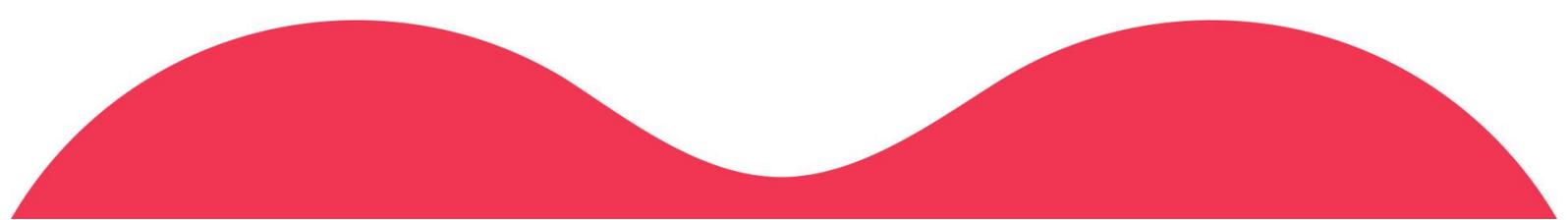


April 2022

Future-proofing foundations for a post-Covid-19 world

By Sevda Kilicalp, Philea



Contents

Introduction	3
The impact of the pandemic on philanthropy	3
Criticism of philanthropy has grown.....	3
Methodology	4
Challenges	5
Responses and learnings.....	6
New topics and target groups	6
New narratives: Tackling inequality and driving systems change.....	8
Internal alignment on principles.....	10
Trust-based and flexible relationships	11
The end of business as usual?	12
Recommendations for practice	14
Move towards new models of philanthropy.....	14
Engage in sensemaking and reflexivity	15
Embrace complexity	15
Develop foresights for better futures	15
Engage with criticism.....	16
References	17
Contact.....	18
About Philea	18



Introduction

The impact of the pandemic on philanthropy

The systemic, operational, and strategic challenges related to the intersection of the pandemic; social and political unrest; and worsening climate events have accelerated the need for reskilling in foundations in Europe. While some of the new practices have emerged almost spontaneously and inevitably, such as migrating to digital technologies, as well as a sense of urgency and responsiveness that has brought out the best in philanthropy, foundations are now moving towards a more deliberate approach to leveraging – instead of reacting to – the turbulence around them.

Foundations' responses to the pandemic are likely to result in permanent shifts in their practices and relationships with their stakeholders. Certain foundations have been more advanced in their thinking of what needs to remain beyond the crisis and how to build on pandemic-related accomplishments to emerge stronger into a brighter future. These foundations have renewed not only their way of working, but also their governance structures and grantmaking priorities.

These are the key findings based on an analysis of surveys, in-depth interviews and meetings with European foundations carried out by Philea. This paper delves into what foundations have learned from this period. Organisations may survive in their current state, but they will lose legitimacy and perceived value if they do not adapt. The paper first looks at the challenges perceived by philanthropy professionals and how they respond to these threats, and then takes stock of actions that have helped foundations to bounce back from massive disruption. Finally, the paper offers a set of recommendations to reveal opportunities for change and prepare for what's next.

Criticism of philanthropy has grown

The critique of institutional philanthropy has gained momentum in recent years, leading to a growing awareness within foundations of criticism of the sector. This paper reveals how changes in foundations' behaviours and strategies during the Covid-19 pandemic may have caused foundations on some level to act in ways that actually address elements of this criticism.

Philanthropy is criticised by some for lacking transparency, accountability and diversity, as well as a perceived unwillingness to address structural problems. Additionally, it is seen as having a top-down, market-based approach to problem solving. Many commentators argue that the way foundations operate is coming under the spotlight due to their increasing visibility and growing roles in society (Alliance Magazine, 2021; Davies, 2020; Walker, 2020). What is often overlooked is the fact that the increased focus on philanthropy's legitimacy comes amid a wider crisis in public trust in established institutions; rising frustration with the failings of the existing economic order; and democratic criticism of elite influence.



A critique of philanthropic influence in public life starts with the concerns about the role of philanthropy in the current era of rising economic inequality (Saunders-Hastings, 2018). With growing discomfort towards the mega-wealthy stepping into a vacuum created by the decline of the public sector, large-scale giving is increasingly viewed as a mechanism for converting the great fortunes of the new age of inequalities into influence (Callahan, 2017; Reckhow, 2020). This in turn poses a threat to democracy according to some scholars (Barkan, 2013).

Elite philanthropy is also accused of being risk-averse, simplistic, and focused on alleviating symptoms, which ultimately entrenches and perpetuates unequal systems rather than addressing its causes (Giridharadas, 2019). Beyond accusations of ineffectiveness, philanthro-capitalism in some circles is seen as not fit for purpose due to the simple contradiction that the super-rich, who have been able to gain vast wealth as a result of the structural inequality in society, are tasked with improving the system that has produced such wealth gaps (Edwards, 2010).

Stressing the white supremacist legacy and saviour complex within big philanthropy, critics also argue that colonial attitudes persist in big foundations and affect decisions on how funds are allocated and who gets to make those decisions (Villanueva, 2018). This perspective points to not only how wealth has been accumulated on the backs of people of colour and indigenous people, but how it is currently being used to divide, control and exploit communities, leading to calls to decolonise philanthropy to right historical wrongs and to dismantle racial inequities.

Up to now, philanthropic institutions in Europe have largely kept quiet and distanced themselves from the conversations around philanthropy's relationship with racism and inequalities that their counterparts in the US have engaged with. This situation has started to change with the outbreak of the Covid-19 pandemic. In fact, as this paper shows, the pandemic has spurred foundations to act in ways that begin to address other areas of criticism as well – from tackling structural inequality to aligning missions with investments to addressing systems change.

Methodology

Data collection

This analysis leverages data from a document review as well as various surveys and interviews conducted with the membership of the former European Foundation Centre (now Philea, a convergence of Dafne - Donors and Foundations Networks in Europe - and the EFC). The EFC members' public statements released from March 2020 to May 2021 in response to the Covid-19 crisis were collected and analysed. The statements included three types of text: Announcement of grants (new areas or increased volume of funding); insights, reflections, learnings, and recommendations as well as calls to action; and pledges (to support Covid-19 responses and to commit flexible funding to grantees).

Other data collection activities involved interviews and surveys. Semi-structured interviews were conducted with 30 European foundation executives between



September and November 2020 to explore their views on current challenges facing the sector and where philanthropy should place priorities for addressing them. During the month of April 2021, 78 European foundation staff members and executives participated in a survey which focused on the same issue. Another survey on philanthropic responses to Covid-19 was carried out between March and June 2020 with the participation of 100 foundation staff members and executives from 22 European countries. The third survey concentrated on the question of whether and how European foundations are changing their internal practices, strategies, and relationships with their key stakeholders. A total of 321 responses were received for this last online survey conducted during the month of October 2021. It aimed to get insights into how European foundations' work has changed and to identify trends in terms of opportunities, challenges, and future priorities.

Limitations

This paper sheds a light on developments in institutional philanthropy in Europe and offers insights for making responsible philanthropy the new normal. The study is limited in its time span and depth to capture the actual changes as it is based on foundations' statements. Future studies can explore and benchmark to what extent emerging practices (localisation, flexible funding, foresights, data sharing, spending-down, responsible investing, collaboration, etc.) have taken root across European foundations.

Challenges

Rapid or dramatic environmental changes trigger shifts in the logic of how various actors behave and take action. Unprecedented challenges lead to unprecedented initiatives, and failure to respond to these challenges may mean loss of social license to operate. The current crisis has become a "make or break moment" for philanthropy and has obliged philanthropic organisations to rethink and reshape their practices.

We asked European foundation executives to tell us the major challenges facing philanthropy at the beginning of the pandemic. In that survey, 76% of the interviewed foundation leaders expressed a fear that stakeholders may regard solutions foundations deliver to be incompatible with the complex problems facing our societies and planet, such as climate change, deepening inequalities and democratic erosion as well as pandemic/post-pandemic expectations.

To a lesser extent, 56% of foundation respondents surveyed were concerned that foundations are losing relevance; public trust in foundations is decreasing; and scrutiny towards philanthropy is growing. Philanthropy's role and value has not been well understood, not just by ordinary citizens but also by policymakers, media, and other stakeholders.

Finally, when it came to how foundations operate in general, 33% of the respondents were afraid that how foundations pursue their goals and activities do not fit with broad



social understandings of what is appropriate, proper and desirable as sometimes they underuse the unique assets at their disposal (i.e. risk-taking, independency, innovation, long-term horizons, and closeness to communities).

Responses and learnings

What actions are European foundations taking to address these challenges? Foundations are undertaking both internal and external work to respond to these challenges and to adapt to the changing environment.

New topics and target groups

The Covid-19 pandemic is disproportionately impacting vulnerable and marginalised communities. Accordingly, priorities shifted among the foundations surveyed to focus on those most affected, including unemployed people, people living in poverty, children, and elderly people. European philanthropy, which does not typically work in humanitarian emergencies, had to step in due to the extraordinary circumstances. The majority of the respondents stressed how they have worked to meet the urgent needs in society in a distinct and exceptional way. One of them, the vice-president of an arts and culture foundation said:

“The budget allocated to relief increased significantly. Our support was delivered to the National Health Service to enhance its capacity to deal with the emergency; to local social non-profit organisations working in the fields of health, food distribution, housing and shelter; and to local municipalities (parishes) running food and housing programmes.”

Foundation representatives believed that the Covid-19 crisis had shined a spotlight on the value of philanthropy and for this reason, society at large would expect philanthropy to step in to address global distress in the future as well. Some foundations have started thinking about giving in a crisis before it even begins and developing a strategy to make sure that their funds have the most impact. The programme director of a foundation supporting social inclusion said:

“The current period we are passing through globally with natural disasters, is a sign that as grantmaking organisations we should be prepared to act quickly and systematically in such scenarios. To give an example from my institution, although emergency aid and disaster grantmaking were not part of our actions, current conditions globally show that as a part of our mission, acting systematically during disasters is essential. Now, we are designing ways to respond disasters.”

The strength of foundations traditionally lies in their ability to focus on a longer-term perspective to target systemic change, rather than operating in a crisis mode. To make strategic connections with a broader development agenda, foundations have started to



refer to the SDGs and align their planning and grant strategies to these goals. Others have re-focused their long-term programmes while adapting them to the post-Covid world. For instance, as the importance of independent journalism in light of Covid-19 relating to disinformation/misinformation has been better understood, philanthropic support has been directed to support independent journalism not only through emergency funds to ensure its survival, but also by investing in sustainability models for a healthy transition and innovation in the news industry.

Foundations are now adding the following areas to their portfolios, not only to alleviate immediate needs but also to be a catalyst for a more equitable and just future: public health; mental health and well-being; social isolation; science and society; scientific research; social housing; food security; poverty; distance education; employment and labour market integration; climate change; and digitalisation, including the topics of online hate, use of technology, AI and democracy. Foundations are trying to balance emergency grants with regular grantmaking and to figure out how both the recovery from Covid-19 and its prevention would be incorporated into different areas of their work. A board member of a foundation working in the areas of arts, science, and education commented on how they reshaped their programmes:

“We took the current pandemic situation into account when planning for 2021, the 4th year within the 2018-22 strategic cycle. Our plan seeks on one hand to boost some of our investments to address the new emerging needs and, on the other, to adapt our activity in light of the current constraints. In this context, our priorities for this year sought to (among others) strengthen the educational area with a view to rapidly and effectively remedying the loss of learning resulting from Covid-19; and make a greater commitment to digital solutions...”

European foundations also supported more organisations led by ethnic minorities as well as women, youth and LGBTQI+ groups. As a leading example in this area, [The National Lottery Community Fund](#) has a microsite to express its commitment to equitable funding responses to the crisis and to share its learnings about supporting ethnic minority communities:

“Black, Asian and minority ethnic organisations we've funded are responding to the crisis and supporting and advocating for their communities in a range of ways – from recording the impact of the pandemic, to providing emergency supplies and supporting people's mental health and wellbeing. They're also looking to the future – identifying and sharing ways to address inequalities for the long-term.”

Covid has been pulling foundations in both the directions of local and cross-border giving. While some foundations that lacked experience in local support invested more in communities, some others engaged in cross-border giving to show European solidarity. International giving has not been limited within the borders of Europe. Some foundations in their public statements stressed the importance of a global south-north



partnership and a shift of resources to those regions. They sought to promote a sense of solidarity across borders and beyond geographies in times of division and polarisation. A few respondents expressed their concern with “Vaccine apartheid” which means a slower recovery for many countries in the Global South, and safety for no one. One of them said:

“As the rich get vaccinated, the poor remain exposed to the virus. With increasingly international employee relationships, outsourcing and supply chains, this leaves donors exposed to reputational risk if they do not directly support communities along their footprints.”

New narratives: Tackling inequality and driving systems change

Our study found that foundations attempted to position themselves as responsive and agile actors, not as supplements to governments, arguing that philanthropic foundations’ uniqueness lies in their autonomy and creativity. An executive director of a foundation working for equal access to education said:

“Philanthropy is more important than ever; we can act swiftly and adapt our projects to the needs. Philanthropy is also cooperation, collaboration, and empathy: These are all very much needed these days. Philanthropy has brought these characteristics to the fore.”

Many foundations framed the pandemic as an opportunity to “reset” and make the Covid-19 recovery strategy a green and fair one as we can no longer operate under the current parameters. The new realities brought on by the pandemic are considered as windows of opportunity for rethinking, reimagining, and rebuilding our broken systems into something better than before. Solutions previously considered difficult or impossible to implement, can now be discussed as the crisis has brought about changes in citizens’ perceptions of what is currently important, leading in turn to shifts in policy preferences as well. For instance, the introduction of a universal basic income has gained unprecedented momentum amid the pandemic and a global recession. The reset frame is used not only to encourage people to think differently about our systems and traditional models but also to justify philanthropy’s critical role in healing, recovery, and renewal in the period ahead by funding systemic and innovative solutions. The communications director of a foundation working in the areas of climate change and immigration said:

“The pandemic is showing us that pathways to a better future do exist – a future in which we can work together to build a different kind of society and find ways of protecting our planet instead of harming it. We have a chance to do things better, a chance to get things right. We need everyone on board to ensure that these pathways lead to a better future. Solidarity, unprecedented collaboration and new ways of thinking can help us emerge stronger and smarter from this pandemic. It is not enough to say that inequality must end; we must devote our resources to changing the very systems that are the



bedrock of those inequalities. Our foundation is taking the first steps forward on this journey with our partners, and we urge you all to join us.”

Foundations repeatedly stress that they are directing more funding towards more just systems. While previously a small group of foundations described themselves as systems-change funders, more and more foundations are recently embracing a systems-change approach, working to tackle the root causes of the problems that became so apparent during the Covid-19 crisis. The director of a foundation that traditionally promoted healthy food and access to the arts but has recently realigned its strategy and programmes, remarked:

“We are committed to the transformation for a greener, more inclusive and fulfilling society by promoting the transition to sustainable food systems and developing critical thinking and reinforcing social bonds.”

Another framing frequently used in public statements is community building and community resilience. That means foundations have not only supported grass-roots groups and community initiatives but also stressed the importance of cultivating community resilience to enhance their ability to respond effectively to change and adapt successfully to new and unforeseen circumstances. The respondents emphasised philanthropy’s value in supporting grantees’ capacity to act in a crisis and to respond to the needs of the community both by helping them adjust their financing through flexible funding and providing non-monetary support, including assistance with management and strategic planning, collaborations and skills development. The programme director of an environment fund said:

“We placed more attention on the resilience of civil society, including openness to funding longer-term, organisational development, core funds or even unrestricted funding.”

Similarly, foundations communicated about how much they care about wellbeing, sustainability, resilience of grantees, and how they make specific arrangements to support these. When asked what strategic priorities will help their foundations emerge from the crisis stronger than before, a programme officer of a social justice funder said her foundation would prioritise even more prominent attention to centring care both with their partners and within their organisation.

Foundation leaders also stressed that they are taking seriously the pressures regarding mental health of their employees and would like to do more to improve staff wellbeing. For instance, one executive director highlighted how expanding the existing mental health measure has become a priority with the prolonged teleworking after one year into the pandemic:

“Productivity has not decreased, staff have taken on tasks beyond their job description, and have responded with tremendous creativity. How do we keep morale high while looking ahead into more months of restrictions, remote

working and digital convenings? Access to mental health services is critical. Is the toolbox running out of tools, and are there new things to consider?"

Internal alignment on principles

European foundations align their internal practices with the values and principles they promote. Since the beginning of the pandemic, foundations have realised that the fast-changing environment and the shift in needs that has emerged require a complete review of their practices. This organisation-wide reflection is not limited to a review of operational processes to become more efficient in the future: Some foundations are assessing to what extent they represent the racial diversity of the individuals, communities and geographic they serve. The executive director of a family foundation said:

"Covid has also been exploited for anti-democratic purposes in some areas, so many philanthropists are responding to threats to democracy, and working to ensure that the voices of beneficiaries/partners are core to decision-making. This, and greater general awareness and criticism of philanthropy has led to more self-reflection, consideration of "decolonising aid", and inclusive decision-making processes."

Beyond such reviews, some foundations are taking concrete steps to live up to the principles they set for grantees by enhancing the breadth and range of diversity within their own boards and workforce. According to CEP's recent research, "[Foundations Respond to Crisis: Lasting Change?](#)", foundations that have boards with more racial diversity tended to adopt more practices to support grantees and the communities they serve, yet nearly half of foundation leaders say that their boards are the biggest impediment to their foundation's ability to advance racial equity. These conversations on diversity have also been recently moving to the other side of the Atlantic. During an October 2021 [Alliance Magazine webinar](#), which was produced in partnership with EFC and Dafne and focused on the future of philanthropy in Europe, the audience was asked: What is the most pressing issue for European philanthropy? Making philanthropy more diverse and transparent (28%) appeared on the top of the list, followed by addressing the climate emergency (22%). Although there is a greater awareness on the need to improve foundations' internal diversity, sustaining and embedding the changes require deeper shifts to take place within philanthropy.

Funders who are committed to enhancing certain values, and principles, through their programmes now feel more pressure to "walk the talk" in the face of growing criticism. Considering the rising call-out culture in our societies, funders can no longer expect grantees to apply principles that funders themselves do not follow within their own organisations. For instance, foundations' efforts to fight against climate change are not limited to creating a climate portfolio, increasing climate funding, applying a climate lens to existing grant programmes or mobilising capital from other sources: A group of foundations are working to decrease their environmental footprint by greening their



operations, reducing air travel, and using new digital collaboration tools. A programme director of a foundation supporting climate action said:

“We have debunked the myth that meaningful work and collaborations cannot occur outside of physical meetings. We have had time to take stock of the environmental as well as the financial cost of our own travel footprints and question whether we want to return to things as before?”

Aligning processes with climate goals includes investing in low-carbon assets, too. With increasing public sensitivity towards the potential damage of investment portfolios, the foundation community is becoming more open to talk about the origins of endowment funds, how they are invested, and what can be done to ensure consistency of mission and investment. For example, the [Realdania Foundation](#), which set out the general framework for its approach to responsible investments in its Investment Strategy 2020-2026, explains its commitment as such:

“In our view to optimise the risk-adjusted return and to be a responsible investor are two things that coincide. We make sure to find the balance between generating the returns and exhibiting responsibility as an investor. This applies for our internal investments and for the investments made by the assets managers we work with.”

The same thinking also applies to foundations’ efforts to address racial injustice. In addition to funding racial justice work, some funders started to grapple with their own historical links with the slave trade. For instance, Erica Cadbury, Chair of [Barrow Cadbury Trust](#), released a statement about the origins of BCT’s endowment:

“The killing of George Floyd in the US, together with the spotlight on the origins of philanthropic capital, taken up around the world by the Black Lives Matter movement, has prompted Barrow Cadbury Trust to scrutinise more closely the early commercial activities of Cadburys, specifically in relation to the labour which produced cocoa and sugar. We have asked ourselves, ‘How was the wealth of the business, and therefore the endowment of the Trust, created?’ The wealth which ultimately provided the endowment which funds, and has funded, the Barrow Cadbury Trust’s work for a century. In the spirit of transparency, we want to answer honestly any questions our partners and colleagues, and the organisations we support, might have about the origins of funds of the Trust.”

Trust-based and flexible relationships

European foundations cultivate trust-based, flexible funding relationships with their implementing partners. The need for greater focus has demanded a “re-wiring” of what and how philanthropic organisations deliver and support programmes. Some foundations have realised that many of their previous constraints and rules were quite arbitrary and they have therefore become much more flexible. Foundations reconfigured their relationships with grantees in this period, based on trust and



flexibility. Efforts have been set up to show flexibility with deadlines, convert restricted grant funds to unrestricted funding, and simplify processes. One respondent explained, for example, how they had changed from the usual six months needed to complete the cycle from application to receiving funds, to just a couple of weeks. The director of a foundation working in the areas of arts and culture, education, health and sports, and social welfare commented about how it is mutually beneficial to establish a trust-based relationship and what is possible when funders abandon their traditional role as gatekeepers:

“Many foundations have brought more flexibility and trust into their grantgiving and indeed, we have increased our percentage of core support and general operating cost funding for our partners. The pandemic illustrated sharply why grantmakers should trust their grantees to determine how best to use funding, particularly in the face of an emergency. An open approach to letting their on-the-ground experience guide our support helps them fulfil their missions and us work toward ours—unlocking human potential.”

When asked whether among the programmes that were ran or supported some proved to be more difficult to implement during the pandemic, 68% of our members responded “yes”. Foundations chose, in these cases, to work with their grantees and find solutions together. Solutions included giving grantees the opportunity to re-allocate funds to cover salaries of staff to keep the organisations up and running. In some cases, the strengthening of the donor-grantee relationship has led to a complete revision and refocus, allowing the grantees to respond to the changing needs of beneficiaries. Another example included a shift in reporting systems, transforming them from the labour-intensive written procedures to a more engaging oral process. In the fields of arts and culture, funders maintained their financial commitments to artists while programming was cancelled in most cases for the rest of the year.

Foundations also demonstrated their willingness to support experimentation and learning, actively listening to grantees and communities, giving them more visibility, amplifying their voices, connecting more with the lived experience of their grantees and community members, and making their grantmaking more participatory. For instance, The National Lottery Community Fund created the Lived Experience programme to support lived experience leadership, and make sure that lived experience plays a key role in shaping how communities move towards recovery and renewal after the impact of Covid-19. There are several ways at all levels of the grantmaking process to shift decision-making power and centre those who are affected by the issues. Foundations are getting smarter about how to combine both strategic and participatory grantmaking approaches, and lived, learned, and practiced experience.

The end of business as usual?

Philanthropy has changed as a consequence of Covid-19 due to the more crucial role it has played during the pandemic and after. Will this period of disruption lead to enduring changes in philanthropy, and will responsible philanthropy become the new



normal? All respondent foundations (100%) see themselves coming out of this crisis doing something new and behaving differently. In addition, 80% of them believed that it is unlikely that business as usual will return after the survival phase. However, one respondent explained why changing the old paradigm may not be possible:

“Confronted with the global pandemic, individual and institutional philanthropy has been responsive, engaged, and nimble. The challenge – and opportunity – for the sector will be to make those features stick. The gravitational pull toward old ways of working will be strong, especially as philanthropies grapple with the impact of an economic downturn on their own endowments.”

There may be more than one factor that limits foundations’ ability to keep and scale the innovative and good practices that were developed during the pandemic, including:

- Hesitance to take risks and work in sensitive areas
- A lack of core expertise and knowledge to enter a particular field (i.e. climate action)
- Questions about the effectiveness of unrestricted funding
- Organisational inertia
- Discomfort of embracing uncertainty
- Complexity of structural inequalities and system change, and difficulty of measuring progress
- Difficulty of giving up power and control
- Paradoxes created by the provenance of foundations’ capital and its use

On the other hand, other factors may facilitate and push foundations towards a positive transformation and help the emerging practices to take root in the post-Covid world:

- Peer pressure/support: Innovations recognised as best practices and collaborative commitment
- Philanthropy infrastructure monitoring and incentivising the sector (from pledge to action) and supporting individual organisations in their transformation
- Other crises, the perceived level of urgency of certain issues, and intergenerational pressures



Recommendations for practice

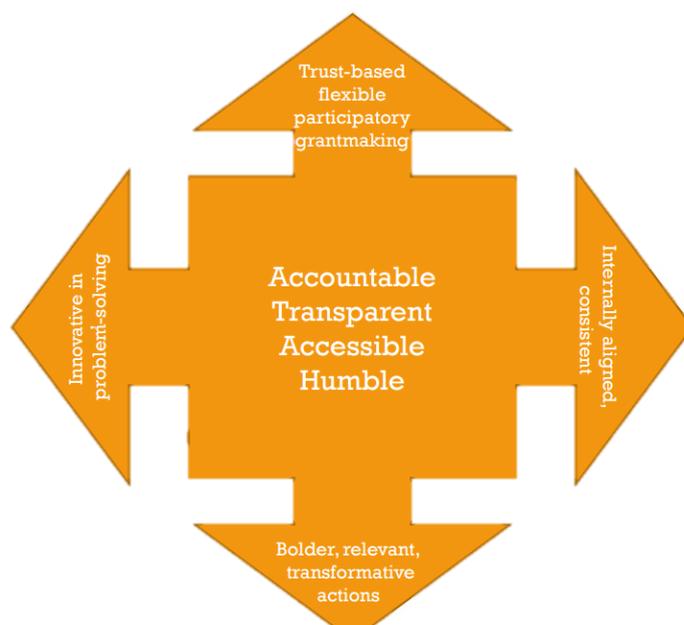
The philanthropic response to the Covid-19 pandemic exemplifies the sector's greatest qualities. This section provides some suggestions that may help complement these positive shifts in foundation practices and that may continue to be of value in the longer term.

Move towards new models of philanthropy

Despite all the learning and good efforts, commentators are concerned that foundations are still too inward looking, and at the same time are missing accountability and transparency aspects as well as a DEI lens (Dorsey, Bradach, & Kim, 2020). Pledges to implement more unrestricted grantmaking practices promote a timely discussion, but a very small portion of the funding community are actually moving away from the existing funding paradigm (Wiepking, 2021). Moreover, there is a fear that foundations are applying emerging approaches only to emergency grants and not mainstreaming them (Munir, 2020). It is welcomed that foundations are communicating more about their support during the pandemic, but it often sounds like self-talk, rather than dialogue with a wider range of audiences. The director of an INGO pointed out to this problem as such:

“We partner with philanthropy organisations whose focus seems to be internal reorganisation and rethinking priorities, which makes identifying points of connection more challenging than before. For foundations to become responsible grantmakers and repair and gain legitimacy, they need to put open communication, accessibility, humbleness, accountability, transparency, at the centre of whatever they do in addition to all brilliant practices and approaches emerging during the crisis.” (see Figure 1)

Figure 1: A model for more responsible philanthropy



Engage in sensemaking and reflexivity

In the face of the aforementioned critical changes in the social and political environment, foundations are refocusing their programmes and shaping their internal practices and relationships with their stakeholders. This is necessary because philanthropic organisations are keen to understand, learn and adapt to the shifting landscape in order to be as effective as possible in solving societal challenges. In an uncertain environment, foundation leaders are required to concentrate more on sensing, reflexivity, and learning rather than planning for a punctuated change. More engagement with self is necessary for developing a collective reflexivity capacity within organisations. Reflexivity is more than recapturing past experiences and thinking about an event or situation to solve a problem. It is a relational activity that helps organisations question assumptions and learn in experience (Keevers & Treleaven, 2011). Reflexivity has an anticipatory character. When foundation leaders work with an attitude of inquiry, sensitivity to changes, and openness to alter their actions, they know what to do next when an anomaly occurs. That requires a commitment to organisational learning. Once foundation leaders acknowledge that organisational learning and knowing can come from direct material engagement with the world of which the organisation is a part, the more willing they will be to involve not only experts, but also members with lived experience in this process. Thus, a self-reflexive approach enables organisational members to participate in knowledge-making activities and take responsibility for the effects of their practices.

Embrace complexity

To be able to adapt to the environment, foundation leaders must develop not only an awareness of and sensitivity to changing situations and organisational constraints, but they should also know when to switch between different logics and leadership styles. Institutional complexity requires an expansive paradoxical repertoire of actions that reflect conditions in the environment (Lewis, 2000). In a complex environment, managers who go beyond an either-or mentality, embrace chaos, and switch between different logics where necessary can balance opposing forces. During periods of uncertainty, blending formal strategic planning with emergent strategising according to shifting conditions achieves broadened accountability to all key stakeholders (Morrison & Salipante, 2007).

Develop foresights for better futures

As the Covid crisis has revealed the limitations of conventional models, foundations cannot simply depend on their understanding of the past to guide them into the future. The tools that have been used for developing strategic plans are no longer fit for rapid change, growing complexity, and critical uncertainty. Foundations which continue to frame their strategies as a set of linear, causal, and certain actions are destined to fail in addressing the complexity surrounding the issues and systems they hope to change.



Adaptive strategies are needed to respond quickly and flexibly to opportunities and challenges. For that reason, foundations are currently exploring future practices, including (but not limited to) foresights, scenario development, and backcasting. We interviewed several foundations to understand how strategic foresight plays out in their organisations. There is a clear need for clarity over what different terms mean (strategic foresight, futures, scenario planning); their potential application; and limitations, as sometimes they are confused with “predicting tools”. Horizon scanning and foresight practices did not seem to be systematic or well embedded in how the organisations operate in-between strategy cycles and culture. For this reason, Philea launched the [Imagination, Regeneration, and Foresight Community of Practice](#) to explore what transdisciplinary philanthropy will look like; to ask what is needed of us now; and to equip ourselves with new or more developed skills and competencies so that foundations can design emergent strategies, become adaptive organisations, and use futures practices. We are encouraging foundations to use foresight practices to design preferred futures rather than merely responding to crises.

Engage with criticism

The times now call for foundations to evolve once again by moving towards a posture that welcomes valid criticism. Philanthropic organisations need to meet criticism with interest by embracing these discussions openly, appreciating their nuanced nature, and employing humility, evidence and data as we engage. Moreover, it is necessary to leverage valid criticism to learn and grow with the aim of steering the sector in a better direction. In that spirit, we should see these conversations as a real opportunity to improve philanthropy. Global contexts have changed and continue to do so. Foundations should harness the momentum of the current discussions across the globe around social justice and inequality to have these conversations within the sector. If they don't, then not only is this a missed opportunity, but they also run the risk of seeming out of touch and out of date.

References

- Alliance Magazine (2021, July 13). Does philanthropy have too much influence? Or not enough? <https://www.alliancemagazine.org/analysis/does-philanthropy-have-too-much-influence-or-not-enough/>
- Barkan, J. (2013). Plutocrats at work: How big philanthropy undermines democracy. *Social Research*, 80(2), 635-652.
- Callahan, D. (2017). *The givers: Wealth, power, and philanthropy in a new gilded age*. New York, NY: Vintage Books.
- Davies, R. (2020, April 20). Philanthropy in a time of crisis: Lessons from European history. *HistPhil*. <https://histphil.org/2020/04/20/philanthropy-in-a-time-of-crisis-lessons-from-european-history/>
- Dorsey, C., Bradach, J., & Kim, P. (2020). Racial equity and philanthropy: Disparities in funding for leaders of color leave impact on the table. The Bridgespan Group.
- Edwards, M. (2010). *Small change: Why business won't save the world*. San Francisco, CA: Berrett-Koehler.
- Giridharadas, A. (2019). *Winners take all: The elite charade of changing the world*. New York, NY: Knopf
- Keevers, L., & Treleaven, L. (2011). Organizing practices of reflection: A practice-based study. *Management Learning*, 42(5), 505-520.
- Lewis, M. W. (2000). Exploring paradox: Toward a more comprehensive guide. *Academy of Management Review*, 25(4), 760-776.
- Morrison, J. B., & Salipante, P. (2007). Governance for broadened accountability: Blending deliberate and emergent strategizing. *Nonprofit and Voluntary Sector Quarterly*, 36(2), 195-217.
- Munir, K. A. (2021). Inequality in the time of Corona virus. *Journal of Management Studies*, 58(2), 607-610.
- Reckhow, S. (2020). Politics, philanthropy, and inequality. In W. W. Powell & P. Bromley (Eds.), *The nonprofit sector: A research handbook* (3rd ed., pp 208-226). Redwood City: Stanford University Press.
- Saunders-Hastings, E. (2018). Plutocratic philanthropy. *The Journal of Politics*, 80(1), 149-161.
- Villanueva, E. (2018). *Decolonizing wealth: Indigenous wisdom to heal divides and restore balance*. Oakland, California: Berrett-Koehler.
- Walker, D. (2020). The work of philanthropy in responding to Covid-19 and addressing inequality: A new Foundation. *Jama*, 324(6), 541-542.
- Wiepking, P. (2021, June 1). Leaving it to trust. Alliance Magazine. <https://www.alliancemagazine.org/analysis/leaving-it-to-trust/>

Contact

For more information, please contact:
Sevda Kilicalp: sevda.kilicalp@philea.eu

About Philea

Philanthropy Europe Association (Philea) nurtures a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. We unite over 10,000 public-benefit foundations that seek to improve life for people and communities in Europe and around the world.

Philea, based in Brussels, is a convergence of Dafne and EFC – Donors and Foundations Networks in Europe and the European Foundation Centre – forming a strong, united voice for European philanthropy.

philea.eu

