

**THE MANY ROADS TO REVENUE GENERATION**

By Marya Besharov, Jean-Baptiste Litrico & Susanna Kislenko

**MOBILE INNOVATORS**

By Jennifer M. Brinkerhoff & Benjamin A. T. Graham

**A SURGICAL ROAD MAP FOR GLOBAL PROSPERITY**

By Kristin A. Sonderman, Isabelle Citron, Alexander W. Peters & John G. Meara

STANFORD SOCIAL INNOVATION REVIEW

Eight Myths of US Philanthropy / The Many Roads to Revenue Generation / Mobile Innovators / A Surgical Road Map for Global Prosperity

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# Stanford **SOCIAL** INNOVATION **Review**

FALL 2019  
VOLUME 17, NUMBER 4

## **EIGHT MYTHS** **of US Philanthropy**

By Faculty of the Lilly Family School of Philanthropy

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BY FACULTY OF THE LILLY FAMILY SCHOOL OF PHILANTHROPY

Traditional beliefs about philanthropy—including who gives, how, and with what impact—can lead to misunderstandings. By unpacking and examining the eight common myths of philanthropy, we can better comprehend the breadth and diversity of giving.



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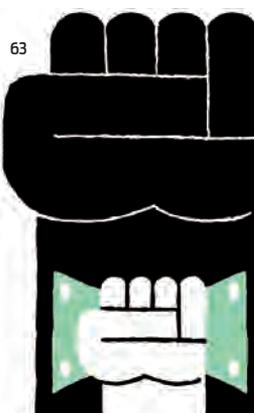
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# RESEARCH

HIGHLIGHTS FROM SCHOLARLY JOURNALS

June 6 through 8, 2019, the Stanford Center on Philanthropy and Civil Society (Stanford PACS), the aca-

demetic home of *Stanford Social Innovation Review*, hosted the annual Rockefeller Foundation Junior Scholars Forum at Stanford University. The event, now in its sixth year, brings together new researchers, including graduate students, post-doctoral fellows, and junior faculty, whose work covers civil society, the nonprofit sector, and philanthropy. Its purpose is to promote the scholarly community and to enhance the overall quality of research in the field. This year's event, for the first

## JUNIOR SCHOLARS FORUM

time, convened alumni from previous forums to share their current research. We offer reports

on four of the papers that scholars who participated in the forum presented. Their work on community development and local politics in Boston, a unique philanthropic partnership between white liberals and black activists in the civil rights era, transitional justice efforts in Colombia, and the effect of impact reporting on nonprofit workers not only represents cutting-edge theoretical research in the field but also provides important practical insights.

—JOHANNA MAIR

### NONPROFITS & NGOS

## The Alienation of Impact Reporting

BY CHANA R. SCHOENBERGER

**W**hat happens to nonprofit workers when they are suddenly compelled to quantify and report the impact of their work? A new working paper by **Julia Morley**, an accounting lecturer at the London School of Economics, finds that social-sector employees can, as a result, feel alienated from their identities and their jobs.

To think about this problem, Morley introduces a new idea, which she dubs “description-value dissonance, which refers to the discursive deflection of an organization from its core objectives,” she writes. Nonprofits often require social-impact reports that use language imported from business, finance, accounting, and corporate human resources. This requirement causes employees to feel estranged from their own values and the purported values of their organizations.

Morley started to research this question as she was doing

work on social-impact reporting. While nonprofit consultants, foundations, and other funders talked about business-style impact reporting in a positive way, the nonprofits receiving the funding and generating the reporting were much less positive about it, she says. What she found was a subtle problem.

“The language that was used in social-impact reporting tends to be quite abstract and statistical, which is very different from the emotional, empathetic, narrative accounts that tend to be otherwise provided by nonprofit organizations,” she says.

For the study, Morley gained access to a nonprofit in New York and two in London, interviewed 93 workers in the nonprofit sector in long, semi-structured interviews, and directly observed two participants at work. Employees were shown descriptions of their jobs and then asked to talk about how social-impact reporting made them feel. They said they were put off by the

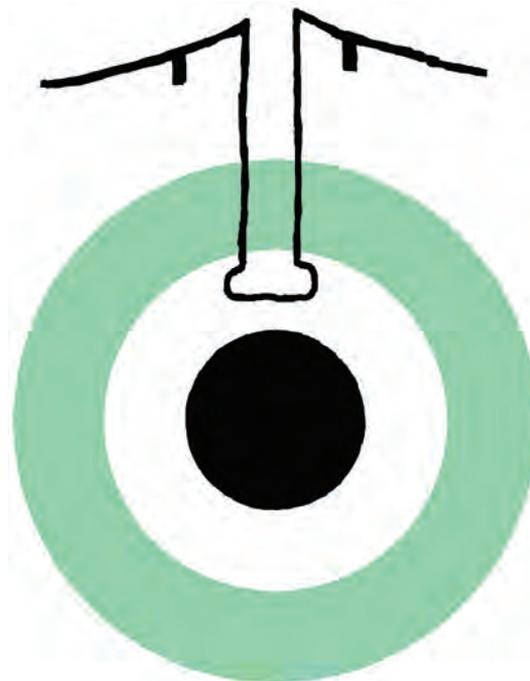
language used because it challenged their view that they were helping people, Morley says.

For instance, a youth worker might feel that her job is about helping her young clients to cope, flourish, and contribute to society. She might help cli-

ents find a job or get off the street, but those goals are short-term and do not capture the long-term relationship the worker hopes to develop with her charges. Social-impact investors, on the other hand, may be primarily concerned

with the number of jobs clients have started or the number of people moved out of homelessness. This creates a clash for the workers. “They desperately want to create impact, but the way impact is understood by external stakeholders is dissonant with their values,” Morley says. “In fact, I still found that when there was an awareness by staff that this was primarily to satisfy funders, they would say, ‘I understand it’s important to demonstrate impact so that we can get money and I can still be here next year, but I feel uncomfortable with the way my role is being described.’”

Morley’s main contribution to the field in this study is the idea of description-value dissonance, says Alex Nicholls, professor of social entrepreneurship at University of Oxford’s Saïd Business School. The literature has a decade’s worth of research on social-impact investing and hybrid organizations, but



## RESEARCH

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what's new in Morley's work is her "focus on identity and the individual," he says. "She's done good work looking at these individuals and how their values have been challenged by these systems they've had to adopt."

The implications of the study could reverberate throughout the social-service sector. Because of this split between an organization's stated mission and the business-like social impact reporting it's now doing, "the managers are the ones who are in a very difficult bind," Morley says. They have to handle the front-line workers' discomfort with the organization's messaging to the funders and social-impact investors who insist on this reporting.

"[Managers] need to think carefully about how they present some of the requirements to front-line staff about the recording of outcomes," she says.

Julia Morley, "The impact of 'impact': The effect of social impact reporting on staff identity and motivation at social sector delivery organizations," working paper, 2019.

## HUMAN RIGHTS

## How Colombia Faces Its Past

BY CHANA R. SCHOENBERGER

**H**uman rights researchers have long known that countries adopt international norms in different ways. A new working paper by **Saskia Nauenberg Dunkell**, a research affiliate at UCLA School of Law's Promise Institute for Human Rights, examines Colombia's

implementation of transitional justice programs. She finds that internal political concerns spur countries to treat international human rights standards as a menu from which they can choose certain parts while ignoring others.

"This article introduces the concept of *selective decoupling* to better explain how states adopt some components of a policy that signals a commitment to a global standard, while rejecting or altering other aspects in response to national pressures," Dunkell writes.

The paper examines Colombia's struggle to make peace after its brutal five-decade civil war between government soldiers and allied paramilitaries, on one side, and Marxist-Leninist guerrillas, known as the Revolutionary Armed Forces of Colombia (FARC), on the other. The country went through two separate processes to implement transitional justice: the first in 2005, when paramilitary groups fighting on the government side were granted limited amnesty, and the second in 2016, when the government and the FARC agreed on amnesty for the guerrillas under different terms.

These two different attempts at transitional justice raise a puzzle for Dunkell: "Why did the same country design such dissimilar types of transitional justice at different points in time?"

Previous researchers have found that leaders frequently signal their compliance with international norms by signing human rights treaties or

announcing broad commitments and sweeping programs. These findings conform to world society theory, which holds that global institutions and norms shape the behavior of nations, organizations, and individuals. But leaders and their governments often abandon or fail to implement promised changes. To address this problem, Dunkell takes an approach that further refines the theory.

"Rather than examining decoupling as something that happens after a policy or institution is established, my research considers the strategic agency of government officials in the state who selectively decouple an approach when it is being designed," she writes.

Between 2015 and 2017, Dunkell did 16 months of fieldwork in Colombia. She conducted 59 formal and 93 informal interviews with participants on both sides of the two sets of government negotiations with civil war participants. This enabled her to look at transitional justice as it took shape during the 2016 talks.

In the last two decades, transitional justice has taken hold around the world as a global norm. The idea of transitional justice encompasses four standards: justice, truth, reparations, and non-repetition—a commitment that the same types of crimes will not recur. During negotiations to bring a civil war to an end, it can be politically unfeasible to prosecute and imprison each perpetrator according to the country's ordinary judicial procedures. Under a transitional

justice program, the country would instead impose different punishments or settlements on perpetrators, such as paying compensation to victims' families, rebuilding a school, or divulging details about how specific people were killed during the conflict, Dunkell says.

"It's so important to be able to properly bury a loved one, to know what happened," she says.

As the Colombian government works to build trust among its citizens, the country has struggled to restart civil services that were under attack during the war years and to assert control over remote areas. These challenges have influenced how the government treats former FARC guerrillas; some of its agreements deviate from accepted transitional justice norms.

"I'm revealing the interests and power relations that shape how transitional justice is administered," she says.

"The paper highlights a more nuanced set of dynamics that lie between truth and justice, as well as accountability and impunity among other issues," says Yan Long, a professor of sociology at the University of California, Berkeley. She says the study's contributions include illustrating how transitional justice processes neither uniformly track a global standard nor stay the same, but instead evolve as they are shaped by individuals and the political context.

Saskia Nauenberg Dunkell, "From Global Norms to National Politics: Decoupling Transitional Justice in Colombia," working paper, 2019.

**MARILYN HARRIS** is a reporter, writer, and editor with expertise in translating complex or technical material for online, print, and television audiences.

## PHILANTHROPY

## When White Philanthropy Funded Black Power

BY MARILYN HARRIS

**A**fter Martin Luther King Jr.'s assassination on March 4, 1968, a coalition of black activists and a group of wealthy, white, liberal suburbanites hatched an experiment to improve race relations and the living standards of urban black citizens in Boston.

The black activists, named the Boston Black United Front (United Front for short) were strikingly more aggressive in their approach than the more collaborative National Association for the Advancement of Colored People (NAACP), which worked with funders on mutual goals. The United Front, inspired by Stokely Carmichael's Black Power movement and prompted to act by King's death, demanded more authority in governing the black community and more control over resources—including exclusive say over where donations went.

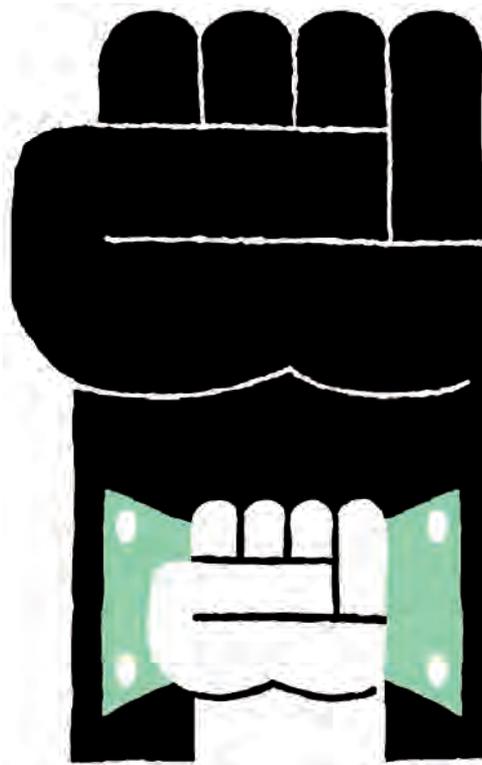
The white liberals formed a foundation to raise funds for the United Front that the coalition could then use to grant money, at their discretion, to projects, nonprofits, and businesses in black neighborhoods.

The high-minded experiment was short-lived and largely forgotten. But **Claire Dunning**, an assistant professor at the University of Maryland's School of Public Policy, dug into

a recently unearthed trove of archival documents to explore the context that gave rise to the arrangement, what it accomplished, and why it ultimately sputtered.

“Dunning’s intervention illuminates a critical moment—the 1970s—when philanthropists were challenged by the demands of Black Power and civil rights; the antiestablishment criticism of the New Left; and the enduring structural inequalities of American life that took shape most dramatically in the urban crisis,” says Julia Rabig, assistant professor of history at Dartmouth College.

In a draft research paper, Dunning documents the central role Ralph Hoagland played. He had become a young millionaire through the founding and lucrative sale of Consumer Value Store, known now as CVS. A resident of one of Boston's nearly all-white, wealthy suburbs, Hoagland appreciated the pro-business orientation of Black Power activists and their desire for radical transformation. His plan germinated when, after King's death, the United Front presented the city of Boston with a list of demands, including changes in municipal policy, renaming of public schools to honor African-American heroes, and calls for the immediate transfer of \$100 million to the black community,



perhaps from Harvard University's endowment.

This aggressive approach was rejected by Boston's mayor and shunned by the NAACP. But it inspired Hoagland to recruit a 300-strong donor list among his liberal neighbors and friends—a giving circle of sorts—and incorporate the Fund for Urban Negro Development, or FUND, as a pass-through foundation in May 1968. Membership in the FUND required at least \$100 in dues, plus a commitment to volunteer business coaching or services one day a week, if called upon.

FUND materials explicitly stated that Boston's black leaders had “the ability to solve the problems of the Negro ghetto” but lacked sufficient resources to do so and vowed not to interfere via “white controls, advice, or helpful hints.”

This approach may seem naive today, Rabig explains, because “the professionalization of activism and philanthropy has accelerated, as has the emphasis on quantifiable accountability.”

But Dunning found that FUND's members listened rather selectively to the United Front. They saw their roles not as mere donors but as mentors, lending credibility and wisdom until the black community was “ready.” This thinly veiled paternalism inevitably led to tensions.

Documents from the archives “helped point out and make sense of the seeming contradictions of how FUND members supported Black Power activities in Boston while remaining limited in their understanding of how even their well-intentioned philanthropy continued to perpetuate racial and economic inequality,” Dunning says.

Donors' ambitious pledges went largely unfulfilled, prompting the group to propose switching from a philanthropic vehicle to a for-profit investment model offering low- or no-interest loans only. Members abandoned FUND when their mentoring advice was rejected. By 1970, FUND was nearly broke. It formally shut up shop in 1972, although some of the black-led nonprofits and businesses that received funding continued for several years thereafter.

## RESEARCH

“The question of which ‘strings’ tether grantor to grantee, and the nature of their attachment, is crucial to the history of philanthropy,” Rabig says. “Dunning makes a ... contribution to the history of philanthropy by veering away from the work of major foundations to examine a highly local and somewhat informal experiment in direct philanthropy.”

Claire Dunning, “No Strings Attached: White Philanthropy, Black Power, and the Politics of Giving,” working paper, 2019.

## CITIES

## Urban Renewal?

BY MARILYN HARRIS

**O**ver the past several decades, as public funding for community development has declined, nonprofit leaders have become influential decision makers in urban governance. What does this trend mean for democracy, representation, and inequality?

To better understand its effects, Jeremy Levine, assistant professor of organizational studies and sociology at the University of Michigan, spent four years researching a commuter-rail expansion and related development along Boston’s Fairmount Corridor. He is now writing a book.

During Levine’s fieldwork, public agencies and nonprofit organizations planned 51 projects in the Fairmount Corridor and managed 11 urban planning processes. The projects ranged from new transit stations to affordable housing development, public art, and

community gardens. In total, the projects included 1,077 new apartments or townhouses, 105,965 square feet of commercial development, and 523,058 square feet of vacant land development.

Levine approached his topic as a fly on the wall, immersing himself in the politics of community development. Starting in 2010, his fieldwork took him to foundation offices, nonprofit conference rooms, community centers, government departments, and “nearly every other imaginable place in between,” including hitching rides with participants to get the kind of insights only available in casual conversation.

The Fairmount Corridor rail line runs directly through a racially diverse, impoverished area of Boston underserved by alternative rapid rail options. Institutional support for development came from both the public and philanthropic sectors. Significant national attention and grant money followed when federal policymakers from the Department of Housing and Urban Development, Department of Transportation, and Environmental Protection Agency named the corridor a “pilot project” for a newly created interagency partnership.

Several community-based organizations (CBOs) pushed the project. Initially boosted by massive government funding in the 1960s, CBOs proliferated between 1980 and 2000. As government funding declined, CBOs moved to center stage in urban revitalization efforts.

During the past two decades, foundations and other private funders have increasingly devoted their resources to projects generated by CBOs: Between 2002 and 2015, total foundation grants grew 58 percent, while grants from community foundations—a subset of foundations that distribute grants locally rather than nationally—grew 110 percent. As a result, grants have become competitive, forcing CBOs to be more professional and less likely to reflect the interests of community members.

During the Fairmount Corridor expansion, residents went to a public meeting to voice objections, expecting to influence the process. But by the time public meetings were held, the project was a fait accompli. The key players—funders and CBO leaders—had already met essentially in secret and created a blueprint and an implementation schedule. The public was invited to voice their opinions just six days before ground was to be broken for the new rail line and ribbon was to be cut for the affordable housing located two blocks from the new transit stations.

Residents tried to slow the project’s momentum and modify the process, and expected their elected officials to help. The effort succeeded in delaying the progress of the project by a few years, but during this time their representatives left office, outlasted by the nonprofit leaders. The Fairmount Corridor project moved forward.

The Fairmount Corridor project revealed a central

tension in community development: CBOs both enhance and undermine democracy, Levine says. Neighborhood nonprofits can provide more political voice for the urban poor, but they don’t necessarily represent the interests of all residents and can introduce “new, unintended mechanisms of inequality.”

“In terms of both its conceptual and methodological contributions, Levine’s study breaks new ground,” says Robert Silverman, professor and PhD program director in the University at Buffalo’s Department of Urban and Regional Planning. “Levine highlights the implications of ‘nonprofitization’ on citizen participation and grassroots organizing in the urban policy process, and in both cases the implications are viewed as setbacks.”

Levine does recognize some of the advantages of the community development model, such as “new incentives and arrangements that make it easier to avoid disinvestment and deinstitutionalization that was previously the norm for poor neighborhoods,” he notes. But the problems it addresses demand more than it can provide.

“Community development policy, as reflected in the Fairmount Corridor, is one small step forward from the devastating era of urban renewal,” Levine says. “But there is much, much more work to be done.” ■

Jeremy R. Levine, “Constructing Community: Urban Governance, Community Development, and Neighborhood Inequality in Boston,” working paper, 2019.