20th Anniversary Essays
Grand Strategy and the Social Innovation Ecosystem
By Jacob Harold
GRAND STRATEGY AND THE SOCIAL INNOVATION ECOSYSTEM

BY JACOB HAROLD

Millions of us now work full time to “do good.” We work at nonprofits, foundations, social enterprises, investment funds, government agencies, and in communities. Trillions of dollars are spent every year to build a better world in the United States, and trillions more are spent around the globe.

Over the last few decades, humanity has created an enduring global apparatus of altruism. What should we call this beast we have built? The common words are unsatisfying. “Sector” is a soulless word, but “community” feels insufficient. “Market” turns off many, but “philanthropy” doesn’t capture the critical work happening in, well, the market.

Perhaps the best among imperfect options is to call it an “ecosystem,” in particular, the “social innovation ecosystem.” “Social,” because the work we do aims toward shared benefit. “Innovation,” not because we fetishize the latest gadget, but because we are constantly seeking solutions. And “ecosystem,” because we are, in our own way, a cluster of living elements that interact with each other and the world around us.

For all the many flaws of this social innovation ecosystem, it is a triumph of the human heart and mind. After decades of fundraising calls, board meetings, investor pitches, strategy retreats, and budget sessions, altruism is now built into our economy and our politics. We should throw a party.

But after our party, once we’ve cleaned up the trays of hummus and cucumbers, we’ll need to confront the litany of flaws in our social innovation ecosystem. Our organizations too often replicate the inequalities we seek to address. Our budgets, strategic plans, and operational calendars are annual. In a biological ecosystem, seasons have a common heartbeat: the year. Our budgets, strategic plans, and operational calendars are annual. In a biological ecosystem, seasons have a common heartbeat: the year. Our budgets, strategic plans, and operational calendars are annual. In a biological ecosystem, seasons have a common heartbeat: the year.

So, it is time we look holistically at our social innovation ecosystem and prepare it—prepare us—for the future. One way to do this is to think of it as a problem of “grand strategy.” The historian John Lewis Gaddis defined grand strategy as the work of aligning capabilities with objectives across time, space, and scale.1 The social innovation ecosystem has immense capabilities and formidable objectives, and operates over time, space, and scale. So, let’s use this frame to answer the important question: How might we use what we have, to do good, better?

TIME AND THE SOCIAL INNOVATION ECOSYSTEM

The metronome of history clicks faster now than ever. Societal metrics—whether computing power, pollution, transportation, wealth accumulation, or data—each bend with their own shape. But together, they comprise a “great acceleration.” The social innovation ecosystem cannot escape this intensifying context. Are we properly paced for a rapidly changing world? Let’s consider our ecosystem across three dimensions of time: speed, rhythm, and life span.

**Speed.** The social innovation ecosystem is criticized both for being too slow and for being too fast. Core parts of the work of social impact—raising money and deciding what to do—happen on rhythms that appear downright leisurely. Years can pass between the time a nonprofit first approaches a foundation and the moment they receive a grant check. Strategic planning processes often take 18 to 36 months.

And yet at other times the social innovation ecosystem moves too quickly. Organizations and donors rush forward without considering the consequences of their actions. We end up with a thousand rusting merry-go-round-powered water pumps instead of potable water and joyful children. Sometimes, when facing a difficult problem, it is better to take time to think. Our ecosystem will never banish every case of hastiness or lethargy. But we do have agency over when we rush and when we percolate. As we move forward, we must do a better job of choosing our pacing on purpose.

**Rhythm.** Organizations oriented toward the social good tend to have a common heartbeat: the year. Our budgets, strategic plans, and operational calendars are annual. In a biological ecosystem, seasons have very real consequences: Water and warmth are central to the patterns of a desert or a forest. But is the year the right rhythm for the social innovation ecosystem? Most of the things we care about operate over decades. Climate change models typically look out to the year 2100. Centuries later, the legacy of chattel slavery is still with us.

The social innovation ecosystem’s choice to orient social impact work around the year is just that, a choice. Not all of society is structured on an annual basis. In the United States, electoral politics operates on a two-year cycle. The public capital markets live quarter by quarter. For many people, life’s rhythm is paycheck-to-paycheck. Now may be a time when we consider breaking our organizations’ annual rhythm to more closely match the issues that we confront.

**Life Span.** The bulk of the resources in the social sector are organized within institutions that are managed and governed with an assumption of perpetuity. Nonprofits are chartered with no end date. Private foundations outlast their founders by decades or even centuries.

Undoubtedly, some institutions should exist over the very long term. Perpetuity is logical for organizations designed to protect precious art or ensure that fading languages are not lost. Institutions like The Long Now Foundation and the Svalbard Global Seed Vault only...
make sense if they operate over multiple generations. But perpetuity should be the exception, not the rule. If we default to perpetuity, we run the risk of clogging society with self-perpetuating organizations disconnected from purpose. Let’s choose perpetuity when—and only when—we need it to achieve our goals.

SPACE AND THE SOCIAL INNOVATION ECOSYSTEM
The social innovation ecosystem has long prized its connection to place, to where people live. We value community-based nonprofits and corner stores and land trusts. We can and should hold on to the emotional grounding we get from physical places. But changes in transportation and communication technology have shifted how people relate to space, and therefore to their places. To understand those changes to space and our relationship to them let’s examine the issues of centralization, geography, and cyberspace.

Centralization. Most social issues have a local element as well as a national or global one. Local efforts to address unemployment are intertwined with federal economic policy. Global efforts to address climate change require local implementation. City-level innovations to address homelessness feed into a national conversation on housing. The social innovation ecosystem reflects this duality.

Many nonprofit networks have struggled to balance the needs of a central office with those of state or local affiliates. In response, many have reformed their bylaws, changed their branding arrangements, and shifted how money flows in their network. As politics has become nationalized, it’s no wonder that the central offices of groups such as NARAL Pro-Choice America or the National Rifle Association of America seek to align messages and strategy across their network. Local leaders will have to wrestle with the intertwined nature of the modern world, and national and global leaders must acknowledge that local diversity will endure.

Geography. Power is distributed unevenly across space. In the United States, for example, more people live on the coasts than in the heartland, and cities dominate the economy. Financial power is concentrated in New York City and technological power in Silicon Valley. In contrast, the structure of the US Senate gives disproportionate political power to states with lower populations.

These geographic imbalances have real implications for the social innovation ecosystem. In the United States, philanthropy has long been accused of systematically underfunding rural communities. In recent years, ideas coming out of Boston and San Francisco have had a disproportionate effect on nonprofit practice, while the American South has been underrepresented relative to its population. The social sector can and must continue to wrestle with this geography of power.

Cyberspace. The internet has transformed the social sector. Social movements from the Arab Spring to Black Lives Matter to #MeToo to GivingTuesday have gained power from their adroit use of the internet. This has created real impact, even as it has left many unsatisfied. Increasingly, we find ourselves connected virtually and yet fragmented into silicon bubbles.

As social media and mobile technology evolve, so will collective action. New models are sure to emerge. Advocates of distributed autonomous organizations argue that blockchain-based decision-making can replace hierarchical institutions. Perhaps they are right. But technical innovation alone will not be enough to mediate human connection across space. Even as we explore new, technology-based models of governance and action, we will need to maintain connection with the physical places we call home.

SCALE AND THE SOCIAL INNOVATION ECOSYSTEM
Our ecosystem can’t decide if it prefers the big or the small. We honor those who work close to communities because their efforts are not bogged down by bureaucracy or trapped in the callous logic of the immense. At the same time, we know that large-scale problems need large-scale solutions. How might the social innovation ecosystem think about scale in an intertwined moment such as this? One way is to examine how we address question of size distribution, recombination, and cross-sector collaboration. Let us ask the hard question: Together, are we greater than the sum of our parts?

Size distribution. Different subgroups within our ecosystem have different distributions of organizations by size. The gun rights movement in the United States is dominated by a single large organization, the National Rifle Association of America. In contrast, the environmental movement has no single dominant player. A few large players—The Nature Conservancy, Natural Resources Defense Council, Environmental Defense Fund, and Sierra Club—play an outsized role, but tens of thousands of small and medium-sized organizations are core to the identity of the moment.

Would the environmental movement be more powerful if its largest organizations came together? There is no way to tell for sure. What we can know is that the distribution of size matters to the functioning of any ecosystem (real or metaphorical). The size distribution of the social innovation ecosystem is not inevitable; it reflects choices we make about our own organizations.

Recombination. The social sector does not have fluidity among its institutional structures. Mergers and acquisitions are strikingly rare. Even more rare is something that is common in the business world, a “roll up,” where more than two organizations are brought together and reconstituted as something larger. New structures can also emerge by breaking up organizations, spinning out parts that can be more effective on their own.

We do not need a platoon of corporate raiders forcibly smooshing organizations together or tearing them apart. However, we can shift toward an openness to recombination and reconstitution. There are few legal barriers to doing so. Ultimately, our ability to combine and recombine comes down to governance and ego.

Cross-sector collaboration. Questions of scale quickly become questions of sector. The nonprofit sector may have grown to a trillion-dollar scale, but it remains far smaller than the government or business sectors. Innovations developed in nonprofits often (though not always) need a market-based solution or government investment to grow.

Work across sectors can be messy and difficult. But we have no choice. And we can draw on cases where it has worked. Consider an example from the world of volunteering: A nonprofit platform (VolunteerMatch) draws from government data (IRS Forms 990) to power corporate volunteer programs. Scale comes when we leverage unique capabilities across individuals, organizations, and sectors. It requires creativity about governance, business models, and power dynamics. But it is possible.

These structural dimensions of time, space, and scale may seem abstract. But they reflect concrete choices we have made.
PHILANTHROPY NEEDS TO FOCUS ON “WHO,” NOT JUST “HOW”

BY KATHERINA M. ROSQUETA

Since I came to the University of Pennsylvania to launch the Center for High Impact Philanthropy, there have been many developments in how philanthropy is practiced. These include the growth of donor-advised funds, new technology platforms that integrate everyday giving into our purchases, the emergence of effective altruism, and the rise in popularity of giving circles, to name just a few. All of these are innovations in how we practice philanthropy.

But for philanthropy to contribute to social innovation and produce sustainable, positive change, we need to rethink who we’re talking about when we talk about philanthropy. Who do we consider a philanthropist? Who receives philanthropic support? Who has the power to decide where philanthropic resources flow?

WHO DO WE CONSIDER A PHILANTHROPIST?

Today, people still associate the term “philanthropist” with a wealthy businessman giving away huge sums of money in highly visible ways to large nonprofit institutions. For philanthropy to advance the kind of sustainable, positive change we all seek, we instead need to embrace the word’s original meaning.

The word philanthropy comes from the Greek “philia,” meaning love, and “anthropos,” meaning human. Yet, “love of humanity” is not the connotation many people have when they think about philanthropy. This was made clear to me more than 15 years ago when we were conducting interviews for our center’s first publication. Though our team considered her a philanthropist, one interviewee insisted she wasn’t, explaining that she was “just someone who saw a need, wanted to help, and could.”

If we embrace that interviewee’s description of herself and the original meaning of the word, then I see philanthropists everywhere. If we further broaden philanthropy to include gifts of time and talent, both formal and informal, then the resources available for social innovation are significant, as is the potential for more lasting change. That’s because our commitment to causes deepens the more we identify and feel a personal connection to them.

WHO RECEIVES PHILANTHROPIC SUPPORT?

Today, people often provide money to support institutions associated with their “tribe.” In the future, the more we cross institutional boundaries, expanding who is in our tribe, the more we strengthen society as a whole.

Analyses of tax-exempt gifts to nonprofits have long found that, at least in the United States, the top two types of nonprofits receiving charitable donations are religious and educational institutions. This should come as no surprise. Both religious and educational institutions benefit from donors who are members of the institution. Every religion has a tradition of giving, whether it is Christianity’s tithing, Buddhism’s dana, Islam’s zakat, or Judaism’s tzedakah. Educational institutions, particularly universities, have the advantage of catching people during formative times in their lives. Alumni often attribute their later success to that time, and demonstrate their appreciation and trust through philanthropic support.

When philanthropy reaches across communities and beyond institutions that we belong to, it reinforces our shared humanity. One year after pledging to give most of her wealth back to society, MacKenzie Scott gave tens of millions of dollars, not to her alma mater Princeton University, but to historically Black colleges and universities (HBCUs) and tribal colleges. In a similar vein, Muslim Americans raised more than $200,000 in support of the Jewish members of Pittsburgh’s Tree of Life Synagogue after the massacre there.

Such acts of philanthropy go beyond caring for those for whom we feel a direct responsibility or an explicit obligation to care for. They bring us together in an increasingly divided world. They demonstrate a love of humanity that strengthens society as a whole, the ultimate goal of social innovation.

WHO HAS THE POWER TO DECIDE WHERE PHILANTHROPIC RESOURCES FLOW?

Today, a small group of wealthy individuals decides where a disproportionate amount of philanthropy’s resources flow. In the future, when decisions are informed by those most directly affected, positive outcomes are more likely to endure.

Broadening who we consider a philanthropist increases the number of people contributing to social innovation. But as wealth has become increasingly concentrated, fewer people control where philanthropy’s financial resources go. My colleagues’ study of generosity during the COVID-19 pandemic provides one recent example: While the number of donors decreased, the average donation amount increased by more than 200 percent. When a small group of wealthy people increasingly decide which causes, organiza-