indicated that they aligned their programs and activities with the SDGs (Johnson, 2018).

While the global state of democracy is progressing and facing several challenges at the same time (International Institute for Democracy and Electoral Assistance, 2017), the political environment is also a key factor that influences the work and objectives of philanthropic organizations, both within and across borders (Indiana University Lilly Family School of Philanthropy, 2018). However, the legitimacy of foundations in building and strengthening democracies and promoting human rights—especially in the international context—have been often discussed and argued (Bernholz, Reich, and Cordelli, 2013; Brakan, 2013).

This section will explore leading international frameworks including the SDGs (and the Millennium Development Goals) and the Universal Declaration of Human Rights (and the UN Guiding Principles on Business and Human Rights) as well as national frameworks including the relationships between philanthropy, big philanthropy, democracy, and government.

##### Key findings:

- The SDGs are guiding foundations and other nonprofits in addressing major global issues through focused goals and improved data and measurement;
- Not only do nonprofit organizations have a duty to promote the human rights outlined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, doing so will improve effectiveness and accountability among nonprofit organizations;
- Big philanthropy might undermine democracy due to lack of transparency and accountability and the privatization of identifying and solving social problems; and
- Philanthropic organizations are likely to gain power in the global arena that makes cross-sectoral collaboration more important than ever.

#### 4.1. Changing Frameworks at the International Arena

##### 4.1.1. Sustainable Development Goals

**Adams, B., & Tobin, K. (2014). Confronting development: A critical assessment of the UN's Sustainable Development Goals. Rosa Luxemburg Stiftung.**

The SDGs replaced and improved upon the Millennium Development Goals (MDGs). In this study, prior to the official adoption of the Goals, the authors suggested ways in which the United Nations, individual countries, and other stakeholders can shape and ensure the success of the SDGs. One way that the SDGs improved upon the MDGs is by expanding the responsibility to a global level rather than focusing on developing nations, which still keeping the power from being focused in the power centers. Other improvements included increased accountability for governments, businesses, and civil society and more evenly distributed accountability. One of the remaining criticisms is in the goals handling of sustainability; the language is considered weak and lacking in details and deadlines. Finally, and most notably, the SDGs will require the cooperation of the nonprofit sector (civil society).

**Bill & Melinda Gates Foundation. (2018). Goalkeepers: The stories behind the data 2018.**

This report shared stories of successful approaches to the SDGs and many of these success stories highlight the work of foundations and individual philanthropists. For example, a program called Future Fab run by a nonprofit in Kenya has worked to reach adolescent girls to teach reproductive health and family planning and to offer free health care. In Zimbabwe, civil society has worked closely with the government to significantly reduce the number of new HIV cases and AIDS related deaths. Other stories highlight government and individual successes.

**Community Foundation of Canada. (2018). How community foundations can engage with Sustainable Development Goals.**

This report offered foundations recommendations for integrating the SDGs into their practices. They recommended that foundations track their communities' progress towards the goals using standard indicators and that they compare these indicators with other communities domestically and internationally. The report also included links to examples of foundations who have done this work.

**Edwards, A., Ross, N., & Spruill, V. (2016). From global goals to local impact: How philanthropy can help achieve the U.N. Sustainable Development Goals in the U.S. Arlington, VA: Council on Foundations.**

This report urged foundations to adopt the SDGs as a "common development framework [that] carries tremendous opportunities and benefits, especially for the philanthropic community" (11). The authors also argued that philanthropy is critical to the success of the goals. They then provided key questions that can guide foundations in integrating the SDGs into their work (15):

1. *What, if anything changes?*
2. *How do foundations translate support into action and exercise their unique value within a global framework?*
3. *Most importantly, what can philanthropy do to make a meaningful impact on SDGs?.*

Finally, they discussed case studies of foundations that have successfully used data and collaborative efforts to improve their outcomes.

**Foundation Center, Rockefeller Philanthropy Advisors, & United Nations Development Programme. (2015). Engaging philanthropy in the Post-2015 development agenda: Lessons learned and ways forward. *SDG Philanthropy Platform*.**

This report outlined the success of the SDG Philanthropy Platform (formerly the Post-2015 Partnership Platform for Philanthropy) in engaging the philanthropic sector, the United Nations, and governments. These successes included providing a framework for philanthropy to work with the SDGs through collaboration and advocacy, expanding the knowledge of philanthropy's role in the SDGs, and expanding the data availability on philanthropic giving. The report then outlined ways in which the philanthropic sector can continue to promote the SDGs and provided case studies from around the world that illustrated philanthropy's engagement with the SDGs. Finally, the report concluded with recommendations for philanthropy to continue and improve their participation in the development of the SDGs. These recommendations included expanding their reach, increasing advocacy, improving research initiatives and data collection, and developing collaborations among developed and developing countries.

**Kindornay, S., Bhattacharya, D., Higgins, K. (2016). Implementing Agenda 2030: Unpacking the data revolution at country level. *Post-2015 Data Test Country Level Experiences*. Dhaka, Bangladesh: Centre for Policy Dialogue, Norman Paterson School of International Affairs, & Southern Voice on Post-MDG International Development Goals.**

This report highlighted seven countries that effectively applied the SDGs and/or their predecessors the MDGs. The profiled countries included Bangladesh, Canada, Peru, Senegal, Sierra Leone, Tanzania, and Turkey. The report then used the detailed country level data about the implementation of the SDGs to make recommendations for using the SDGs as a universal framework (81-85):

1. *Universality works but national priorities matter;*
2. *Take differentiated approach to global monitoring;*
3. *Keep the global SDG structure light;*
4. *Focus more on national priorities and less on international comparability;*
5. *Assess the utility of SDG targets and indicators before investing finite resources in them;*
6. *Recognize that zero targets will need resourcing to be measured and achieved;*
7. *Measure global partnership at the country level;*
8. *Broaden the conversation on implementation at the country level; [and]*
9. *[Invest] in more and better data to drive SDG progress*
  - a. *Take stock of existing data as a first step to investing in the data revolution at the country level;*
  - b. *Invest in disaggregated data so we know we are leaving no one behind;*
  - c. *Be guided by measuring what matters – not what data exists;*
  - d. *Data consistency and compatibility are important;*
  - e. *Invest in harnessing existing data;*
  - f. *Collect data more often and release results more quickly;*
  - g. *Use unofficial data strategically, but not at the expense of official data;*

- h. Put NSOs in the lead and invest in national priorities, systems and institutions;*
- i. Providing autonomy and legal protection to NSOs;*
- j. Be predictable with financing and commitments*
- k. Consult with data users to improve data relevance;*
- l. Coordinate data efforts across government more effectively;*
- m. Integrate data quality policies and systems across government;*
- n. Engage with Southern research institutions;*
- o. Adopt technologies suited to country context; [and]*
- p. Develop and integrate consistent standards for data production and dissemination.*

**Kroll, C. & Annan, K. (2015). Sustainable Development Goals: Are the rich countries ready? Sustainable Governance Indicators, Sustainable Development Solutions Network, & Bertelsmann Stiftung.**

This study examined the readiness of OECD countries to implement and contribute to the SDGs. Sweden, Norway, Denmark, Finland, and Switzerland are considered the best prepared for the SDGs, while Israel, the United States, Greece, Chile, Hungary, Turkey, and Mexico are considered highly unprepared for the SDGs. However, countries vary significantly in their position to contribute to each of the 17 goals. The study also highlights the role of civil society in keeping governments, especially in high-income countries, accountable for the goals.

**OECD. (2017). Development Co-operation Report 2017: Data for development. Paris: OECD Publishing.**

This report, which was published in multiple languages, highlighted the importance of high-quality data to track the progress on the SDGs. It noted that many countries did not previously collect data for the indicators of the goals. The report called for data sources to be generated outside of the existing governmental and national statistics offices. Civil society actors and institutions are potential strategic partners for many governments, especially in developing nations where the necessary infrastructure does not currently exist in the public sector.

**Ross, N. & Spruill, V. (2018). Local leadership, global impact: Community foundations and the Sustainable Development Goals. Arlington, VA: Council on Foundations.**

This report argued that community foundations can and should play a larger role in efforts around the SDGs. The authors aimed to provide a framework for how community foundations can help achieve the SDGs by presenting case studies of community foundations who have successfully used SDGs to guide their activities. For example, foundations have used SDGs to frame their grantmaking (Poland), bring local voices to the table (Nepal, Brazil), engage corporate donors (United States), and use SDG data to track goals (Canada, China). Finally, they provided ten steps to guide community foundations in engaging the SDGs

Additional reading:

Business & Sustainable Development Commission. (2017). Better business, better world: The report of the Business & Sustainable Development Commission. London: Business and Sustainable Development Commission.

Global Partnership for Sustainable Development Data. (2018). Partners Survey Results 2018. Retrieved from [www.data4sdgs.org](http://www.data4sdgs.org)

Kharas, H., McArthur, J. W., & Rasmussen, K. (2018). How many people will the world leave behind? Assessing current trajectories on the Sustainable Development Goals. *Global Economy & Development*, 123: Brookings Institution.

Lämmerhirt, D., Gray, J., Venturini, T., & Meunier, A. (2018). Advancing sustainability together? Citizen-generated data and the Sustainable Development Goals. Global Partnership for Sustainable Development Data, Open Knowledge International, & Public Data Lab.

MDG Gap Task Force. (2015). Millennium Development Goal 8: Taking stock of the global partnership for development. New York: United Nations.

United Nations. (2018). The Sustainable Development Goals Report. New York: United Nations Publications.

World Benchmarking Alliance. (2018). Consultation on the World Benchmarking Alliance.

#### 4.1.2. Universal Declaration of Human Rights

**Campbell, M. (2017). Human rights: the bedrock of philanthropy. *Philanthropy Impact Magazine*, 15, 7-9. Retrieved from <http://philanthropy-impact.org/article/human-rights-bedrock-philanthropy>**

This article provided a framework through which philanthropy can protect human rights. First, the author argued that philanthropy, particularly donors, should shift from viewing recipients as victims to recognizing the dignity and agency of all human beings. The author also claimed that integrating a human rights framework into philanthropy will increase effectiveness and accountability in philanthropy. The conclusion is that incorporating a human rights framework into philanthropy will not increase bureaucratic restrictions, as widely thought, but will actually improve philanthropy.

**Wynn, J. & Blakemore, T. N. (2017). The UN guiding principles on business and human rights and their role for non-profit organisations. *Philanthropy Impact Magazine*, 15, 13-16. Retrieved from <http://philanthropy-impact.org/article/un-guiding-principles-business-and-human-rights-and-their-role-non-profit-organisations>**

As a follow up to the Universal Declaration of Human Rights, the United Nations Human Rights Council adopted the UN Guiding Principles on Business and Human Rights in 2011. This article argued that these principles do not just apply to the private sector, but that the nonprofit sector should also follow these principles. For example, the authors suggested that socially-responsible investments and mission-related investments are primary ways nonprofits can engage in the human rights due diligence process, communication about human rights risk is another method nonprofits can use to integrate the framework of the Guiding Principles; and finally, nonprofits should consider the human rights activities of any businesses they engage with directly or indirectly.

Additional reading:

- Amnesty International. (2018). What is the Universal Declaration of Human Rights and why was it created? *Amnesty International: Campaigns*. Retrieved from <https://www.amnesty.org/en/what-we-do/universal-declaration-of-human-rights/>
- Pepin, J. & Hersler, C. (Eds.). (2017). The Campaign for Growing Modern Philanthropy [Special Issue]. *Philanthropy Impact Magazine*, 15. Retrieved from [http://www.philanthropy-impact.org/sites/default/files/pdf/pi\\_magazine\\_15\\_final.pdf](http://www.philanthropy-impact.org/sites/default/files/pdf/pi_magazine_15_final.pdf)
- Ron, J., Pandya, A., & Crow, D. (2016). Universal values, foreign money: funding local human rights organizations in the global south. *Review of International Political Economy*, 23(1), 29-64.
- Simon, M. (2018). Impact investing and human rights: Can we talk? *Forbes*. Retrieved from <https://www.forbes.com/sites/morgansimon/2018/11/30/impact-investing-and-human-rights-can-we-talk/#639461d52263>
- Souraya, R. (2017). Upholding international human rights law: Internationally, nationally, and individually. Impakter: *Equal Rights, Philanthropy, United Nations*. Retrieved from <https://impakter.com/upholding-international-human-rights-laws-internationally-nationally-individually/>
- Wettstein, F. (2012). CSR and the debate on business and human rights: Bridging the great divide. *Business Ethics Quarterly*, 22(4), 739-770.

## 4.2. Changing Frameworks at the National Level

### 4.2.1. Big Philanthropy and Democracy

**Barkan, J. (2013). Plutocrats at work: How big philanthropy undermines democracy. *Social Research*, 80(2), 635-652.**

Barkan provided an argument why “big philanthropy” – mega-foundations – is a plutocratic element in society and how it undermines democracy in the United States. As the number of mega-foundations has been increasing in the United States, Barkan highlighted several areas that might question the legitimacy of foundations such as: foundations’ trustees decide what a social problem is and how to fix it; the foundation sector is publicly subsidized but privately governed; and the power relationship between grantor and grantee favors the grantor. Barkan also provided a case study on U.S. public education and how mega-foundations hindered educational policies, grassroots activities, and the schooling system in general. Barkan proposed several changes in order to minimize the negative side-effects of private mega-foundations including not to allow administrative expenses to count toward the minimum payout, to set a maximum size for foundations’ endowments, and to require private foundations to spend down those endowments.

**Callahan, D. (2017). *The givers: wealth, power, and philanthropy in a new gilded age*. First edition. New York: Alfred A. Knopf.**

Callahan provided arguments regarding the increasing criticism of mega-givers and their rising influence in the United States. The author discussed the development of big philanthropy and argued that the distance between elite philanthropy and elite political influence has been shrinking and could ultimately undermine democracy. Callahan discussed several subgroups of elite philanthropy and their roles and influence in public policy and democracy. Callahan also recommended several reforms for big philanthropy in order to stop the erosion of civic equality and democratic values in an age of big philanthropy including increased transparency, changes to tax policies, and new oversight with better focus on the communities that are served by big philanthropy.

**Giridharadas, A. (2018). *Winners take all: The elite charade of changing the world*. New York: Alfred A. Knopf.**

Giridharadas argued against the concept that private philanthropy could challenge the status quo and the U.S. elite could do well and do good at the same time. The author presented three ways of understanding the role of philanthropy and argues that philanthropy of the elites “not only fails to make things better, but also serves to keep things as they are” (7). The author introduced the new concept of “MarketWorld”, “an ascendant power elite that is defined by the concurrent drives to do well and do good, to change the world while also profiting from the status quo” (30) and challenged the concept of win-win approaches through conducting interviews with U.S. philanthropic leaders. Giridharadas argued that neither well-meaning elites nor business tools are the most effective to address social issues. Indeed, the author highlighted that stronger public institutions need to be established in order to successfully address social challenges.

**Goss, K. A. (2016). Policy plutocrats: How America’s wealthy seek to influence governance. *PS: Political Science & Politics*, 49(3), 442-448.**

Goss argued in his article that as the American democratic governance seems to be challenged by decreasing levels of public trust, hyper-partisanship, and the weakening populist institutions, the role and influence of philanthropic plutocrats are not only growing but are also expected by the society. However, this phenomenon raises numerous questions of legitimacy and accountability in democratic societies. Using an original dataset of 194 US-based philanthropists. At least 83 percent of donors included in the dataset have established private foundations or other giving funds and 56 percent of donors included in the dataset showed serious political interest: from informing to advocating for or against, or reforming public policy implementations. Finally, Goss highlighted that political science needs to focus on the role of wealthy people in American democratic governance as the number and power of philanthropists interested in public policy are likely to grow in the near future.

**Horvath, A., & Powell, W.W. (2016). Contributory or disruptive: Do New Forms of Philanthropy Erode Democracy? In Reich, R., Bernholz, L., & Cordelli, C. (Eds.) *Philanthropy in democratic societies: history, institutions, values*. Chicago: University of Chicago Press, 87-122.**

The authors discussed the relationships between government, civil society, and philanthropy and argued that contemporary philanthropy – as opposed to U.S. philanthropy during the Gilded Age (late 19th and early 20th centuries) – is disruptive. Introducing a new concept, the authors defined



disruptive philanthropy as “any activity that through the magnitude of donations either explicitly or by consequence alters the public conversation about which social issues matter, sets an agenda for how they matter, and specifies who is the preferred provider of services to address these issues without engagement with the deliberative processes of civil society” (90). The authors also provided an overview of the relationship between government, civil society, and philanthropy from the 19<sup>th</sup> century to the 21<sup>st</sup> century, highlighting how the role and characteristics of philanthropy has changed over centuries. Then, the authors provided three case studies on disruptive philanthropy to illustrate their hypothesis. Even though the authors argued that, in some cases, disruptive philanthropy can promote democracy, they proposed the following four conclusions: “increases in philanthropic disruption erode the practice of democracy”; increases in the legitimacy of private provision of public goods relative to state provision exacerbates the negative effects of disruptive philanthropy on democracy; “increases in private provision of public services will magnify the negative effects of philanthropic disruption on democracy by reducing direct accountability to citizens”; and “as the state relinquishes its public provision role to private entities, the legitimacy of the state is reduced” (115). Finally, the authors highlighted several recommendations in order to preserve the role of democracy in philanthropy, such as community oversight and public consideration through advisory panels.

**Reich, R. (2018). *Just giving: why philanthropy is failing democracy and how it can do better*. Princeton, New Jersey: Princeton University Press.**

Reich – surveying philanthropy from ancient Greece to modern-day U.S. – argued that generosity of wealthy individuals might undermine democratic values and hinder aspirations of justice. Big philanthropy is often an exercise of power, the conversion of private assets into public influence. Reich suggested that current public policy makes philanthropy plutocratic and argued that the aims of mass-giving should be the decentralization of power in the production of public goods. However, Reich also pointed out that big philanthropy might have the advantage to run long-term social policy experiments and support democratic societies by exploring innovative solutions for social problems. In order to make big philanthropy support a strong liberal democracy, Reich mentioned several policy recommendations including the implementation of tax credits instead of tax deductions and limited life times for foundations.

**Reich, R. (2019). *Philanthropy in the service of democracy*. *Stanford Social Innovation Review*, 17(1), 26-33.**

This article discussed why public policies in the United States – including tax policies, and the regulations on foundations – made private philanthropy undemocratic. First, the article argued that tax benefits of charitable contributions create a plutocratic bias, as it systematically provided the rich with larger benefits. Second, the article provided evidence why foundations have plutocratic power, as such organizations’ leaders or trustees are not elected democratically, they are allowed to work in perpetuity, and their operations lack accountability and transparency. The article highlighted that foundations need to take more risks and serve public policy through experimenting with new and innovative ideas to address social issues. Three policy recommendations were mentioned in order to support foundations’ democratic performance including establishing a floor on the size of foundations, placing time limits on foundations, and applying the social norm of peer review to democratic experimentalism that support public policy and the society overall.

**Saunders-Hastings, E. (2018). Plutocratic philanthropy. *The Journal of Politics*, 80(1), 149-161.**

In her article, the author argued that elite philanthropy influence can be undemocratic even if it aims to enhance the public good. The author provided examples how the characteristics of elite political spending and elite philanthropy are similar by using private money to influence social and political outcomes. The author also discussed the difference of elite philanthropy and giving of ordinary citizens and argued that elite philanthropy might be undemocratic as big philanthropy might be able to set or modify the policy agenda of elected public officials. Finally, the author considered opportunities for democratizing philanthropy, including challenging donor control over philanthropic gifts and providing more democratic tax policies of charitable contributions.

Additional reading:

Bernholz L., Reich R., & Cordelli, C. (2013). Democracy and philanthropy: How private giving can contribute to the needs of American democracy. *Stanford Social Innovation Review*, 17(1), 26-33.

Lamarche. G. (2014). Democracy and the donor class. *Democracy*, 34. Retrieved from <https://democracyjournal.org/magazine/34/democracy-and-the-donor-class/>

Reich, R. (2016). Repugnant to the whole idea of democracy? On the role of foundations in democratic societies. *PS: Political Science & Politics*, 49(3), 466-472.

#### 4.2.2. Changing Roles of Philanthropy

**Desai, R. M., & Kharas, H. (2010). Democratizing foreign aid: Online philanthropy and international development assistance. *Journal of International Law and Politics*, 42(4), 1111-1142.**

In this paper, the authors argued that online giving platforms, such as GlobalGiving and Kiva, could change the landscape of development aid. As online giving has become more popular, internet-based aid can provide a new way to assist international development.. Individual citizens are able to donate and support any development programs across the globe through their online giving. The authors highlighted that online giving platforms provide opportunities for individual action, reduce transaction and agency costs of individual giving, and create connections between donors and beneficiaries. The authors also developed and analyzed a dataset based on GlobalGiving and Kiva data to identify the allocation of online philanthropy by regions and by project purpose. The authors concluded that online philanthropy can change the landscape of development aid and suggested that both private and foreign aid have their own advantages and therefore they complement each other.

**Grady, H., Tada, M., Surasky, J., Gamba, C., & Schönrock, P. (2016). Converging interests: How governments and the philanthropy sector are collaborating to achieve the Sustainable Development Goals: A synopsis. *SDG Philanthropy Platform*.**

This report analyzed how philanthropy and government are required to collaborate in order to achieve the SDGs. Based on the experiences collected from the first four pilot countries of SDG Philanthropy Platform - Colombia, Ghana, Indonesia, and Kenya - the report provided national

level examples for collaboration as well as eleven general recommendations including: considering philanthropy as a government partner and not just a source of additional funding, creating enabling environment for philanthropy and for public-private partnerships, increasing mutual trust between the two sectors, and improving foundations' data collection impact evaluation, and monitoring systems. The report highlighted that while governments have a crucial role to achieve the SDGs, philanthropic organizations might "complement the state's role as duty bearers and service providers by strengthening local systems and local stakeholders and spurring innovation" (20).

**Kim, H. S., & Potter, D. M. (2014). Complementarity of ODA and NGO Roles: A Case Study of Japanese Support of the Millennium Development Goals. *Journal of Inquiry and Research*, 99, 87-104.**

The authors presented a case study of whether activities of nongovernmental organizations could complement the governments' official development aid programs. In this article, the authors used Japan as the case study. In the 2000s, Japan's official development aid budget decreased significantly, while aid agencies emphasized collaboration across sectors to achieve the Millennium Development Goals. Indeed, several articles argued that nongovernmental organizations are likely to successfully support poverty alleviation as they often work with local grassroots organizations. The authors collected data on Japanese NGO aid activities and the country allocations of NGO projects subsidized by the Ministry of Foreign Affairs, however data availability was limited. The authors concluded that Japanese nongovernmental organizations provided assistance to achieve the Millennium Development Goals. However, policy-level interaction and partnerships between the government and nongovernmental organizations were not frequent in Japan.

**Páez-Acosta, G. (2018). A look at organizations supporting philanthropy in Latin America and the Caribbean. *Worldwide Initiatives for Grantmaker Support*.**

This report focused on the roles and characteristics of philanthropy and philanthropic infrastructure in Latin America and the Caribbean. As the region faces numerous challenges from inequality to urbanization to climate change, the roles of philanthropic institutions and their collaboration with the state are crucial. The report provided an analysis of the philanthropic sector and the areas philanthropic organizations mainly contribute to such as human rights, social development, and transparency and accountability. The report concluded that the sector can enhance the region and support governments to achieve the SDGs if philanthropic organizations improve their capacity, expertise, connections, and credibility.

**Youde, J. (2019). The role of philanthropy in international relations. *Review of International Studies*, 45(1), 39-56.**

Youde provided an overview of the role and influence of philanthropy within international relations, focusing on global health. Youde argued that private global philanthropy has the potential to expand its influence on global politics as the dollar amount of global charitable contributions is increasing while official government support is decreasing at the same time. Youde also discussed the relationship between global governance and philanthropy and raised the question of how wealth might influence the balance and exercise of power as private donors become more and more powerful over other actors in the international arena. Bringing both historical and contemporary examples, Youde made the case for philanthropy's analytical inclusion within international relations, as philanthropy plays an independent and powerful role

within global politics highlighting that “the rise of philanthropy as a significant and independent force within International Relations is a direct reflection of the changing role of the state and the role of non-state actors” (56).

Additional reading:

Moran, M. (2014). Private foundations and development partnerships: American philanthropy and global development agendas. Abingdon, Oxon: Routledge.

Olmedo, A. (2017). Something old, not much new, and a lot borrowed: philanthropy, business, and the changing roles of government in global education policy networks. *Oxford Review of Education*, 43(1), 69-87.

## 5. Changing Landscape of Internationally Active Funding Institutions

Both the scale and presence of the philanthropic sector continue to expand worldwide. Philanthropy plays a significant role on international development and foundations, such as the Bill & Melinda Gates Foundation and the Open Society Foundations in the United State, the Robert Bosch Stiftung and Bertelsmann Stiftung in Germany. Foundations, “enjoy high cross-national recognition” and have increased their role in international dialogues (Anheier, 2014). Private philanthropy plays an increasingly vital role in international development. Indeed, cross-sector partnerships have become one of the 17 SDGs promoted by the United Nations to address global challenges more effectively. Collaboration between governments and philanthropic institutions was also one of the major global trends identified in the 2018 *Global Philanthropy Environment Index* (Indiana University Lilly Family School of Philanthropy, 2018). However, the role and legitimacy of internationally active funding institutions – both traditional foundations and new forms of institutions – in global governance is intensely debated (Anderson, 2011, Prewitt et al., 2006) and factors such as government interference through regulation and financial support, or the increased level of administrative and reporting requirements, may create barriers to collaboration.

Thus, identifying and understanding the most relevant trends in the global philanthropic landscape could not be more urgent given the increasingly vital role philanthropy plays in both local and global societies. Comparative studies and global indices provide tools to map current conditions, benchmark local and international practices, and analyze their sustainability and effectiveness – covering different aspects of philanthropy including giving, fundraising, philanthropic infrastructure, collaboration between philanthropy and government, and the philanthropic environment in general.

The complex changing landscape raises both opportunities and challenges for philanthropic institutions, especially those with active operations internationally, to lead societal changes through effective cross-sector collaboration. Resources included in this section discusses some of the growing challenges global philanthropy experiences and provide best practices and opportunities that could positively impact the future of global philanthropy.

### Key findings:

- While the roles and responsibilities of private foundations are increasing, their legitimacy is under due to lack of accountability and their perpetual operation;
- Internationally active funding institutions and philanthropists actively support the achievement of the SDGs;
- The space for civil society is challenged due to the growing number of restrictive regulations on philanthropy; and
- Philanthropy is an important aspect of all cultures and the number of reported philanthropic engagements – from volunteering to remittances – are increasing worldwide.

### 5.1. Legitimacy, Governance, and Philanthropy

**Anderson, K. (2011). Global philanthropy and global governance: The problematic moral legitimacy of the relationship between global civil society and the United Nations. In Illingworth, P., Pogge, T., & Wenar, L. (Eds.) *Giving Well: The Ethics of Philanthropy* (pp. 149-176). Oxford: Oxford University Press.**

The author analyzed the history of nongovernmental organizations (NGOs) and their relationship with the United Nations from late 1980s to early 2000s. The author argued that the roles and responsibilities of NGOs as representatives of the world's people is not supported by the political and moral requirements of accountability, representativeness, and political intermediation to undertake the function of global governance. The author emphasized, indeed, that international NGOs' ethical status is arguable in terms of representation and, therefore, there is no such thing as global society.

**Buchanan, P. (2016). Big issues, many questions: An essay on the pressing issues facing U.S. foundations leaders and boards. *The Center for Effective Philanthropy*.**

Buchanan explored the pressing issues that U.S. foundations face in the twenty-first century. He highlighted five pressing issues including: 1) trust towards and role of foundations; 2) endowment management; 3) accountability and evaluation; 4) collaborations among foundations; and 5) foundations' effective support towards nonprofit organizations. Buchanan highlighted that foundations should not assume that public trust towards foundations is and will always be high, and now is the time when foundations could empower and support grassroots initiatives. He discussed that impact investment might be questionable and that the fiduciary responsible of foundations is bigger than ever. Foundations' boards also need to define indicators and evaluation processes that can support foundation's work to be able to establish complex strategies. As addressing recent challenges requires more partnerships, foundations need to collaborate among each other to create impact. Finally, Buchanan highlighted that foundations need to support nonprofit organizations, offer unrestricted grants for programs and administrative expenses, and know the needs of nonprofit organizations.

**Hammack, D. C. & Anheier, H. K. (Eds.) (2010). American foundations: Their roles and contributions to society. In Anheier, H. K., & Hammack, D. C. (Eds.), *American Foundations: Roles and Contributions* (pp. 3-28). Washington, DC: Brookings Institution Press.**

The authors revised the contributions and roles of grant-making foundations in the United States. Grant-making foundations as institutions can contribute to philanthropy by: 1) making donors reserve and invest charitable funds and offering these funds to one or more charitable activities; 2) constituting sources of wealth, influence, and initiative independent from government and business; 3) granting legitimacy and recognition of their donors; 4) eliminating social limits and reducing barriers thought diversity and inclusion; and 5) providing an alternative way for giving. The authors mentioned several roles and contributions of foundations including providing relief of immediate need; encouraging innovation and change in social perception, values, and relationships; making program-related investments to promote economic growth; being social entrepreneurs – identifying and responding social challenges; acting as institution builders – identifying and promoting coalitions and collaborations across sectors and regions; mediating conflicts – serving as the “honest brokers”; offering financial resources and knowledge to help

establish and develop entities; and controlling charitable and philanthropic resources. According to the authors, “foundations can achieve the greatest impact when they act as social entrepreneurs, institution builders, risk takers, and value conservers” (12). They provided a contextual overview of the sector and examined the roles and responsibilities of foundations over the last one hundred years, highlighting the advantages and disadvantages of foundations. In this chapter that provides a summary of the volume, the authors briefly discussed areas such as transparency and accountability, new philanthropic instruments and approaches, reputation of foundations, as well as limitations and criticism of them. One of the main questions the authors raised was whether the institution of the philanthropic foundations could find a new role at the beginning of the twenty-first century to respond the new challenges and eco-systems that influence societies across the globe. The authors mentioned new commitments of foundations such as increasing transparency and accountability; evaluating impact and achieving measurable results; defining new philanthropic instruments to address government failures; addressing social problems with business models and tools; as well as reimagining and creating new philanthropic organizations. As a conclusion, the authors mentioned the diversity of foundations and the importance of supporting such diversity.

**Nickel, P. M., & Eikenberry, A. M. (2010). Chapter 19: Philanthropy in an era of global governance. In Taylor, R. (Ed.), *Third Sector Research* (pp. 269-279). New York: Springer.**

The authors explored the role and responsibility of international philanthropy regarding the enhancement of human well-being in the era when governments became more fragmented and horizontally organized. As nongovernmental organizations can redistribute private wealth, influence social policies, and impact human lives across national borders, their role in global governance has significantly increased. The chapter explored how the governing capacity of international philanthropy might depoliticize and hinder the discourse about human well-being as such governing capacity – wealth accumulation – has often been achieved by denying the well-being of others.

**Prewitt, K., Dogan, M., Heydemann, S., & Toepler, S. (Eds.) (2006). *The Legitimacy of philanthropic foundations: United States and European perspectives*. New York: Russel Safe Foundation.**

The book aimed to provide better understanding about and comparison between United States and European philanthropy, especially the foundation sector. The chapters of the book were originally presented as conference papers in Paris, France in May 2004. The book explored a variety of questions regarding foundation legitimacy including why democratic societies accept and foster the presence of “aristocratic institutions” that control large amount of capital in perpetuity; whether American foundations have been ever held adequately accountable for their funding activities; how functions and legitimacy of foundations changed in Europe over time; and how and why foundations support culture and higher education on Germany;

**Reich, R. (2016). Repugnant to the whole idea of democracy? On the role of foundations in democratic societies. *Political Science & Politics*, 49(3), 446-472.**

The author focused on private foundations and examined their legitimacy in a democratic society with the assumption that foundations are repugnant to democracy. The author argued that private foundations lacked accountability, allowed a donor-directed mission in perpetuity, and were

generously tax-subsidized. Private foundations, additionally, are not subject to annual reporting requirements and other financial due diligence. However, as foundations also operate on a different time horizon from businesses or governments, foundations could fund higher-risk social-policy experiments and support innovation. The author highlighted that even though social-policy solutions have been discovered by foundations' experiments, foundations usually underperform as they tend to be risk-averse rather than risk-taking. However, as the author argued, foundations' low level of performance could be solved by identifying the right way of evaluating and supporting foundations in a democratic society.

Additional reading:

Buteau, E., & Leiwant, M. (2016). Sharing what matters: Foundation transparency. *The Center for Effective Philanthropy*.

Tallberg, J., Dellmuth, L.M., Agne, H., & Duit, A. (2015). NGO influence in international organizations: Information, access and exchange. *British Journal of Political Science*, 48(1): 213-238.

## 5.2. International Development and Foundations

**Benn, J., Sangaré, C., & Hos, T. (2018). *Private foundations' giving for development in 2013-2015: Ongoing efforts to better reflect private philanthropic giving in OECD-DAC statistics on development finance* (OECD Development Co-operation Working Paper 44). OECD Publishing.**

This working paper shared key findings from the OECD Survey on Global Private Philanthropy for Development conducted in 2016-17. Information on 147 foundations that are active in development were collected through the survey, supplemented by foundations' regular reports to OECD-DAC as well as foundations' annual reports and other publicly available sources. According this working paper, private foundations provided U.S. \$23.9 billion for development in 2013-15, with an average annual growth of 19 percent. This increase in foundation funding was large driven by European foundations and the Bill and Melinda Gates Foundation.

Moreover, a majority (81%) of foundation funding came from the 20 largest foundations. Over half (53%) of foundation funding supported health and reproductive health issues. When looking at geographic distribution of foundation funding, Africa received the largest share (28%), while a considerable share (45%) of the funding went to organizations with a multi-region scope. The working paper also included findings on foundation funding by recipient country, population groups served, the alignment between SDGs and foundation priorities, and channel of foundation funding.

**Chatterjee, A., & Rai A. (2018). *Strategic philanthropy and its challenges in India: A multiple case study of grantmaking organizations*. *Nonprofit Management and Leadership*, 28, 399-411.**

In this study, the authors examined the experience of U.S. grantmaking institutions with strategic philanthropy. The authors interviewed nine representatives from U.S. grantmaking organizations – philanthropic foundations and private grantmaking intermediaries – that provide funding for social development programs in India. The three main approaches for strategic philanthropy are



defined goal-setting procedures, use of evidence-based strategies, and monitoring and impact evaluation. The authors also identified several challenges including emotion-driven giving, effective collaboration with local staff, identification of and collaboration with credible local partners, establishment of government partnerships, collaboration among grantmaking organizations, monitoring without field visits, and scaling up successful projects.

**OECD. (2018). Private philanthropy for development. *The Development Dimension*. Paris: OECD Publishing.**

This report examined private philanthropic flows that promote economic development and welfare of developing countries as their primary objectives. The report discussed foundations' engagement in developing countries and their role of supporting the SDGs. It examined the large-scale survey on global private philanthropy for development produced by the OECD Development Co-operation Directorate. It further gave insights and case studies on private philanthropy's engagement in developing countries generated through the Network of Foundations Working for Development. The report found that the sources of philanthropic flows were highly concentrated, and philanthropic flows accounted for five percent of the total amount of official development assistance between 2013 and 2015. However, private foundations seem to have a significant role in key sectors including health and in building partnerships and coalitions between actors. The findings led to policy recommendations for knowledge sharing and the improvement of data availability among others.

**Ogden, K., Prasad, S., & Thompson, R. (2018). Philanthropy bets big on sustainable development goals. *Stanford Social Innovation Review*. Retrieved from [https://ssir.org/articles/entry/philanthropy\\_bets\\_big\\_on\\_sustainable\\_development\\_goals](https://ssir.org/articles/entry/philanthropy_bets_big_on_sustainable_development_goals)**

Drawing on data from Bridgespan, the authors analyzed “big bets” – donations or philanthropic commitments of US \$10 million or more to an organization or a defined initiative – made by the ninety leading U.S. and international philanthropists between 2000 and 2016. The authors categorized 836 big bets – with a total value of US \$42.4 billion – using the SDGs as a framework. They found that more than half of the funders included in the research made big bets in SDG areas, and most of these commitments were devoted to implementing and scaling solutions that work. Additionally, about half of the big bets supported a single SDG: Good Health and Well-being. After analyzing the dataset, the authors also provided recommendations for how funders can embrace SDGs in the future: by understanding how the foundation's grantmaking align with the SDGs by matching the organization's grant portfolio with the 17 SDGs; by identifying in which stage the foundation can enhance the SDGs: developing innovative solutions, collaborating to finish the job, or advocating for policy change; and by identifying and building partnerships and collaborations that would offer a way to leverage the resources and expertise of all participants.

**Pharoah, C. & Bryant, L. (2012). *Global grant-making: A review of UK foundations' funding for international development*. Publication by Nuffield Foundation.**

This report shared findings on grantmaking by UK foundations for international development. Data came from a survey of annual grantmaking for international development by foundations, annual reports and other published documents, and interviews with foundations. The report estimated that UK foundations provided approximately £292 million per year for international development, representing around 9 percent of the total spending of all grant-making foundations

in the UK. Africa, especially East Africa, received most support, followed by Asia. Health care and formal education were the top two issues that received most attention from UK foundations. Through interviews, the report further identified several emerging trends in motivation and approach in foundations' work for international development. The motivations of why UK foundations fund international development can vary widely including the historic and individual roots in founders' or board members' interests and experiences; globalism, characterized by transnational trade and global corporate interests; recognition of international development as an essential part of social justice; support of international research and academic work; and the increasing number of global issues such as natural disasters and refugee crises. Foundations also aim to identify new approaches to support international development from addressing root causes in developing countries to developing partnerships and collaborations and to establishing new funding approaches such as capacity building or co-investment. Finally, the authors highlighted that international funding is a substantial part of independent foundation spending in the UK, however foundations' effectiveness to provide international aid has remained questionable.

**Schuyt, T., Hoolwerf, B. L.K., & Verkaik, D. (2017). Better together? A Study on philanthropy and official development assistance. *AFD Research Papers Series*, No. 2017-57, February. Netherlands: Center for Philanthropic Studies, Vrije Universiteit Amsterdam.**

This report examined the characteristics of foundations across regions that engage in international development aid and explored the relationship between foundations and official development aid (ODA), based on data collected from a survey of 55 foundations from all continents. As the sources of international aid become more diverse, aid often flows through multiple channels, involving collaboration among organizations across sectors. Commissioned by the Agence Française de Développement, this report presented the characteristics of these 55 foundations included in the survey, including types of foundation, transparency, budgets, income sources, support provided, and geographic, population, and issue focuses. The report further discussed the possible reasons of foundation geographic focuses and the underlying motivations guiding foundations' work. Lastly, the report examined the previous collaborations that these foundations had with official development agencies and identified the following benefits and barriers. Foundations reported that the main benefits of collaborating with official development agencies are the increasing financial sustainability, better access to networks, higher levels of effectiveness, and improved levels of foundation legitimacy. The top 5 barriers of collaboration identified in the report are: mutual agreement on expectations and accountability; degree of commitment to partnerships; communication; alignment of strategy, mission and values; and equal exchange of resources (54). The report also made recommendations to strengthen cross-sector collaborations such as implementing the "matching principle" where parties can identify the tasks they can accomplish using their own structures; and using contractual agreements among parties

**United Nations Development Programme. (2014). *Philanthropy as an Emerging Contributor to Development Cooperation*.**

This report commissioned by the United Nations Development Programme raised numerous issues and recommendations regarding philanthropy's contributions to international development. The report also discussed the differences in the norms and practices of the official development aid and philanthropy sectors in terms of improving cross-sectoral collaborations and achieving greater impact. Some of the most relevant differences are strategy formulation, priority setting

frameworks, impact evaluation, and the tools and practices used for accountability and transparency. It also provided recommendations to the multilateral system, governments, and the philanthropic sector. Finally, the report highlighted that better data could improve measuring progress and provide a better understanding of the potential grantees working on international development.

Additional reading:

Lynn, M. L. (2016). Congregational aid: North American protestant engagement in international relief and development. *The Journal of Development Studies*, 52(7), 965-985.

Olsen, A. (2016). *Evangelicals and international aid: Insights from a landscape survey of U.S. churches*. Tufts University and Cordon-Conwell Theological Seminary.

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United Nations. (2017). *The sustainable development goals report 2017*.

### 5.3. Barriers for Cross-Border Giving and Collaborations

**Anheier, H. K. (2017). Civil society challenges: Towards an enabling policy environment. *Economics: The Open-Access, Open-Assessment E-Journal*, 11, 2017-29.**

The author examined the changing relationships between governments and civil society and recent regulations and current proposals addressing civil society organizations to provide a better understanding of the changing roles and responsibilities of civil society organizations while the environment for civil society continues to decline. The author highlighted restrictive regulations proposed or implemented by G20 countries and proposed numerous recommendations.

Following the journal article, Anheier and his colleagues, Burns and Knott, developed and published a policy brief, *Civil Society Challenged: Towards an Enabling Policy Environment* in the G20Insights. The authors proposed to establish an independent high-level commission to examine the changing policy environment for civil society organizations, to review the reasons behind the shrinking space civil society faces globally, and to make proposals for G20 countries to advance the enabling environment for civil society.

**Civicus. (2018). *State of Civil Society Report 2018*.**

CIVICUS published its latest report that captured the major trends for civil society measured in 195 countries during 2017. More than half of the countries included in the report had obstructed, repressed, or closed civic space, and the top civic space violations were: detention of activists, attacks on journalists, and censorship. The data presented in this report is from the CIVICUS Monitor, available here: <https://monitor.civicus.org/>.

**Dupuy, K., Ron, J. and Prakash, A. (2016). Hands off my regime! Governments' restrictions on foreign aid to non-governmental organizations in poor and middle-income countries. *World Development*, 84, 299-311**

Using an original dataset of laws on foreign aid inflows sent to domestically operating nongovernmental organizations (NGOs) in 153 low- and middle-income countries for the period 1993–2012, the authors examined the trends of foreign aid regulations. As many governments in the developing world see foreign-funded NGOs as possible political opponents and a threat to current political power, governments often introduce restrictive legislation to maintain the political status quo. During the examined two decades, 39 of the world's 153 low- and middle-income countries adopted restrictive regulations on cross-border flows. The authors found that the amount of foreign aid flows is associated with an increased risk of restrictive law adoption; and the probability of restrictive law adoption increases in the face of competitive elections.

**International Center for Not-for-Profit Law. (2016). Survey of trends affecting civil space: 2015-2016. *Global Trends in NGO Law*, 7(4), 1-21.**

The paper explored the ways civil society has been narrowed in many countries across the globe. According to the analysis conducted by International Center for Not-for-Profit Law, sixty-four restrictive laws and regulations have been adopted by governments, more than one quarter of which was introduced in South and Central Asia. The paper highlighted the restraints on civil society organizations (CSOs) including the proposal and adoption of restrictive CSO laws, anti-protest laws, and counterterrorism laws; the closure, de-registration, and expulsion of CSOs; and the adoption of laws and policies that restrict access to resources, including international funding. The paper also summarizes the main regional and international initiatives that – despite the trends on shrinking civil society – aim to strengthen the enabling environment for civil society such as International Resolutions in Support of Civil Society, The SDGs, and Development Effectiveness Monitoring Bodies.

**Olivié, I., & Pérez, A. (2016). Why don't donor countries coordinate their aid? A case study of European donors in Morocco. *Progress in Development Studies*, 16(1), 52-64.**

In this paper, the authors discussed the challenges of aid coordination and aid allocation. As the EU and the EU Member States have their own development policies, aid coordination within the EU is challenging and often leads to an increasing level of aid fragmentation. Developing a unique methodology in this topic, the authors used both surveys and interviews to understand the challenges Morocco – “a country where international aid is notably fragmented” (53) – faces. The authors identified four main obstacles of aid coordination including leading donors' bilateral political agenda and their own national interest, the political interest and institutional architecture of the recipient country, complex administrative procedures, and the intra-donor lack of coordination. The authors concluded that institutional infrastructure – both in the donor and recipient countries – matters.

**Rutzen, D. (2015). Aid barriers and the rise of philanthropic protectionism. *International Journal of Not-for-Profit Law*, 17(1), 5-44.**

The author focused on the constraints hindering the inflow of international funding to civil society organizations as the number of restrictive initiatives regarding philanthropy has increased since 2012. Indeed, more than one third of these initiatives restrict international funding. The author categorized the constraints impeding philanthropy and highlighted government justifications used

to defend their regulations on international funding such as state sovereignty, transparency and accountability, aid effectiveness and coordination, and national security, anti-money laundering and counterterrorism. The author included cases from fifty-five countries to illustrate regulatory constraints as well as government justifications developed by governments across the globe. Additionally, the author also highlighted areas for further discussion and research.

**Surmatz, H., & Forrest, L. (2017). *Boosting cross-border philanthropy in Europe: Towards a tax-effective environment*. Transnational Giving Europe, & European Foundation Centre.**

This paper provided an overview of European cross-border philanthropy. Cross-border collaboration and philanthropy has increased in Europe and the EU has promoted the non-discrimination principle for cross-border giving. However, nonprofit organizations in Europe still face challenges and legal barriers for sending and receiving cross-border donations due to the vastly different regulatory environments of the EU Member States. Introducing several case studies, the paper discussed the boundaries for cross-border giving such as lack of information, high transactional cost, and burdensome administrative requirements. The paper highlighted several recommendations and suggestions of how cross-border giving could be easier and more tax-effective in Europe including providing publicly available information and trainings for tax authority employees, providing a blueprint of comparability test for Member States, and defining and implementing key terms around the public-benefit principle.

**Von Hippel, T. (2014). *Taxation of cross-border philanthropy in Europe after Persche and Stauffer: From landlock to free movement?* Transnational Giving Europe, & European Foundation Centre.**

This report analyzed the implementation of the non-discriminative principle established by the European Court of Justice for sending and receiving cross-border donations. The report conducted an analysis of whether the EU Member States has adapted their legislation to meet the requirements of the non-discriminative principle and how their comparability tests meet their goals to decide whether a foreign EU-based public-benefit organization is considered comparable to a domestic one and therefore determine its eligibility to receive tax exemptions. According to the analysis, there are several cases where the current national legislation was discriminative against foreign EU-based public-benefit organization, and 6 Member States did not offer the same tax benefits for such organizations in 2014. The report also provided recommendations to ease the tax policies on cross-border philanthropy including creating an automatic exemption of all foreign EU-based organizations that are recognized as public-benefit organizations, developing common principles of public-benefit status, and simplifying the comparability tests that are currently run by national tax authorities.

Additional reading:

European Foundation Centre (EFC), & Funders' Initiative for Civil Society. (2017). *Why shrinking civil society space matters in international development and humanitarian action*.

Hay, I., & Muller, S. (2014). Questioning generosity in the golden age of philanthropy: Towards critical geographies of super-philanthropy. *Progress in Human Geography*, 38(5), 635-653.

Hart, T., & Ile, K. (2018). *Cross-border giving: A legal and practical guide*. Alexandria, VA: Charities Aid Foundation America.

Wilson, E. A. (2016). Restrictive national laws affecting human rights civil society organizations: A legal analysis. *Journal of Human Rights Practice*, 8(3), 329-357.

#### 5.4. Comparative Studies and Indices on Global Philanthropy

**Asia Centre for Social Entrepreneurship & Philanthropy, NUS Business School, & Agence Française de Développement. (2018). *Philanthropic foundations in Asia: Insights from Singapore, Myanmar and China*.**

This report discussed the emerging trends in philanthropic foundations in Asia. Analyzing data from China, Myanmar, and Singapore, the number of foundations has been growing due to the emergence of wealth in the region. The main motivations of high-net-worth individuals to give were the desire to give back to society, prestige and status, religion, family and personal values, personal experience, desire to drive change, and personal affiliation. This report also studied the characteristics of foundations, including their operational model, philanthropic focus, and governance structure. While foundations in emerging economies, like Myanmar and China, primarily give nationally and operate their own programs, foundations in developed economies, like Singapore and Hong Kong, tend to give both nationally and internationally, providing grants to civil society organizations. According to this report, as the philanthropic sector continues to grow in Asia, foundations face several challenges such as lack of credibility and transparency, lack of quality data, and operational weaknesses. On the other hand, opportunities such as strengthening the philanthropic ecosystem, engaging with governments, taking risks, and collaborating with other stakeholders could enhance the role and effectiveness of foundations to address regional development issues.

**Cagney, P., & Ross, B. (2013). *Global fundraising: How the world is changing the roles of philanthropy*. Hoboken, NJ: Wiley.**

This book provided information on global fundraising by discussing the fundraising landscape in 6 regions (Latin America, Western Europe, Central and Eastern Europe, Africa, Middle East and North Africa, and Asia) and 7 countries (China, Japan, the United States, Canada, Australia, New Zealand, and India). The book used country- and region-specific case studies written by practitioners. The book also offered general overviews of 4 additional topics: major donors, the impact of social media, innovation, and a comparison of the four main types of international organizations (market drivers, competitive drivers, cost drivers, and government drivers) that raise more than US \$1 billion a year.

**Charities Aid Foundation. (2018). *CAF World Giving Index 2018: A Global View of Giving Trends*.**

The ninth edition of the *CAF world Giving Index* presented giving data from 146 countries based upon data from Gallup's World View World Poll that asks questions about giving behavior. In most countries included in this index, 1,000 questionnaires are completed by a representative sample of individuals who report on three aspects of giving behavior: helping a stranger, donating money to a charity, and volunteering with an organization. In 2017, Indonesia was the most

generous country and significantly more people across the globe reported helping a stranger or volunteering than in 2016. According to the report, however, the proportion of people who donated money in 2017 was at its lowest since 2013. The giving gap between continents has decreased emphasizing the global nature of philanthropy.

**Hudson Institute. (2016). *The Index of Global Philanthropy and Remittances*.**

The report examines the sources and magnitude of private giving from developed and emerging countries to developing countries by measuring total aid that includes official development aid, philanthropy, remittances, and private capital investment. The report found that global philanthropy reached a record high of US \$64 billion in 2014 and emerging countries, such as China, India, South Africa, and Turkey, have increased their philanthropy, remittances, and private capital investments to developing countries. The report aimed to quantify total aid and highlight the collaborative partnerships and infrastructure that support philanthropic engagements globally. In 2017, the report was transferred from Hudson Institute to the Indiana University Lilly Family School of Philanthropy. The next edition of the report, which will be called the Global Philanthropy Resource Flows Index, will be released in 2020.

**Indiana University Lilly Family School of Philanthropy. (2018). *Global Philanthropy Environment Index*.**

The report provided comprehensive information about the philanthropic environment in 79 countries and economies using a standard questionnaire completed by country-based experts. The report used scores (1 to 5) to analyze and measure five factors – the ease of operating philanthropic organizations, tax incentives, cross-border flows, political environment, and socio-cultural environment – as enabling conditions for philanthropy. Around two-fifth of the countries and economies included in the report had a restrictive philanthropic environment, and nearly one-quarter of the countries introduced restrictive regulatory changes between 2014 and 2018. While cross-border flows of charitable contributions have become more restrictive, migration and natural disasters highlighted the importance of international funding and collaboration between philanthropic organizations, governments, business, and donors. The report also identified three key trends in philanthropy: collaboration between government and the philanthropic sector is increasing; the advancement of technology leads to widespread use of online giving and crowdfunding; and the increasing number of high-net-worth philanthropists has the potential to promote and change the philanthropic landscape in almost all regions. Country and region reports are available: <https://globalindices.iupui.edu/environment/index.html>.

**Johnson, P.D. (2018). *Global Philanthropy Report: Perspectives on The Global Foundation Sector*.**

This report explored organizations – public benefit organizations and private foundations – across the globe that provided philanthropic assets to advance the public good. The report researched 39 countries that host more than 260,000 foundations. The report provides information on the scale, age and classification of foundations, their financial resources and expenditures, their priorities and purposes, and their operational approaches as well. The report found that nearly three-quarters of foundations identified were established in the last 25 years, education was the cause most supported by foundations, and Latin-American foundations stood out as aligning priorities with the SDGs. Finally, the report also highlighted that foundations were increasingly employing social investment strategies and recognizing the importance of cross-sectoral collaborations.

**Wiepking, P., & Handy, F. (Eds.) (2015). *The Palgrave Handbook of Global Philanthropy*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan.**

This book explored philanthropic and fundraising practices in 26 countries and regions providing a global overview of philanthropy. Drawing on theoretical insights from sociology, economics, political science, and psychology, and including the experience and knowledge of leading philanthropic scholars across the globe, the book included 26 country- and regional-specific chapters and seven cross-national chapters that focused on cross-national differences in philanthropy, the influence of government support, the role of religion, and fundraising practices among others. This book has served as a comprehensive reference guide to the practice of philanthropy.

**Worldwide Initiatives for Grantmaker Support. (2017). *Infrastructure in Focus: A New Global Picture of Organizations Serving Philanthropy*.**

Drawing on survey data from members of the Worldwide Initiatives for Grantmaker Support (WINGS), infrastructure funders, and a number of academic/education institutions, this report aimed to increase knowledge and understanding about the infrastructure of philanthropy. The report updated some of the information presented in the *Infrastructure in Focus: A Global Picture of Organizations Serving Philanthropy* published by WINGS in 2014 and started to develop a common language regarding philanthropy infrastructure. Some of the key findings of the report are: financial sustainability is the biggest challenge of philanthropy infrastructure organizations; the main source of income of these organizations is private gifts or foundation grants; and the collaboration among philanthropy infrastructure organizations and between them and academic institutions is increasing.

**Worldwide Initiatives for Grantmaker Support. (2018). *The Global Landscape of Philanthropy*.**

This research analyzed 7 aspects of philanthropy at a global level, such as individual giving, institutional giving, community philanthropy, different uses of philanthropic money, collaboration, philanthropy government and civil society, and infrastructure organizations. Based on interviews, themed workshops, and additional desk research, the report aimed to reflect the state of global philanthropy summarizing current trends – including advanced technology and the growth of online giving, the increasing number of foundations due to growing wealth and wider government support for philanthropy, new ways of philanthropy such as venture philanthropy and social investment, collaboration within and across sectors, especially to meet the SDGs - and challenges – including increasing number of NGO regulations, growing competition between philanthropic organizations and social businesses, and the lack of philanthropic infrastructure in transitional and developing countries - philanthropy faces and highlighting the diversity and complexity of this field.

Additional indices:

Civicus. (2018). *State of Civil Society Report 2018*.

Development Initiatives. (2018). *Global Humanitarian Assistance Report*.

Freedom House. (2018). *Freedom in the World 2018: Democracy in Crisis*.



United Nations Volunteer programme. (2018). *2018 State of the World's Volunteerism Report: The thread that binds – Volunteerism and community resilience*.

Additional reading (region-specific):

Aina, T.A., & Moyo, B. (Eds.) (2013). *Giving to help, helping to give: The context and politics of African philanthropy*. Dakar: Amalion Publishing and TrustAfrica 2014.

Caceres, E. (2014). *El rol de las ONG en America Latina: Los desafios de un presente cambiante*.

Centre for Asian Philanthropy and Society. (2018). *Doing Good Index 2018: Maximizing Asia's potential*.

Hoolwerf, L. K., & Schuyt, T. N. M. (Eds.) (2017). *Giving in Europe: The state of research on giving in 20 European countries*. Amsterdam: Lenthe Publishers. Country reports are available: <https://ernop.eu/giving-in-europe-launched-at-spring-of-philanthropy/>

Macdonald, N., & Tayar De Borms, L. (Eds.) (2008). *Philanthropy in Europe: A rich past, a promising future*. London: Alliance Publishing Trust

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- Hudson Institute. (2016). *The Index of Global Philanthropy and Remittances*.

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## **Appendix**

### **Definitional Issues**

#### *New and Hybrid Institutional Forms*

There is some overlap between these concepts, especially given the *newness* of research in these areas. However, while social entrepreneurship is sometimes used as an umbrella term that includes benefit corporations, the term “social entrepreneurship” is most often used to describe nonprofit organizations that include an earned-income model while “benefit corporation” is most often used to describe a for-profit organization with a commitment to a social mission or public benefit. Furthermore, while many of the terms are used interchangeably, there are slight differences between benefit corporations, B-corps, low-profit limited liability corporations (L3Cs), and flexible benefit corporations. These differences are primarily legal designations. Mintz & Ziegler provide helpful definitions. A benefit corporation is a legal designation that requires the business’s purpose to be to create “general public benefit.” A B-corporation (more commonly referred to as B-corp) is an organization certified by the nonprofit organization, B Lab, as having met certain standards of “overall social and environmental performance.” L3C is a form of limited liability company (LLC) and is therefore a legal designation for for-profit companies that “engage in socially beneficial activities.” Flexible benefit corporations are very similar, legally, to benefit corporations. The difference is that flexible benefit corporations select a specific social mission (as opposed to the more general social missions of benefit corporations).

Impact investing refers to investments of funds by organizations to support social or environmental issues. Impact investing most commonly refers to investments by for-profit corporations, but sometimes includes nonprofit or public sector investments. Mission investments are a type of impact investments made specifically by nonprofit organizations, typically foundations, or other mission-based organizations, to further the organization’s mission (and to support social or environmental issues related to the mission). Blended value is a more general term for investments that aim to provide financial, social, and environmental benefits.

Social innovation, while not an institutional form, is also important to consider because it is utilized by all sectors and is therefore changing current institutional forms. Social innovation refers to new ideas (processes, structures, technologies, products, etc.) that benefit society and help build relationships, thereby improving society’s ability to address social issues (Murray, Caulier-Grice, & Mulgan, 2010).

Systems change is also not an institutional form, but is influencing and changing current institutional forms. Systems change refers to the idea that philanthropy should address large social problems by attacking the root of the problem rather than addressing superficial issues with “band-aid” solutions. Systems change requires organizations and individuals to fundamentally alter the way they do things (Americrombie, Harries, & Wharton, 2015).

#### *Sustainable Development Goals*

In an effort to address some of the world's biggest challenges, the United Nations has developed 17 goals to "achieve a better and more sustainable future for all" (UN, 2018). These goals include: no poverty; zero hunger; good health and well-being; quality education; gender equality; clean

water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation, and infrastructure; reduced inequalities; sustainable cities and communities; responsible production and consumption; climate action; life below water; life on land; peace, justice, and strong institutions; and partnerships for goals. Each of the overarching goals is broken down into more specific goals that the UN aims to meet by 2030. These goals are then used by nonprofits around the world to inform strategic and sustainable practice.