



The World Out There: A Western Canada Perspective

By James Stauch and Peter R Elson

For three years the Institute for Community Prosperity has been asked by the Calgary Community Foundation to undertake an environmental scan on their behalf. This blog is a series of excerpts from the latest report, Terra Cognito, published earlier this year.
<http://www.mtroyal.ca/nonprofit/InstituteforCommunityProsperity/Research/InvestinginCommunity/index.htm>

According to the 2017 Edelman Trust Barometer, trust in media is unsurprisingly declining, but ironically social media is eroding far *less* than trust in mainstream media.ⁱ Yet, it is social media – Facebook in particular – which is creating an echo chamber of ideas and serving as the fake news conduit. The Edelman barometer underscores this echo chamber effect, where bias is an acknowledged and preferred filter for news intake, and where more than a third of people readily admit they prefer ideas and actions they *agree with* to ideas and actions based on *facts*.ⁱⁱ Within 5 years, some IT analysts predict that fake news will be more frequently consumed than real news. How artificial intelligence, or AI, will play into this is doubly chilling: By 2020, some tech analysts believe that “AI-driven creation of ‘counterfeit reality’, or fake content, will outpace AI’s ability to detect it”.ⁱⁱⁱ In tandem, we can expect to see new forms of digital trickery, like video facial manipulation.^{iv}

Philanthropy futurist and blogger Lucy Bernholtz cautions that foundations and nonprofits need to be much more aware of these phenomena:

The social media systems are purpose-built to manipulate. Facts and good intentions aren't enough. Understanding the nature of the information ecosystem - the ways it makes getting your message heard harder, not easier, and the ways it threatens the well-being and safety of those you are trying to help - is no longer an optional, edge requirement. It's reality for all of us in the digital age."

A report earlier this year by the Public Policy Forum, reflecting on this deepening crisis in news, in Canada and abroad, suggests that the government lift restrictions on philanthropic support for journalism, in order to restore the “civic function” aspect of quality journalism.^{vi} The launch this year of the *Solutions Media Network* internationally, of *Discourse Media* in Canada, and *The Sprawl* in Calgary, are just a few of the examples of an emerging civic journalism, also manifest in the form of podcasts like *Canadaland*.

After two decades of hand-wringing in philanthropy over the challenge of understanding impact, more and more foundations are embracing a key insight: Ask not “What *impact* are we having?” Ask instead: “What are we *learning*?” The UK-based Lankelly Chase Foundation, for example, has moved away from asking grantees to describe their impact, and instead is asking them to describe what they learned.^{vii} The former approach incentivizes ‘gaming’ or ‘cooking’ the results, even where there are standardized logic models and other tools at play. It sacrifices trust and genuine learning in favour of an illusion of accountability. The latter approach allows an open, trust-based conversation to inquire into what’s working, what’s not, and what are the broader impediments in the system that the funder can help advocate for.

The *Reimagining Measurement* initiative is a year-long research project from the Monitor Institute by Deloitte, supported by the David and Lucile Packard, James Irvine, Robert Wood Johnson, S.D. Bechtel Jr., W.K. Kellogg, and Wallace foundations. It looks at how organizations in the social sector can more effectively use data and other information outputs in the service of monitoring, evaluation, and learning.^{viii} This initiative resituates impact measurement from an ‘impact’ focus to a ‘learning’ focus”, where “continuous learning becomes a core management tool; where foundations, as commentator Van Jones once put it — ‘stop giving grants and start funding experiments’; where foundations and grantees share data, learning, and knowledge openly and widely; and where constituent feedback about what is needed and what success looks like is central to strategy development and review.”^{ix} Importantly, the *Reimagining Measurement* initiative challenges organizations to “let go” of approaches they may be holding onto, when the evidence suggests a new approach may be required.

A previous scan had reported on the cresting of ‘strategic philanthropy’, predicting that the pendulum will swing back to community-partnered or co-creative grantmaking modalities. As such, another trend we can expect to see is more foundations experimenting with participatory, user-involved grantmaking models, along the lines of the Vancouver Foundation’s *Fostering Change* program, which involves young people in foster care (or previously in care) serving as designers and deliberators of a new grant stream.

A recent study on *The Social Innovation Strategies of Canadian Foundations*, notes that one of fourteen tactics that foundations use to deploy their finances, staff capacity and legitimacy is in the area of social R&D.^x The study includes *Vital Signs* as one example of how foundations engage in social R&D, where social research is linked to application. But funders are more often part of the problem, not part of the solution: As one call-to-action puts the challenge, Canadian social impact organizations “are often trapped in highly restrictive funding models that don’t value their strategic work as social impact innovators. They lack access to... resources that would enable experimentation, innovation, cross-sector collaboration and multi-organization consortia...”^{xi} Certainly, there are many pilot projects in the world of non-profit and philanthropy, on the one hand, and on the other, there are many millions of dollars of social research, firmly ensconced behind the ivory towers of universities. But these are at the peripheries of what a growing number of people are calling “social R&D”, and rarely connected. Moreover, the incentive structure of the social economy and academic culture entrench this: Non-profits pretend that each pilot project is wildly successful, researchers publish to top-tier peer reviewed journals that community practitioners may never read or that live behind pricey paywalls, and grant-

makers tend to reward both patterns. Beyond this, there is the question of how to effectively reach policymakers and inform the development of laws, regulations and the allocation of public resources.

At 2017's CCVO Connections conference, keynote speaker and McConnell Foundation CEO Stephen Huddart spoke about the notion of Canada needing a stronger "social infrastructure."^{xii} This year's federal budget also included mention of "\$21.9 billion in new investments over 11 years to support social infrastructure in Canadian communities,"^{xiii} by which they include investments in early learning and childcare, home care, cultural and recreational infrastructure, Indigenous community development and affordable housing. The latter of these topics is discussed in more detail in the next section.

The subtext underlying some of the discussion of a "social infrastructure" appears to be a tacit recognition that the charitable sector acting alone cannot address the most difficult and intractable challenges in Canada. This is also an emerging theme underscoring the work of the recently struck *Social Innovation and Social Finance Steering Group*, which in the early stages of developing policy measures to advance social innovation and social finance in Canada.^{xiv}

Certainly, Canada already rates well from the perspective of financing social innovation, ranking number one globally in a new index developed by the Economist^{xv}. At the same time, the government is signalling its interest in "modernizing" charitable sector policy and regulation. But whether this is root and branch radical reform or incremental tinkering, as was the case with the *Voluntary Sector Initiative*, which ended over a decade ago, remains to be seen. Almost certainly, there will be changes to the regulations regarding permissible political activity. As Huddart puts it "there is growing consensus that government should audit foundations and charities for financial integrity, and not for activities undertaken in pursuit of their missions."^{xvi} There may also be changes to reflect society's changing attitudes toward the function of the charitable sector, and the way in which they interact with it.^{xvii} There is also an increasingly "blurred line" when it comes to how Canadians define and engage with charity, sometimes acting with a 'consumer' hat, as with any other business, and at other times with a 'philanthropic' hat.^{xviii} Add to this the fact that charitable donations are stagnating, donations in upper income brackets are not rising as quickly as income, and that overall received revenue is exceeded now by earned revenue for charities in Canada.^{xix}

The Department of Finance will be keeping a close check on any changes that open up the definition of charitable activity, and we are unlikely to see the provinces clamouring to take on charitable regulation and administration, even though constitutionally this is their purview.^{xx} But the potential of repurposing portions of the \$300 billion public annual spending on social services is powerful to contemplate. Add to this the fact that foundations hold \$75 billion in endowed assets, and – as Stephen Huddart puts it "should we not be talking about what is possible when social sector creativity, civic energy — and capital — are applied to solving complex challenges?"^{xxi} He advocates for a social infrastructure bank, and argues in particular that it should be based in Alberta. In any case, there is growing recognition that a large-scale cross-sectoral approach is needed, an unavoidably large part of which involves substantial public expenditure. In essence, a renewed social contract.

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- ⁱ Edelman. 2017 Edelman Trust Barometer: Canada. Online: <https://www.edelman.com/trust2017/trust-in-canada/>
- ⁱⁱ Ibid.
- ⁱⁱⁱ Columbus, Louis. “Gartner’s Top 10 Predictions for IT in 2018 And Beyond”, in *Forbes*. Oct. 31, 2017.
- ^{iv} Described and demonstrated by tech futurist Simon Adler in his interview with the podcast RadioLab: <http://www.radiolab.org/story/breaking-news/>
- ^v Bernholtz, Lucy. “Civil society and disinformation” (blog post) *Philanthropy 2173*. Nov. 11, 2017.
- ^{vi} Greenspon, Edward. *The Shattered Mirror: News, Democracy and Trust in the Digital Age*, Ottawa, Public Policy Forum, 2017.
- ^{vii} Lankelly Chase Foundation. Presentation at the *Social Innovation Exchange (SiX) Wayfinder* gathering. London, UK. February, 2017.
- ^{viii} The Monitor Institute. *Reimagining Measurement: A better future for monitoring, evaluation, and learning*. Deloitte. 2017.
- ^{ix} Ibid.
- ^x Pue, Kristen and Dan Breznitz. *The Social Innovation Strategies of Canadian Foundations*. Innovation Policy Lab, University of Toronto. 2017. This research was supported by the Lupina Foundation.
- ^{xi} Draimin and Rajasekaran, 2015.
- ^{xii} Huddart, Stephen. Keynote address at the Calgary Chamber of Voluntary Organizations (CCVO) *Connections* conference. April, 2017.
- ^{xiii} Government of Canada: *Budget 2017: Building a Strong Middle Class*. <http://www.infrastructure.gc.ca/plan/si-is-eng.html>
- ^{xiv} <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/steering-group.html>
- ^{xv} Economist Intelligence Unit: *Old problems, new solutions: Measuring the capacity for social innovation across the world*. 2016.
- ^{xvi} Huddart, 2017.
- ^{xvii} *KCI Philanthropic Trends Quarterly*, Issue 2, 2015.
- ^{xviii} *KCI Philanthropic Trends Quarterly*, Issue 1, 2017.
- ^{xix} Canada Helps. *The Giving Report*. November, 2017.
- ^{xx} Ibid.
- ^{xxi} Huddart, 2017.