

Philanthropy and  
the Social Economy:

# BLUEPRINT 2016

The Annual Industry Forecast  
by Lucy Bernholz



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## Acknowledgments

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Stanford SOCIAL  
INNOVATION REVIEW



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## WHAT IS THIS MONOGRAPH?

*Philanthropy and the Social Economy: Blueprint 2016* is an annual industry forecast about the ways we use private resources for public benefit. Each year, the *Blueprint* provides an overview of the current landscape, points to major trends, and directs your attention to horizons where you can expect some important breakthroughs in the coming year.

I'm thrilled to partner again with GrantCraft, a service of Foundation Center, to make the *Blueprint* available for free. Please find this and related GrantCraft materials at [grantcraft.org/blueprint16](http://grantcraft.org/blueprint16). In addition, the *Stanford Social Innovation Review* and Stanford Center on Philanthropy and Civil Society are key partners in bringing you the *Blueprint*.

## WHY IS IT CALLED A BLUEPRINT?

A blueprint is a guide for things to come as well as a storage device for decisions already made. Good blueprints fit their environment, reflect a thoughtful regard for resources, and lead to structures that are well engineered and aesthetically pleasing. Blueprints guide the work of masters and are informed by craftsmen. They can be adjusted as work proceeds and they offer a starting point for future improvements. Good blueprints require a commitment to listen to those for whom they are drawn and to use a common grammar to communicate the results of countless sketches and discarded first drafts. This blueprint is intended for everyone involved in using private resources for public benefit—philanthropists, social business leaders, nonprofit and association executives, individual activists, and policymakers. It can be used as a starting point for debate and as input for your own planning. It is one of an annual series of observations that collectively capture change over time. Please [join the discussion](#) on Twitter at [#blueprint16](#).

## WHO WROTE THIS DOCUMENT?

I'm Lucy Bernholz and I'm a philanthropy wonk. I've been working in, consulting to, and writing about philanthropy and the social economy since 1990. *The Huffington Post* calls me a "philanthropy game changer," *Fast Company* magazine named my blog [Philanthropy2173](#) "Best in Class," and I've been named to *The Nonprofit Times*' annual list of 50 most influential people. I work at the Digital Civil Society Lab, which is part of Stanford University's Center on Philanthropy and Civil Society (PACS). I earned a B.A. from Yale University and an M.A. and Ph.D. from Stanford University. On Twitter I'm known as [@p2173](#), and I post most of my articles, speeches, and presentations online at [lucybernholz.com](http://lucybernholz.com), where you can also find my blog, Twitter feed, articles, and books.

## WHERE CAN I GET MORE INFORMATION?

The best way to keep up with my thinking on these issues (and everything else) is on my blog, [Philanthropy2173](#). Subscriptions are free. Information about Stanford's Digital Civil Society Lab is available on the websites of the Lab and PACS. Please send media inquiries, speaking requests, and other inquiries to [bernholz@stanford.edu](mailto:bernholz@stanford.edu). Previous years' *Blueprints* can be downloaded at [grantcraft.org](http://grantcraft.org) or [lucybernholz.com/books](http://lucybernholz.com/books).

The full suite of GrantCraft resources is free and online at [grantcraft.org](http://grantcraft.org). GrantCraft is a service of Foundation Center that taps the practical wisdom of funders to develop resources for the philanthropy sector.

# Introduction

An iconic American foundation announces it will **shift its entire focus** to addressing inequality. Civil society's global advocacy organization, Civicus, sadly reports that **civil society is under threat worldwide**. The Black Lives Matter movement demonstrates that **activism plus digital tools can make a difference**, but that the road to change is still long and painful. The same digital tools that facilitate change also facilitate the time-honored tradition of **government monitoring** of social activists.

Meanwhile, economists, roboticists, and tech zillionaires publicly announce that our single-minded pursuit of smarter machines and deeper **artificial intelligence** may not be in mankind's best interest after all. And SETI@home, a scrappy, oft-derided marriage of professionals and citizen scientists, receives a \$100 million gift to accelerate the **search for extraterrestrial life**.

## THAT WAS THE YEAR THAT WAS 2015. WHAT LIES AHEAD?

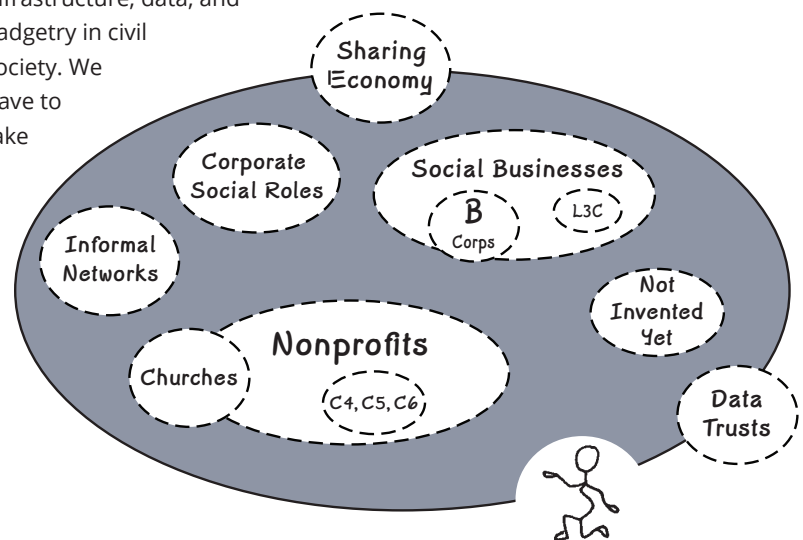
In this, the seventh year of the *Blueprint* series, I'm focusing my attention as far beyond the atomic center of foundations and nonprofits as I have yet. After all these years of nudging folks to see beyond just nonprofits and charitable giving to the full context of social enterprises, online alliances, digital designers, political activism, and impact investors, I'm going to declare victory. The Chan Zuckerberg Initiative, announced in December 2015, confirms the social economy frame.<sup>1</sup> The dynamic relationships among social businesses, nonprofits, and social welfare organizations are no longer abstract possibilities; they are the everyday experience of people using their private resources to make the world a better place.

It's time to commit to this frame as a starting point, not as a hypothetical future. It's time to assume it, to take it as a given and project

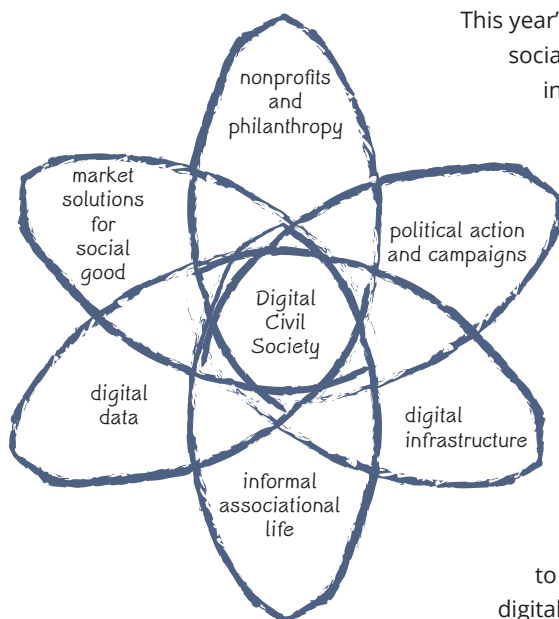
## *This year's Blueprint takes the social economy and digital infrastructure as givens.*

forward from here. Only by doing so can we get beyond arguing about the species of tree and try to find our way through the forest. For example, now is the time to start bringing data from and about impact investing, campaign finance, social movements, and crowdfunding into the same frame as data about nonprofits and philanthropy so that we can really understand how people are using their private resources for public benefit.

In a similar vein, it's well past time to consider our assumptions about the role of digital infrastructure, data, and gadgetry in civil society. We have to take



the use of these capacities as a given, not as an optional add-on. Only then can we move beyond the rhetoric that implies all digital communication opportunities are innately democratizing. Only then can we engage in the ethical debates about how to protect free expression online and what freedom of association really means in a fully surveilled society. Only then can we make the behavioral and policy tradeoffs that every technology that has ever become widespread requires.



This year's *Blueprint* takes the social economy and digital infrastructure as givens. I introduced the idea of digital civil society in *Blueprint 2015*. I define digital civil society as all the ways we use private resources for public benefit in the digital age. In the rest of this volume, I will be considering what happens when we “assume digital.” I want to look at how a shift of digital practices and capacities from edge to center is significant.

Some years ago, the Internet scholar **Clay Shirky** noted that the deepest influences of new technologies are not felt until the tools themselves become familiar and omnipresent. Think about the role that cell phones have played in the Black Lives Matter movement, for example. If positive movement is made toward changing brutal police tactics, it will be

(partly) because people are now filming every police interaction. We are all carrying Internet-connected video cameras, we’re using them, everyone knows that we’re using them, and we shift our behavior in response. Prescient organizations, like **Witness**, have known this for years and have been working on the behaviors that can promote social change and keep activists safe. Now that we all have cameras, the wisdom of those organizations and activists that have been out on the edge ahead of us becomes even more important. Cell phone cameras may be everywhere, but knowledge about legal rights, safe practice, and backlash are not as widely distributed. The **prevalence of the tools can be assumed**, and so might first-order behavior change. But ethical, safe, and just use of them cannot be assumed.

Where else are we seeing these kinds of “assumptive shifts”? The **Insight** section looks at two that interest me: (1) the structure of work and (2) the shape, boundaries, and roles of civil society. I’ll also look at how the broad discussion about digital data is finally shifting from the “shiny new object” stage. I also provide a worksheet designed specifically to help nonprofits and foundations with these challenges. In the **Foresight** section, I’ll try again to bring these big ideas down to ground level and make some predictions about what we’ll see in 2016. I hold myself accountable for what I got wrong (and right) in the **Hindsight** section. The **Glimpses of the Future** section pursues some of the deeper issues of ethical, safe, and effective digital practice that emerge when you look past the gadgets. **Buzzwords** and **Wildcards** round out the *Blueprint*.

# Insight

## Big Ideas That Matter for 2016

In early October of 2015, two major London newspapers featured stories in their education sections about the need for children “to work until they hit 100.” Both stories looked at predictions being made about the future of work, the changing nature of careers, and the impact of automation and robots in parallel with the generally lengthening lifespans of people in the northern hemisphere.<sup>2</sup> At about the same time, a major conference on the future of work was underway in Palo Alto, and the White House was preparing for its own gathering on the subject. Last year, I predicted that cities across the country would be absorbed by political battles over tech-enabled platforms that let you rent a room or hire a driver, which turned out to be true. The coming year is shaping up to see the issues of workers' rights, wages, and income inequality raised to the level of national and regional political topics. It's time to consider how the impact of changing workplaces on lives and communities influences nonprofits, foundations, and civil society.

### THE STRUCTURE OF WORK

What do tech entrepreneur Elon Musk, former labor union leader Andy Stern, and investigative author Barbara Ehrenreich have in common? Now add in the Rockefeller, Russell Sage, and Open Society foundations; Obamacare; Uber; and Rosie the Robot from the 1970s cartoon series *The Jetsons*, and what do you get? They're all contributing to—or thinking and writing about—the future of work.<sup>3</sup>

To confront these issues head on, simply try to get across a city. Your options will likely include walking, bike sharing, public transportation, a cab, a ride from an Uber or Lyft driver, or a ZipCar. The bike share, car share, and Uber options depend on connected networks of software, algorithmic sorting, cell phones, and new



expressions of mediated trust. Even if you don't choose one of those options, their availability has changed the nature of the other options, and your choice may well be dictated by what your map app tells you is quickest or cheapest.

Now, shift your mindset from user of any of those services to the workers who provide them and the nature of the work that gets done. Here's the nub of the issue. Who is doing these jobs? What does employment or work look like for the people patching together an income from various “gigs?”<sup>4</sup> How does a community full of “on-demand” workers differ from one where most people have steady jobs? How does the nature of support services—from childcare to health access to insurance—have to change? What are the ripple effects on families, and on other employers, when these networks of part-time services are everywhere?

Just below the surface of getting a ride across town are our two key givens: a social economy of options (the transportation choices that are provided by nonprofits, governments, or commercial purveyors) and digital connectivity. One reason the future of work is a hot topic right now is because these two forces, which were once out on the periphery, are now pervasive. They are no longer independent but conjoined, accelerating and intensifying each other.

***Two contradictory forces drive today's economy: one—information—is about abundance, while the other—sustainability—is about scarcity and resilience.***

Research on the future of work draws from many disparate sources. Some are focused on the advances in robotics and automation.<sup>5</sup> Optimists say (again) we're heading into an age when we won't need to work to get by.<sup>6</sup> Others say "hogwash"; automated work will continue to hollow out opportunities for everyone but the owners of the robots.<sup>7</sup>

Some scholars and activists are focused on inequality and championing increased wages for the lowest-paid workers. Others are considering the shifting relationship between working and being employed. A 2015 study in the U.S. found that 34 percent of workers identify as freelancers; this doesn't include all the people who piece together an income from multiple part-time jobs.<sup>8</sup> Some observers estimate that about 43 percent of Americans working a 40-hour week do not have a full-time employer, up from 30 percent in 2006.<sup>9 10</sup> The estimate globally is near 75 percent.<sup>11</sup> In other words, almost half of us—with or without smartphone apps and the rhetoric of the "gig" economy—are working by the project or one-off opportunity whether we recognize it or not.

***Given all the changes in the nature of employment, the spread of automation, and the fluctuating value of data, we're bound to see new enterprise forms.***

A nation of freelancers is not new. Nineteenth-century agricultural workers and tradesmen were all "gig" workers. What is relatively new is the system of social supports we built in the 20th century—from social security to health insurance, taxes, childcare, and retirement funds—that took employment as the norm. As we return to an era in which more than half of full-time workers may be freelancing, the systems of social supports (as well as the definitions of employee) are going to have to change.

In the United States, the Affordable Care Act is changing the equation of where and how Americans get health insurance, a benefit that had been tying many people to companies. As secure full-time jobs remain hard to find, "gig" work is the "new normal" for everyone from drivers to doctors.<sup>12</sup>

Some of civil society has operated as a "gig economy" for a long time. In particular, artists and activists have often spent their entire lives weaving in and out of "regular jobs," doing their work independently and as part of institutions. Steven Johnson captured some of this necessary mix of vocation and avocation, employed and self-employed, in his *New York Times* story, "The Creative Apocalypse that Wasn't." Johnson noted, "The new environment may well select for artists who are particularly adept at inventing new career paths rather than single-mindedly focusing on their craft."<sup>13</sup> Even if only a handful of the predictions being made about the future of work are accurate, many more of us, not just artists, are likely to need the skills of designing our own work lives as hybrid part-time workers and self-employed entrepreneurs rather than just taking full-time jobs defined by others.

But a transition like this—on a scale as grand as a third to three-quarters of all workers—is not just about individual skill. Systemic changes in the provision of health insurance, retirement planning, disability coverage, liability, and professional credentialing are also needed. The binary choice of "contractor" or "employee" is being challenged in courts. Policy innovators are calling for a third approach to thinking about jobs, workers, and benefits that fits our emerging reality and not our employment structures of yesterday. In seeking an alternative, we could learn from those who have gone first, the artists. A new



foundation-funded effort called USArtPartners is examining the relationship between artists, their communities, and the supports available to these archetypal independent workers. The partnership is examining ways to bring together innovations in investments and sustainable community development to “enable sustainable creative lives.”<sup>14</sup> As more and more people find themselves freelancing and going from gig to gig (like artists), we need to re-evaluate the legal and social systems on which we rely.

Some of the thinkers asking questions about the future of work are pushing further, questioning the future of capitalism. In his 2009 novel *Makers*, about a post-employment world shaped by open source software and ubiquitous networked 3-D printers, Cory Doctorow wrote, “Capitalism is eating itself.”<sup>15</sup> Paul Mason’s book, *Postcapitalism*, sees signs of a fundamental transition being born of the economics of information technology, concerns about sustainability, Greece’s bankruptcy, and a global fiscal system that (he argues) has gotten more fragile, not less, since 2008.<sup>16</sup>

Who knows if his predictions are right, but Mason’s arguments finger two key and contradictory realities of today’s economy: one major force (the information part) is about abundance, while the other force, sustainability, is about scarcity and resilience (on a planet stressed beyond its carrying capacity). This tension is real. Acknowledging the tension will help us move beyond the rhetorical battles between tech utopians and tech skeptics and toward the difficult policy choices we need to make about digital tools. Let me turn once again to an artist to make sense of this. As Margaret Atwood recently wrote, “It’s not climate change. It’s everything change.”<sup>17</sup>

How does all of this apply to philanthropy and the social economy? There are two levels at which we can consider this question. First, if the world economy is really changing—whether toward Bill Gates’ creative capitalism, Paul Mason’s postcapitalism, or something else—then the structures of nonprofits and philanthropy that we’ve built during the last 500 years of capitalism’s ascent are bound to change. We’re so familiar with these enterprises that we often take their structure for granted. This is a mistake. There are simply too many moving pieces—from new national philanthropy laws in China, to the changing nature of employment in the service

industries in the West, to the **rise of informal bartering and co-op structures in Greece** and elsewhere—to think that these organizations and the regulatory systems that guide them will stand still while broader change happens.

A more important question to ask now is: if the economy is undergoing fundamental shifts, what role do we want nonprofits, foundations, and other social economy actors to play? If structural changes are made to employment and benefits, how will we also **restructure our social safety net**, in which nonprofits play a significant role (especially in the U.S.)?<sup>18</sup> Will we need the social economy as a counterweight to market solutions if markets radically shift?

Civil society is already home to much of the thinking about these issues. Scholars in universities, policy analysts in think tanks, and activists on the ground are key contributors to the debates about the future of work. It is not enough for nonprofit-based thinkers to point their theories at government and business; we must also hold a mirror to ourselves and ask, “What structures make sense to do this work? What policies do we need?”

## ***Will we need the social economy as a counterweight to market solutions if markets radically shift?***

Second, the changes to the workforce itself—growing numbers of “gig” workers, the separation of benefits from employment, and the staccato-beat of automation—are bound to matter to social economy enterprises. The rise of “free agent” changemakers that Beth Kanter and Allison Fine wrote about years ago in *The Networked Nonprofit*—perhaps these were the first signs of “gig” work in nonprofits?<sup>19</sup> Artists and activists, two major participants in the social economy, have been making livings independent of, but often using, nonprofit organizations for decades. Perhaps more people’s working lives will begin to look like those of independent artists and less like life-term nonprofit corporate climbing.

There are many organizations that think about workforce issues in philanthropy. The Talent Philanthropy Project, which launched in 2014, advocates to maximize foundation investments in the staff development of

grantee organizations. Other groups, such as Emerging Practitioners in Philanthropy and BeSocialChange, focus on building the soft skills that are needed in both digital and analog contexts. Affinity groups for professionals of color, such as Hispanics in Philanthropy, are trying to change the norms of existing nonprofits and may also be resources for ideas about new ways of working for social change.



The workforces in education and in health care already seem more like those of artists and activists than we've cared to notice just yet. Where nonprofits have

often lagged the market in paying competitive salaries, the recent living wage campaigns and "Fight for \$15" efforts have put them in a double bind. Many of the organizations working to

improve lives, help families, and advocate for more sustainable communities can't afford to pay their staff these wages. Notwithstanding the hypocrisy of seeking exemptions from the law, a system wherein those fighting for the poor are impoverishing their employees cannot last. New institutional practices and new forms of paying the activists will emerge and expand.

And what of robots and automation? Where do they fit into this sector? The truth is we interact with robots and automation all the time; they just don't look like Rosie from *The Jetsons*. Social media is full of "bots," we spend our time talking to artificial telephone operators, and we rely on Siri and algorithmically sorted search results all day long. When it comes to the actual work done in nonprofits, we need to recognize that the rise of independent shift nurses and doctors, remote radiology readings, the increased reliance on **adjunct professors**, and teaching via MOOCs all result from a workplace reliance on data, algorithms, and automation.<sup>20</sup>

The social policies that shape the work of housing advocates, environmental preservationists, and criminal justice reformers are all shaped by data-driven decision making. Admittedly, there's a difference between data-driven decision making by humans and artificially intelligent data and algorithmically driven machines. But some of those differences may be less important than you think.

The number of variables means the list of plausible scenarios is long. Mitchell Kutney, who writes about the social sector in Canada, notes that the rise of robots might be a boon to work that revolves around social interaction and caring, as these skills will be less susceptible to automation. He goes so far as to call **charity "the industry of the future."**<sup>21</sup> Meanwhile, others are touting the rise of robots as elder care providers in Europe and Japan.<sup>22</sup> Gender, race, disability, and pre-existing workplace inequities need to be factored in as robots move into the cubicle next door,<sup>23</sup> in nonprofits and foundations as much as in the business world. Foundation-funded initiatives on the future of work have produced an **important body of scholarship and general-audience materials that draw from numerous perspectives.**<sup>24</sup> In addition, foundations have long funded structures such as the **Freelancers Union**. Ai Jen Poo, founder of the **National Domestic Workers Alliance**,

## digitalIMPACT.io

How can nonprofits and foundations govern and use digital data ethically, safely, and effectively? This is the question addressed by a new website, **digitalIMPACT.io**. The site offers organizations a set of peer-developed policies and tools for managing digital data, whether it's from grant applications, social media, evaluations, communication strategies, or all of the above. The policies are free, downloadable, and customizable—designed so each organization can find what it needs and adapt it to align with its mission. digitalIMPACT.io also provides background information on the nature of digital data, links to regulatory resources, and educational resources created specifically for nonprofits and foundations. Nonprofits and foundations can turn to digitalIMPACT.io to find case studies, sample policies, and practical tools to manage and govern digital data. The site is licensed for open sharing and provides content contributed and requested from the field.

The resource was created at the Stanford Center on Philanthropy and Civil Society's Digital Civil Society Lab, with support and contributions of materials from the the Bill and Melinda Gates Foundation; IssueLab, a service of Foundation Center; the David and Lucile Packard Foundation; and Technology Affinity Group.

was named a MacArthur Fellow in 2014. There's plenty of private money on the other side of the work equation, of course, including lots of support for "right to work" laws and efforts to limit unionization.

In a storyline as old as institutional philanthropy, some of the philanthropy that is investigating the existential implications of new technologies is coming from people who've built their fortunes from these tools. Big gifts to understand and promote the ethical use of artificial intelligence and machine learning, for example, have come largely from successful entrepreneurs in digital technology.<sup>25</sup> It may be that they're best positioned to see the dangers of what we've been building; it may be that they're trying to hedge their bets. It's one more reason why thinking about these issues requires a panoramic lens—we need to look at all the ways automation, investment, philanthropy, and assumptions about the role of civil society interact.

All of this flux implies that the most interesting component of the social economy might be the category of "not invented yet." Combine all these changes in the nature of employment, the spread of automation, and the fluctuating value and liabilities associated with digital data and we're bound to see new enterprise forms come into play.

Critics of capitalism have never been in short supply, and change may be the only constant in global economies. That said, the intensity of attention on the nature of capitalism in this age of both abundance and scarcity is important. Perhaps the simplest way to phrase the question as it applies to the social economy is this: If the role and nature of profit are in question in the global economy, what will be the role and nature of nonprofit work? High-level existential anxieties are swirling around as we simultaneously see immediate, in-our-workplace shifts as well.

## THE SHAPE OF CIVIL SOCIETY

Shifting political winds matter as much as economic change when it comes to the role and nature of civil society. In the mid-months of 2015, major American foundations—including Charles Stewart Mott, John D. and Catherine T. MacArthur, and the National Endowment for Democracy—discontinued support for Russian organizations. The 2015 State of Civil Society Report, quoting information from the

International Center for Nonprofit Law, listed 10 ways that governments are restricting the flow of international philanthropy, ". . . as part of a sustained decline in the key civil society rights of free association, assembly, and expression."<sup>26</sup>

Elsewhere, citizen action is flourishing by maximizing the tools at hand, rather than trying to mirror previous generations. Small networks focused on encouraging social participation are abundant in Brazil. Co-ops, alternative currency communities, barter, and mutual aid efforts grow in both Athens and Quebec, in dramatically different economic contexts.<sup>27 28</sup> In the U.S., the Black Lives Matter movement flows and formalizes and splits, incorporating decentralized local immediacy with a national policy platform, the use of all available media tools, coordinated political action, scholarship, and a form of distributed leadership that befuddles external observers while empowering insiders. Assumptions about young people and the behaviors they bring to making change need to be recognized as mainstream.

## *Digital tools are stretching the boundaries of civil society and changing what participants need to know.*

The institutions we have known for decades are not the only possible forms. One change to consider is whether or not perpetuity will continue to be a defining characteristic of large philanthropic fortunes. Data are hard to come by, but there is certainly a good deal of attention being paid to time-limited foundations. Whether this shift towards spending down is real, it's worth considering what civil society might look like, accomplish, and require if there were a shift away from an assumption of permanence. What does a sector characterized by networks, distributed governance, and greater rates of spending look like compared to what we know today?

A small but significant support structure of digital rights advocates and toolmakers exists. Human rights organizations, humanitarian groups, and disaster responders have long served as "coal mine canaries" regarding the two-edged sword of digital tools. These groups are at the experienced edge of protecting privacy while seeking justice, securely gathering and transmitting data without

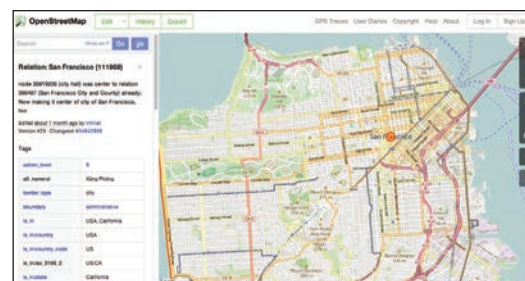
jeopardizing organizational independence, and monitoring abuses while also being monitored. Now, they are sharing the lessons they've learned about free expression, association, and privacy in the digital age. Benetech, for example, is now building software tools modeled on its human rights work for other sectors through the launch of its **BenetechLabs**. The **Responsible Data Forum** and events such as **RightsCon** bring privacy-based digital practices into the broader social sector. The structure includes the decades-long work of Creative Commons and Mozilla Foundation and the policy work of the Electronic Frontier Foundation and Internet Archive. Recognition of the importance of an open digital infrastructure to civil society is a key element of the **NetGain Challenge** announced in early 2015 from five major U.S. foundations.

***The policies that dictate how data are used and how the digital infrastructure is accessed are the guiderails that will shape digital civil society.***

Those in the digital policy sphere have worked long and hard to have their work recognized as infrastructural and fundamental to civil society. It's time for mainstream nonprofits and foundations to recognize how dependent they are on digital access and freedoms by supporting the people and groups that protect those rights and share their insights on the role of digital policy. The policies that dictate how data are used and how the digital infrastructure is accessed are the guiderails that will shape digital civil society. They are of fundamental importance to the social economy sector.

Digital tools are stretching the boundaries of civil society and changing what participants need to know. When every communication travels over networks owned and controlled by telecommunication and Internet search companies, the policies and practices of private entities begin to matter to civil society in new ways. This was seen in physical space during Occupy Wall Street, when protestors were permitted to stay overnight because (ironically) the park they took over was privately owned, not public property. In a similar—but much less visible—way, the government regulatory regimes and private company practices for managing digital space are increasingly important to how

we use online communications for civil society purposes of organizing, protest, or even data gathering and collection.



OpenMaps screen capture of San Francisco, California and related data, as of 11/22/2015.

Two examples might help illustrate this point. Online maps and location information have become important to all kinds of efforts, from disaster response to teen volunteer brigades. Much of this information is owned by companies that might make it available at low cost but that also might change their ways at any point in time. OpenMaps, a membership cooperative that collects, cleans, manages, stores, and makes geolocation data available to the public, is an alternative to this. The OpenMaps data are managed from, by, and for the public.

A second example involves text messages, which travel across government-regulated and corporate-owned communications networks. Any nonprofit organization or civil society groups using SMS need to be aware of the company practices and government policies for storing and deleting that information over time, or they may find themselves unpleasantly surprised. In this case, the nonprofit's tactics for protecting its data need to take into account the practices of a regulated commercial telecommunications company.

In the mapping data example, an alternative enterprise to commercial ownership was created (other examples would include the creation of the Digital Public Library of America as an alternative to Google Books). In the SMS example, it's not feasible for a nonprofit to create an alternative telecommunications structure, so it needs to adapt its ways to the realities of the government-regulated, commercial service upon which it relies. In both examples we see that our dependence on digital tools and infrastructure requires public purpose organizations to adapt or create alternatives to commercial and regulatory systems. Digital data and infrastructure stretch the bounds of civil society.

Civil society depends on corporate and government-owned digital infrastructure. There is—as of now—almost nothing independent about the so-called independent sector when it comes to its electronic communication needs.

But the nature and design of digital data also introduce another set of actors—those who design the gadgets, the user interfaces, and the algorithms by which we access digital information. We all know that search engines prioritize the results that they display to us based on some unseen set of criteria. Most of the time, we don't question those criteria, especially once we've found what we were looking for. But this same process—of sorting and filtering and invisible choices—is part of all of our digital interactions. Algorithmic filters and user-experience designs shape what projects we see on crowdfunding platforms, in the default location-tracking choices on our cell phones, and in the editorial presentation of information in our news feeds. Algorithms sometimes choose which data to include and which to ignore. Environmental sensors set to ignore certain carbon settings influenced public policymaking about ozone layer protection.<sup>29</sup> Recent scandals with emission testing in cars showed how algorithms and data can be deliberately set to bypass regulatory requirements and fool consumers. The designers who create these interfaces and algorithms for foundations and nonprofits should be considered part of civil society.

We need to be deliberate about how we use these design capacities within the sector. We also need to understand and adapt (and possibly push back against) the ways data and algorithms are being used to shape public policy.

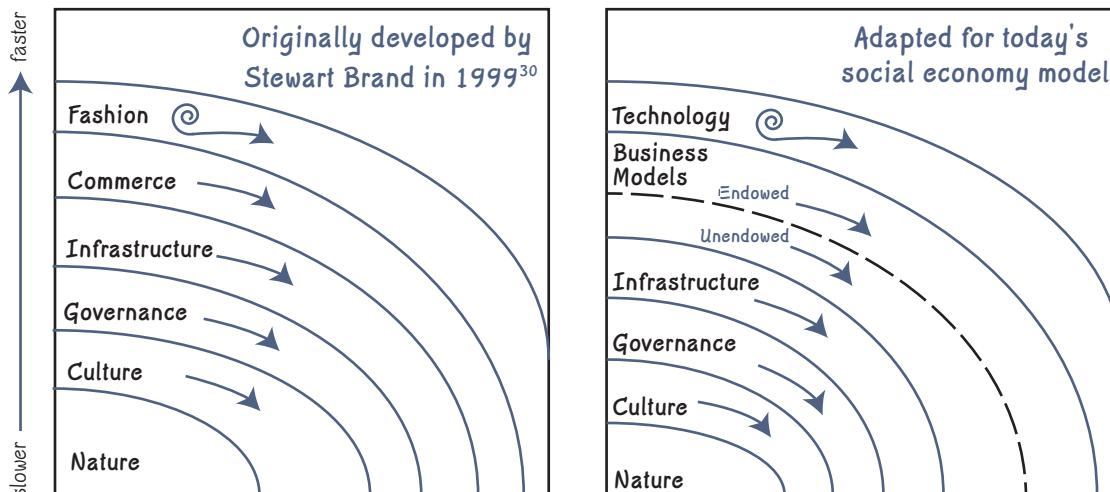
## ***It will take a collective effort to design governance and support systems for digital civil society.***

### **WHERE WILL THESE FORCES TAKE US?**

How are we to make sense of the changing nature of work and the demands of digital capacities in thinking about civil society? Several years ago, Stewart Brand of the Long Now Foundation posited a “pace layer” approach to thinking about change. As shown in his graphic below, he notes that change happens at different paces—some is much more rapid than others. While some components change rapidly, others change more slowly. These time scales should not be seen as being in tension; it is not better to be fast or slow. There is a role and reason for the pace of each layer. While fashion can change with the season, governance requires deliberation and recourse and therefore moves more slowly. The most trouble arises when one of these layers moves at a rate other than its norm, such as we are now experiencing as nature shifts quickly due to global warming.

### **LAYERS OF CHANGE**

The social economy ecosystem has many layers, all of which change at different rates, the outer layers moving faster than the inner.





For at least a decade, civil society and philanthropy have been heavily focused on the commerce layer of change. This has included adoption of and adaptation to technologies, experimentation with new business models, and an endless search for new revenue streams. In accepting the frames of the social economy and the prevalence of digital tools, we have to recognize that *the infrastructure and governance models built to support a sector of nonprofits and foundations need to be expanded to support the social economy*. These levels change slowly, but their time has come.



Photo by Jacob Harold, GuideStar

It will take a collective effort to design governance and support systems for digital civil society. Some of what informs these collective efforts will come from the accumulated, fragmented, and independent decisions and struggles of organizations making sense of this for themselves. That's a good thing. And every reader of this *Blueprint* is in a position to nudge at least some of that work along.

Here's how. I've created the worksheet on the following page for you to use in your organizations. Whether you are part of a formal enterprise or a digital alliance or acting on your own, ask yourself and your peers some version of the questions that follow. Fold them into your strategic planning process or your annual goal setting. Ask them out loud, share what you decide, and engage with others in improving your answers. If we each renounce our old assumptions about how change happens and make these challenges an active part of how we do what we do, we can accelerate the creation of new supports, practices, and rules for a vibrant civil society.

The last section of this *Blueprint* picks up on these issues at the collective level. How will the social economy as a whole and its component subsectors (nonprofits, social businesses, etc.) engage with the challenges of new work structures, on-demand assumptions, and digital skills? How will different types of organizations define their digital practices? In the 2010 report, *Disrupting Philanthropy*, I wrote that digital data are the new platform for change and civil society will define itself by how it uses this resource.<sup>31</sup> How do we carry the core purpose of civil society—as a place where we use our private resources for public benefit—into the digital age? The **Glimpses of the Future** section offers some thoughts on this question.

# Organizational Capacity in Digital Civil Society

Use this worksheet as part of team meetings, strategic planning processes, or organizational capacity assessments. It's designed to prompt discussions about how you do your work and how prepared you are for the shifts discussed in *Philanthropy and the Social Economy: Blueprint 2016*. A single-page print version is available for download and use under Creative Commons at [grantcraft.org/tools/capacity-dcs](http://grantcraft.org/tools/capacity-dcs).

## Automation

- How is automation changing the domain in which you work (e.g., arts, community development, criminal justice, education, environmental preservation)?
- How is it changing the nature of your profession?
- What digital skills does everyone in your organization need now? Three years from now?
- What other employment options exist to do the kind of work you do? How does your workplace compare to these other options?
- How are you going to adapt to your answers to the questions above?

## Information and digital assets

- If every piece of information you needed to do your job was open, accessible, free, and findable, how might the nature of your mission change and what new approach to pursuing it can you imagine?
- If every piece of information you needed to do your job was open, accessible, free, and findable, how would the lives of your constituents change?
- If every piece of information you needed to do your job was no longer available except for a price, how would your organization need to change?
- How dependent are you on digital data and infrastructure? Could you do what you do without any use of the Internet, electronic communications, digital storage, or mobile phones?
- How well do you (or your organization) understand and manage digital resources?
- How well distributed is digital knowledge in your organization? Are you reliant on one person to "know how it works?"
- How are you going to improve your ability to use digital resources ethically, safely, and effectively?

## Social economy

- What other social economy enterprises do what you do? If you are a nonprofit, are there co-ops, social businesses, and commercial firms doing what you do in your area? If you work at a foundation, are there investors or political campaigns shaping your issues? Adjust as needed.
- What advantages do you have compared to those other enterprises? What disadvantages?
- How do current regulations or social norms account for those advantages? How might that change?

## Ask Yourself, Then Share

If you use this worksheet or are otherwise considering these questions in your organization, consider sharing your thoughts as a way to both solicit feedback and inspire others to do the same. Post thoughts to your website or social media, put it on the agenda at your next peer funder group meeting, or connect with GrantCraft at [info@grantcraft.org](mailto:info@grantcraft.org) to share on one of Foundation Center's platforms.

# Foresight

## Predictions for 2016

What's in store for the year ahead? How will the big shifts discussed in the Insights section affect your work next year? Here are my predictions for 2016.

### U.S.

- The Internal Revenue Service and Federal Election Commission will do nothing to stem the tide of money flowing anonymously through nonprofits into political campaigns.
- At least one nominally independent nonprofit will get caught illegally coordinating funds or activities with at least one presidential campaign. The evidence will be digital.
- At least one new foundation or foundation program focused on biological privacy will launch.
- The Black Lives Matter movement will remain active and very much in the media eye through the November election.
- The scale and frequency of weather-related disasters will reach a new high.
- More American foundations will close overseas offices than will open them. (I will have a hard time tracking data on this.)
- Governments will increasingly rely on aerial drones for photography while simultaneously enacting regulations on their use by businesses and citizens.
- Refugee flows will increase globally, and migration patterns will rise in political and economic importance.

### GLOBAL

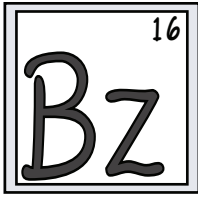
- Private data from a major nonprofit will be hacked, leaked, and used for political activism. Likeliest targets include women's health clinics; climate science researchers; and organizations working on issues related to immigration, guns, or criminal justice.
- The software powering a major transportation network will be hacked and will result in severe damage to lives and property.
- Despite disappointing evaluation results and their own built-in requirement for results, social impact bonds will continue to grow in popularity.<sup>32</sup> Evaluation findings over the course of 2016 will continue to show how difficult the work itself is, regardless of the financing mechanism.

### 2016 WILDCARDS

In addition to big ideas that matter and my 2016 predictions, surprising and unlikely things just might happen, such as:

- Billions of dollars will *not* be spent on the American presidential campaign.
- The U.S. will experience an outbreak of an infectious disease, such as measles, that had been considered eliminated.
- The **Bright Lines Project** will succeed.
- The U.S. laws defining political activity by nonprofits will be clear and enforced.
- The U.S. Congress will pass new laws regarding immigration.
- Greater limits will be placed on the charitable tax deduction for U.S. nonprofits and donors.
- Clean, machine-readable tax forms from 2014 for American nonprofits will be online for anyone to access.
- A major on-demand tech company will fail as a result of its employment practices.
- A policy fix to address the high costs of college and the student debt crisis will be implemented.
- American foundations will begin funding in Cuba.





# Buzzword Watch

Ever since Network for Good launched back in 2001, the modifier “. . .for good” has become ubiquitous. There are computer scientists for good, search engines for good, magazines for good—the only thing I haven’t seen is “Evildoers for Good.”<sup>33</sup> As a buzzword, the phrase “. . .for good” has so pervaded our vocabulary as to become genre defining, like the role of love in pop music or car crashes in action films. At the risk of buzzword overdosing, I think it’s fair to say that “. . .for good” is the uberbuzzword of the social economy.

I’ve clustered the following list into “buzz-topics” that align with the broader themes of this *Blueprint*.

## SOCIAL ECONOMY AND PHILANTHROPY

While all of the buzzwords on this list matter, this group comes directly from within the sector. Some of the terms draw from longstanding debates about metrics and efficacy; others draw from emergent ideas about how best to dedicate private resources for public benefit.

### Overhead Myth

The overhead myth is the name given to an oversimplified measure that uses administrative costs as a meaningful indicator of organizational effectiveness. Charity Navigator and other websites aimed at informing donors perpetuate this measure, even as they often include small-print qualifiers on its limited value. In the last few years a coordinated response to debunk the attention given to administrative costs has gained significant traction, leading to a bit of a rhetorical/behavioral standoff. Nonprofits, foundations, donors, and charity ranking sites all discourage attention to overhead cost ratios even as they continue to report them. Nonprofit organizational costs are like rubbernecking; we know we shouldn’t look, but we just can’t help ourselves.

### Effective Altruism

Not to be confused with effective philanthropy, the effective altruism movement has its roots in utilitarian philosophy and a modern-day spokesperson in Princeton professor Peter Singer. If the movement needed a bumper sticker it would be, “Do the most good,” the idea being that we should seek rational calculations for the greatest returns for our charitable gifts and actions. Oxford University’s **Centre for Effective Altruism** has helped spread the ideas among university students. Proponents and detractors abound. Like it or lump it, effective altruism offers intellectual shape and a set of principles to the long-brewing but inchoate attention on metrics, data, and outcomes. See also X-Risks (below) and the idea of “unicorns”—Silicon Valley-speak for companies that reach valuations over \$1 billion while still privately held—they’re a big win for investors. The old term for unicorn in the philanthropic sense might be “silver bullet.”

### X-Risks

Shorthand for “existential risks,” these are the biggies—the things that could wipe out humanity. A report from the Global Challenges Foundation listed 12 terrifying possibilities ranging from artificial intelligence to catastrophic climate change to pandemics to synthetic biology.<sup>34</sup> Each one of these forces could wipe out current human populations and preclude any potential offspring—wiping out the species known as people. The likelihood of catastrophic climate change is great enough that cost-benefit calculations argue for taking steps now to prevent it.

### Platform Cooperativism

What if Task Rabbit were owned by the rabbits? Or drivers owned Uber? Drawing from centuries of common practices, many cultural definitions of shared property, the cooperative movement, and the split reality of platform-enabled work, a new interest in platform cooperativism is emerging. The goal is to create tech platforms owned by those who build and use them. It’s one more sign that the future of work is . . . in flux. When the cooperative enterprise structure meets high tech (see **Loom.io**, **Ethereum**, and the **Enspiral Network**) it’s a good sign that new governance models may be on the horizon for the social economy.

## SCIENCE, EVIDENCE, AND INTEGRITY

Some big foundations and proponents of effective altruism are demonstrating real interest in evidence and science. As they do so, several of the “terms of art” that keep science and research moving ahead are gaining traction in the philanthropic sphere.

Nonprofits and foundations have been talking about and sometimes honestly trying to deal with failure in more productive ways than just looking the other way. Science is, of course, built around failure—the scientific method relies on generating a hypothesis, running experiments, learning from failure, generating new hypotheses, running more experiments, and so on. Confirming scientific findings relies on **others being able to replicate your work**, which in turn requires scientists to share methods and data.

### Worm Wars

We’re all familiar with philanthropy’s growing interest in randomized control trials and evidence-based social practice. (See *Blueprint 2014* buzzword, *randomista*.) But what if the scientists don’t agree? This is what happened when research studies that seemed to show the effectiveness of deworming medication on young people’s educational and health indicators were replicated and . . . the results varied. The resulting battles over the science were dubbed the **worm wars**. The alliterative name helped attract media attention. The more philanthropy seeks to rely on evidence, the more it’s going to find itself caught on methodological battlefields. Just ask any climate scientist, real battles being fought. (Replication would be the less alliterative alternative for this buzzword nominee.)

### Retraction

Retraction is what happens when a scientist’s purported findings cannot be replicated by anyone else. The highest-profile recent retraction case involved a **psychology study** that purported to document attitudinal changes about gay marriage if the political canvasser asking the questions identified as gay. The journal *Science* retracted the study, and the philanthropically supported Center for Science Integrity drew a lot of attention for its **RetractionWatch** website. Might we see foundation-funded research (outside of the academy) begin to bear scrutiny at this level?

### Publication Bias

What if scientists only announced successful experiments? Their peers would be left to stumble through all the mistakes that had been made in the past, and learning and experimentation would be slower for everyone. Yet, this is what has happened over the years as journals and professional advancement subtly shift attention toward “publishing what works” and not what failed. The phenomenon was first brought to public attention around drug trial studies, but the practice and the concern extend far beyond just pharmaceutical research. Alternatives include funding journals of failure and a **philanthropically supported effort** to make data from all experiments **open for review**.

## INFOTECH AND DIGITAL

Every year’s buzzword list needs to consider the latest tech jargon. Here are three terms that we’ll be hearing frequently in the coming year, each representing a technological advance that brings both promise and peril.

### Algorithm

We’ve learned to think about data, now we’re now realizing we also need to think about the algorithms by which we analyze or manipulate the data. Who’s creating them and how do they amplify existing biases? What, if any, recourse do we have if algorithms discriminate? The truth is all the data and analysis we’re now capable of isn’t making things simpler or more straightforward. Instead, they’re demanding a new kind of data literacy, giving rise to new sorts of “data intermediaries” and requiring new forms of oversight and interpretation.

## Augmented Reality

The Oculus Rift and other virtual reality headsets get a lot of attention, but these are still a generation away from adoption by anyone who doesn't want to walk around wearing what look like black-tinted ski goggles. But augmented reality—in which digitized information appears in view alongside the real world—is already here. Cars with directions projected from the GPS to the windshield are one example. We already spend hours everyday staring at our phones; soon we'll be pointing them at everyday objects (and other people) and getting all sorts of information about whatever is in view.

## Thing Hacking

Fifty billion connected devices equals the Internet of Things (see *Blueprint 2015* buzzword). Devices packed with as much software as your desktop or phone means they can be hacked, just like your desktop or phone. In July 2015, hackers disabled a car traveling at 100 kph on a public highway. The good news is that we know cars can be deadly so regulators and manufactures are moving faster than they did before to address these security issues. The bad news? Now you'll have to ignore the Terms of Service on your toothbrush, just as you've always done on your phone apps.

## BIOLOGICAL TECHNOLOGIES

I've been watching robotics and biotech as proximal areas of change for the social economy. The Insights section discussion of the future of work captures social sector implications of work in robotics, artificial intelligence, and deep learning labs. As biotechnological advances move out of the lab and into our lives, ideas and innovation in these fields will begin to creep into our work and our jargon.

## Biononymity

It's not just cameras, building ID card scanners, and license plate readers that are tracking our every move. As DNA analysis gets better and cheaper, our lack of "biological anonymity" is coming to the forefront. Artists use "found" DNA from stray hairs on subway cars and lipstick taken from tossed-out coffee cups to create remarkably accurate drawings and three-dimensional representations of commuters who have passed by. Lawyers, artists, biologists, and technologists are coming together in an informal network known as [biononymous.me](http://biononymous.me) to proactively consider the implications of this creepy new reality.

## CRISPR

What if someone could cut and paste genetic material with the equivalent ease of word processing? A new system for genomic editing—specifically cutting and pasting "clustered, regularly interspaced, short palindromic repeats" (CRISPR)—now exists. The technology is the subject of both major scientific and corporate battles, but its influence comes from its low cost and widespread availability. While we've been focused on digital hacking, gene hacking is about to become a real possibility. It's entirely likely that biological systems are about to follow a similar trajectory of de-institutionalization, "freelance science," and hard-to-regulate spaces that have marked the last decades of digitization.

# Hindsight

## Renovations to Previous Forecasts

Predicting the future is a fool's errand. Yet I continue to try. Here's how I did for the year that just ended.

### SCORECARD FOR 2015 PREDICTIONS

Prediction	Right	Wrong	Notes
Despite support for net neutrality from President Obama, tiered Internet service will continue to rage as an issue in the U.S. and nonprofits will continue to ignore important digital policy issues.		✓	I got this totally wrong. The Federal Communications Commission stood up for net neutrality in the first half of the year, tiered service is now being litigated by the cable companies, and protesters have moved onto issues of broadband access, which got a boost from the Obama administration.
Carl Malamud, <a href="http://public.resource.org">public.resource.org</a> , will <b>win his case against the Internal Revenue Service</b> .	✓		Thank you, Carl.
Zero-rated Internet access, in which companies provide remote communities with free Internet access, will double in reach.	✓		<a href="http://bits.blogs.nytimes.com/2015/07/26/facebook-and-other-tech-giants-expand-internet-access-in-africa">bits.blogs.nytimes.com/2015/07/26/facebook-and-other-tech-giants-expand-internet-access-in-africa</a>
Foundations and nonprofits will craft their policies for data privacy and use in closer alignment with their missions, moving beyond basic compliance approaches.	✓		Some of them are on this. Lots still to do. See DigitalIMPACT.io project.
A data privacy scandal or breach involving a nonprofit, bigger than the Goodwill credit card hack or the pushback on student data privacy, will happen in 2015.	½	½	Urban Institute, National Center for Charitable Statistics, also IRS and U.S. Office of Personnel Management were hacked.
Individuals equipped with cell phone cameras, in countries rich and poor, will play ever greater roles in monitoring our own health.	✓		Wearable devices, environmental monitoring, criminal justice—if it can be monitored with a camera it is being monitored with a camera.
Several nonprofits will experiment with new apps, only to withdraw them because of public outcry regarding their disregard for user privacy (see the case of Samaritans RADAR for an example).		✓	I may have missed it, but this seems to have not happened.
Conference sessions on “digital social” (or some version of the term) will become regular features of philanthropy and nonprofit conferences.	✓		See 2015 Council on Foundations plenary session on NetGain.
The <b>fossil fuel divestment movement</b> among foundations will get a lot of attention but not a lot of members.	✓		Decarbonization, divestment, and moves from fossil fuels to renewables are gaining ground as investment strategies, but foundations aren't leading.

Prediction	Right	Wrong	Notes
Large American foundations will develop a standard suite of intellectual property options for their grantees and program-related investments, making innovations in “big knowledge” more possible.		✓	Sharing those policies that do exist is the purpose of DigitalIMPACT.io and also a key part of the work of IssueLab, a service of Foundation Center.
The U.S. Congress will set new lows for productivity, and there will be no action on tax reform.	✓		Tax reform got nowhere for many reasons. The year past was mostly marked by political implosion at the IRS.
Demands from the public for greater transparency about donors to nonprofits and foundations will heat up, especially where presidential politics are concerned (e.g., regarding the Clinton family).	✓		This will continue through 2016.
Coordinated disaster philanthropy will gain traction as an idea, though it won't become routine behavior.	✓		Disasters now seem to attract more attention (in the media) for responders' use of drones than for donors' generosity.
Global businesses will recognize the need to avoid risks derived from issues like resource scarcity and externalities and will call for consistent, credible, science-based standards for accounting and managing for these issues.	✓		Robert Rubin and others calling for climate change externalities as “good business.” Anglo American Corp abandoning the Pebble Mine.
Donations of corporate data (“data philanthropy”) will be front-page news.		✓	I think I jumped the gun on this one. This may wind up being as unpredictable as mobile payments for charity (last year I “unpredicted it”; this year I'm going to ignore it).
Cities around the globe are going to be consumed with lawsuits and regulatory rulings on peer-to-peer services from commercial firms (e.g., Uber and Airbnb).	✓		London, Paris, San Francisco, New York, Rio de Janeiro, and many more. In the Insights section, I discuss how these issues are moving to the level of national politics.
China will continue to move toward standardized foundation regulations for domestic philanthropists.	½	½	Regulations are still in the works.
Foundations and nonprofits will start hiring data scientists.	✓		UNICEF, Crisis Text Line, Bloomberg Philanthropies, and Foundation Center are all examples of this.
Climate effects on food prices, jobs, and economic well-being will become part of the American national and political discourse (as is happening in 2014 with California's drought).	✓		Prices have gone up and news organizations are on it.
Impact investing as a practice will gain regular coverage in the mainstream business and finance media.	✓		Standard & Poor created Catholic Values Index to screen out environmentally damaging companies. Imprint Capital purchased by Goldman Sachs. It's also gaining regulatory support. <sup>35</sup>

# Glimpses of the Future

The Insight section challenged you to consider the implications of digital civil society for your own work and organizations. But we also need to consider the implications for the sector as a whole.

## DEFINING DIGITAL CIVIL SOCIETY

Let's return to the two starting assumptions I laid out at the beginning of this *Blueprint*. First, the social economy is a more useful frame than the nonprofit sector. We must look at all the ways we voluntarily use private resources for public benefit. This brings into one frame the different methods of financing the work (donations, investing, consumer purchases, campaign funding, and crowdfunding) and all the enterprises that do the work (nonprofits, social businesses, informal associations, networks, and "not invented yet"). The second assumption was about the prevalence, reach, and importance of digital structures—not just the gadgetry, but the fundamental nature of digital data and our dependence on digital infrastructure. When you combine these two assumptions you come to this definition:

**Digital civil society encompasses all the ways we voluntarily use private resources, including digital data and infrastructure, for public benefit.**

## GUIDING PRINCIPLES AND VALUES FOR DIGITAL CIVIL SOCIETY

If we want to make smart decisions about the opportunities of digital civil society, we need some guiding values and principles. We know from the pace layering diagram on page 11 that the outermost layers—technology and business models—will churn rapidly. For guidance, we need to go a level or two deeper—to governance and infrastructure.

The definition of digital civil society gives us a starting point. The definition contains

three key elements: voluntary action, private resources, and public benefit. Each one contains a set of values that need to be applied to digital resources:

- **Voluntary action** requires that individuals participate by choice and that they *opt in*. They also need to be able to easily *opt out* when they so choose. True voluntary action in digital spaces is going to require consent processes that recognize the decision-making authority, choice, and intent of individuals, not the preferences or business motives of the organization.
- **Private resources** require that we see the individual as the "owner" of the resource. He or she must be in charge of providing the information, be responsible for its content, and have input and recourse over how it is used. We also need to make sure we don't harm the individual by collecting his or her data. In today's online environment, the less data collected, the safer the individual. As civil society organizations collect data from people, a good rule of thumb is to gather as little data as is viably possible. The vulnerability of online data suggests that we "don't collect what we can't protect."

It's important to note this runs counter to the rhetoric and practices of most businesses and some governments. It should not be surprising that civil society's core values would stand apart. It's time to bring our practices into line with our values and not those of the software vendors or infrastructure providers.

- **Public benefit** refers to the intended purpose or outcome of the action. What good can we create, using the contributed

resources, either that we can't create alone or that the broader public isn't committed to making happen? To be public, these benefits need to accrue beyond any one individual who commits his or her private resources. As such, we should be committed to sharing what we've learned and inviting others to build on our work.

These basic premises give us a starting point for shaping the safe, ethical, and effective use of digital resources for good. Consent matters. Clear rules for how something is owned and shared need to be developed. Protecting the privacy of individuals is important. And broad benefit should be the goal. Translated into digital parlance, these values suggest the practices to be prioritized, created, and improved upon:

- Voluntary = consent practices
- Private = ownership, security, due process, and recourse
- Public = open and reusable

These ideas offer three starting principles for using digital data ethically, safely, and effectively.



- **First, consent.** Voluntary participation means that informed, active **consent** is a prerequisite, as are practices that make it easy to withdraw participation (and retract or destroy data). Consent alone is not sufficient, because of the derivative and persistent nature of digital data, and because many of us don't really have choices in what services we can use, but it is a starting point.
- **Second, privacy.** Protection of the private individual—and respect for her autonomy at all times—requires the sector to place a high value on her privacy. Given the (poor) state of digital security, the option here is to collect as little data as possible and to be creative (and privacy-minded) about what is collected. Take an approach of minimum viable data collection. Nonprofits can't adequately protect people's private data, and they rarely have the capacity to "go make sense of it later." For nonprofits, the marketing-driven zeitgeist that more data is better is rarely going to be true. This is where it helps to see data as a liability.

- **Finally, default to openness.** The pursuit of public benefit leads to the third principle, which is a default to openness. This is only possible if in fact the first two principles—consent and minimum viable data collection—have been enacted. Only then is it appropriate for data to be shared in ways that can advance the change we seek. Similarly, knowing that you expect to open up the final product calls for the development of robust consent and privacy practices at the beginning.

It's important to see the alignment across these principles. Data that are voluntarily contributed, well protected, and stored with close attention to the individuals' privacy are positioned to be shared. Robust consent and privacy practices are (or should be) prerequisites for openness.

## GOVERNANCE OPTIONS FOR DIGITAL CIVIL SOCIETY

We need to develop best practices in each of these areas. We need to develop governance models, organizational norms, and new policies for each practice. Individual organizations are already doing this. We have an opportunity to build from those efforts and a responsibility to infuse the practices with the values we wish to see encoded into policy.

In previous *Blueprints*, I've written of what I called "GitHub governance."<sup>36</sup> This is a metaphor that builds from the practice of sharing software code as well as organizational policies such that anyone can use what is put in the repository, tweak it, and share it again. Working this way requires looking through the boundaries of individual organizations, not being stopped by them. It can help groups identify shared issues, generate ideas together, and put them into practice across many organizations quickly. While GitHub is primarily a code repository, the practices it engenders are fundamentally about governance. They are not just about code sharing. They require agreement on standards, a commitment to inclusivity, a horizontal decision-making structure, and a desire for both efficiency and iteration.

There are other examples as well. **Sage Bionetworks**, which developed an open consent process for conducting medical research studies using wearable technology,



has made **its consent** process, all of its code, and even its **software iconography** available to anyone who wants to use it.<sup>37</sup> A contest led by **DataLook**, a German-based website, encouraged replicating projects instead of launching new pilot programs. For this kind of governance to work, all of the best experimental practices need to be followed, including access to the data, the methodology, and the outcomes. Other efforts at sharing the process as well as the outcomes include platforms for learning offered by Sphaera, which encourages “positive philanthropic plagiarism,” and the Alliance for Useful Evidence.<sup>38</sup> Another example is **copia**, a collaborative effort by tech companies to jointly develop organizational policies so that each one needn’t take on the legal costs itself. The potential for such practice to scale—to effect change rapidly across a lot of organizations (while also reducing legal bills)—is a key hypothesis undergirding the **digitalIMPACT.io** project as well.

### ***GitHub practices require agreement on standards, commitment to inclusivity, horizontal decision-making structure, and a desire for efficiency and iteration.***

There is work to be done to make these efforts more than just knowledge-sharing exercises. Part of that work is sharing the process and the mistakes. One possibility that warrants consideration is for foundations to make available the information from proposals they don’t fund, especially when they’ve already sought open input and invited broad participation. Open grantmaking challenges are ripe for this kind of practice. Grantmakers can experiment with some of the newer publishing platforms (such as Pensoft or Authorea) that are being tried in the research world. These enable the open sharing of an entire proposal process—from hypothesis to methodology, data collection and sharing, and final analysis. The goal of using these tools would be to share information across the proposing organizations. But doing so would require foundations to develop consent and open publishing norms to create “digital-ready” governance practices.

Governance of digital data, in particular, is challenging. We need to develop standards and practices for donations of digital data and/or

software code, often called “data philanthropy.” Digital data is the newest resource in civil society’s toolkit, and the one least like the others. It simply doesn’t work the same way that money or time do. Digital data are generative, replicable, and scalable in ways that offer great affordances, but also challenge many core assumptions about private resources, including how we give them away. Stored digital data can be an asset, but they are also a liability; just ask any organization that has had a security breakdown or been hacked.

The good news is that we already have governance practices that can be applied to the donation of data. The open source community, which collectively builds, contributes, and maintains software code, has given rise to distributed, horizontal networks that span the globe. Which of these practices might be transferable beyond code sharing is a topic of great interest to network scientists, scholars, and some social sector leaders.

Other examples exist within civil society for managing resources similar to data. Blood, for example, is a regenerative resource. I can donate my blood, help others, and know that my body will replenish itself. As a generative resource, blood is a better analogue for donating digital data than either volunteering time or donating money. Similarly, financial loans, which return capital to the lender that is then reused, are somewhat analogous to digital data. As we define data philanthropy we might model our practices on open source communities, blood donations, and loan financing. We then need to take into account the ethical implications of data collection processes as well as the technological interfaces we use. Early signs of attention to this issue may be appearing as nonprofits and community groups steeped in digital data begin to use external ethics panels or consult with privacy lawyers and user interface experts.

While we are modeling new governance practices, we might consider the potential of digitally driven forms of accountability. Promoters of Bitcoin and other cryptocurrencies are experimenting with the built-in recordkeeping function afforded by the underlying technology, known as the blockchain. If recordkeeping can be built directly into transactions, the governance questions shift from accounting-level oversight to bigger issues



of inclusion, transparency, and due process.<sup>39</sup> Technology creates governance challenges, and it may be useful in addressing them, though it won't ever hold all the answers. The Ethereum Foundation, a Swiss nonprofit, has released a beta program called **Ethereum Frontier** to encourage experimentation with both governance and software code.<sup>40</sup>

We also need new governance models as existing enterprises work together. For example, we're still working out proper governance agreements when nonprofit organizations use public data. What are the rules when a business and a nonprofit share data to achieve a social purpose? Sean McDonald, who has already proven his innovation chops at Frontline SMS, is one social entrepreneur looking at the types of enterprise forms we might need to help use digital data for good. Just as the B Corporation tweaks the corporate code to encourage social and environmental values, McDonald's idea for a civic trust marries community governance to the trust form as a way of maintaining a public purpose for the derivative products of digital data.<sup>41</sup>

## CONCLUSION

For generations, nonprofits and foundations have served as democracy's transformation mechanism when it comes to using private resources for public benefit. Charitable donations, foundations, and all of their accompanying legal and institutional code are how we dedicate private money for public benefit. The rules, norms, and institutions of volunteering are how we do this with time and talent. It's up to us to figure out how to manage this same transformation for the new resource

of digital data. We need to invent the means by which our private data can voluntarily be dedicated for public benefit.

The principles outlined above may not be the only ones that matter. As individual organizations continue to grapple with their own digital dependence and their data practices, we're likely to identify others. We need to pay collective attention to these for two reasons. First, we must do the best we can at using digital data well across as many domains as possible. Second, these guiding principles should inform how nonprofits and foundations engage with the broader digital regulatory environment.

***We need to invent the means by which our private data can voluntarily be dedicated for public benefit.***

And that environment is critical. Laws about Internet access, Wi-Fi spectrum, broadband, content ownership, data privacy, informed consent, and surveillance are fundamentally about who can do what with and in digital environments. Civil society in 2016 is dependent on the ability of all individuals to access the digital realm, to freely and privately associate while there, and to express themselves without fear, coercion, or being subject to the whims of corporate policies.

These policy issues—often referred to as Internet or digital policy—are fundamental to how civil society functions in the twenty-first century.

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