

Philanthropy and
the Social Economy:

BLUEPRINT 2015

The Annual Industry Forecast
by Lucy Bernholz

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betterplace


#blueprint15

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Online Components

The digital version of this *Blueprint* has been optimized with links that enhance and deepen the conversation around topics raised. To explore anything that is printed in bold purple, please visit grantcraft.org/blueprint15 to access your free digital copy and to be connected with related blogs and discussions.

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WHAT IS THIS MONOGRAPH?

Philanthropy and the Social Economy: Blueprint 2015 is an annual industry forecast about the social economy — private resources used 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. This year, I'm excited to broaden my horizons to include insights from 14 countries other than the United States. This is possible due to a new working relationship with betterplace lab in Berlin.

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/blueprint15. 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 #blueprint15.

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 "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), and spent the last year as a visiting scholar at the David and Lucile Packard Foundation. 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](#). I post most of my articles, speeches, and presentations online at www.lucybernholz.com.

WHERE CAN I GET MORE INFORMATION?

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

Information on the Lab Around the World and betterplace lab is available at www.betterplace-lab.org/projects/lab-around-the-world.

The full suite of GrantCraft resources is online at www.grantcraft.org. GrantCraft is a service of Foundation Center in New York that taps the practical wisdom of funders to develop resources for the philanthropy sector. Follow [@grantcraft](#) on Twitter for ongoing updates.

Introduction

This is my sixth annual industry forecast. Since publishing the first *Blueprint*, I've expanded my lens to focus on the social economy and digital civil society. In addition, because the trends I'm following tend to be global, I'm slowly expanding my geographic purview beyond the United States. I'm always looking for partners to help take this work global and to share informative case studies — please be in touch if you are interested.

Last year in *Blueprint 2014*, I presented some observations about the European social economy. They were tentative first steps taken at the encouragement of many. I am a far-off observer of European society, and my vision is limited by physical, linguistic, and cultural distances. With this volume, I am fortunate to be able to include my insights from work done by the Berlin-based betterplace lab and their Lab Around the World initiative. Although I'm still learning, this partnership gives me a better understanding of Germany's social economy and philanthropic sector and access to insights on 13 other countries. Everything I learn about other countries helps me to better understand the American context, which I focus on presenting here. However, I hope my observations, analysis, and questions will be useful to people around the world and perhaps foster more international discussion of common issues. For those hoping to dive in deeper, I encourage you to follow footnotes and links for more information.

In the **Insight** section of this *Blueprint 2015*, I elaborate on the framework of digital civil society that I presented last year. As I learned from global examples of digital innovation for social benefit, I found much in common with the story in the United States, and also much that is distinct. I've had great opportunities this past year to learn from colleagues in Australia, Brazil, Canada, China, Germany, South Africa, and the United Kingdom about developments in philanthropy, impact investing, social businesses, and associational life in their

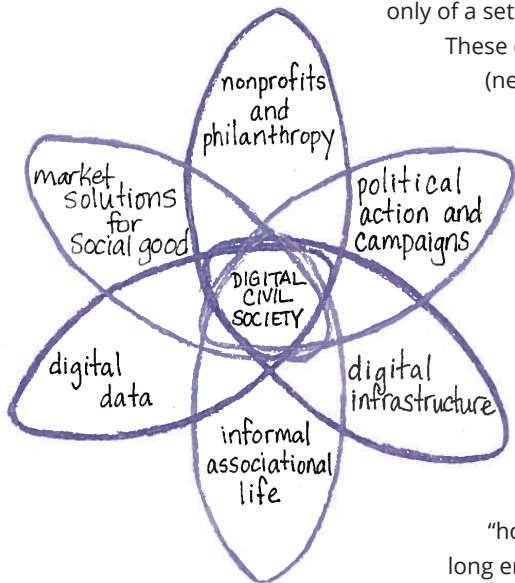
countries. I participated as a judge for the **Nominet Trust 100**, a global list of inspiring digital social innovations. In the course of this and other investigations, I've learned of several emergent research efforts to capture and catalogue examples of digital technologies being repurposed or designed specifically to serve social purposes.

Trends from the past few years, particularly impact investing, the sharing economy, and political activity by nonprofits, have become assumed parts of our landscape.

As always, in thinking about the future, we need to acknowledge that both the unthinkable and the unpredictable are quite possible. I make specific observations about next year in the **Foresight: Predictions for 2015** section. Over the past five years, I've been getting better at encouraging others to share their predictions with me and, via this *Blueprint*, with you. I hope you will join in and share predictions of your own. I then call out some **wildcards** that may come into play in 2015, mitigating or accelerating the pace at which the big ideas will spread. As I do every year, I revisit last year's predictions in the **Hindsight: Renovations to Previous Forecasts** section, where I note what I got wrong last year, not to keep score but to learn from the past. And, of course, don't miss the **Buzzwords** list!

Finally, I present **Questions for the Future**, in which I consider the crooked lines of history and

how they can help us understand where we are currently. In particular, I look at how trends from the past few years, particularly impact investing, the sharing economy, and political activity by nonprofits, have become assumed parts of our landscape. Some of these subsectors have passed the “hype” stage and entered a period where backlash and unexpected consequences are the norm. Given this, I present several observations and questions about where we go from here. As an historian, I find that long view to be helpful in understanding current moments as a point in time, influenced by the immediate past and longer-term trends, and indicative only of a set of possible futures.



These questions are not (necessarily) meant to be answered, but are rather intended to provoke us to remember that the whole space of this inquiry — philanthropy, the social economy, and now digital civil society — is dynamic. With each of these annual *Blueprints*, I am attempting to “hold the frame still” just long enough to examine it and understand it better, not to

try to fix it in place or in time. Dynamism is the constant — but it is episodic and its meanings can be opaque. Rarely do the most important changes occur within the convenient boundaries of January and December, so the best I can do is hold the pieces up to the light for a moment, identify new features, and wonder about future directions.

Throughout the *Blueprint*, I have tried to catalogue the many questions we have about digital civil society as well as some of the resources we have developed that could help

us make sense of it together. The graphic above shows the interconnected domains that constitute digital civil society itself. One of my main goals in using the digital civil society frame is to illuminate the dynamics between and within sectors — individuals, associations, nonprofits, social businesses, government, and international aid regimes. To do this, we must consider them part of the same universe, each with their own characteristics and potential, and each being shaped by digital data and infrastructure.

There has been much talk over the years about the blurring of sector boundaries between private, public, and philanthropic action. I am interested in the dynamics of the whole — all the ways we choose to use our private resources for public benefit — and I believe a better understanding of these interactions should inform our choices and actions within each sector. Toward that end, there is a great deal of learning to be done about existing citizen associations, digital experiments, nonprofit choices, and philanthropic activity.

My goals for the *Blueprint* series are constantly evolving. With the support of Foundation Center and my partners at Stanford, I am looking to engage interested parties around the globe in conversation, in hopes of perhaps helping readers from other countries produce their own annual *Blueprint* (or something like it) that reflects their perspectives on philanthropy and the social economy. My representation here of the work done by members of betterplace lab is one such experiment. I am excited about initial discussions about a *Blueprint* in Brazil and early explorations in China. A global inquiry into digital civil society is timely, and I’m excited to help make this happen. Please contact me at bernholz@stanford.edu and GrantCraft at info@grantcraft.org with questions or examples of how you used this *Blueprint* and any recommendations or suggestions you have for future editions or conversations about this one.

Insight

Big Ideas That Matter for 2015

In the past, I've called this section "Big Shifts." Six years of writing the *Blueprint* has taught me that some of what I anticipated shifting in 2010 has, in fact, shifted. The social economy frame is catching on. It's more common now than it was six years ago for impact investing and philanthropy to be practiced together, for conferences to include both audiences, and for research and resources to focus on complementarity and sequencing rather than silos.

We have reached a point where the broader understanding of intersecting financial flows, multiple enterprise forms, and distinct (and sometimes conflicting) regulatory systems is recognized, even though it is not (yet) the everyday language of the field.

My premise six years ago was that philanthropists and nonprofits (donors and doers) needed to see beyond each other, to the purported edges of their horizons, and include social businesses, impact investing, political activity (especially in the United States), consumer choices, and crowdfunding as part of their purview. All these options, together, make up the social economy. As such, institutions within that space need to understand the roles and intersections with the others in order to be effective in making change happen. Collectively, that awareness now exists, though institutional engagement with it varies significantly.

It's time to push your thinking again. From now on, we'll be looking at the structures of the social economy in the context of pervasive digitization. This is not about gadgets; it's about complicated (and fundamental) ideas like free association, expression, and privacy in the world of digital data and infrastructure.

The advent of digital data and infrastructure as tools and resources raises new questions. It also raises anew issues of equity, power, and access. The manner in which civil society engages with

these core concerns — in using these tools and in redressing some of the uses of these tools by others — is at the heart of the issue. The digital environment challenges civil society to — once again — redefine itself.

With all that said, I'm looking at big ideas for the coming year(s) from the following seven perspectives:

- How the social economy and civil society relate to each other,
- Digital civil society — what it is, and how it's different from or similar to the past,
- Global examples of digital civil society — what context matters, and how,
- The increasing diversity of organizational forms in civil society,
- The development of strategies for promoting digital innovation,
- How digital innovation is progressing in different domains of civil society, and,
- What will come next? Will we need new rules for our new digital tools?

Any one of these inquiries would be enough for a major research project. Each of the following sections offers a different perspective and set of assumptions (and questions) about the pervasively digital landscape in which we now use private resources for public benefit.

THE SOCIAL ECONOMY AND CIVIL SOCIETY

The social economy includes the structures by which we voluntarily use **private resources for public benefit** — through donations of money and time, social enterprises, networks of individuals, activists who connect locally and globally, and formal nonprofit or nongovernmental associations. In the United States, because of the role that nonprofit social welfare organizations play in electoral politics, it also includes political donors and the independent groups that they support.

The social economy is intended as a frame in which to understand the financial relationships among the many organizations of civil society. As Michael Edwards points out in his book, *Civil Society*, the diversity of civil society makes it possible to spend endless hours debating what it is.¹ In trying to define civil society for the *Encyclopedia of American Governance*, Rob Reich and Brian Coyne offered up this expansive claim:

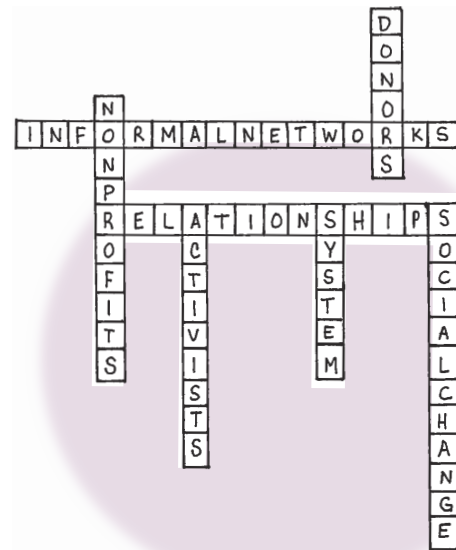
“...civil society can include for-profit firms, nonprofit organizations, religious bodies, informal associations, and networks. Civil society organizations can be enduring or transient, large or small, formal or informal, local, national, or global. ... In general, civil society organizations and associations mediate between individual citizens and state institutions; they are private, voluntary action with a public face.”²

Another helpful definition that brings in non-institutional activities is offered by Professor Helmut Anheier: “Civil society is the arena outside family, government, and market where people voluntarily associate to advance common interests based on civility.”³ Though the use of

Civil society is the place where we use private resources for public benefit.

the term “civility” is questionable in a sphere defined by opposing viewpoints and shaped by today’s tone of antagonistic discourse, these two definitions should help locate us in the world of individual activists, associations, nonprofits, and networks working together to do something for others. I frequently shorthand all of the above and define civil society as the place where we use “private resources for public benefit.”

When we look globally, it is true that the multitude of organizational forms can lead to

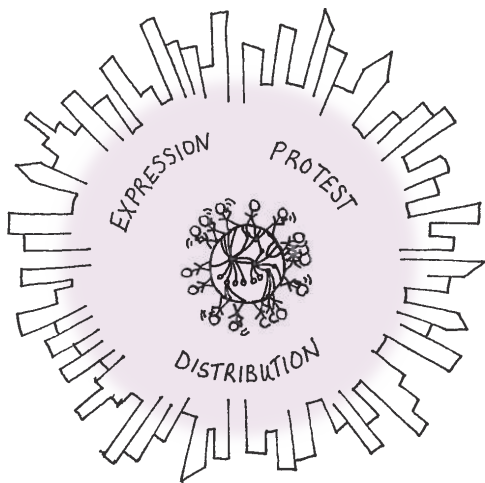


considerable debate about who is in and who is out. I am less concerned with getting this accurately pinned down than I am with focusing our attention on the dynamic choices we have when it comes to choosing to dedicate our own money, time, or knowledge to actions that benefit others in a vision of a better society.

Precisely because of the formalism of nonprofits and philanthropy that Edwards decries in his book, focusing attention — especially in the United States — beyond these institutions is important. Much change happens outside of nonprofits, and donors can access these alternative forms. Looking at the systems and relationships among social enterprises, nonprofits, informal networks, activist groups, and possibly political action is key to understanding how and where social change happens, who does what, where there is alignment or opposition, and what barriers need to be overcome. Donors may not choose to support all of the forms and doers may choose one form over another, but it is the energy and interaction of all of the players that shapes the nature and potential for change.

Even with the diversity of enterprises and financing mechanisms, civil society (within democracies) largely serves three purposes: **expression, protest, and distribution.** That is, we organize to express ourselves artistically, culturally, or as members of a particular group; to protest or advocate on behalf of issues or populations; and to provide and distribute services or products that the market or state are not providing. All of this is shaped by (and often funded by) government regulations and cultural norms. Market forces also influence

the shape and scale of civil society. The edges between all three sectors are, and mostly have been, blurry and dynamic. This dynamism will only increase with adoption of digital tools. We will face more confusion and blurring — as digital data and infrastructure conflict with our old assumptions about public and private — before things get clearer.



DIGITAL CIVIL SOCIETY

This double lens — civil society and the social economy — is particularly important as we try to understand digital civil society, that is, the ways we use our private resources for public benefit in the digital age. Digital data and infrastructure are being used for many socially positive purposes — from the use of mobile phone text messages to inform pregnant women of prenatal care options to crowdsourcing home-cooked meals for people in homeless shelters. When you look for digital applications for social good, you quickly realize that many of them exist and thrive outside of nonprofits.

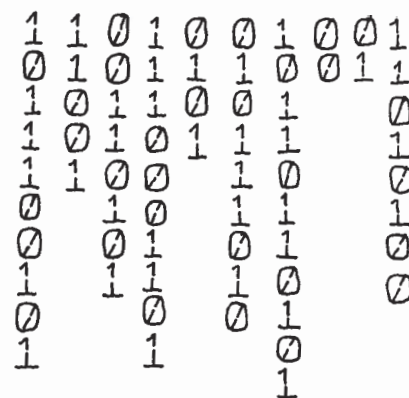
There are many examples of people using digital tools to accomplish an expressive, protest, or distributive purpose that involve informal networks, loose activist groups, social enterprises, government agencies, and commercial businesses. Think of the [#yesallwomen](#) discussion that exploded on Twitter in January 2014 after murders on a southern California college campus. The discussion of women and sexual assault then moved to the pages of mainstream newspapers and eventually became part of the broader debates about gun rights and mental health. A similar pattern played out following

the police killing of an unarmed man in Ferguson, Missouri; social media coverage by participants attracted major television and newspaper coverage and helped sustain attention on these issues around the globe. These American news incidents are similar to others where [FrontlineSMS](#) software (texting without Internet) and open mapping platforms are used after natural disasters and as election monitoring tools. Loosely networked individuals come together to cover the news, deliver relief, and provide services. They are contributing their time to a cause, not to a particular organization. These activities are seldom recognized as examples of private resources for public benefit simply because they are not organized within nonprofit entities.⁴ Not acknowledging them is to miss much of civil society.

In *Blueprint 2014*, I called out “civic tech” as an area to watch for the future. Civic tech includes efforts to use Internet or mobile technology to improve public services and government-citizen interactions. Examples include making apps that [help citizens find polling places](#), enabling resident [participation in municipal planning and budgeting decisions](#), and [improving park services](#) by letting visitors report trail damage with a text message.

Much of the early work in these areas was coordinated by public agency officials opening up datasets to self-organized groups of volunteers. Increasingly, these hackathons, open data

initiatives, and voluntary tech efforts are getting routinized and regularly scheduled. They are also linking to and spinning off of a growing number of nonprofits, independent associations, and standing networks of volunteers. Technologists are becoming part of the sectors they serve. Their work shapes how we get news, the apps that we use in humanitarian responses, and the data we collect and store to inform our work. Techies are increasingly a part of civil society. In San Francisco and elsewhere, they’ve even organized themselves as the [civickmakers](#) community.



DIGITAL CIVIL SOCIETY AROUND THE GLOBE

Digital data and networks are, natively, global. Of course, laws, national boundaries, and cultures are applied and can serve as barriers to the free flow of information. There are still places and people without any access to digital information and great variation in the quantity and quality of access for those who are online. But an important characteristic of the digital world is that, left unfettered, digital data can be instantly, simultaneously, and repeatedly used by everyone, everywhere. Protest videos from one city can be seen everywhere, educational resources can be shared across the planet, photos can be shared and added to global galleries, and collective action can be coordinated across all time zones.

Thus, to understand — to even identify — what civil society looks like in this pervasively digital age requires us to look globally. I've had an extraordinary year of inquiry, learning from people on several continents and in all hemispheres, and I've only scratched the surface. I've both developed an appreciation for work being done around the world and gained new insight into what's happening in the United States.

Greater understanding of what is happening around the world reveals the enthusiasm with which the possibilities of digital innovation are being tested everywhere. It also illustrates the many different ways digital tools allow for action, as well as the many ways in which civil society itself is being reshaped, limited, and challenged around the globe. There are examples of community-driven innovation, digital experimentation, and shifting civic practices in many countries. Each place brings its own mix of government structures, cultural practices, and digital access. Gathering a range of examples from around the world is the first step toward a better understanding of what enables or impedes digital civil society, how it interacts with other sectors of society, and what roles different kinds of organizations play.

In the course of the last year, I've had valuable learning exchanges with several organizations in Brazil. I've traveled to South Africa, Australia, and twice to China. I've begun discussions about sharing information with the [Indigo Trust](#), [Nesta](#), and [Nominet Trust](#) in the U.K., and I'm

excited about the possibilities of connecting several of the databases now being built to capture examples of different innovations. (For example, see the [SocialTech Guide](#) and this map at [digitalsocial.eu](#).) And, I've tried to take full advantage of the opportunity presented to me by [betterplace lab](#) in Berlin to learn from their “Lab Around the World” — a 14-country exploration looking for examples of “digital social innovation.”

“Digital social” is a term widely used in Europe to mean the application of digital technologies to socially positive activities — what I have been calling digital civil society. Because Americans, especially tech savvy ones, use “social” to mean “social networking technologies,” the “digital social” terminology may not catch on in the U.S. Either way, the betterplace lab staff members and I quickly realized we were looking for the same things. They generously shared their research with me for the purposes of this *Blueprint*. What I have to say below is my interpretation of their findings, and you can find their work in their own words at [Lab Around the World](#).

The betterplace lab captured case studies from Bolivia, Brazil, China, Colombia, Costa Rica, Ghana, India, Indonesia, Israel, Kenya, Rwanda, Senegal, Tanzania, and the United States. The variation in government and market structures across these countries is enormous and so is the variation in civil society. In each country, the team found examples of people using digital technologies (mobile phones or Internet-based) for expressive, protest, and distributive purposes. Here are just a few examples from betterplace lab's research:

- **In Brazil**, artists and rubbish collectors use a combination of bright graffiti, social media, and crowdfunding to draw attention to the challenges of trash collection and recycling in cities throughout the country. In many cities, trash pickup is hazardous work done by independent collectors; it's neither managed nor monitored by local governments. By turning their trucks into colorful mobile billboards artistically representing the environmental injustice of the current approach, rubbish collectors have banded together to bring their work out of the shadows (literally and figuratively) and



change city services. This is all happening through a grassroots effort called **"Pimp my Carroca."**⁵

Brazil is also home to a nationwide effort to **map the ecosystem of social participation.** Led by Cidade Democrática, this effort involves community members, university researchers, and nonprofits mapping participatory networks, writing manifestos, and doing research. The effort engaged more than 1,500 people in discussions and debate about development on a stretch of the Amazon River and ultimately generated more than 40 proposals to the dam construction company and the federal government.⁶

- **Large cities in China** face terrible levels of air pollution problems. The Beijing Olympics brought images of the capital city's smog-filled air to televisions across the globe. In 2008, staff members put



pollution-measuring technologies on the roof of the U.S. Embassy in Beijing to gather daily readings of airborne particulate matter. They then made this information available via a cell phone app and a Twitter feed, **@BeijingAir.** By 2013, multiple apps with side-by-side comparative datasets from different sources (including an official Chinese government source) were commonplace. Rather than continue to ignore the problem or try to shut the information services down, the government eventually passed new laws requiring publication of pollution details.⁷

- **Indonesians** have inhabited an archipelago of more than 7,000 volcanic islands for much longer than either cell phones or nonprofits have existed. They've developed networks of neighbors to perform rescue and recovery



work that, in the case of volcanic eruptions, can mean the difference between life and death. Cell phones and text messaging systems are great tools for these networks, allowing them to coordinate their efforts

more quickly and across greater distances than ever before. But the groups that continue to provide this assistance, such as the Jalin Merapi Network, don't need formal organizational structures or nonprofit status. Using Twitter, radio, and volunteers from local communities, the network keeps a constant watch on the volcano. When the crater is quiet, the radio station provides news for farmers and weather updates. However, the eyes of the crowds are constantly on the crater and the slightest sign of activity is noticed and transmitted along

"Digital social" is a term widely used in Europe to mean the application of digital technologies to socially positive activities — what I have been calling digital civil society.

the built connections of radio broadcasters and dedicated Twitter feed. These instant alerts can be sent to volcanology experts off site, as well as to those on the ground who will kick into action if necessary.

Indonesia is also home to a robust network of "breastfeeding dads." It's not that the males take on the actual task; rather they are leading a social media-driven, male-focused campaign to encourage the practice of breastfeeding infants. The campaign helps men help women to choose the healthier (and less expensive) option of breastfeeding over using bottled formula. Using irreverent slogans that capture attention, the campaign has engaged hundreds of thousands of men and provided both political cover and public support for nonprofits focused on policy change.⁸

Case studies of each of the countries visited by the Lab Around the World are available in a **booklet published by betterplace lab.**⁹ They also maintain a robust database of examples, and publish their findings in an annual Trends Report (in German). The lab team posed questions about the use of digital tools for social good and its relationship to cultural context, the built infrastructure, digital adoption, and ranking on the **Global Innovation Index.** Research being conducted by nonprofits such as the **Data & Society Institute, The Engine Room, FeedbackLabs,** and **SIMLab,** and at numerous university centers provides additional insight

into these questions. We need to understand the global elements of digital social innovation, ideally through the insights of people from all parts of the globe. This sample of stories is only that — a sample. A truly global conversation would serve us all well.

INCREASING ORGANIZATIONAL DIVERSITY

Outside the U.S., nonprofits have less dominion over social purpose. Informal associations, community groups, co-operatives, and social businesses are all experimenting with digital tools for social benefit. In some cases, there is no formal nonprofit or public benefit organization involved in the work. Many examples of digital innovation come from individuals with an interest in a cause. Examples include online communities

A great deal of innovation in the use of digital for social good is coming from outside nonprofits.

where people with specific diseases share insights and provide each other with emotional support, innovators tinkering with 3D printers to create open-source blueprints for building low-cost shelters, and networks of citizen “scientists” using free phone apps to monitor air quality in their communities. These are all examples of “digital innovation” going “social.”

Examples like these are also happening in the United States, but our tendency toward institutions (nonprofits in particular) means that much of the conversation I hear about digital innovation in the U.S. is really asking whether or not nonprofits are making the most of technology. To me, this is asking when and how the “social” sector is going digital. The difference is more than semantic. Digital tools are important partly because they facilitate decentralized decision making, distributed input, and networked resources. In other words, they facilitate new forms of action that not only are unlikely to be tried within existing organizations, but also may well be threatening to them. To see the whole picture of digital civil society in the U.S., we have to look at examples of both digital innovation with a social purpose and social institutions that are experimenting with digital approaches.

Scanning studies of “digital social” make it clear that a great deal of innovation in the use of digital for social good is coming from outside nonprofits. It comes from digital innovators creating tools for social purposes and from activists and informal networks of residents adapting their work to digital platforms. In many domains — such as education and health care — the lure of commercial success is attracting digital innovators. Their experiments, especially when successful, then reshape the demands of nonprofits in those domains.

Because civil society and the social economy thrive with organizational diversity, this is a good thing. Nonprofit organizations can partner with activists, formally or informally, to allow each to do what they do best. In Germany, a new agency called the **Peng Collective** exists precisely to create relationships between digitally savvy activist groups and nonprofit organizations. Their informal tagline, “We take all the trouble,” says a lot about why such partnerships might appeal to formal nonprofits. The activists create public awareness; they can be more confrontational or irreverent and the nonprofits can push the work beyond agitation to actual change in policy or practice.

This opens up new opportunities for formal and informal alignments within civil society beyond just public-private partnerships. Foundations and funders can play helpful roles here by helping different enterprises find each other, by being more flexible in who they seek as partners, and by not assuming that nonprofits have to be “self-sufficient” and the sole source of expressive or distributive services.

In many parts of the world, the traditional mechanisms of civil society are in danger. According to experts at **Ariadne**, more than 50 countries have passed laws limiting civil society since 2012.¹⁰ Digital tools may be helpful in fostering new forms of civic action. They also invite new, and unprecedented, forms of surveillance. We can be encouraged by the innovation and experimentation seen around the globe, while also remembering that activities that are seen as threatening to governments — democratic and otherwise — often invite greater scrutiny and crackdowns.

In its 14-country research, what the betterplace lab didn't find — and, to be fair, wasn't really looking for — were plentiful examples of established nonprofits pushing the boundaries with digital technologies.¹¹ Most of the examples presented in the lab report show individuals using the tools or hubs to organize or to produce something, and only a minority of these efforts are structured as or led by nonprofits. UNICEF Labs offers a variant on this. Funded by UNICEF, **UNICEF Labs** are a network of innovation centers in different locales partnered with a variety of organizations and individuals. The global connection allows the Labs' network to deliberately move ideas between locations and partners.¹² While there are many cases of nonprofits working well with informal networks built around digital tools, there are just as many examples of nonprofits clashing with the efforts of tech-empowered individuals.¹³

These dynamics can be seen coming to a head in the numerous fundraising campaigns driven by individuals where the intended nonprofit recipient doesn't have control from the start. Crowdfunding sites are beginning to provide guidance to their users about how to work with the intended benefiting nonprofit to avoid disappointment (or public relations disasters). One company has even proposed a **Crowdfunders Bill of Rights**¹⁴ and others have offered up new **codes of conduct** for donors.¹⁵

Even the Ice Bucket Challenge — the social media event that dominated global public attention for a month or so in 2014 — experienced strained relationships between the benefiting nonprofit and the crowds that supported it. When the ALS Association, the original beneficiary of the challenge (though not its creator), tried to trademark the phrase "Ice Bucket Challenge," members of the same public that had enthusiastically dumped cold water on their heads to support ALS dumped rhetorical cold water on the organization's effort at control.¹⁶ Any attempt by the nonprofit to control the message or the campaign was seen as a slap in the face of the distributed community that had created it, a virtual "land grab" of well-intentioned grassroots activism. Wisely, the ALS Association quickly withdrew its trademark application. The challenge, which raised funds from around the globe, also led to the creation of competing organizations. Participants in China,

for example, created their own enterprise for raising awareness of ALS and other diseases, rather than directing their funds to the American organization. Similar to what happened when the public pushed back against the Susan G. Komen Foundation in 2012, online supporters may well be more allied with a cause than with an organization.

Digital activists themselves seem somewhat agnostic regarding enterprise form.

The dynamic between informal, temporal, and digitally active networks and more formal institutions is important to understand. Researchers such as sociologist Zeynep Tufekci¹⁷ and author Micah Sifry have investigated these relationships as they relate to protest movements and governing organizations.¹⁸ The parallel dynamic between activists and nonprofits warrants similar attention.

Reflecting on the findings from the first Lab Around the World, it is worth asking where and when the "digital is going social" and where and when the "social is going digital." A first impression is that established nonprofits and nongovernmental organizations are extending their current practices and are focused on using digital technologies for capacity building, efficiency, and faster/broader outreach. Digital activists themselves seem somewhat agnostic regarding enterprise form; once they have an idea for a digital application, the choice between a commercial partner and a nonprofit partner appears to be driven by a mix of several factors: cultural expectations regarding the two forms, the ease of accessing capital, and the priority they place on creating jobs or wealth from their innovation. In many places visited by the Lab Around the World, the digital innovators working in nonprofit hubs or labs didn't focus on creating nonprofit applications. If they were creating tools to create jobs or wealth and if commercial capital were available for growth, then a for-profit path (or perhaps a social enterprise) made intuitive sense. We don't know enough to draw broad conclusions, but the Lab Around the World's first foray certainly begs a hypothesis that digital innovation, social innovation, and commercial innovation will be woven together in a variety of ways that require us to think of social economies, not just of nonprofits and philanthropy.

STRATEGIES FOR PROMOTING DIGITAL INNOVATION

Examples and stories from the Nominet Trust, Nesta, Lab Around the World, and elsewhere offer hints of the various strategies being used to promote digital social innovation around the globe. While it's always tricky to try to derive a comparative logic from the work of others, especially from afar, I see hints at a few approaches to promoting digital social innovation:



Hubs and labs. Targeted investments that provide a common meeting place, broadband connectivity, and varying levels of mentorship, classes, hackathons, or meetups are “institution-building” efforts that can be found almost everywhere, from African cities to the ImpactHub network and Silicon Valley's Y Combinator.



Prizes and competitions. Nothing says innovation like a prize or competition. These are often managed through hubs and labs. They invite a range of participants, reward accomplishment, and are great attention-getters.



Global distributors. While we usually think of foundations as the sources of money, it seems the biggest ones are also playing the role of idea distributors. The Bill & Melinda Gates, Rockefeller, and Ford foundations all have offices in multiple places and can use their own professional networks as well as grantee contacts to spread ideas from place to place. Other international funders such as UNICEF and DFID, the Department for International Development in the U.K., also do this. The value of these human connections seems high, despite the hope that Internet channels for distributing research would let the information do the talking. A 2014 analysis by the World Bank found that only a small percentage of its posted research was ever downloaded. Promoting and distributing ideas still relies on people.



Governance by GitHub.

Open-source software developers have long shared their code with others as a way of collaborating, reusing useful pieces of code, and making improvements collectively. **GitHub** is a popular repository of code that allows people to easily share, build upon, fix, and improve software code. When the coders get together with nonprofit managers, public agency officials, or other domain experts to set parameters and code standards for specific types of software, such as mapping park trails or sharing bus information, then the code becomes both an artifact of governance and a means of distribution and replication.

Which of these strategies work best — and where, when, and for whom — are open questions. Other strategies are surely in use. Some of these approaches will fail. These are first steps in trying to make sense of the activities of digital civil society.

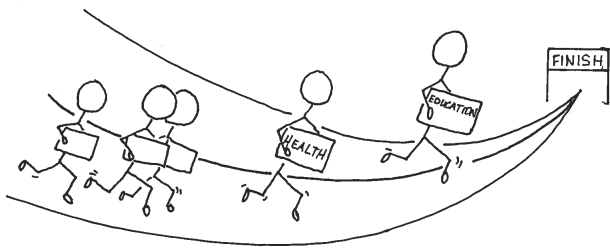
DIGITAL INNOVATION ACROSS DOMAINS

Another set of questions centers around whether digital social innovation is moving faster in some domains than others, and if so, why. My research on the ethical uses of digital tools hints that certain domains or areas of work — such as human rights, reproductive rights, and youth outreach — are quite far along in thinking about the nature of privacy and the need for free association in digital spaces.

Human rights. The **Martus project of**

Benetech, for example, is building an “ethical tech stack,” a complete set of digital tools built on defaults that can protect people doing politically and physically dangerous work.¹⁹ Other organizations, such as **WITNESS**, have been training people to use digital tools to document human rights abuses while walking the tough line between safety and credibility.

Health. Digital innovators, both commercial and nonprofit, have been attracted to this field that is one of the most heavily regulated realms of data. Health innovators might be seen as falling into two categories: those working within existing regulatory structures and those working around them. The fluidity and challenges of this reality came to my attention with Apple's announcement of its forthcoming



watch. As it touted the health benefits of the watch's data-tracking features, the company also promised that the collected data would only be available to the watch's owners "and for medical research."²⁰ The problem is that medical research is done by individuals and organizations in many sectors and in many countries, each operating under different rules and with different requirements for oversight, including nonprofits, commercial companies, public agencies, and citizen scientists.²¹ How much protection is actually provided remains vague enough to have attracted the attention of regulators.²²

Education. Digital innovators also have set their sights on education in a significant way. One of the year's biggest nonprofit closures involved three major players: a well-funded nonprofit company focused on school student data, parents strongly pushing back on the use of that data, and a national movement to regulate how student information is collected, protected, and used.²³ Despite the size of the lost investment (at least \$100 million), the closure of InBloom is only one step in an evolving dance between digital innovators, policymakers, and the public.²⁴

Art and expression. As they so often do in times of change, artists are pushing our thinking about the promise and peril of digital social innovation. When famed painter David Hockney began e-mailing friends small paintings he'd created on an iPad, it immediately raised questions for fans, collectors, and museums: "Which one is the original?"²⁵ Coming at questions of ownership and identity from a completely different direction, Heather Dewey-Hagborg, a computer scientist and artist, uses "found DNA" to create 3D printed models of people she has never met. Her **Stranger Vision** project has been featured on television and radio where she's often interviewed about her art along with genomic, legal, and technology experts.²⁶ Artists and creators such as **Lance Weiler** are also bringing public media and public broadcasting together in new ways. Poets also push our thinking about what creativity means in the digital age. As Raphael Rubinstein writes in his "Poem Begun on a Train":

*Excuse me while I adjust the privacy settings on this poem
so that if it's ever published it will exist as a legible text
and not as a string of stubborn phrases I silently repeat to myself.
Three lines written, not three and a half, yet for the moment no one
but me has access to them, as they stretch haltingly
across the perfect grid of my Rhodia notebook,
unless, that is, Amtrak has installed
hidden video cameras above the seat in the coach class
of this Northeast Regional and one of them is focused on this very page.²⁷*

This short excerpt reflects Rubinstein's changing sense of both the creative process and the role of the audience. He's by no means alone in his observations; his work is published in an anthology given over to the theme, a collection called *Privacy Policy: The Anthology of Surveillance Poetics*.

As we collect more and more anecdotes across domains, one question to ponder is whether innovation in one domain can inform the others. Are the incentives and barriers to improvement domain-specific or generalizable?

As they so often do in times of change, artists are pushing our thinking about the promise and peril of digital social innovation.

NEXT STEPS IN DIGITAL CIVIL SOCIETY

What's next for understanding civil society in the digital age? There are several perspectives to consider for the year ahead.

New ideas on governance. **CodeForAmerica** is growing its international network through partnerships with public agencies (such as park and recreation departments), conservation nonprofits, and individual eco-activists to create common software code standards that will allow all partners to share data, build common tools, and easily expand their reach. At the same time, it will allow others to adopt the software code, too. As much human collaboration and governance work goes into creating these shared standards as might go into a non-digital collaboration effort. The difference is that the resulting software code can be used by anyone, anywhere. This allows new parties to join an effort and expand it without the governance process having to start anew. The standards are the result of hard negotiations and compromise, just as all

governance structures are. Once agreement is reached, the standards will serve as a readily accessible scaffold for rapid replication and growth. The code offers a form of governance structure. In a nod to the popular software repository, I've called this "governance by GitHub." (See discussion of GitHub on [page 12](#).)

Over the next years, we should all be watching the ways civil society actors "layer," partner, complement, and ally themselves in different contexts.

While software standards can spread easily, they are not immune to ongoing governance debates. Who will manage and sustain them is one such debate for digital civil society. Sometimes standards are a victim of their own success. For example, bicyclist communities in many cities are often unhappy with the maps produced through partnerships between city governments and commercial agencies. Bicyclists want to develop and use alternative standards that focus on the reality of biking in big cities, which includes potholes, detours, and traffic.²⁸ Of course, standards can also serve to concentrate power in the hands of those who govern them.

Increasing the safety of digital social action.

Other resources that directly address the safety, security, and privacy of digital social action include trainings and resources from the [Tactical Tech Collective](#), the work of [WITNESS](#), forthcoming guides from [ZeroDivide](#), legal resources and tools from [Electronic Frontier Foundation](#) and the [American Civil Liberties Union](#), and the tools and community being built through the [Responsible Data Forum](#). A working list of ethical codes that inform the digital activities of some sectors of civil society was developed for the [Ethics of Data Conference at Stanford](#) in September 2014. In addition, several innovation challenges are starting to include ethics panels in their review processes. Humanitarian groups, disaster relief agencies, and data science groups are all looking at how the capacities of digital tools serve their purposes but also challenge certain existing practices.

Digital skills and organizational capacity.

A great deal of attention has been placed on nonprofits and their potential uses of digital technology. Foundations, too, are beginning to address their own capacity to use digital data and infrastructure well and to support nonprofits to use digital tools and data in smart, safe, and secure ways. Stanford's [Center on Philanthropy and Civil Society \(PACS\)](#) and its new [Digital Civil Society Lab](#) will launch a Digital Data Governance Guide first developed at the Packard Foundation. This resource will be available in the coming year for use by foundations, organizations, networks, consultants, and philanthropic capacity building efforts.

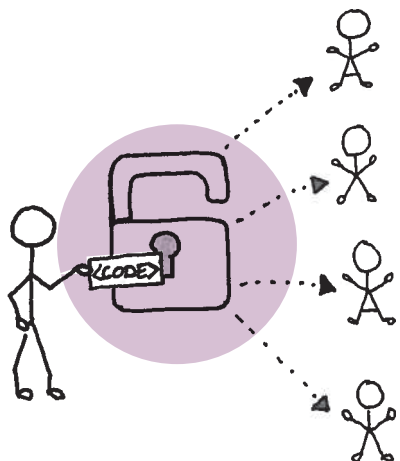
Related to all of this is ongoing work to make nonprofits and foundations more transparent. Canada's open data on nonprofit tax information enables an ecosystem that can repackage that information for grantseekers, feed it directly into grants management software, and readily mix it with other open government data on financial flows and investments. Canada's commercial enterprises have the easiest raw material to work with and serve up robust data services via platforms such as [Ajah.ca](#) and the [PoweredbyData](#) project. In China, the China Foundation Center uses government reporting data on nongovernmental organizations to publish a Transparency Index.

Efforts to open nonprofit data in the U.S. are moving forward, despite political and institutional barriers slowing down what is technologically possible. In the meantime, we see continued experimentation around information transparency. In the last year alone several independent efforts in the United States, including [Inside Philanthropy](#), [Philamplify](#), and [Transparify](#) (focused on think tanks) have entered the space opened by [Glasspockets](#). A new effort called [360 Degree Giving](#) is encouraging foundations in the United Kingdom to share more data on their activities. It's being led by established trusts and is using shared interests and peer relationships to encourage participation. Although it's starting small, the 360 Degree Giving effort latched on to an international transparency standard for data reporting and intends to take the information that becomes available and immediately make it interoperable with both international aid data and Canada's open data effort.

Codes for digital civil society. The Stanford PACS' Digital Civil Society Lab is focused on informing and building three kinds of codes that digital civil society will need going forward. These codes are **software**, **organizational**, and **legal**.

As more and more expressive actions and protest rely on digital tools, we'll need new software code that defaults to the values of civil society (free association, private action, protest, and dissent), and not to the national security interests of government or the bottom line concerns of business. This is already underway in efforts as different as **DuckDuckGo**, the **Responsible Data Forum**, and the **Martus Project of Benetech**.

This category of work also captures the many efforts to make data from and about the social economy more readily available, more interoperable, and more useful. We will see more and more software tools, apps, and websites built to align with values such as privacy and informed consent.



Organizational codes include terms of service, data management policies, and privacy settings that represent the values and mission of the organization. These policies won't be cut and pasted from commercial web services, and they will be as indicative of an association's mission as are its corporate charter or bylaws. Public Knowledge has some examples of policy and practices codified to represent an organization's core values.

Organizational codes will also take the form of common practices for sharing data safely across sectors and destroying it when appropriate. In addition, data philanthropy will come to mean something specific, with consent, liability, ownership, and value issues explicitly discussed

and explained rather than assumed. These kinds of codes will also address the needs of nonprofits when it comes to cybersecurity — especially in light of the ways data and systems cross sectors.²⁹ Civil society needs to seize the opportunity to codify its ethical choices into its software and organizational structures.

Finally, changes to legal code will come. We will need new rules for these new tools. We can either inform the new rules or fight them, but it's naive to assume that our legal structures for using digital resources will stay as they've been. The change might come in response to scandal or damage done, or it might come as regulators step up to proactively protect vulnerable people from unscrupulous ones. This may take many forms. It might be **data privacy standards**, such as those recently enacted in many states regarding student data, or, like today's modern foundation at its birth more than 100 years ago, it might be a new type of enterprise to manage a new resource at scale. It could be new requirements for data governance built into corporate code, or it might be something akin to a whole new form of enterprise, data trusts, or **benefit corporations built around data**.

Together, these three types of codes should embody the values that make civil society vital parts of democracies. These values may not always be exclusive, but we are wrong to assume that the defaults of business or government are also the defaults of the independent associational space where we choose privately to act publicly.

What actually matters about digital tools is that they allow for new forms of action, new types of networks, and new methods of exchange.

Research resources. An important step will be to capture and catalogue the global research resources that are developing. One of the areas we should all be watching over the next years will be the ways civil society actors “layer,” partner, complement, and ally themselves in different contexts. Useful examples here include the research of Lab Around the World, **Nesta**, the **Nominet Trust**, and the **Building Change Trust** in Northern Ireland. MIT's Center for Civic

Media, for instance, is working with data from the [Digital Activism Research Project](#) and cataloguing stories and case studies in an online

We need new rules for these new tools.

book, [Global Dimensions of Digital Activism](#).³⁰ The visualizations and map at [digitalsocial.eu](#) show one research set of innovation examples. A good next step would be to connect it with the resource databases held by others.

Just as we've expanded our frame for thinking about social good from nonprofits and philanthropy to the dynamics of the social economy, we need to push ourselves another step further to take in the potential of digital change. If we focus only on how nonprofits are using digital tools, we will miss much of the experimentation in digital civil society. More importantly, we would miss much of what actually matters about digital tools — that they allow for new forms of action, new types of networks, and new methods of exchange.

Foresight

Predictions for 2015

The trends discussed in the *Insight* section are powerful and long-term. What can we count on happening in the next 12 months? Here's a list of possibilities that go beyond just the theme of digital civil society to other realms that matter to philanthropy. Most of these are U.S.-centric; this is the area I know best and the primary intent of this document. I'd welcome predictions about the nature of change in other parts of the world — please feel free to contribute your best guesses about what next year holds in your part of the world. You can submit these (for public discussion) on the GrantCraft website and join me here a year from now to see how well you did!



Trends to keep in mind

There are many other trends shaping how we use private resources for public benefit. It's hard to draw straight lines between these forces and philanthropy, the social economy, and digital civil society, but they are still worth bearing in mind as we look ahead. Here is a selection of trends worth keeping in mind:

- The West continues to age: 10,000 Americans turn 68 every day, changing the workforce, retirement practices, demands for public services, and philanthropic transfers.³¹
- African countries and communities continue to come online and into the global economy.
- China continues to invest abroad.
- Carbon emissions continue to grow.
- Innovation in space travel, artificial intelligence, biotechnology, genomics, neuroscience, and nanotechnology continues to astound.
- We'll add global pandemics to our list of natural disasters and get better at coordinating public health, national security, and disaster relief domains.
- Wealth inequity continues to grow.
- Species and habitats continue to be lost.
- Artists continue to amaze and inspire.

With these and otherwise shared insights in mind, here are my predictions:

DIGITAL CIVIL SOCIETY

- 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.
- Carl Malamud of **public.resource.org** will **win his case against the Internal Revenue Service**. He has sued the agency to release Form 990 data in electronic, machine-readable form. Malamud, who's called a "rogue archivist," was behind a similar strategy targeting the Securities and Exchange Commission and corporate information that resulted in the creation of an online database allowing public search of corporate records (**EDGAR**).
- Zero-rated Internet access, in which companies provide remote communities with free Internet access, will double in reach. The access is free as long as users limit their use to apps provided by the hosting company.
- Foundations and nonprofits will craft policies for data privacy and use in closer alignment with their missions, moving beyond basic compliance approaches.
- There will be a data privacy scandal involving a nonprofit, bigger than the **Goodwill credit card hack** or the legislative movement on student data privacy.
- Individuals equipped with cell phone cameras, in countries rich and poor, will play even greater roles in monitoring their own health while contributing to larger health care systems.
- Several nonprofits will experiment with new apps, only to have to withdraw them because of public outcry regarding their disregard for user privacy (see the case of **Samaritans RADAR** for an example.)

PHILANTHROPIC REGULATIONS, INDUSTRY NORMS, AND INFRASTRUCTURE

- Conference sessions on "digital social" (or some version of the term) will become regular features of philanthropy and nonprofit conferences.
- The **fossil fuel divestment movement** among foundations will get a lot of attention but not a lot of members.
- 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.
- The U.S. Congress will set new lows for productivity, and there will be lots of talk but no action on tax reform. This will render moot the political agendas of most nonprofit and philanthropy associations that focus on protecting the charitable tax deduction.
- American foundations will be asked to step in to help another city facing bankruptcy (besides Detroit). They will refuse.
- 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).
- Coordinated disaster philanthropy will gain traction as an idea, though it won't become routine behavior.
- 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 managing and accounting for these issues.
- Donations of corporate data ("data philanthropy") will be front-page news, and corporations and nonprofits will get to work on best practices as a preemption to regulatory oversight.
- 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**). This won't bode well for local nonprofit "sharing economy" providers.

- China will continue to move toward standardized foundation regulations for domestic philanthropists.

OTHER

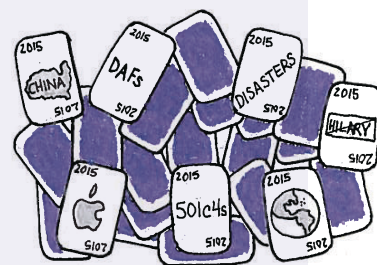
- Foundations and nonprofits will start hiring data scientists to do work yet unknown or imagined.
- Climate effects on food prices, jobs, and economic well-being will become part of the American national and political discourse (as is happening in 2014 with California's drought).
- Impact investing as a practice will gain regular coverage in the mainstream business and finance media.
- The growth of impact measurement and social impact analysis as a professional field will continue, especially in Asia.

MOBILE PAYMENTS

After being wrong for five years in a row about the penetration of mobile phones as a meaningful source of financial donations in the United States, I'm pulling out this prediction for 2015. This is despite the launch of Apple Pay in September, the spinoff of PayPal in October, and a late 2014 rush of media coverage insisting that mobile payments were finally coming to the U.S. A safer prediction on my part would put 2015 as a year in which Americans will start paying for things with their phones more than they do now, and by 2016 charitable giving will see noticeable use of mobile giving beyond disaster response. When it comes to mobile wallets, the United States continues to lag behind Kenya, Taiwan, Japan, and Korea. This may shift for consumers in 2015, but for more than impulse giving I think we're just not there. The tech solutions launched this year will accelerate the change — but the psychology of giving seems to be out of sync with all the mobile tools we've had to date. This change is coming, but I give up on getting it right as to when. (Watch me be wrong again!)

2015 Wildcards

In addition to the big ideas that matter and my 2015 predictions, we should always count on a few surprises. We can predict that the unpredictable will happen. Wildcard events could include:



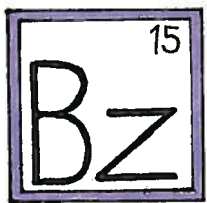
- The U.S. Congress will pass legislation placing new requirements on donor-advised funds.
- Foreign foundations working in China will face increasing oversight and public scrutiny by the Chinese government.
- A collaborative mission-investing platform to help small investors deploy their funds will launch and actually work.
- Hilary Rodham Clinton will not run for President of the United States.
- The U.S. will implement meaningful reform to the role of 501(c)(4), -(5), and -(6) organizations in political campaigns and the nonprofit sector will be again distinguished from campaign finance.
- Higher food prices, lost jobs and lives, and insurance payouts from a series of weather-related disasters in 2015 will put climate change and energy policy at the center of political campaigns around the globe.
- Regulatory, public safety, and labor-related backlash against commercial peer-based platforms for transportation and hospitality services will lead to major devaluation of companies such as AirBnB and Uber.
- A new global measure of charitable giving will include accurate counts from crowdfunding platforms.

JOIN THE CONVERSATION

Discuss your predictions at
grantcraft.org/discussions/blueprint15-predictions

To share other resources and commentary related to this *Blueprint*, visit
grantcraft.org/share-your-wisdom

Additional commentary will be curated on the GrantCraft homepage and blog, so please visit the website to follow along.



EXTRA CREDIT

Do you know what these are and why they may matter to philanthropy and the social economy?

BLOCK CHAIN

ZERO RATING

Post your thoughts on the [GrantCraft website](#) by February 28, 2015 for a chance to win a GrantCraft tote bag and a print copy of *Blueprint 2015*.

Buzzword Watch

The list of top 10 buzzwords for 2015 is intended to capture the gist of the jargon you're likely to hear in the next 12 months. Think of the list as "anecdotal." Some are meaningful; some are satirical. Some may have lasting implications and be a catchphrase that summarizes an important idea; others will pass by as quickly as they came. Regardless of how you feel about these buzzwords, don't confuse my inclusion of a particular term as an endorsement or rejection of the idea. I'm the eavesdropper and rapporteur, and I'm happy to say that the list this year includes contributions from colleagues in North America, South America, and Europe.

INTERNET OF THINGS

It's no longer just about your laptop and your phone. Digital connections are now linking our watches, shoes, refrigerators, thermostats, cars, and almost anything else that can hold a teeny tiny chip. Each of these devices becomes a sensor — a collector and distributor — of data about our habits, our activities, and us. More promise and more peril await. As some have noted, the Internet of Things (IoT) is not really about things, it's about cheap data — about you. Also known as Ubiquitous Computing. To counter the heavily commercial interests behind the IoT, the open source community prefers to work on the "open web with things."

CITIZEN SCIENCE

As the cost of materials, equipment, and information drop, the Do-It-Yourself (DIY) and Maker movements are turning to garage biology, chemistry, and physics. See [publiclab.org](#) for numerous examples. Teenager Jack Andraka made headlines as a self-taught cancer researcher, relying on readily available materials and public access to scientific journals. Citizen science follows along the same path as citizen journalism in taking advantage of lowered barriers to once walled-off professions. On the upside, lots of people engaging in science is a good thing. On the downside, given the ubiquity of data collecting devices (see Internet of Things), we'll surely see more occasions in which we ask, "how did they get that information?" and, "who should be monitoring the scientists?"

GIVING DAYS

Dedicating a specific day to fundraising for a certain cause has a long history. Galvanizing lots of people around challenge grants has been a mainstay fundraising tool from American community foundations for several years. But with the spectacular success of [#GivingTuesday](#), a networked, dispersed branding of the first Tuesday after the Thanksgiving holiday in the United States, these giving day events have reached a new pitch. In its third year, the event has gone global and become a much-watched case example of using social media for good. Expect backlash in coming years.

A/B TESTING

This is the practice of showing different interfaces or options to different audiences and seeing which one generates the most of the behavior you are trying to spark. Commonly used by software developers and interface designers, A/B testing entered common parlance with the Obama campaign's massive use of it in testing fundraising emails. The [2014 Facebook "contagion" study](#), which wasn't so much about A/B testing as algorithmic manipulation, put the practice (and public backlash against it) on the front pages.

DATA GENDER GAP

Gender disparities abound in data. Yes. Even today medical research is still done mostly on men (or male mice), and many other large datasets are used to inform policy or funding decisions despite the gender bias known to exist in the data. One effort to counter this directly is the [Data 2X project](#) involving UN Global Pulse, the U.S. Secretary of State's Office, the UN Foundation, and the William and Flora Hewlett Foundation.³² The datasets being used to inform public policy and financial decisions also need to account for racial, ethnic, and linguistic differences. Fighting discrimination in the data — and discrimination by the data — is critical. Efforts to counteract discriminatory data are another element of digital civil society. **Extra Credit:** Subscribe to the [Equal Future Blog](#) for weekly insights on social justice and technology.³³

ENCRYPTION

Human rights activists are on the cutting edge of creating and using secure technologies to stay clear of corporate and government oversight. Major foundations and large nonprofits are targets for hackers, whether they're looking for sensitive grant information or stealing credit cards from nonprofits. A new organization, [SimplySecure](#), was launched in mid-2014 to make encrypted software for email and mobile phones easier to use and more readily available. Nowadays, security is about more than not clicking on the suspicious link in that phishing email; we'll all get used to taking more steps to protect and secure our digital data.

ARTIVISTS

Take art and mix it with activists and you get artists! Whether it's graffiti on garbage trucks or the legions of artistic protesters associated with the Occupy movement, artists are stepping out of the shadows and into the limelight. There's even a book of case studies, [Beautiful Trouble](#), to help inspire and coach.³⁴ [Art played a role in the 2014 Hong Kong protests and is part of an effort by cyclists in Germany to connect crowdsourced data on biking routes to public art projects](#), all in the name of changing public policy.

WEARABLES

See Internet of Things (IoT). The category includes bracelet-style fitness monitors, upmarket pedometers masquerading as jewelry, and digital-sensor-enabled clothing to monitor sweat patterns or heart rhythms. Opportunities to donate your ["steps walked"](#) to charity seemed to emerge almost instantly after Fitbits became popular.³⁵ These devices also fed a widely publicized data visualization of [how the 2014 Napa Valley earthquake disturbed sleep](#), which may be looked back on as the harbinger of "massive, passive IoT data publication."³⁶

SMART CITIES

More and more of the world's population now lives in cities. Cheap materials and improved data collection processes mean our cities are filled not only with more people, but with more sensors — cameras, parking space sensors, toll gate passes, building codes, heat meters — you name it. If it's being built into today's cityscape, it probably gathers data ("senses") and sends that information somewhere. The goal is to use all this remotely gathered information to improve municipal services — making our cities "smart." Smart will require that we set the right rules for what gets gathered and what gets done with it.³⁷

ITERATE

Literally, to iterate is to do again and again. In its buzzword guise, it is one of many design terms that has jumped the rhetorical fence, pulled along by related terms, such as "innovate," into civil society and philanthropy. Sexier than your grandmother's pilot program, iterations mean trying small, learning and improving as you go along. See the pullout box, "Bonus Buzzwords: The Design Edition."

Bonus Buzzwords: The Design Edition

Design Thinking. Professional designers often take a surprisingly methodological approach to creativity. The catchall phrase for this approach is design thinking. Heavily influenced by the design field's work with material and product development, design thinking is a user-centered approach to developing something — a strategy, event, process, or practice. Design thinking (and its corollaries, human-centered design or user-centric design) includes each of the buzzwords below (plus many more).

Ideate. Designers don't think or brainstorm, they ideate.

Prototyping. Building a visible, tangible version of an idea — the rougher the better. Prototyping can be done on paper or with pipe cleaners and tape. The goal is to show an idea in its most basic possible version so others (especially potential users) can react and provide input. The feedback is used, and more refined prototyping ensues. The process of refining a prototype is one of iterating (see the last Buzzword).

User Testing. Getting feedback and input from the intended participants or beneficiaries. It's a good idea (if their input is actually taken into account).

Pivot. It used to be that if something failed, it failed. Now, when something's not working, whether it's a business model or program strategy, you just pivot — Silicon Valley-speak for what you do when your original idea doesn't work. Nonprofits have been slower to embrace the power of failure, although Engineers Without Borders is leading the way with its annual Fail Report, and the related organization, [Fail Forward](#).

Hindsight

Renovations to Previous Forecasts

As I do every year, I revisit last year's predictions in this section. A crowdfunding scandal may have been the easiest prediction I've ever made, and there are more examples than I care to list. On the other hand, MOOCs, mobile money, and IRS action on electronic 990s all failed to come to fruition.

I missed some interesting developments in 2014 including several new efforts at transparency into foundations and nonprofits. The year brought us at least four new transparency websites, including a new website [Inside Philanthropy](#), National Center for Responsive Philanthropy's [Philamplify](#), [Transparify](#), and a new database of "[America's Worst Charities](#)" from *The Tampa Bay Times* and ProPublica.³⁸

I didn't predict the exact mess at the IRS where 501(c)(4) social welfare organizations are concerned, nor could I have known that the U.S. Congress would pursue the issue to the end of

time. However, the torrent of political money coursing through nonprofits and its potential for reshaping the sector post-*Citizens United* was as foreseeable as the sun rising in the east. I expect this to continue and to include every possible ingredient from scandal to ineptitude, conspiracy to self-interested rule making, along with grandstanding politicians, deal makers of every political stripe, and a continuous decline in public opinion about the state of American democracy. (See my prediction about donor disclosure in campaigns 2014 and 2016, [page 23](#).)

SCORECARD FOR 2014 PREDICTIONS (NOTE: MOST WERE U.S.-FOCUSED PREDICTIONS)

Prediction	Right	Wrong	Notes
One winner of the Gates Foundation Data Interoperability Grand Challenge will launch a widely used new product or service for social sector data by December 2014.		✓	There really hasn't been enough time for this to come to pass as grants weren't made until early 2014. That said, GroundTruth in Kenya has made good progress making school performance data available to the public.
New ecosystems of service providers will evolve to help associations and foundations manage crowdfunding campaigns.		✓	Other than some of the crowdfunding sites providing guidance to their users, this hasn't really happened.
More nonprofits/associations will use MOOCs (Massive Open Online Courses) as professional development opportunities for their staffs.	✓	✓	Well, there are more than there were last year, but I don't think this has really taken off. The Buffett Foundation and Laura Arrillaga-Andreessen did run Giving 2.0: The MOOC in the fall of 2014. Results were not in at time of publication.

Prediction	Right	Wrong	Notes
New mobile money tools that make phone-to-phone, peer-to-peer payments easier will make informal networks of people even more visible, viable, and important.		✓	This happened in China, Japan, Taiwan, and Kenya — not in the United States. See Sidebar on mobile payment predictions. According to Forrester research mobile payments will take off in 2019.
Mandatory e-filing for all American nonprofit tax returns will cause new backlogs at the IRS, ironically slowing the timely sharing of nonprofit data.		✓	IRS was stuck in scandal mode all year.
GitHub will become a widely used, meaningful sharing platform for nonprofits. (And, you will learn what GitHub is.)	✓	✓	This is old news in civic tech and mostly unheard of among nonprofits. When this changes, it will be a good metric of how digital-social civic-tech nonprofits are coming together. For more information, see thegovlab.org/github-a-swiss-army-knife-for-open-government .
Feedback Labs will gain real traction, and similar efforts at beneficiary voice will launch beyond development aid.	✓		The effort is putting out regular updates, getting talked about in lots of places, and bringing together new partnerships. The new Fund for Shared Insight is one sign of traction.
Video will be the next infographic.	✓		Videos work when it comes to inspiring action. I'm not sure how to measure this in the social sector other than to note that most successful crowdfunding campaigns nowadays seem to depend on video, and crowdsourced video has become critical to journalism, protests, and community action. And 80 quadrillion-squillion minutes of video are uploaded every day to the web (or some equally big number, minus cat videos).
At least one major nonprofit/foundation infrastructure organization will close up shop.		✓	The Association of Small Foundations rebranded itself and is now Exponent Philanthropy. The closure of InBloom doesn't count.
Nonprofits and associations will experience new regulatory challenges from unexpected sources such as the sharing economy (such as peers.org).	✓		Cities around the country are writing new laws and responding to lawsuits about peer-to-peer companies for transportation and hospitality purposes.
Digital tools for humanitarian aid will be common in disaster response and will become part of disaster infrastructure.	✓		I've named this the "age of digital assumption." It's no longer <i>if</i> digital tools will be used but <i>which ones</i> and <i>how well</i> .
Donor disclosure rules will return to the media spotlight with the 2014 midterm elections in the United States.	✓		Yes, 'nuff said. And the United States Supreme Court's 2014 <i>McCutcheon</i> decision will further complicate the role of nonprofits, donors, disclosure, and campaign finance. Get ready for the buildup to 2016.

Prediction	Right	Wrong	Notes
We will experience a major scandal in the crowdfunding marketplace.	✓		The same year that Kickstarter surpassed \$1 billion in funds raised, the number, size, and visibility of scandals also grew. Whether outrage (and naiveté) of the original crowdfunders when Facebook bought Oculus Rift for \$2 billion or the more outright scams of miracle medical devices (the Healbe) on Indiegogo, it's clear that not every crowdfunding scheme is what its funders hope it to be.
Beneficiaries of other services will begin to organize and be heard in the way that the "e-patient" movement is beginning to change medical care and research.	✓		Two very different examples come to mind — #yesallwomen as an example of communities focused on sexual harassment connecting with activists for gun and mental health laws, and the "student data privacy" movement active in passing state laws about school data.
Humanitarian groups will develop codes of ethics and new standards for digital privacy.	✓	✓	This is just beginning, but it's underway. See below on nonprofit data privacy.
Americans and Europeans will make greater use of "personal privacy" protection services on the Internet. That is, they will use services that allow them to own and control their own data.	✓		The European Union passed laws allowing the "right to be forgotten," and then put responsibility for implementing the law in the hands of search companies. Several American states passed laws protecting student data. Apple marketed the encryption capabilities of its newest iPhones.
A nonprofit standard for data privacy will develop.	✓	✓	These exist in several subsectors including health work, youth outreach, and human rights activism. It's hard to measure how widespread they are.
American foundations will launch several new programmatic initiatives rooted in concerns about the polarized and paralyzed state of American democracy.	✓		You can see the funding streams on this map from Foundation Center . The Omidyar Network spun off an independent Democracy Fund.

Questions for the Future

A tale of blurred sectors should have been the biggest story in U.S. philanthropy in 2014. In making this claim, I point to the role that major foundations played in resolving the bankruptcy of Detroit, a story including private dollars, pension obligations, cultural treasures, and the long-term feasibility of a major city. The full implications for Detroit, for other cities, and for those foundations that participated in the \$800 million joint action will reveal themselves with time.

I use Detroit here to make the point that the idea of “blurring boundaries” is not a hypothetical future but a real present. We can see it as well in the role that individual donors played in making grants to fight the Ebola outbreak and the billions of dollars in private money spent on the U.S. 2014 elections. These are all signs that the focus on how we use private resources for public benefit is a real issue.

In 2014, Lester Salomon published **New Frontiers of Philanthropy**.³⁹ In two dozen contributed essays, the book digs into the proliferation of new financing mechanisms for social good. The book firmly places impact investing tools and structures in the same space as philanthropy and provides a cross-cutting look at why this change has happened. Salomon places these financial innovations on the “frontiers” of philanthropy — I’ve put them all in the same frame of the social economy.

Some of the tools will spread and some will fail; the dynamics between them and the unintended consequences of them are solid assurance that the social economy frame makes sense and is here to stay. Scholars from the University of Toronto and Arizona State University add further weight to this claim, with a **textbook on Canada’s social economy** and one on the social economy of the United States due out in 2015.⁴⁰

Over the past six years, this *Blueprint* series has heralded the rise of impact investing, questioned the nature of the sharing economy,

considered the intersections of political funding and charitable giving, and kept questioning the newest gadgetry looking for the bigger implications of digital technologies. Looking ahead, one thing is clear — these things that were once shiny and new are now here to stay. As we get past the hype cycle for each of these elements of the social economy we reach a new depth of inquiry, with new questions for each of these subsectors as well as for the social economy as a whole. Of course, the future is full of questions about digital civil society; many of which were articulated in the Big Ideas section (pages 13 – 16) and more are asked below.

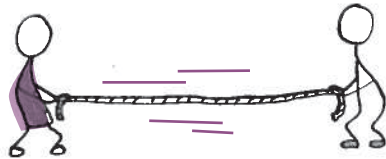
What does a fully politically entangled nonprofit sector look like?

I should note again the many challenges of trying to incorporate global perspectives. Every country and region deserves its own analysis and I cannot do justice to others’ experiences and challenges. My hope is that this *Blueprint* series will inspire and incite others to tell their own stories and raise their own questions. We’d all benefit from such a global inquiry and conversation.

IMPACT INVESTING

Given the many other resources in the U.S. and around the globe that focus on impact investing, I’ve slowly stepped back from focusing on it in this series. Not because it’s not important; it is, and it’s here to stay. As we think ahead to the

future, now that these multiple financing tools are an assumed part of our landscape, we should move beyond exuberant hype and ask the next level of tough questions: What works when? Do these different financial vehicles cohere in any rational way? Are the capital markets for social good more sensible or transparent than before? What unintended consequences have come from this proliferation of financial vehicles? Who is still not being served?



THE SHARING ECONOMY

The sharing economy is showing much greater signs of internal tension and external pushback than it has before. If 2013 were the year in which driving others around in your car or renting out your spare bedroom was cool, 2014 brought us to a point where the neighbors were angry, your insurance rates were going up, and the allure of being a cabdriver or taking in boarders was starting to fade. Organized pushback against these “sharing” platforms is coming from every direction — regulators, competitors, labor activists, and the general public. This sector of the social economy will continue to define itself. The enormous capital investments in some of the companies that lay claim to “sharing” ensure that expensive regulatory battles will continue to be fought.

communities want to recombine profit-seeking capital, public safety obligations, public revenue, claims to environmental or social purpose, and digital technology?

POLITICAL FUNDING AND CHARITABLE GIVING IN THE UNITED STATES

In October 2014, the percentage of funding for political campaign ads crossed the line at which a majority of the funding sources were undisclosed.⁴¹ This means, effectively, that more money for campaign politics was flowing through politically active nonprofits (without donor disclosure) than was flowing through the system of organizations (PAC’s, SuperPACs, etc.) that exist to manage electoral politics, where donors are disclosed. In other words, the “loophole” had become bigger than the system itself.

While activists, funders, and legislators pushing to reform how social welfare nonprofits function in the political finance realm remain committed, this part of the social economy is far beyond the hype/concern phase. The Internal Revenue Service has been functionally stripped of the capacity to meet its regulatory obligation, and no alternative is being put forth — creating a “do nothing” status quo. The battles over these issues continue to be fought by courts and legislators within the realm of campaign finance. High profile, “Hail Mary” efforts include Lawrence Lessing’s [MayDay PAC](#) — a PAC to end PACs — and legislative proposals from Representative Sarbanes and others, but most remaining campaign finance reform energy is now operating at the state level.

Nonprofit policy associations have aligned their interests in sustaining advocacy with the forces encouraging the free flow of anonymous political funding via social welfare nonprofits. Effectively, this leaves no voice for a charitable sector free from political entanglement. What questions are we left with? What does a fully politically entangled nonprofit sector look like? Will the charitable sector have to adopt the norms of political giving, requiring donor disclosure (and ending anonymous giving)? The flow of election financing is eroding the practical borders between charitable organizations and political ones; will the legal borders be next?

How will philanthropy and the social economy interact with the new activism, expression, and protest enabled by digital tools?

There will be a patchwork of rules determining where certain companies can operate. This leaves lots of questions about operating ability and regulatory fit for smaller, community-based, peer-to-peer sharing groups. Local politics will bear the brunt of this uncertainty, and local officials will be held to account as either promoters of disruptive new business models or protectors of public safety and zoning codes. The sharing economy is a petri dish of questions. Most significant: how do

DIGITAL DATA

A similar cycle from hype to concern has played out with regard to digital data. Two years ago it was new; last year it became scary. This is akin to the typical “hype” cycle that describes new technologies, though the questions being raised about data, discrimination, accountability, and democracy are much more substantial than simple disappointment in a new gadget’s features. Real concerns about data discrimination and lack of due process are being discussed and folded into policy reports and recommendations. Following on the heels of an energetic “open data” and “transparency” push, we’ve also come to realize the somewhat ironic invisibility of the algorithmic uses of large datasets — a great concern when we consider their growing role in policymaking and fiscal decisions. One response was the movement to protect data collected on school students, resulting in legislation in 20 American states.⁴² The immediate future will bring questions of data ownership and management to the attention of nonprofits, foundations, and others in the social economy. An oversimplified version of what’s coming is “open data vs data philanthropy — what makes sense when?”

How to use digital data safely, securely, and in line with your organization’s mission will be questions involving board members, executives, technology advisors, program providers, and legal experts. More organizations will realize that, whatever their social purpose, they need to manage their digital assets with the same care with which they manage their financial assets. How to do this will be the big question for organizations, their funders, and the supporting organization and capacity builders in the sector.

DIGITAL CIVIL SOCIETY

We’re just barely at the definitional stage for thinking about a digital civil society, so the questions here are ones of imagination — how will digital civil society develop? How will national and cultural differences be represented, or changed, as connections and awareness grow globally? As China stands to become home to more “donors” and “doers” than any other country on the planet, what will its giving traditions and uses of digital technologies look like? How will they influence others?

Here’s an example of how the shifting assumptions of digital information management might play out at an organizational level, focused on foundations. If you go back in time about 20 years, it would have been much harder to imagine foundations blending their financial investment skills and goals with their programmatic goals. Nowadays, while it’s not common, there is greater attention to financial skills on the program side of the house, even in foundations that are not involved in program-related investing or impact investing. Foundations that are using financial tools beyond grants have transferred skills and insights across previous internal borders between the investment and program sides of the house.

How can organizations realize that they need to manage their digital assets with the same care they manage financial assets?

Now, project yourself 20 years into the future. It’s not too hard to imagine a similar shift where data are concerned. Today, in foundations and nonprofits that have the capacity to manage data well, the skills to use data well are typically scattered across their grants management, IT, communications, evaluation, program, and/or legal departments. Imagine what a foundation would look like if the data analysis and sensemaking skills blurred across those lines and integrated into strategy and grantmaking, the way financial skills have started to do. This is one way to imagine the kinds of new skills and enterprise structures that could emerge in digital civil society.

Civil society in all countries will face similar questions, though the possible answers vary widely. How will long-established traditions and institutions of philanthropy and the social economy interact with the new kinds of activism, expression, and protest enabled by digital tools? These are not small questions — they have, at their roots, core assumptions about both democracy and philanthropy. Here, I am making no predictions. But I can share three possible (oversimplified) scenarios to how this may unfold. These scenarios are rough outlines of possible sectoral futures, drawn from current observations about organizational diversity and enterprise form.

WHERE MIGHT THE FUTURE LEAD?

Given all the different variables, many futures are possible. Here are sample scenarios that might come to pass (in whole or in part) over the next several years:

Parallel Cohabitation

Different enterprise forms remain distinct but good neighbors. We focus on sequencing different types of investment, from charitable to investing, as well as the roles of nonprofits, social enterprises, businesses, and government. There develops a coherent, balanced, and macro view of the social economy in which the different forms are each dedicated to the most efficient and effective use of their resources. Digital data and infrastructure are distinct across sectors.

Deliberate Cross-Fertilization

Hybrid experimentation becomes the norm. The incentives for using private resources for public benefit are freed from institutional form and aligned instead with activities — so any kind of enterprise can be rewarded for “doing good” as long as that good is demonstrable, measurable, and accounted for. New breeds of organizations such as social data cooperatives and pro-benefit businesses become the norm. Digital data and infrastructure are shared by all.

Perpendicular Antagonism

Different enterprises are recognized as competitors for scarce resources and distinguished by documented outcomes. Incentives, organizational practices, and regulations are differentiated to encourage only the most effective solutions to particular problems. Distinctive strategies are highlighted and bright lines are drawn in practice and policy regarding commercial benefit, social benefits, and public responsibilities. Value tensions such as anonymity or disclosure are enforced. Digital data and infrastructure are partitioned by sector.

These scenarios describe potential developments for the organizations in civil society. The bigger, more important question is how our societies will change. When Brazilian activists got together with the [REOS social lab](#) to ask this question, they developed four possible scenarios for democracy in 2023. In only one of the four scenarios were the outcomes for most people more positive than negative.

Many of us are enamored of the positive power of digital data and infrastructure. They are

powerful tools. But they will not, magically, or even naturally, disturb existing inequalities or power imbalances. They *can* be put to those purposes, but it is not as simple as we might think. Doing so will require finding ways to adapt our organizations to use the tools appropriately and adapting the tools to advance our values. It's not just a question of how civil society organizations can use digital tools well. It is a question of how civil society can carry forward democratic values in the digital age.

Glossary

Benefit corporation. A commercial corporation that charters social and/or environmental benefits into its incorporation documents. Developed in 2008, laws allow benefit corporations in about one third of all U.S. states. There is a branded version called a B Corporation.

Cooperatives. Independent organizations of individuals who cooperate for their shared benefit. The services and enterprises are owned and managed by the users, residents, and/or employees.

Digital civil society. All the ways we use private resources for public benefit in the digital age.

Digital social. A term, most common in Europe, for technological innovation aimed to address shared social problems.

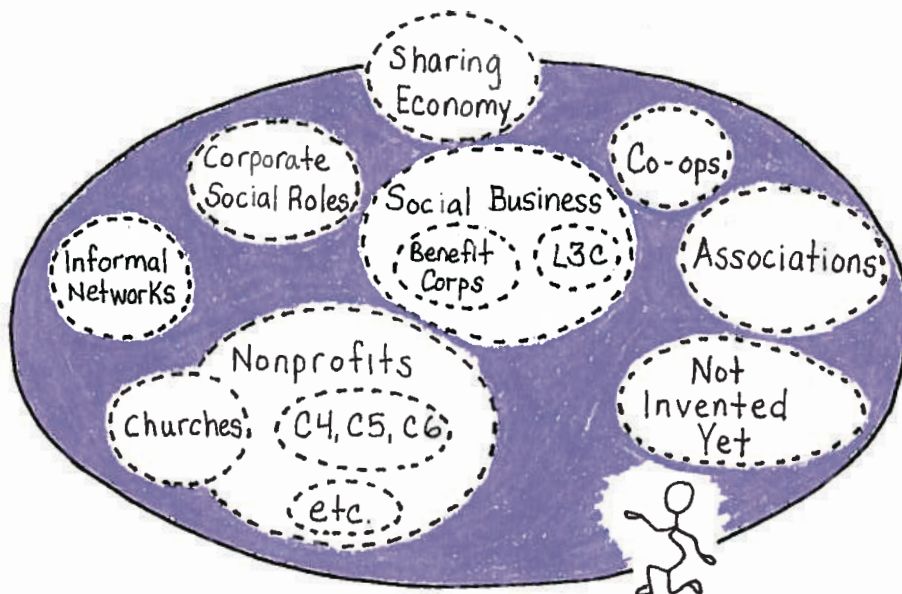
Informal networks. Individuals who share a cause but who have no legally recognized governance structure and may be entirely self-funded.

Mutual societies. An organization that is “owned” and governed by its members for the purposes of providing a shared source of funding and services such as health care or insurance.

Social businesses. Commercial enterprises with an explicit social purpose. Some in the U.S. are incorporated as social businesses through the benefit corporation structure or as a low-profit, limited liability company (L3C), though most are not. The benefit corporation form is present in New Zealand, Australia, and elsewhere. Other countries have similar structures with different legal names.

Social economy. The structures and financial relationships between institutions and individuals in civil society. A running list includes churches, cooperatives, foundations, individuals (activists and donors), impact investors, networks, nonprofits or nongovernmental organizations, and social businesses.

Social welfare organizations. Independent associations that include political activity as part of their work. Highly contentious area of U.S. campaign finance and nonprofit law. The organizations are tax exempt, but donations are not tax deductible. Specifically refers to organizations recognized under section 501(c)(4) in the U.S. tax code.



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Notes

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