



CGAP

Centre for Charitable Giving
and Philanthropy

Institutionalised Giving Structures

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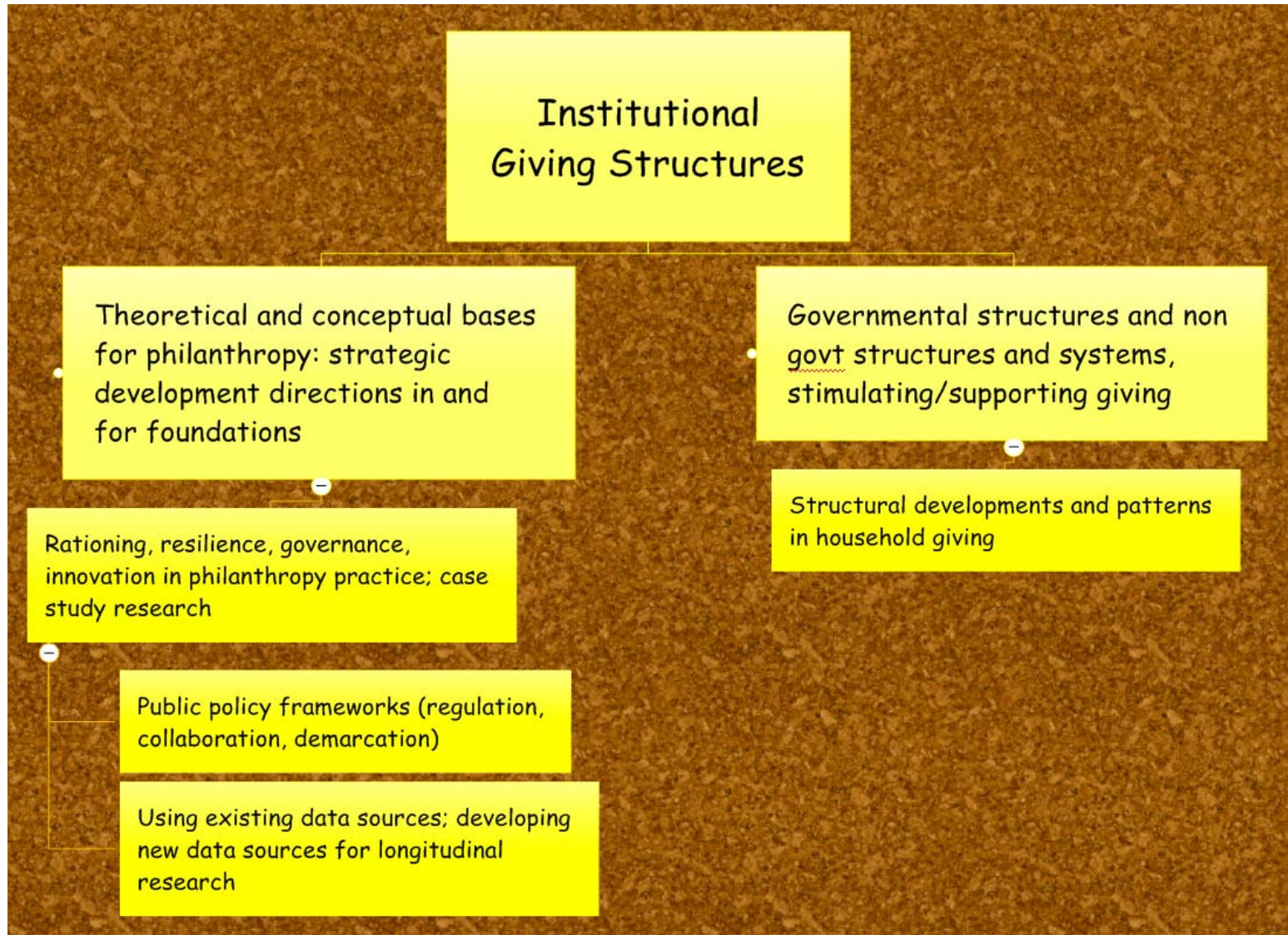


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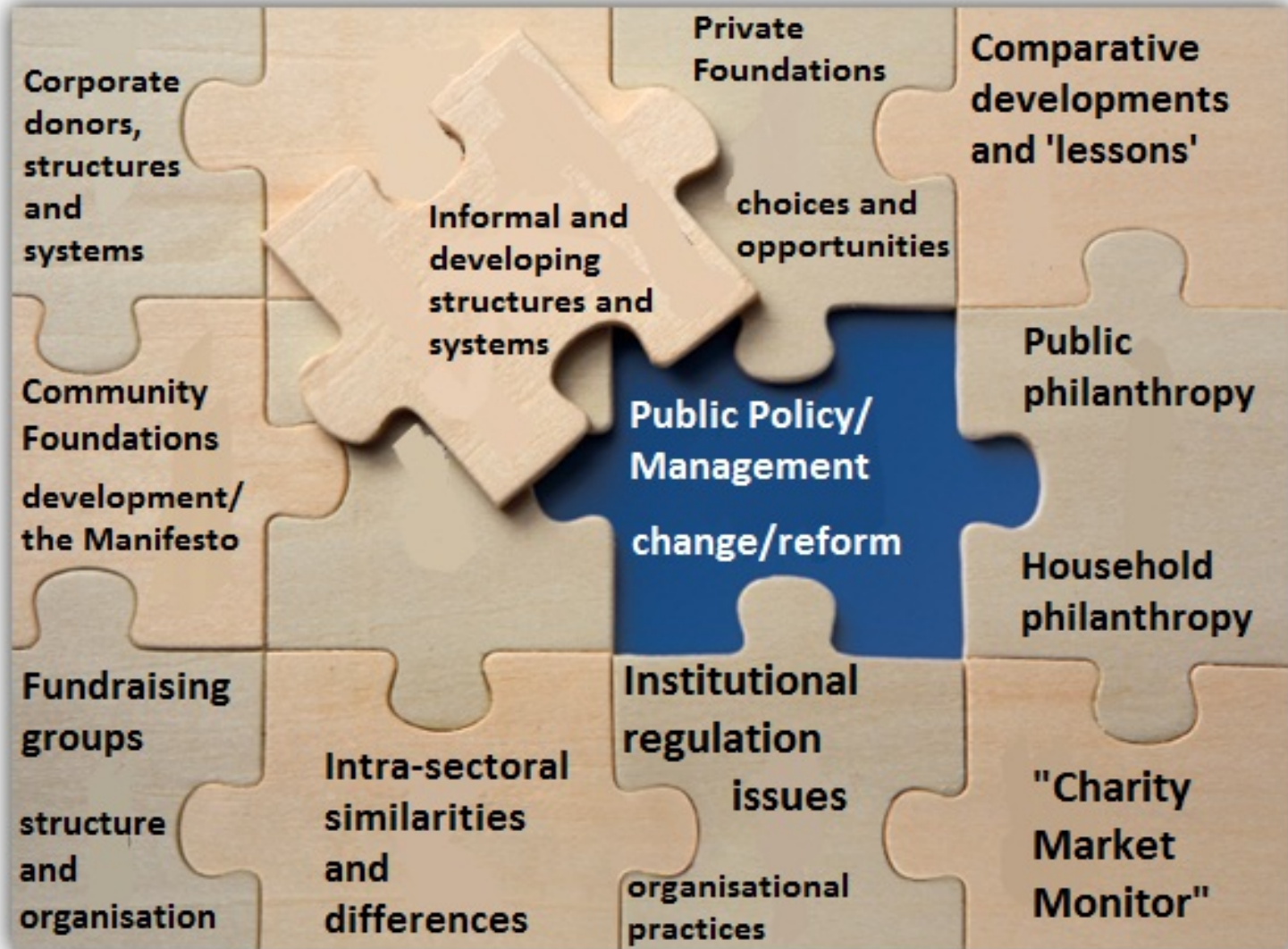
A five year research programme

- to explore and synthesise the distinctive characteristics of the range of philanthropic giving institutions from the perspectives of strategic directions, structural developments and accountabilities;
- to strengthen and extend the knowledge base in and on ‘giving institutions’ (trusts, foundations, community foundations, benevolent societies, quasi-governmental organisations, networks, alliances, households);
- to help build further research expertise in and for the field;
- to exchange knowledge and ‘know how’ with multiple stakeholders, emerging from or being incorporated into our research.

Our formal research programme looks like this...



Our developing research looks like this...



For this presentation, we consider our

- developing work on the nature of philanthropy;
- progress on the theoretical and conceptual frameworks for our studies - 'rationing'; its appearance in foundations' decisionmaking?
Some early findings from pilot cases;
- knowledge exchange and development examples with practitioners and organisations, which are feeding in to our research;
- overview theme of the governmental action/philanthropic action changing relationships – public policy and public management reform and change;
- next steps in research and knowledge exchange.

The nature of philanthropy

“a sprawling concept” (Frumkin, 2006)

- a human attribute, translated mainly into more and less powerful institutional structures (the permanent or dissolving projects argument)
- an independent means of social problem –solving
- a supply- side response in societies to welfare needs, operating on voluntarist principles
- its private nature guarantees “a degree of pluralism in response but also a fragmentation of effort”

(Harrow, 2010)

**“*Third Sector Research* “ , pub. Springer, 2010,
chapter on ‘philanthropy ‘ (Harrow)**

- the creation and sustenance of the philanthropic *impulse*
- the *expressions* of philanthropy
- the recognition of and response to philanthropy’s *locations*
- the alignment of and effects of philanthropic *values* on its range of achievements and inter-organization relations

Progress on the theoretical and conceptual frameworks for our research

Adam, 2004;

“on both sides of the Atlantic, scholars have failed to develop a united theoretical concept of philanthropy”

(terms in use are interchangeable, malleable and invented e.g. the “philanthropreneur”)

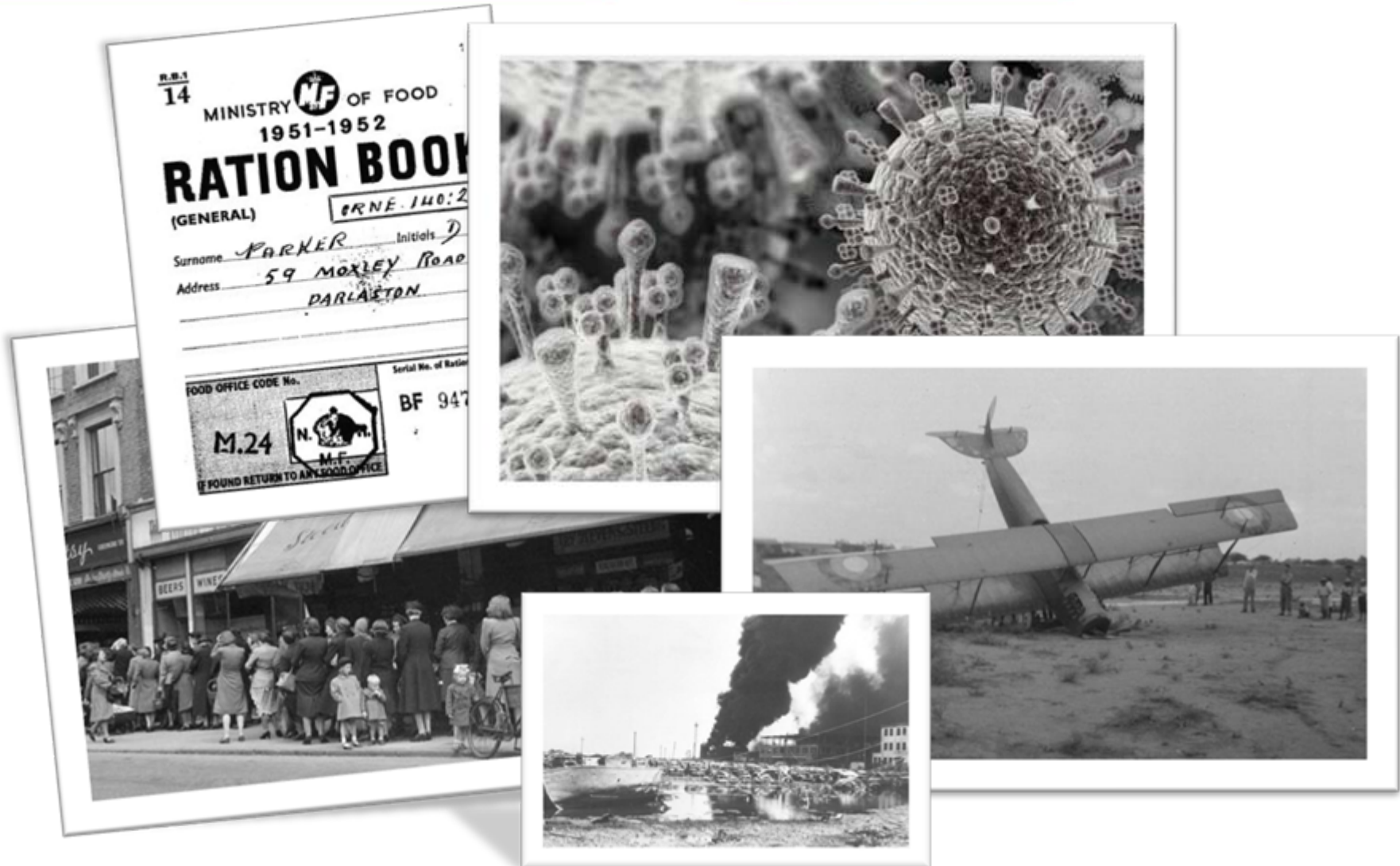
In our early empirical work, mapping the practice field in foundations, some old and **some new concepts and theoretical bases for philanthropy have emerged in the context of *resource allocation***

One is “resilience” : a re-entrant into the public policy vocabulary, from ecology to the VCS

- A public policy seminar paper in Scotland, with ACOSVO, SOLACE Scotland, ESRC and the University of Edinburgh Business School
- An integrating or fracturing concept within our research?
- A quality often attributed to people, a common explanation of certain forms of behaviour, and now being applied to organisations
- Strong intuitive appeal – a trait, a quality or a useful explanatory concept?
- Resilience a feature of grantmakers as well as grant seekers?

The second theme is rationing, which is a major underpinning theme in our research with foundations...

Rationing?



Rationing as an answer to current and future challenges?

Foundations' assets eroded (Lawrence 2009; Pharoah forthcoming)

- Ford Foundation: closing overseas offices and cutting costs
- W.K. Kellogg Foundation: voluntary severance plan for 42% of its workforce
- Lloyds TSB Foundation Scotland: funding stop for new projects

Resource constraints as a long-term issue

- *“a difficult 10 years, as public finances are likely to lag significantly behind any larger-scale economic recovery”*

John Harris, CoSLA, Scottish Funders Forum, 2009

Paradox of charitable opportunity (Harrow and Pharoah 2009)

Rationing as an integral part of philanthropy...

If you had to choose one of four children to die before reaching the age of five, which one would you choose?

What do you do when you receive a cheque for £260million pounds?

Sir Tom Hunter

An Accidental Philanthropist.
Lecture at the Institute for Philanthropy, 29th June 2005

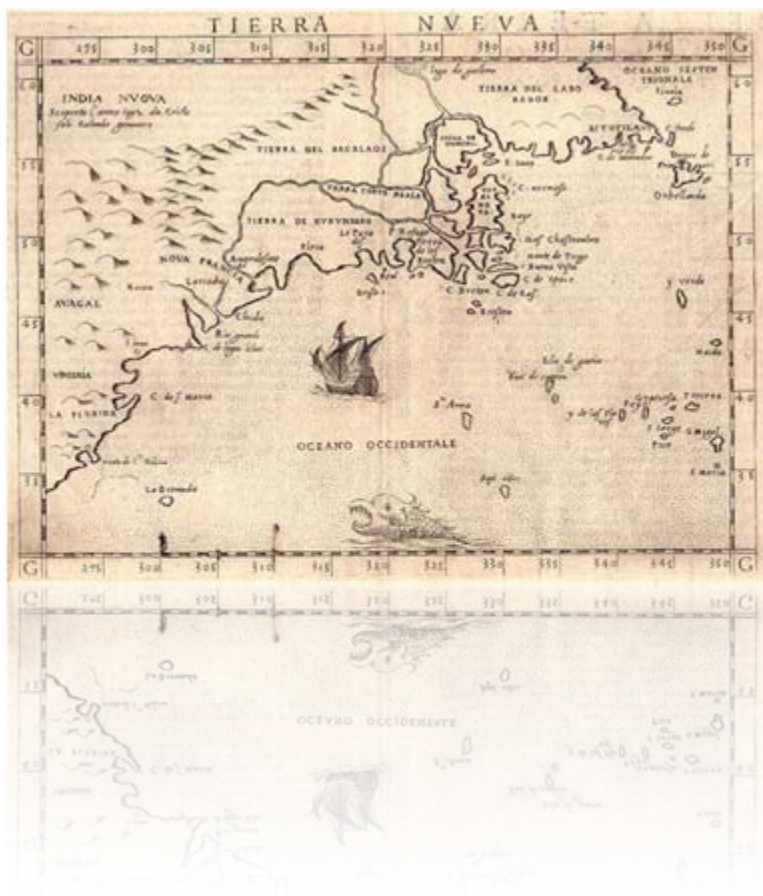
... if you do have any
answers please let me now
because we are forever
searching for more informed
answers.

Sir Tom Hunter

An Accidental Philanthropist.

Lecture at the Institute for Philanthropy, 29th June 2005

Exploratory study



Idea

- Map the rationing field
- Search for insights and potential lessons from other fields/sectors that could be relevant to foundations and other grant making organisations
- Examine how rationing plays out in the philanthropy arena

Method

- Literature review
- Pilot case studies

What is rationing?



Few attempts to define what it actually means (Rodriguez 2006; Brock 2007)

Dependent on/influenced by socio-cultural contexts (Schmidt 2004)

Can mean:

- allocation of resources that either are or are not absolutely scarce
- focusing solely on those goods and services that are necessary or on any beneficial goods and services
- Implicit or explicit approaches
- a sign of solidarity or a tool to control less privileged groups
- the norm or a temporary exception till normal services resume (Goodin 1995; Ubel 1998; Brock 2007)

Working definition

A situation in which a **divisible or indivisible good or service** is to be allocated to a group of **competing individuals or organisations** so that some who **want** and/or **require** the good or service **will not receive it**.

Emerging insights from the literature: principles and systems

- Complications of trying to categorise/assess different philosophical perspectives
- People do not have simple objectives as assumed by economic theory
- Disagreement about principles between individuals, the general public, professionals, philosophers, political theorists and economists
- Neither economics nor moral philosophy provide satisfying answers

Equality of what and over which timeframe?
 Nonmaleficence?
 Horizontal or vertical equity?
 Beneficence?
 Values?
 Virtue?
 QALYs?
 Fair innings vs severity?
 Aggregation according to sum-ranking or not?
 Justice?
 Utilitarianism?
 Deontology?
 Teleology?
 Consequentialist or non-consequentialist?
 Efficiency vs equity?
 Triage?
 Good?
 Welfarism or non-welfarism?
 Preference or non-preference?
 Egalitarianism?
 Monist or pluralist morality?
 Worse off: in general or in relation to specific criteria? If so, which?

From principles to procedures

- Ways in which decisions are made and the reasons that underlie them, affect people's reaction to and utility from those decisions:
- Outcomes/consequences should not be the only determining factor on which to base rationing decisions
- Explicit procedures and opportunities to participate in the decision making process encourage trust, accountability, fairness, and acceptance
- Most research has ignored the role of procedures and procedural justice

(Tyler 2000; Ashcroft 2006; Dolan 2007; Landwehr 2009)

Foundations and a procedural approach

- Controversial
- A procedural approach challenges:
 - traditional power/ donor-recipient models
 - the perceived role(s) of foundations
- BUT helps to address issues surrounding:
 - **grant rage**
 - **relevance**
 - **elitism**
 - **accountability**
 - **trust**

Emerging insights from pilot case studies

- ‘Priorities’ and ‘key areas’ rather than ‘rationing’
- Implicit rather than explicit rationing approaches
 - greater scrutiny of applications
 - cutting costs (operational/ limiting funding for new projects)
 - importance of managing expectations
 - trying to stick to/ improve on the current status through exploring ‘new’ avenues (e.g. permanent endowment trust considering ‘fundraising’)
- Strong focus on principles and systems (‘outcomes’, ‘targets’) rather than procedures

Next steps

Further exploration and tracking of how ‘rationing’ plays out in the foundation world

Develop the idea of procedural rationing (‘resource allocation’) approaches within the foundation context

Explore philanthropic rationing in light of the underlying public policy/public management framework

Wider stakeholder engagement and knowledge exchanges

**...contributing to local and global
research and theory**

Knowledge exchange and development examples with practitioners and organisations

Examples from Scotland

Arts and Business Scotland/ CGAP Masterclass Series – commencing in autumn 2010

Scottish Third Sector Research Conference 2010 *Demands, Challenges, Opportunities: The changing third sector - public policy relationship* (in association with the Scottish Council for Voluntary Organisations [SCVO] and the Centre for Public Services Research [CPSR] at the University of Edinburgh]

Examples from England

Round Tables series capacity building futures and scenarios – co-hosting with Institute for Voluntary Action Research

Oxford Internet Institute, Policy Forum, *Unleashing the potential of e-philanthropy*, discussant paper

Institute of Chartered Accountants of England and Wales/British Academy of Management/ESRC, 'CSR' seminar series, *Contested Perspectives on Corporate Philanthropy*

Building further research expertise (workshops)

- Doctoral studentship – institutional forces to support volunteering,
- Evaluating the Time Banking and Volunteer Bureau/Network approach
- Co-production of research in our field

Articles

Articles for *Public Management Review* (on local governance of philanthropy - Harrow) and in *Public Administration* (on innovation - Osborne) accepted for publication in 2011

Articles under preparation on rationing and philanthropy (*Journal of Social Policy* - Jung) and the institutions of volunteering (*Voluntas* - Honore) under preparation for submission over next six months

Special events

- 2008 – Organiser of international comparative workshop on ‘The local governance of philanthropy and voluntary action’ in Tokyo (Osborne)
- 2009/2010 – Co-organiser of SCVO Scottish Third Sector Research Conference (Osborne/Jung)
- 2010 – Panel at ARNOVA conference on ‘Government and Philanthropy’ (Harrow)
- 2010 – Panel at IRSPM conference on ‘Philanthropy and Public Policy’ (Jung)
- 2010 – Panel at VSSN conference on ‘Dimensions of Giving’ (Pharoah)

Special publications

2011 – Roundtable on ‘comparative perspectives the local governance of philanthropy in the UK and Japan’ in Public Management Review (Osborne)

2011 – Special issue of Public Management Review on ‘philanthropy and public policy’ (Harrow/Jung)

2012/3 – Edited book in the Routledge Studies in Voluntary Action series on ‘the institutions of philanthropy’ (Osborne)

Emerging contributions to research and theory

- Comparative perspectives on the nature of philanthropy
- Rationing and philanthropy
- The innovative capacity of philanthropy
- Differing institutional forms of philanthropy and their comparative impact
- Comparative models (and their effectiveness) to support volunteering
- The local governance of philanthropy: government, the third sector and philanthropy – working together or falling apart?

