

MAECENATA FOUNDATION

TOCQUEVILLE FORUM

MEMORANDUM

Date 25th August, 2020
From Timo Unger
To Invitees, participants, other interested parties
Re: Philanthropy.Insight: Challenges of Philanthropy after COVID-19

On 7 July, 2020 (3:00 – 5:00 pm) the first online exchange of views on developments to do with the Maecenata Foundation's Philanthropy Insight Project (PI) took place online by invitation from the Chairman of the Carnegie UK Trust. (The briefing note was sent to invitees in advance.) The purpose of the meeting was to discuss the challenges of the philanthropic sector after COVID-19 and potential contributions of the PI self-assessment tool.

Participants: Rolf Alter, Maecenata, Germany
Sarah Davidson, Carnegie UK Trust, Scotland
Sir John Elvidge, Carnegie UK Trust, Scotland
Katja Levy, TU Berlin, Germany
Roman Slotskiy, Vladimir Potanin Foundation, Russia
Rupert Strachwitz, Maecenata, Germany
Boris Strecansky, Center for Philanthropy, Slovakia
Stefan Toepler, George Mason University, USA
Timo Unger, Maecenata, Germany

OBSERVED STRENGTHS OF PHILANTROPY DURING THE EMERGENCY

- **Adaptiveness** Philanthropies like many other parts of civil society were seen widely as strong players in confronting the pandemic on local, community and national level. Sometimes in collaboration with businesses and/or governments, often stand-alone. In many cases, civil society actors and their reliable onsite networks are adapting to the emergency where top-down government commands were unable to provide good and quick help.
- **Range** Measures vary from tested and applied procedures (grantee care on existing grants, softer reporting requirements, more flexibilities for grantees) to courageous and experimental actions: some considerably increased their endowments, while others took risks that private and state actors were not willing to take. Examples include investing in manufacturing capacities for a variety of

potential vaccines to developing comprehensive national testing plans or taking out bonds to jack up funding without drawing on endowments.

- **Empathy** Speed seems to be an important quality and listening and giving voice to those unheard, such as local communities and/or vulnerable groups, turns out to be vital.
- **Responsiveness** Civil society and its umbrella organisations alike play a key role in coordinating tasks and allocating resources: They often also research and map the efforts taken by civil society, thus providing a transparent and comprehensible picture of its undertaken actions. Beyond that, they develop digital platforms to match supply and demand for a variety of needs, e.g. setting up databases for vulnerable groups of society, such as the elderly or invalids.

OBSERVED WEAKNESSES OF PHILANTROPY DURING THE EMERGENCY

- **Appreciation** As public interest around COVID-19 focusses predominantly on the private and public sector, civil society is not seen being on a level playing field. In some reported cases, governments were even trying to rake in credits of civil sector activities. Given such – not precisely new – misunderstandings, COVID-19 is perceived to add to existing challenges, such as legitimacy, missing guiding principles etc. which civil society and especially philanthropy need to tackle.
- **Scaling-up** Given civil society's heterogeneous grantee groups (healthcare, culture, service provision etc.) – regardless of their size – its ability to scale up is seen amendable. Here, regional disparities, e.g. loose/strong networks concomitant with incoherent/coherent response, matter, especially regarding areas with an emerging third sector.
- **Distrust** Although civil society is contributing substantively to respond to the state of emergency, some events risk to damage public trust (again). Some actors, while being engaged in health activities, lost control and oversight of the in-kind-donations in support of the hospitals that reached them. Distrust is rising and accountability and transparency are seen to remain key vulnerabilities.

SUGGESTED OPPORTUNITIES FOR PHILANTROPY

- **Perseverance** In some cases, governments have changed regulation in favour of civil society recognizing its value especially at the local level (“hyperlocalisation”, “philantropolocalism”). The experience could further facilitate dialogue between civil society and state.
- **Knowledge Transfer** Civil society's innovative and experimental ways of dealing with the pandemic are perceived as positive contributions and

achievements. Where implementation played out well (use of platforms, online-crowdfunding, coordination etc.), analysing what worked and disseminating case studies of good practice will be central to a joint learning process and professionalization of the sector.

- **Self-valorisation** Explaining civil society's unique potential of venture – in contrary to tax money and business constraints –, is seen vital. Likewise, reaching out to conversations with the public and explaining the reasons behind major activities, successes and setbacks will lead to more authenticity and credibility.
- **Commitment** As civil society is contributing respectably to moderate the development of the pandemic, deepening alliances to tackle future challenges (e.g. other wicked problems) will be valuable. Civil society and its peer community are well advised to commit themselves to a standardised license to operate.

SUGGESTED RISKS OF PHILANTROPY

- **Inaction** As elastics snap back, the temptations of falling back in old habits loom large. Philanthropy should continue its efforts to inform and explain its *raison d'être* to the public - otherwise, public perception will remain at best indifferent.
- **Fatalism** Although the third sector is demonstrating huge efforts, its role of a reliable junior partner and a critical friend requires further investment. Civil society should develop rules of collaboration with government and the private sector, before others do it for them.
- **Heteronomy** Recent serious exposure to pressures by the public to increase their endowments might be precursors to restrictions on the independence and autonomy of the philanthropic sector.

OUTLOOK

- COVID-19 delivers proof of the third sector being ready and equipped to contribute its fair share to society at times of crisis and threat. Building on this recognition, striving for maximizing public utility in adverse contexts must be a joint interest of the sector. It includes decisive action to raise awareness for the advantages of a strong civil society including philanthropy.
- Headwinds are nothing new for civil society. Way before COVID-19, it came under pressure in many parts of the world. Without giving itself a common license to operate, critical voices are sure to come back with persistence.
- PI, supported by Carnegie UK Trust and the Gulbenkian Foundation, offers a framework of self-evaluation to inform strategies and programs of a trusted civil society and philanthropy based on high levels of commitment, driven by public utility, aiming at relevance, demonstrating performance and offering

accountability. A joint learning process among leading actors of philanthropy drawing on good practices and experiences could be a promising way towards standards of behavior and operations.

NEXT STEPS

- Maecenata and Carnegie UK Trust will continue to engage with philanthropists, founders, researchers and decision makers on the way to completing guiding principles of trusted philanthropy.
- Maecenata and Carnegie Trust UK welcome proposals and suggestions of interested partners to advance the exchange and establish a permanent forum on the principles.
- EUConsult invited Rolf Alter and Rupert Strachwitz for a webinar on July 8 to present PI.
- On 18th September, DAFNE will hold the 1st of several PEX forum webinars with interested parties. Rupert Strachwitz and Rolf Alter will present the concept of PI and the findings of the first online discussion of trusted philanthropy.
- On 4th November, Rupert Strachwitz will conduct a workshop at this year's (online) Global Perspectives Conference (organized by the International Civil Society Centre) on the chances of applying the Philanthropy.Insight methodology to any civil society organisation.

Berlin, 25th August, 2020

Timo Unger

N.B. Katja Levy, who had to leave the meeting early, followed up with some specific thoughts on including China (enclosed).