The Bellagio Initiative

The Future of Philanthropy and Development in the Pursuit of Human Wellbeing

Synthesis Report

Promoting Human Wellbeing in a Challenging Global Context

Allister McGregor, Danny Burns, Linda Waldman, Noshua Watson and Roger Williamson

September 2012

IDS Institute of Development Studies

the resource alliance

THE ROCKEFELLER FOUNDATION

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THE FUTURE OF INTERNATIONAL DEVELOPMENT AND PHILANTHROPY

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Synthesis Report

This report was written by

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Executive summary

This report provides an analysis of the insights offered by the Bellagio Initiative, a global deliberative process implemented by the Institute of Development Studies, Resource Alliance and the Rockefeller Foundation over a period of six months in 2011.

The Bellagio Initiative was a process of deliberation about how to meet the challenges to and seize the opportunities for protecting and promoting human wellbeing in the twenty-first century. It consisted of a series of global events that engaged a wide range of policymakers, academics and practitioners from international development and philanthropy.

There were three components to the Bellagio Initiative:

1. a series of **Commissioned Papers** that explored key challenges and opportunities for international development and philanthropy organisations;

2. **Global Dialogue** meetings attended by a wide spectrum of participants at a range of locations worldwide;

3. a two-week **Summit** held at the Rockefeller Foundation conference centre in Bellagio, Italy, in November 2011.

This report reviews and analyses the key messages from all three of these components before providing a synthesis of the main observations and recommendations in its conclusion.

The impetus for the Bellagio Initiative

The challenges faced by international development policymakers are evolving. So too is the cast of organisations that operate at the intersection between philanthropy and international development. The global crises of finance, food and fuel in 2009 provided a stimulus for rethinking development policy and practice. At the same time a new and diverse set of organisations and individuals are emerging in both the global North and South to engage with and challenge traditional international development players.

The Bellagio Initiative was designed as a process which would foster debate on how to enhance this new engagement and make international development efforts more effective in promoting human wellbeing. The Initiative set out with three distinct purposes:

1. To build a description of the changing landscape of actors and resources involved in and relevant to international development and philanthropic efforts to protect and promote human wellbeing.

2. To identify the major challenges to protecting and promoting human wellbeing on a global scale in the twenty-first century and uncover what new opportunities and innovations are emerging to support this.

3. To develop an explanation of how the outcomes of the deliberation might be used by philanthropic and international development organisations to operationalise strategic engagement with these challenges and opportunities.

In 2008, then President Nicolas Sarkozy launched one of the most influential rethinking exercises of recent years. The Commission on the Measurement of Economic Development and Social Progress concluded by calling for a shift in emphasis from measuring development in terms of economic production to measuring in terms of human wellbeing. That report provides a profound critique of the currently dominant international development paradigm and the challenges that it concluded with were taken up as a starting point for national and international debate.

Human wellbeing: A universal concept

Human wellbeing is gaining prominence as a focus for public policy in a surprising range of countries, both developed and developing. Bhutan's Gross National Happiness framework perhaps but human wellbeing is becoming embedded in national policy considerations in Thailand and Japan, in the *Vivir Bien* programmes in Latin America and in policy efforts in the UK, Canada and Australia. It has yet to be fully embraced by the international development mainstream and a key challenge in that sphere lies in moving it beyond its current rhetorical role to being a conceptual framework that yields practical answers to real problems.

The Bellagio Initiative used a distinctive human wellbeing framework as a way of framing discussion. This approach sees it as a universal concept that then must be understood to take different specific forms for different people in differing social and cultural contexts. The particular approach adopted also emphasises the social nature of human wellbeing and that wellbeing is produced through relationships with others. This approach informed the design of the Bellagio Initiative as a process of deliberation since it entails recognition of the plurality of notions of wellbeing and of the value positions that underpin this. Since these value positions will sometimes be incommensurate and will lead to competing demands the challenges for development in the twenty-first century are revealed as profoundly political, in which relationships of governance become key. In many respects and as reinforced by discussions throughout the Bellagio Initiative the real challenge for global development in the twenty-first century is not just how to enable people to live well, but to enable us to live well together.

The scope of the Bellagio process

The last decade has seen many debates and publications about the future of international development. In an attempt to situate the Bellagio Initiative within this, we used three framing questions, which informed the discussions in the Commissioned Papers and the Global Dialogues. The questions were:

● What are the challenges to human wellbeing?

● How can these challenges be addressed?

● Who can and needs to act in order to meet the challenges?

The Initiative drew together participants from over 30 countries in all world regions, from local communities, indigenous groups, political activists, philanthropic organisations, government policymakers, development professionals, academics, business representatives, senior officials from international organisations and journalists. Through blogs, Twitter and live-streaming, the deliberation process involved more than 1,000 individuals worldwide.

The components of the process

The Commissioned Papers and Global Dialogues addressed a number of what are perceived as major threats to human wellbeing. These included: the new distribution of poverty, resource scarcity, climate change and sustainability, democratic breakdown, the rise of materialist values, rapid urbanisation and increasing levels of mobility in pursuit of livelihoods and security.

The purpose of the Commissioned Papers was to bring an up-to-date review of the issue and expert analysis into the deliberation process. The Papers provided a critical assessment of future prospects and considered what relationships need to change in order to meet the various challenges ahead.

Like the Commissioned Papers, the Global Dialogues were designed to provide additional insight and information for the Bellagio Summit. Their geographical reach was considerable, including

meetings in India, Kenya, Brazil, Egypt, Ghana and Hungary. Each Global Dialogue explored a particular issue or problem, using the concept of 'human wellbeing' as a means to look differently at the issue. Participants were drawn from the wider region to include a good diversity of voices, with the aim of engaging intellectual experts and 'situated experts' – i.e., people who are personally or professionally connected with the issues. The meetings were conducted specifically to encourage dialogue rather than to reach consensus.

The Bellagio Summit represented the culmination of Bellagio Initiative activities. Through participatory sessions and keynote addresses, it sought to engage a group of international development practitioners, opinion leaders, social entrepreneurs, donors and philanthropists, chosen for their collective capacity to advance thinking about the future of international development and the role of philanthropy. The Summit represented a new kind of collaboration, where actors moved out of their comfort zones to debate with others that few had previously had working contact with.

Key findings

The Bellagio Initiative began to build a picture of a new ecosystem of international development and philanthropy. It has highlighted the complexity of changes afoot globally. These include the economic and political ascendancy of the G20 over G8 nations as the major economic discussion forum and the emergence of the BRICS (Brazil, Russia, India, China and South Africa). It considered the increasing involvement of a more diffuse global citizenry who demand to be an integral part of development efforts and who increasingly turn to the internet and new technologies to express themselves. It also showed how new philanthropies are often founded in different cultures, religions or ideologies; and how new donors are coming to development efforts with different histories, viewpoints and approaches.

These factors point to a widening of the debate over the future of international development. This widening offers an opportunity to begin systematically including voices of people from a wider range of identities who hitherto have been marginal in current development policy debates. The Initiative highlights the need for a multi-level strategy for action, from systems-level change, through to organisational and individual change. As our understanding of this new ecosystem develops further, it must keep as its central point of focus the human beings who are the intended beneficiaries of development effort.

The discussions during the Bellagio process revealed several criticisms of the current orthodoxy of international development. These included: that it is reluctant to absorb different value positions; that important relationships within the current system are either dysfunctional, broken, or ineffective; that narrow results and evidence-driven approach in policymaking can be a threat to the diversity of approaches that will be required to meet challenges; that the current technocratic/expert-driven approach fuels mistrust of 'remote' organisations and has undermined trust in governance generally; and that organisations and philanthropies have failed to take on the levels of risk and uncertainty necessary to spur change which could address the needs of the world's most marginalised populations.

Despite this gloomy and complex situation, the Bellagio deliberations indicate that there are grounds for hope to meet the challenges. Four different types of innovations were explored as having the potential to meet the threats to human wellbeing: technological innovation; organisational innovation; financial innovation; and social innovation.

While the Initiative provided rich and varied material for thought, it also recognised that policymakers need advice for action now. It urged a twin-track approach of profound reflection

alongside urgent action, both of which should be inclusive of groups and values currently marginalised by existing thinking and practice.

Key areas for operationalisation

- Invest in new ideas about what development is and should be and disseminate these to a wider audience with a view to constructing a new more **human-centred development paradigm**, owned by a more diverse range of value and geographical positions.

- Continue to use momentum from the Bellagio process for changes in development policy priorities, including moving towards **policy that engages with what people themselves demand and need.**

- Supplement existing metrics of development progress with new **more human-centred metrics**.

- **Improve systems-level communications between international development and philanthropic efforts**. This will require more specific agreements and understanding about the principles of working together for the common good; sharing learning; and use of common indicators and measures.

- Discover or **rediscover the comparative advantage of various organisations**, recognising that no single organisation is able to do everything and that each may be better placed to contribute in a specific way.

- Make better use of partnerships across development effort, both horizontally with collaborators and vertically with grassroots bodies. For these to work effectively, there must be **mutual respect, trust, transparency and accountability**.

- Build a stronger ecosystem of organisations to identify, foster and **expand the reach of pro-wellbeing innovations**, many of which currently struggle without adequate support at critical junctures.

- **Develop a more sophisticated approach to balancing risk and opportunities**, so as to promote more rapid pro-wellbeing innovation.

- Consider **what human values does development policy and practice propagate** and whether these are necessarily beneficial either for individual wellbeing or for the prospects of finding ways to live well together in the face of threats.

- Seek a greater **democratisation of development effort**. Citizens, and particularly marginal people, need to be given greater voice and be able to hold development organisations to account – recognising all the while that not everyone can have all that they want and that there must be trade-offs between competing demands and claims.

1   Introduction

This report provides an analysis of the Bellagio Initiative implemented by the Institute of Development Studies, Resource Alliance and the Rockefeller Foundation over a period of six months during 2011. The Bellagio Initiative was a global deliberative process. It consisted of a series of events that engaged a wide range of policymakers, academics and practitioners from the worlds of international development and philanthropy in thinking about the future of international development. It specifically focused them on the challenges to and opportunities for protecting and promoting human wellbeing in the twenty-first century. The Initiative was supported by a series of Commissioned Papers that explored key challenges to international development and philanthropy. It engaged a wide spectrum of participants in Global Dialogue meetings, and culminated in a two-week rolling workshop at the Rockefeller Foundation conference centre in Bellagio, Italy, in November 2011. This report synthesises the insights offered by the three components of the Bellagio Initiative and reflects and distils the contributions from the many diverse voices in the deliberation.

1.1 Background

At the beginning of 2011 the Rockefeller Foundation issued a call for '… the development of an innovative, multi-stakeholder discussion at its Bellagio Centre, convening key players in the global international development and philanthropic communities … [to] provide significant support for developing a thoughtful and robust analysis of the field…'.

As we move into the twenty-first century, the challenges that international development policymakers are facing are evolving and so too is the cast of organisations operating at the intersection of philanthropy and international development. The global crises of finance, food and fuel in 2009 provided a stimulus for rethinking development policy and practice. They also present a gloomy backdrop for debates about the future of global development, but at the same time there are new opportunities for more effective development policy effort (Haddad, Hossain, McGregor and Mehta 2011). These opportunities present themselves in different forms, including technological advances, new thinking and new actors with new ideas working in the development scene. In the philanthropy sector, a robust and diverse set of emergent organisations and individuals in both the global South and North have begun to engage significantly with traditional international development players: sometimes collaborating and at other times engaging in ways which challenge existing development approaches.

When taken together, this set of changes demand a pause for reflection amongst both international development and philanthropy organisations. It is necessary to understand what is happening in global development and what needs to change in order for global development effort to be more effective in promoting development and in reducing the ills and harms that continue to blight global development progress. The Bellagio Initiative was designed as a way of catalysing discussions on how traditional and new philanthropic organisations might contribute to forward momentum in international development effort at this time.

The Bellagio Initiative set out with three distinct purposes:

1. To build a description of the changing landscape of actors and resources involved in and relevant to international development and philanthropic efforts to protect and promote human wellbeing.

2. To identify the major challenges to protecting and promoting human wellbeing on a global scale in the twenty-first century and uncover what new opportunities and innovations are emerging to support this.

3. To develop an explanation of how the outcomes of the deliberation might be used by philanthropic and international development organisations to operationalise strategic engagement with these challenges and opportunities.

1.2 A focus on human wellbeing

The distinctive organising principle for the Initiative was to focus on protecting and promoting human wellbeing as a way of differentiating this discussion from others that have been debating the future of international development or the global environment. Those other reflective publications and processes all provide valuable insights and a number of key contributions are reviewed in an appendix to this report. But there were particular reasons why human wellbeing should be at the heart of this deliberation: it is central to the Institute of Development Studies mission that it seeks to support development efforts which improve human wellbeing (not all development efforts do); and 'the promotion of the wellbeing of humanity' was a founding statement in the mission of the Rockefeller Foundation at its inception in 1913.

A recent paper for the Friedrich Ebert Foundation, notes that the current debate on measuring progress and wellbeing is rapidly gaining in importance throughout the world. Efforts to this end have the potential to bring about a real paradigm shift concerning what we as a society consider to be progress and how, as a consequence, we will shape how we live together (Kroll 2011a: summary). The potential value of focusing on human wellbeing as a means of rethinking international development policy and practice has already received considerable attention (see as examples, the Special Issue of Global Social Policy on Human Wellbeing in 2004, Kenny 2005; and McGregor and Sumner 2010).

One of the most significant and groundbreaking rethinking exercises in recent years was the Commission on the Measurement of Economic Development and Social Progress, launched in 2008 by then President Nicolas Sarkozy of France. This drew together contributions from some of the most prominent thinkers in the social sciences and undertook a stock-take of some of the most challenging and progressive thinking on social and economic policy. The Final Report of the Commission (hereafter referred to as the Sarkozy Commission Report – SCR) concluded with the recommendation that there should be a '… shift [of] emphasis from measuring economic production to measuring people's wellbeing' (SCR 2009: 12).[1] This is a profound statement that reaches well beyond a call for new metrics and measurement techniques; it implies a fundamental critique of the orientation of the currently dominant international development paradigm.

The Sarkozy Commission Report identified four target audiences for its messages: political leaders, policymakers, academics and civil society activists. It concluded by stating that it sees the challenges raised by the report not as an end of discussion but a starting point for national and global initiatives and debates about '… societal values, for what we, as a society, care for and whether we are really striving for what is important' (SCR 2011: 18). This offer of a profound and exciting challenge for development thinkers and policymakers was the point of departure for the design of the Bellagio Initiative.

1.3 The design of the Bellagio Initiative

Development is defined by the advancement of human wellbeing. This is a position that has been long understood but which is sometimes forgotten. The UN Declaration on the Right to Development (1986) starts by recognising:

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[1] Commission on the Measurement of Economic Development and Social Progress Report www.stiglitz-sen-fitoussi.fr/en/index.htm

> … that development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the wellbeing of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom.(UN 1986: 1)[2]

As we enter the twenty-first century we are witness to widespread and increasingly alarming threats to human wellbeing brought about by economic crises, deteriorating climatic conditions, or conflict and political instability. All of these have caused the international community to ask whether we can call what we are witnessing 'development' and also whether professional development agencies, whose dedicated business it is to promote global development, are being as effective as they should be in protecting and promoting human wellbeing.

But a real challenge is to move from a rhetorical use of the term wellbeing, to using it in a way that yields practical answers relevant to policy. Over the last decade there has been considerable progress in developing both the conceptual and methodological detail of human wellbeing approaches and the Bellagio Initiative was designed drawing on that substantial experience (for different approaches and reviews in relation to different sectors of public policy see Layard 2005; Bruni and Porta 2005; and Gough and McGregor 2007).

The focus on human wellbeing decisively shaped the methodology for the Bellagio Initiative. As explained in Box 1.1, in each particular social and cultural context and for each type of person (woman/man, young/old, black/white), human wellbeing takes on particular and distinctive meaning. As such, it is neither technically possible nor morally sound to 'define' wellbeing for other people. What we can do, however, is establish means by which wellbeing in different social and cultural contexts can be comprehended and therefore can be something that policy can engage with.

This Initiative conceives human wellbeing as a universal concept that provides a universal framework for understanding. In the social sciences a universal concept is an abstract form which is relevant for all human beings in all societies, but which will take specific forms or meanings in particular societal contexts and/or for particular people (thus, what would constitute wellbeing for a middle-aged man in central New York would be considerably different in detail from what would constitute wellbeing for a young woman in New Delhi).

Because we all hold slightly differing priorities for what is important for our wellbeing, an inclusive and global discussion on the future role of philanthropy and international development in protecting and promoting human wellbeing necessarily has to involve a diverse range of voices. The different component parts of the Bellagio Initiative were therefore designed to engage with: different cultural voices; diverse locations; different perspectives on what the problems and opportunities are; and different types of experience and knowledge. The Commissioned Papers provided a range of different expert voices on the problems and opportunities; the participants at the Global Dialogues in different locations around the world offered insights into specific problems and from distinctive cultural and social backgrounds; and the invitees to the Summit were selected on the basis of finding a range of people who would be engaged discussants from different types of organisation, different sectors, different locations and with different mindsets. A key principle for the dialogues and the Summit, building on a long tradition of convening at the Bellagio Centre, was that these should not be gatherings of 'the usual suspects'; rather they should bring together people who do not normally have the opportunity to share experiences and debate with each other.

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[2]   For the full text, see www2.ohchr.org/english/law/rtd.htm

Box 1.1 – Wellbeing: the emergence of a core concept for twenty-first century development

Wellbeing has emerged as a central public policy goal in a surprising range of diverse governmental settings over the last ten years. Bhutan's Gross National Happiness approach has received much attention but it finds echoes in quieter ways in other East Asian societies. In Thailand the notion of wellbeing has been integrated into the national planning framework and similar efforts are being made in Japan. In an entirely different cultural context, in Latin America the *Vivir Bien* (living well) movement has made particular progress in Bolivia and Ecuador, and its core concerns for human wellbeing are being taken up also in Peru and Brazil (see http://www.interfaithjustpeace.org/pdf/2010/living_well.pdf). Nor is this just a concept for developing countries. The governments of the UK, Canada and Australia have all made substantial efforts to bring human wellbeing into their policy considerations (see Kroll 2011a). At the broadest level, the OECD's Global Project on Measuring the Progress of Societies provides a major platform for taking forward thinking at governmental levels and for the coordination of thinking and efforts (OECD www.oecd.org/progress).

The Commission on the Measurement of Economic Development and Social Progress of 2008 launched by President Sarkozy provided a culminating review of the many, various strands of progress in human wellbeing thinking and its relevance for future international development policy. It charted possible ways forward and provided a starting point for further global deliberation.

1.4 Wellbeing and international development: A cacophony or a new discussion?

Many voices can either result in a cacophony or provide for richer debate. The idea that there are differing context-specific definitions of what wellbeing is and how it should be achieved is disquieting for many development experts. This disquiet was experienced in the discussions at the Bellagio Summit and was usually expressed along the lines of 'how are we to work with something that might have a different meaning for each different person we work with?' When thought of in that way, human wellbeing begins to look like an impractical tool for public policy purposes. But this response arises out of unfamiliarity with a new concept and the discomfort of moving away from dominant and technocratic approaches to development.

At one level it is apparent that public policy almost always works with universal concepts that have many different local manifestations. Poverty is a universal concept which may take different forms in different societies at different times; income and wealth are universal concepts that take different forms in different economies; human needs may be universal but what people need to survive and thrive will differ depending on who and where they are.

But at a deeper level, the recognition of the plurality of context and notions of wellbeing specific to identity speaks to a core set of values about democracy and participation. By virtue of its focus on human wellbeing, the approach to this deliberation has the values of plurality and respect for diversity built into it. It also recognises that the fundamental challenge of globally sustainable development at this time is not just for us to all find ways of living well as individuals, but for us to find ways to live well together. Seen from this perspective, we can interpret the many development problems that currently confront us as being rooted in both global and local failures to find a way to live well together. For instance, widespread and persistent poverty is indicative of the systematic failure of many people to achieve wellbeing, while others manage to achieve it in excess; violent conflict is the most obvious illustration of where competing aspirations for

wellbeing clash with each other (for example, struggles for autonomy in control over natural resource wealth, such as in South Sudan); environmental degradation and climate change are the result of the contemporary generation failing to find ways to live well now that are not at the expense of future generations.

Unlike many other concepts in the current development toolbox (such as economic growth or poverty lines), the concept of human wellbeing returns our focus to what matters to people in different locations in the global system. In currently dominant development approaches, human concerns tend either to be ignored, assumed not to be significant, or sidelined and seen as being too difficult to address. The wellbeing approach adopted here encouraged participants in the Bellagio process to put human beings at the centre of their reflection and analysis.

When the problems of development are framed not only as a challenge to live well but also as the challenge of living well together, it also becomes apparent that at the heart of the matter there is the issue of governance (at all levels, from global treaties and agreements to local government allocations of resources). One simple definition of 'governance' is that it is the combination of rules, norms and organisations whose function it is to enable citizens to live well with each other.[3] By virtue of their role in international development efforts, governments, philanthropic organisations, civil society bodies and NGOs are all integral contributors to those governance structures. In other words, governance for human wellbeing is not just a matter for governments.

In his 2009 book *The Idea of Justice*, Amartya Sen argues that public and transparent deliberation is vital for the achievement of authentic development. In this spirit, the Bellagio Initiative was designed as an extended process of global deliberation.

1.5 A social conception of human wellbeing

There are a number of different approaches to human wellbeing being developed and used in public policy thinking at this time (see Diener, Lucas, Schimmack and Helliwell 2009; Dolan, Layard and Metcalfe 2011). Whether labelled 'happiness', 'quality of life', 'life satisfaction' or 'wellbeing', what is common to all of these approaches is that they all recognise the need for public policy processes and systems of governance to take people's own view of their wellbeing centrally into account. A fundamental division between these various approaches is that some argue for a focus primarily on subjective dimensions of human wellbeing while others argue for an approach that combines consideration of objective and subjective dimensions of human wellbeing. There are then second-order differences in terms of what constitutes data and the methodologies for collecting that but these need not be addressed here.

In order to give sufficient direction for the Commissioned Papers and Global Dialogues, the Bellagio Initiative adopted an approach to wellbeing set out in the Sarkozy Commission conclusions and that has been adopted by other major global agencies (see Hall, Giovannini, Morrone and Rannuzi 2010). This is a combined approach which recognises the need to take account of both the objective and subjective wellbeing experiences of men, women and children in different societies (see McGregor 2007).

McGregor and Sumner (2010) summarise the reasons why it is particularly appropriate to adopt a multidimensional approach to human wellbeing in international development policy. Not least it is impossible to focus only on subjective notions of wellbeing while failing to take into account the objective and material deprivations that many people in developing countries experience. A combined approach also has continuity with major global initiatives on development and poverty,

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[3] The World Bank discusses governance in terms of the exercise of political power and the use of institutional resources to manage society's problems and affairs (World Bank 1991).

and particularly it finds connection to both the Millennium Development Goals[4] agenda and the Voices of the Poor[5] exercises. The McGregor and Sumner paper 'Beyond Business as Usual: What Might 3-D Wellbeing Contribute to MDG Momentum?' provides a specific point of reference for the Initiative (McGregor and Sumner 2010).

Taking a combined approach, the 3D wellbeing framework argues that human wellbeing can only meaningfully arise when human needs are met; when people are able to act meaningfully in pursuit of their own valued goals and when they experience satisfactory quality of life. As such, this framework identifies three dimensions critical to any evaluation of wellbeing: people's *material* circumstances; their *relational* circumstances; and their *subjective* evaluation of their quality of life. The constituent elements of each of these dimensions are shaped by the particular societal context within which wellbeing is being considered.

This is a social conception of human wellbeing, as opposed to an individualistic conception. Many of the approaches to human wellbeing that arise out of the utilitarian philosophy and that underpin contemporary neo-classical economics focus on the wellbeing of the individual and understand society as an aggregation of individual wellbeing. A social conception of human wellbeing contends that this is not a sufficient way of understanding society, nor is it useful in confronting the challenges of living well together (Deneulin and McGregor 2010). The 3D wellbeing approach conceives of human wellbeing in a relational way: as in a state of being that is experienced by humans through their social and cultural relationships with others. Thus apart from considering the objective and subjective conditions that people experience, the third dimension involves a focus on the relationships that either enable or constrain people from achieving either or both their desired material and quality of life outcomes.

Box 1.2 – Using human wellbeing as a diagnostic

Rather than impose the human wellbeing approach as a straightjacket on the debate in the Bellagio Initiative, the intention in the design of the process was to use it as a diagnostic. A 'diagnostic' is a tool that provides a distinctive way of shaping inquiry as to why problems persist and what solutions might be developed for them. It is an approach to problem-solving that is commonly used in medicine, computer science and in systems engineering.

The Bellagio process was designed to use a social conception of human wellbeing as a framework for organising our exploration of the different challenges for international development agencies and philanthropic organisations and also for considering what innovative and new opportunities might be pursued to address these. Participants were invited to make what use of the approach they could. They were free to accept or reject its usefulness. As such, far from being an exercise that sought to produce a definition of what wellbeing is, the use of 'wellbeing' was intended to reflect on the problem that the currently dominant development paradigm tends to define what produces wellbeing for everyone, everywhere. In doing so it systematically drives out the space for people to exercise their voice in asserting what it is they need and want development to deliver for them to achieve wellbeing.

The validity of use of the multidimensional approach to human wellbeing was bolstered by reflections during the process on recent global events such as the uprisings that have been

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[4] See www.un.org/millenniumgoals/

[5] See http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20622514~menuPK:336998~ pagePK:148956~piPK:216618~theSitePK:336992,00.html

dubbed 'the Arab Spring'. This was illustrated in extensive discussions in the Global Dialogues and at the Summit, where the deliberations explored the failures of the existing paradigm and where a multidimensional approach offers additional insights. In the Arab Spring in particular, the material conditions may have been changing positively for many, but insufficient attention had been paid to the deteriorating subjective evaluations of wellbeing by many people in those societies. The upshot was that an uprising is radically changing the nature of governance relationships.[6]

As Barbara Ibrahim[7] put it at the Summit: 'What sparked this movement [the Arab Spring] was not the lack of one of the basic human needs, as considered by philanthropy and development traditionally. It was the lack of dignity of the people' (Bellagio Summit Module 2 Plenary).

1.6 The scope of challenges and opportunities

The Rockefeller Foundation has not been alone in recognising that the combination of growing global volatility and the changing configuration of demographics and global economic and political power call for a rethink about what international development effort is seeking to achieve and how it has been doing that. Over the last decade there have been many meetings, conferences, workshops and publications that have sought to stimulate discussion on the future of internal development. A brief summary of some of the approaches taken by institutions and authors is given in Appendix 1. It is by no means exhaustive but a preliminary review of this material provides the context and orientation for the Bellagio process.

In order to situate the Bellagio Initiative in recent reviews of the complex realities of our world and the urgent development challenges at the beginning of the twenty-first century, we used three framing questions:

● What are the challenges?

● How can these challenges be addressed?

● Who can and needs to act in order to meet the challenges?

What are the challenges?

It is now a commonplace that humankind faces an interlocking set of huge challenges. Longstanding issues (such as chronic poverty) are unresolved in practice in spite of extensive policy effort and new problems are emerging gradually (e.g. climate change) or dramatically (e.g. market volatility).

The Bellagio Initiative made a contribution to the analysis of some of the longstanding and emerging issues by commissioning original research from specialists who addressed areas which are under-researched or which were judged to be in need of new perspectives.

How can these challenges be addressed?

What options are there for addressing these challenges and what new opportunities are emerging? How can various existing mechanisms and institutions be used and new ones be proposed and developed?

Just as there has been much reflection of what the problems and challenges are, there have also been numerous efforts to chart out ways in which the perceived problems can be addressed. As previously noted, one of the starting points for this Initiative was the Sarkozy Commission. While

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[6]   See also the Commissioned Paper 'Resource Scarcity, Wellbeing and Development' by Evans and Evans, p6.

[7]   Plenary speaker, Module 2, American University of Cairo.

its main recommendation was to shift from using measures of economic production as the yardstick for development towards measurement of human wellbeing, the implications of this recommended change go much deeper. Changing how and what is measured also then has knock-on effects in what policies are considered and how issues are prioritised. It also indicates that new ways of thinking are gaining ascendancy.

Broadly speaking when we review both present and past efforts to confront global challenges we can discern five different forms of change that tend to be recommended. These are:

● Change what and how we measure (policy effects and impacts)

● Change the policy agenda (new issues, new policies and new priorities)

● Change the thinking (encourage paradigm shifts)

● Change how we do things (organisational and institutional reforms)

● Change who does things (the establishment of new bodies or the empowerment of new actors)

As we can see, these five forms of change are interrelated and recommendations in respect of one often will have knock-on effects on the others.

Who can and needs to act in order to meet the challenges?

The different ways of responding to the challenges also highlight the potential role of different actors in making the necessary changes happen. In this Initiative it has been important to adopt an open approach to who the key actors might be, because there are competing theories of change (ToC) within both international development and philanthropy.

Broadly speaking, we can identify at least six types of theory of change:

● Society changes through the unintended consequences of the aggregate action of millions of individuals each seeking to achieve their own happiness.

● Society changes through progress in knowledge and technological development.

● Society changes through transformed beliefs, ideas and values.

● Society changes through purposive collective action.

● Society changes because of visionary leadership.

● Society changes through contestation.

Implicit in this list of types of theory of change, is awareness that there are great divergences of perspective regarding who the significant actors are. This militates against a hard and fast prescription of key actors. Rather the question of who can and needs to act will be an upshot of analysis. Charting what the challenges are and what the potential solutions might be combines with theories of change to highlight who the critical actors for change are likely to be.

To illustrate, we can take the example of the successes in poverty reduction in Brazil. The interplay between different theories of change and the impact of different policy instruments can lead to multiple conclusions about the relative importance of different organisations and factors involved in the process: the Movement of the Landless (MST) and trade unions; government leadership; middle-class support or resistance to reforms; the increasing wealth of the country; and the relative importance of domestic industries and investment into the country.

In order to capture some of this diversity on how change happens, one of the aims of the Initiative was to bring together a wide range of participants with a range of life experience and different

perspectives on how to achieve beneficial change. The cross-cultural, interdisciplinary and varied experiential background of participants made for complexity and richness of perspectives – but inevitably involved challenges to empathy and understanding.

1.7 The Bellagio Initiative

Prior to the Bellagio Summit, the two main components of preparatory work in the process were the Commissioned Papers and the Global Dialogues. In order to provide background discussion for participants to draw upon, a selection of major global challenges and changes were identified and were dealt with, either by commissioning a paper or by assigning them as a focus for the Global Dialogue meetings.

Using the human wellbeing framework in the way that is set out in Box 1.2 above and from a review of other reflective publications and events (see Appendix 1), the following issues were selected for pre-Summit work and addressed through both the Commissioned Papers and the Global Dialogues.

- What are the challenges?
  – 'Resource Scarcity' – Commissioned Paper: Alex Evans and Jules Evans
  – 'Materialist Values and Human Wellbeing' – Commissioned Paper: Tim Kasser
  – 'The Changing Demographics of Poverty' – Commissioned Paper: Andy Sumner
  – 'Increasing Urbanisation' – Global Dialogue: New Delhi
  – 'Population Mobility' – Global Dialogue: Kinna, Kenya
  – 'Sustainability and Growth' – Global Dialogue: Sao Paulo

- How can these challenges be addressed?
  – 'Reforming Economics' – Global Dialogue: Virtual (The Broker)
  – 'Freedom and Democratisation' – Global Dialogue: Cairo
  – 'Information and Communications Technologies' – Global Dialogue: Virtual
  – 'Global Governance and Regulation' – Global Dialogue: London
  – 'Education' – Commissioned Paper: Kevin Watkins
  – 'Valuing Human and Societal Reproduction' – Commissioned Paper: Rosalind Eyben and Marzia Fontana
  – 'Resilience' – Background Paper: Rockefeller Foundation8

- Who can and needs to act?
  – 'The Role and Limitations of Philanthropy' – Commissioned Paper: Michael Edwards
  – 'Evaluating Development Philanthropy' – Commissioned Paper: Robert Picciotto
  – 'African Philanthropy' – Commissioned Paper: Bhekinkosi Moyo
  – 'Islamic Philanthropy' – Commissioned Paper: Mariz Tadros
  – 'International Non-Governmental Organisations' – Global Dialogue: Amsterdam
  – 'New Emerging Markets' – Global Dialogue: Accra

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[8] This paper was not specifically commissioned by the Bellagio Initiative but had previously been commissioned by the Rockefeller Foundation and was used in the Bellagio process.

- – 'The BRICS' – Global Dialogue: New Delhi
- – 'Middle-Income Countries' – Global Dialogue: Budapest
- – 'Philanthropy Overview' – Background Paper, Resource Alliance

It is clear that this list of issues is not exhaustive, with some widely accepted key issues and challenges not covered by these papers or dialogue discussions (for example, to name but two, violent conflict and natural disasters).

As can be noted from the list, the geographical distribution of the Global Dialogues was considerable:

- New Delhi, India (twice)
- Kinna, Kenya
- Sao Paulo, Brazil
- Cairo, Egypt
- London, UK
- Amsterdam, the Netherlands
- Accra, Ghana
- Budapest, Hungary

The dialogues drew in participants not just from the country where the meeting was held, but from the wider region. Some were profoundly international. Although there are some obvious geographical gaps, the dialogues nevertheless allowed a good diversity of voices to participate in the pre-Summit deliberative process.

All of the Commissioned Papers and Reports from all the dialogues listed here are available on the Bellagio Initiative website www.bellagioinitiative.org/

The report will now review and analyse the distinctive messages from each of the components of the Bellagio process. The final chapter provides a synthesis of key observations and recommendations.

2 The Commissioned Papers

2.1 Introduction

The purpose of the Commissioned Papers was to bring expert, state of the art understanding on key issues seen as representing challenges to human wellbeing in the coming decades. The authors of the papers were asked to address the following three tasks in relation to the particular topic or issue that they were writing on:

- To explore the current state of thinking and evidence on the selected subject.

- To explore the ways in which the issue presents threats to human wellbeing.

- To consider whether there are any innovative ideas or forms of policy and action that might better enable us to protect and promote human wellbeing as we move forward in the twenty-first century.

In this chapter we provide a summary analysis of each of the Commissioned Papers. The analysis is guided by the three headline purposes of the Initiative (see Section 1.1). But these are captured in the analysis by reflecting on three shorthand terms: relationships (what description of the changing landscape of actors and resources is provided?); reassessment (in what ways are the issues perceived as challenges to human wellbeing?); and realisation (what new opportunities and innovations might be operationalised to engage with these challenges and opportunities?).

The Commissioned Papers provide a valuable and stimulating discussion of key issues of our times. They provided a platform of information and argumentation for the process prior to the Summit. It should be noted that all authors were writing in their personal capacity and that institutional affiliation is only given for purposes of identification.

2.2 'Resource Scarcity, Wellbeing and Development'

Alex Evans (NYU Center on International Cooperation, New York) and Jules Evans (Centre for the History of the Emotions, Queen Mary University of London)

The emphasis in this paper is on the current and future challenges to human wellbeing caused by resource scarcity. These, the paper argues, are already acute and will become more so as a result of population growth, climate change and rising demand for resources from the global middle class as consumption increases.

The assessment of the resource challenge is set within a wellbeing frame of analysis, which the authors find to be productive and illuminating. The interrogation is made more precise by asking 'wellbeing for whom?'. The authors state:

> for many of the world's poor people, resource access is already a crisis… The reason why just under a billion people are undernourished, or why 1.4 billion people lack access to energy services, has nothing to do with a fundamental constraint on the supply of food or energy. Rather it is because of a deficit in poor people's capacity to access them – which is in turn the result of their lack of purchasing power, political voice and so on. (Evans and Evans: 4)

The analysis argues that the pressures on poor people will become more acute as pressure on resources increases. This correspondingly will likely lead to declines in the capabilities of poor people to achieve wellbeing.

For development actors, including philanthropists, the necessary reassessment of the issue requires acceptance of the urgency of an interlocking set of resource scarcity and access issues that feed on each other. This already lies at the heart of various crises for the poor and is likely to

become an increasingly tight set of constraints if population growth, increased demand and the limiting factors of climate change all operate in the ways suggested in the paper. This is thus simultaneously an agenda for nation states and at international level.

In terms of realisation, the authors note that even with the current level of pressure on the international development system, 'many aid donors are playing a game of catch-up, struggling to get to grips with issues that have been overlooked in recent years' (Evans and Evans: 11).

The authors stress the value of a wellbeing frame of analysis for understanding the comprehensive threat and determining responses. They explore the 3D wellbeing approach alongside other wellbeing framings including the closely related 'freedom and capabilities' approach based on Sen's work and the 'happiness' framing. They argue that:

> Using a wellbeing-based frame of analysis can help to highlight a range of ways in which resource scarcity will affect international development. Scarcity impacts will not merely affect how poor people and countries meet their material needs, essential though this dimension is. They will also affect a much wider range of 'consequences of consequences' – in areas including governance, migration, political economy and conflict risk – implying the need for a broad-based resilience agenda both on the ground in developing countries, and at international level. (Evans and Evans: 1)

The paper concludes with a specific recommendation for philanthropic foundations to maintain one key role and strengthen another:

> Philanthropic foundations have the potential to play a major catalytic role in taking this agenda forward. Many foundations are already influential investors in areas such as agriculture and sustainable development, and are well versed in pioneering innovative approaches through their willingness to be venture capitalists rather than wholesale financiers…

> They also have extraordinary capacity to help drive change through research and advocacy… Resource scarcity offers a clear example of the kind of issue on which their leadership will be essential. (Evans and Evans: 11)

2.3 'Values and Human Wellbeing'

Tim Kasser (Knox College, Galesburg, Illinois)

Kasser's paper draws on a compelling body of evidence and detailed argument which illustrates the link between values and human wellbeing. The negative impact of certain values for wellbeing is succinctly described in the summary of his paper:

> Values concern the aims people find important and worthwhile in life. Certain values, termed extrinsic and self-enhancement in the psychological literature, are focused on wealth, possessions, status, and image. Numerous scientific studies document that to the extent people prioritise these values, they report lower personal wellbeing and higher distress; these findings are robust across measurement strategies, age, culture and socioeconomic status. Other studies have shown that a relatively high value placed on extrinsic/self-enhancement aims is associated with more discriminatory attitudes, less pro-social behaviour, and less sustainable ecological attitudes and behaviour, all of which have implications for lowering people's wellbeing, particularly that of poor people. (Kasser: 1)

Rather than these damaging, consumerist and individualistic values, Kasser argues in his paper that an opposed set of values should be developed, supported and encouraged. He explains:

[S]elf-enhancement values are opposed by two self-transcendent values: 'benevolence', which concerns helping friends and family, and 'universalism', which concerns improving the broader world. … [E]xtrinsic goals are opposed by three intrinsic goals: 'self-acceptance' (or understanding one's self and striving to feel free); 'affiliation' (or having good relationships with family and friends); and 'community feeling' (or trying to make the wider world a better place). (Kasser: 6)

The latter set of values is one that encourages empathy, solidarity and care for others and the environment. These are the values associated with the motivation to help others that lies behind much development and philanthropic effort.

The proposed actions that Kasser discusses call for a realignment at the level of values. Kasser defines this as 'promoting an alternative set of values, known as the intrinsic/self-transcendent strivings for personal growth, good relationships and contribution to the community'. According to Kasser's analysis, the advertising-driven, media-disseminated, mass consumption values of the corporations which 'rule the world' (David Korten)[9] present a significant challenge in this regard.

Referring to the negative impact of extrinsic/self-enhancement values (E/SE), Kasser suggests gloomily that 'it may be quite difficult to promote wellbeing in the twenty-first century if E/SE values continue their expansion unabated' (Kasser: 7).

The strength of this paper for the Initiative is that it introduces ideas that are seldom considered in international development thinking and deploys evidence and argument from a different scientific tradition. While there has been much general discussion of the need for a values-based development paradigm, this paper provides some depth for what we need to engage with when striving to become more values-oriented.

It has little to say explicitly about the relationships between international development and philanthropy, but it proposes an unorthodox policy agenda which hitherto will have been unfamiliar territory for development policy thinkers. Implicitly, however, in his paper Kasser is calling for philanthropy to be true to its original Greek meaning – 'love of humanity' – a universalist calling.

One of Kasser's most far-reaching insights is how short-term, successful justifications for policies based on the first negative set of values (E/SE) undermine the prospects for long-term, viable, sustainable policies. 'For example, attempts to raise people out of poverty have sometimes been framed as worthwhile because doing so would expand the number of consumers and thus economic growth' (Kasser: 8).

One of the problems with this instrumental approach to poverty reduction is that it serves to 'activate, encourage, and reinforce' exactly the values which are seen as problematic. These reflections on the best basis for policy advocacy clearly have implications for international development and philanthropic organisations engaged in policy advocacy.

Kasser calls for the application of a critical evaluation of values in the following terms:

- develop alternative indicators of progress that de-privilege extrinsic/self-enhancement values and that include assessments of intrinsic/self-transcendent values in their calculations;

- improve people's time affluence so as to give them more opportunities to pursue behaviours relevant to intrinsic/self-transcendent values;

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[9] See the full set of resources produced by Korten on the websites of the 'Living Economies Forum', http://livingeconomiesforum.org/People-Centered-Development-Forum

- promote localisation, and thereby promote greater security and choice for individuals and communities;

- restrict commercial advertising to decrease the presence of one of the primary sources of extrinsic/self-enhancing messages;

- re-conceptualise the aims of business, corporations and other financial institutions so that they are less likely to promote extrinsic/self-enhancing values and more likely to support intrinsic/self-transcendent values. (Kasser: 2)

The strength of Kasser's paper is that it presents a fundamental issue for debate not only for how we live well as individuals but also what might need to change in order for us to live better together. The analysis is challenging because it goes to the heart of some of the most deeply held sets of values that have historically been a battleground in public policy debates: whether development is driven by individual self-advancement defined mainly in material terms, or whether it can be driven by other less materialist and more collectively sensitive values. In its policy recommendations, the paper also treads heavily into the taboo area of the extent to which governments and development agents can and should actively engage in the shaping of individual values.

2.4 'The Role and Limits of Philanthropy'

Michael Edwards (Demos, New York)

Michael Edwards notes that 'over 176,000 philanthropic foundations exist in the United States and Europe alone'. Further, 'foundations provided between US$7 and US$9.5 billion to 'international' or 'development' related activities in 2009'. This was almost 7 per cent of total development assistance. US$2.5 billion came from the Bill and Melinda Gates Foundation.

With the emergence of the Gates Foundation, a qualitatively new stage in global philanthropy has been reached. 'A different breed of investment-minded philanthropists has emerged to tackle global problems in a more concerted fashion and on a larger scale', the author notes (Edwards: 1).

Edwards is concerned with the differing roles that philanthropy can and does play in international development effort. He explores the different types of relationships that have emerged between philanthropy and international development. He notes in respect of the role of philanthropic organisations in development that:

Some commentators see diversity as a continued source of strength, positioning foundations to address the complexity, contingency and negotiated nature of wellbeing. Others see it as a source of waste and misplaced priorities when key barriers to wellbeing could be removed in ten or 20 years, if only sufficient will and resources could be mobilised. Too often, this debate is framed in a way that polarises the 'old' as 'dated' and the 'new' as necessarily 'more effective', leading to impassioned but fruitless attempts to prove that one is 'better' than the other outside of a particular set of goals, circumstances and evaluative criteria which are themselves contested. (Edwards: 1)

He develops an argument that this way of framing the debate about the future role of philanthropy is a distraction 'which displaces attention away from strategies that remain vitally important for wellbeing, and which weakens the synergies that exist between grants and investments in philanthropy, political and economic risk-taking, and social change and social goods' (Edwards: 1).

He argues for developing greater clarity about what the comparative advantage of philanthropies are. As he sees it, they have two advantages over other funders of development effort:

The first is that they are released from the short-term imperatives of the financial cycle, since their corpus insulates them from the need to raise new funds or to make a return on the grants they provide. The second is that they are privately governed by their own boards of directors with minimal oversight from government, which means that they are free to make their own decisions on tactics and priorities without bending to political or other pressures. (Edwards: 3)

According to Edwards, these two advantages combine together to give philanthropies a distinctive position in respect of their ability to take risks with the funding:

Taken together, these advantages should enable foundations to look to the long-term time horizons that social change requires, take risks that would likely make other agencies shy away, and offer support for work that is unpopular or underfunded for political or other reasons. (Edwards: 3)

He notes that this relative insulation from the kinds of pressures that weigh on public organisations or private development enterprises also indicates a potential weakness for philanthropies since they are not subject to the time-bound accountability pressures to demonstrate effectiveness.

Edwards summarises the reassessment advocated as moving from 'support to intervention'. This requires 'strengthening the infrastructure of social change' for example, by helping civil society to monitor budgets through groups such as Revenue Watch and the International Budget Project. 'Investing in the provision of social goods' is another broad heading where Edwards wishes to see an expanded role for philanthropy – and where good examples already exist.

In order to achieve realisation of this realignment of philanthropic effort with development effort, Edwards outlines a set of guiding principles focused on accountability.

He argues:

The easiest place to start is diversifying boards of directors by inviting independent representatives with contrasting perspectives.

Secondly, in-country coordination between foundations and host governments has been formalised in Liberia and elsewhere through a special office for philanthropy under the Cabinet or President, which ensures that foundations liaise both with each other and with the national authorities…

Thirdly, more institutional philanthropy could be channelled through funding structures that are governed by a broader cross-section of stakeholders at the national and international levels, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria which has formal civil society representation on its board. More radically, foundations could endow local philanthropies and encourage them to make their own grants in their own national spaces, as the Ford Foundation has done in cases such as the Arab Human Rights Fund and Trust Africa.

Finally, more independent evaluation, transparency and public debate are vital, with the aim of building a broader knowledge base around different approaches to philanthropy which is less mediated by foundations themselves. (Edwards: 13)

In conclusion Edwards notes that philanthropy does not have natural proclivity to be a force for good change in the world. In respect of tackling poverty and promoting human wellbeing, philanthropic effort can just as easily maintain existing flawed systems as it can modify or transform them. He argues that there is no one answer and that the road forward is to support diversity but to allow transparent and open exchange around successes and failures. He

concludes by recognising the power that philanthropies have but that in the context of challenge and change it is important that their efforts are informed by the desires and aspirations of those they claim to aid. As he puts it: 'Balancing the demands of democracy with the determination to address global problems in a focused and energetic manner is the key issue facing philanthropy in the century to come' (Edwards: 13).

2.5 'Evaluating Development Philanthropy in a Changing World'

Robert Picciotto (King's College, London)

Picciotto's paper directly focuses on the present and future relationship between international development and philanthropy. He states at the outset:

> The development context within which international philanthropies operate is extraordinarily demanding. Pressing human needs are not being met by an official aid system short of resources, catering to multiple interests and hobbled by massive coordination problems. By contrast, private giving for development is growing and has proven nimbler and more results oriented than official aid. (Picciotto: 1)

The paper starts by painting a grim picture of an official aid system 'in turmoil'. The global economic recession has resulted in declining aid budgets and increasing levels of distress and impoverishment. Picciotto argues that the momentum for accelerated action on increased aid commitments – particularly for Africa – built from the 2005 Gleneagles Summit agreement is now stuttering. The only silver lining he sees is that other forms of funding for development effort are increasing and among these, philanthropic funding is prominent.

Picciotto sets out a detailed discussion of the contemporary aid architecture and the implications of changing conceptions of development. He then begins to set out the argument for a particular niche for philanthropic organisations in a complex, demanding and interconnected global system:

> Hunger, disease, pollution, climate change, financial [in]stability, regional conflict, international crime and terrorism do not respect national borders. 'Problems without passports' constitute the most serious threats to human wellbeing in the twenty-first century. … Since private philanthropy is less hindered by political considerations than official aid agencies, it can better 'connect the dots' of development knowledge, build platforms for international cooperation and focus its interventions on shared international peace and prosperity objectives. (Picciotto: 4)

This statement is perhaps to be understood as an indication of current best practice from some philanthropic initiatives, and as an aspiration for the sector. In commenting on the work of major foundations, the paper draws up a balance sheet of their innovations and significant contributions, while maintaining a critical attitude to these:

> The larger foundations have demonstrated a distinct comparative advantage in providing platforms for international cooperation in agricultural research, health and vaccine research. They have brought together scattered energies towards the achievement of specific development goals and they have stood for creativity, innovation and diversity in development cooperation. But many of them have not given sufficient attention to levelling the playing field of the global marketplace, to building capacities from the ground up or to amplifying the voices of the poor and underprivileged so that development is equitable and sustainable. (Picciotto: 6)

Having noted that here is a major challenge being brought about by the proliferation of new and unorthodox development funders, the author sets a far-reaching goal for philanthropic organisations: 'Looking ahead, rather than delivering results one project at a time, development

effectiveness at the systemic level should become a major preoccupation of all the new philanthropists' (Picciotto: 6).

One of the major concerns for this paper is that the positive elements of progress achieved in the Paris Declaration of 2005 will be lost. The paper argues for this to be recognised by new donors as a milestone in development history. Through principled efforts and shrewd development diplomacy, the Declaration tackled a collective action dilemma that had previously been 'swept under the carpet'. The key principles to which the Declaration publicly committed signatories were the adoption of a 'holistic human development framework'; improving 'ownership' by shifting the 'primary locus of responsibility for development effectiveness to aid recipients'; developing 'partnership' – understood as participatory processes involving civil society and the private sector and a clearer 'results orientation' of the development agenda.

In summarising his challenge to the philanthropic sector to think in systemic terms, rather than at the level of an individual organisation or portfolio of projects or initiatives, Picciotto argues that philanthropists need to go through an analogous process of cooperation and coordination to that embarked upon by the official development assistance (ODA) sector.

> The time has also come for international philanthropic organisations 'to do things right' as responsible development partners. It is currently difficult to assess the size and content of aid programmes funded by private aid donors given the scarcity of official data about their operations. Among philanthropic organisations only the Gates Foundation has agreed to provide DAC with data. To increase aid transparency, the DAC Secretariat is now pursuing reporting from other large private foundations and international NGOs. In parallel, a voluntary programme (the International Aid Transparency Initiative) is seeking donor commitments to share aid information. Only two privately funded collaborative programmes (the Global Alliance for Vaccines and Immunisation and the Global Fund to Fight AIDS, Tuberculosis and Malaria) and one foundation (Hewlett) have become signatories so far. (Picciotto: 11)[10]

Picciotto sets a high standard for the future:

> Beyond anecdotal evidence, the proposition that private philanthropic organisations invariably generate large benefits at low cost through small, innovative interventions that spur social entrepreneurship, build domestic capacities and generate development models that can be implemented on a major scale, has yet to be established. This hypothesis needs systematic testing through independent and rigorous evaluation. (Picciotto: 11)

A core argument presented in this paper is that in order to meet the scale and complexity of contemporary and future challenges, philanthropic organisations must seek to build on the best practices of development cooperation.

> Adequate priority to policy coherence for development will be needed across a wide range of issues: economic management; trade; investment; financial regulation; science, technology and intellectual property; taxation; anti-corruption and money laundering; international crime and illegal trafficking; climate change; food security; water security; energy security; violent conflict; employment; health; education; and migration. Improved collaboration among philanthropic organisations will be needed to avoid overlap, ensure that cross-cutting concerns are addressed and facilitate involvement in global policy networks dealing with these issues. (Picciotto: 7)

The conclusion of the paper is structured around three key challenges for philanthropic organisations: the 'efficiency challenge', the 'sustainability challenge' and the 'performance

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[10]   See the website of the International Aid Transparency Initiative (IATI) for progress. http://iatiregistry.org/

challenge'. The author argues that philanthropic development effort will not fulfil its potential unless it:

1. identifies and taps into its distinctive comparative advantage and coordinates its interventions with other development actors;

2. embeds evaluation in its processes to achieve operational relevance, effectiveness and efficiency;

3. demonstrates that it is accountable and responsive to its diverse stakeholders. (Picciotto: 1)

2.6 'Poverty in Middle-Income Countries'

Andy Sumner (Institute of Development Studies)

Sumner's paper addresses the changing distribution of global poverty. He uses his analysis of existing global poverty data to show how this represents a profound challenge for future international development assistance.

> In 1990, 93 per cent of the world's poor people lived in low-income countries (LICs). Now more than 70 per cent – up to a billion of the world's poorest people or a 'new bottom billion' – live in middle-income countries (MICs) (and most of them in stable, non-fragile middle-income countries). … Furthermore and contrary to earlier estimates that a third of the world's poor live in fragile and conflict-affected states (FCAS), based on data from the early 2000s, a 'ball-park' estimate (taking the broad definition of 43 countries from combining the Fragile States lists), is that in 2007 about 23 per cent of the poor lived in FCAS and these were split fairly evenly between fragile LICs and fragile MICs. (Sumner: 2)

The paper then extensively describes the key characteristics of these shifts and their sensitivity to the emergence of India and China as highly populous rapidly developing countries. On one hand, this discussion could be seen as being one about how labels such as 'middle income' operate in international development assistance decision-making; on the other it highlights a growing problem of increasing inequality. Taken in a wider perspective, this paper resonates with bigger warnings of the adverse consequences of increasing inequality for human wellbeing (see Wilkinson and Pickett 2009). This increasingly coherent set of arguments about the adverse consequences of inequality for human wellbeing is echoed in papers and discussions throughout this process. As Kasser explains, inequality has adverse implications for our wellbeing at the individual level, while other papers such as those by Evans and Evans and by Watkins highlight its adverse consequences on societal relations.

The core proposition in Sumner's paper is that these distributional changes challenge the common conception of development assistance – namely that it is a question of transferring aid from rich countries to poor countries, where the poorest people live. (This popular image is, of course, also used and augmented in fundraising efforts and shapes the public understanding of development aid, whether governmental, non-governmental, charitable, or philanthropic.) If the problem of extreme poverty is increasingly concentrated in middle-income countries to the degree suggested by Sumner's analysis, then a new approach is needed. Sumner's paper focuses on the necessary shift in analysis by all development actors and is described as follows:

> this shift could mean that a fundamental reframing of global poverty is required, 'traditional aid' (resource transfer) is no longer relevant and global poverty is now about equity/inclusion/exclusion, advocacy coalitions and 'beyond traditional aid' questions such as global public goods. (Sumner: 2)

If, as Sumner argues, and as seems likely, taxpayers in developed countries will be increasingly reluctant to pay for ODA to middle-income countries, particularly at a time when resources are constrained in the traditional donors' countries, then the development assistance agenda will need to shift to enabling middle-income countries to concentrate more energetically on domestic resource mobilisation and on the development of redistributive policies to address unsustainably high levels of inequality. Such strategies, he notes, will only work where there is middle-class support for them. Effective advocacy by philanthropic organisations (preferably indigenous) in these contexts would be a strategic contributory element in building domestic support for these strategies.

As Sumner concludes, 'the changing dynamic entails a need to rethink development assistance from a focus on poor countries to poor people and tailored to different types of context' (Sumner: 16).

In this the author argues for a systemic role for philanthropic organisations to join in a push for global public goods, innovative finance mechanisms and other 'beyond aid' modalities. The paper reviews a number of innovations that are already underway and suggests that these provide an illustration of possible points for engagement and collaboration.

2.7 'Caring for Wellbeing'

Rosalind Eyben and Marzia Fontana (Institute of Development Studies)

Written with direct reference to the effects of the recent 'triple F' global crises (food, fuel and finance), the thrust of this paper is to argue for the centrality of care for human wellbeing and the damage that is caused by its sustained neglect in development policy and practice. The authors argue that in the face of growing volatility and global shocks this neglect becomes a critical weakness for the future development agenda. The paper particularly focuses on the role of women and argues that:

> policies and development programmes have failed to address the interconnected interests and trade-offs of women as producers, employees and carers, and more generally do not recognise the value to society of activities which fall outside of the market. (Eyben and Fontana: 3)

As such the paper uses the human wellbeing framing to provide a critique of the currently dominant development paradigm and to develop an argument for a shift both in thinking and the policy agenda.

The paper explains that there is an abundance of cross-country comparative studies that show how prevailing gender norms mean that women undertake the bulk of unpaid care work including minding and educating children, looking after older family members, caring for the sick, cooking and collecting water and fuel. Furthermore, cross-country studies also show that 'in developing countries women work longer hours than men; that low-income women work longer hours than better-off women; and that rural women work longer hours than urban women' (Eyben and Fontana: 3).

The authors commend the framework based on work by Diane Elson, which has been adopted by UNDP. 'The [Elson] framework relates to three interconnected dimensions of recognising care, reducing the drudgery, and redistributing care more equitably, within families but also among and between providers of health services' (Eyben and Fontana.: 9).

They argue that these three central concepts of recognition, reduction and redistribution are fundamental to reconceptualising development theory at this time. The 'right to be recognised on one's own terms' is vital to addressing structural inequities of identity such as gender and race.

The resulting gender analysis feeds into the 'human rights as development policy' discourse which has gained currency since the end of the Cold War.

Eyben and Fontana conclude their paper with a programmatic and comprehensive agenda for philanthropic organisations. This, they believe, is borne out by the historical record of philanthropic foundations:

> Philanthropic foundations can play a key role in facilitating such a shift because of their independence and track record of innovative thinking that challenges worn-out paradigms. They have often taken a lead in facilitating and testing new and challenging ideas where bilateral and multilateral aid agencies will never go. There is a particularly compelling case here for a role for philanthropy in helping promote recognition of care and enabling the global rethinking of core economic principles that the paper proposes. (Eyben and Fontana: 12)

Their more specific recommendations are:

- Take the lead in demonstrating the importance they attach to the issue by undertaking a 'care audit' of the programmes they finance;

- Adopt the recognition, reduction and redistribution framework in relation to the design of future development activities;

- Actively challenge the assumptions informing existing economic development models that render care invisible;

- Encourage and support worldwide debates among diverse audiences about how to change our economic models into ones shaped by altruistic and solidarity principles. (Eyben and Fontana: 12)

As with other papers, the authors posit this as a topic on which the comparative advantage of philanthropic organisations can be brought to bear. Addressing the wider challenge of rethinking the economics that informed the current international development orthodoxy, they conclude:

> Philanthropic foundations, with their greater independence, should therefore lead the way and encourage debates on the prioritisation of diverse economic forms that are possible – those that balance the current prevailing values of autonomy and individual entrepreneurship with the values of nurturing, sharing and cooperation. (Eyben and Fontana: 12)

2.8 'Corporate Philanthropy and the 'Education for All' Agenda'

Kevin Watkins (Centre for Universal Education, Brookings Institution, Washington DC)

The paper by Kevin Watkins is a valuable case study on the contrasting response to date by philanthropic organisations to primary health care and primary education. He focuses his account of the role of philanthropic organisations in international development effort around this comparison:

> Comparisons between health and education are striking. Over the past two decades corporate philanthropy has changed the face of international cooperation in health. Today, individual philanthropists and their foundations provide more finance than all but a handful of aid donors.

> All of this stands in stark contrast to the position [of philanthropies] with respect to support for education in developing countries. Education represents a small share of corporate philanthropic finance. Philanthropic foundations and companies are not involved in any meaningful way in multilateral aid partnerships. They have a limited voice as global advocates. There are no analogues in education for the global health funds, with

consequences for finance and global partnerships. Given the scale of the global crisis in education, and recent evidence of stalled progress towards the international development goals, these are significant omissions. (Watkins: 2)

Watkins sets out a strong case for prioritising a focus on education and relates that case to the future threats and challenges in the global system.

So why put education on an already overcrowded agenda? Partly because education is a fundamental human right, but also because without progress in education any attempt to address the wider challenges facing governments around the world will be in vain. In an increasingly knowledge-based world economy, deep disparities between nations in education will reinforce an unequal and unsustainable pattern of globalisation. Education inequalities within countries will similarly reinforce social and economic fault lines. And without improved education there is little prospect of humanity confronting the technological and social challenges posed by the global ecological crisis. (Watkins: 1)

The paper engages critically with the notion of human wellbeing. The author argues that the term has been debased by its avoidance of issues of power that drive the dynamics of inequality and marginalisation. Regardless of these concerns, according to Watkins, education represents one of the foundational opportunities with which to meet future threats to human wellbeing. He argues that 'it is surely evident that no society, be it local, national or global, can flourish when many of its members face deeply entrenched disadvantages in accessing opportunities for education of decent quality' (Watkins: 1–2).

In marked contrast to the health sector 'corporate philanthropists in education are not engaged in coordinated global initiatives linked to the international development goals'. Where there has been philanthropic support for education from foundations, it has tended to be for tertiary education. Positive exceptions among foundations active in the health sphere that Watkins lists are the Hewlett Foundation, the Sir Ratan Tata Trust and the Navajbai Ratan Tata Trust.

In contrast to the health sector, education 'lacks a strong multilateral core and there is no counterpart to the Global Funds' (Watkins: 2).[11] This lack of a financing and policy infrastructure is damaging to global efforts to make progress on education. For education, the only multilateral vehicle is the Fast Track Initiative (FTI), which operates principally through the World Bank. While it has delivered some modest benefits, the FTI has suffered from chronic underfinancing. The author notes that disbursements from the FTI in 2010 amounted to just US$250 million against US$3 billion for the Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis (Global Fund), and suggests that slow rates of grant disbursement, and limited coverage of conflict-affected states, lie behind this weak performance.

Watkins also notes that there are obstacles at the conceptual level. In the currently dominant development model, there are weak links between education and international development goals. This results in a paucity of data and evidence about the contribution of education to reducing poverty and improvements in human wellbeing.

The paper examines philanthropic funding for health initiatives as a potential model for education funding in the future. Watkins argues for five broad guiding steps for the realisation of greater impact in education.

● **Scale up support for education**. The author argues that the limited financial support channelled to education through corporate philanthropy is symptomatic of a wider failure to engage with the 'education for all' agenda. Given the central role of education in enhancing

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[11]   Including e.g. GAVI.

wellbeing and facilitating progress towards wider development priorities, its marginal status on the corporate philanthropic agenda is counter-productive.

- **Work through public education systems**. Too much corporate philanthropy in education takes place through company-based schemes and small projects operating outside national education strategies. This is a high-cost, low-impact mode of delivery. The type of approach developed by the Sir Ratan Tata Foundation and the ICICI Inclusive Growth Foundation in India, with an emphasis on strengthening public education, is more efficient and has the potential to leverage wider change through good practices adopted by national institutions.

- **Avoid promotion of private sector 'quick fixes'**. The paper notes that education policy is a highly contested area in all countries. Governments and civil society in the poorest countries have to determine reform paths through national debate. The overwhelming challenge is to raise learning standards and strengthen equity. Corporate philanthropy should be geared towards these goals. It should scrupulously avoid the promotion of ideologically loaded prescriptions in favour of market-based solutions, and the imposition of a US-style school reform model to countries lacking the institutional capacity to ensure equity.

- **Support a global fund for education**. This would draw on best practice from the health sector. A stronger multilateral aid architecture would help to facilitate more effective corporate philanthropy. It would lower transaction costs and extend the range of countries benefiting from philanthropic engagement. Prospects for strengthening impact would be greatly enhanced by moving away from the current FTI model, with its over-reliance on World Bank reporting systems, and moving towards a Global Fund model through which the private sector is more actively involved in financing and delivery at the country level.

- **Engage in 'education for all' advocacy**. By working through individual company systems, philanthropic foundations and the global health funds, corporate philanthropy has played a pivotal role in keeping health at the top of the international development agenda. The Global Business Council for Health has played an important role in supporting and facilitating advocacy by a broad network of companies. The Global Business Council for Education created in 2011 should seek to emulate that role. But its success will hinge on active engagement by senior figures in the corporate community. (Watkins: 23 [not verbatim])

The paper is sceptical of the philanthrocapitalist arguments and of what are seen as exaggerated claims. The overall sense conveyed by this paper is that education is currently not considered to be prominent and attractive enough for global philanthropy to make sufficiently large investments to achieve systemic impact. While it is important to be seen to be eliminating malaria from the world, it is perhaps less eye-catching but no less important to invest in the long-term commitment to education on which many other development goals depend. The beneficial results of primary education take a long time in coming and depend not just on the quantity of education provided but on its quality. Its beneficial impact also depends on the prospects available to graduates beyond school and this is not in the hands of those who might invest in education. This makes education a high-risk and low-profile area for potential philanthropic investment.

2.9 The philanthropy Commissioned Papers

A single review sets out to establish the relationships between the contributions of the three papers that assess the changing philanthropy ecosystem. The three Commissioned Papers that are reviewed and discussed collectively are:

- 'Philanthropy – Current Context and Future Development Outlook' by Resource Alliance
- 'Transformative Innovations in African Philanthropy' by Bhekinkosi Moyo (TrustAfrica, Johannesburg, South Africa)
- 'Islamic Philanthropy and Wellbeing' by Mariz Tadros (Institute of Development Studies)

'Philanthropy: Current Context and Future Outlook' by the Resource Alliance looks at drivers of recent changes in philanthropy: external pressures from globalisation, changes in the funding environment and the emergence of new actors. As the objectives of official development assistance have expanded to include the provision of global public goods, the number of aid donors and recipients has proliferated. The growth of philanthropic actors is the result of growth in the number of high net worth individuals. Philanthrocapitalism and the impact of business have also influenced philanthropic practice. The growth in participation increases the costs of cooperation and coordination. Philanthropic funding will need to be directed to emerging philanthropies and civil society organisations to develop their organisational capabilities and train managers.

The contrast between formal and informal philanthropy has given way to a distinction between horizontal and vertical philanthropies. The past focus on vertical philanthropies has obscured the importance of identity, belonging, social institutions and non-monetary gifts. In the literature, it is argued that new approaches to philanthropy will need to be 'multidirectional' in order to draw on already existing horizontal philanthropies and to avoid co-opting, distorting or undermining them (Wilkinson-Maposa, Fowler, Oliver-Evans and Mulenga 2005; Wilkinson-Maposa and Fowler 2009). The lesson that emerges is that supporting horizontal philanthropies results in philanthropy of community and thus, philanthropy for wellbeing.

'Transformative Innovations in African Philanthropy' by Bhekinkosi Moyo finds that African philanthropy is influenced by the same trends as global philanthropy. However, the paper differentiates between vertical philanthropy, or institutionalised philanthropy, and horizontal philanthropy which is ongoing in African communities. It argues that the distinction between formal and informal philanthropy is a false dichotomy because there are ritualised ways of community giving, such as mutual aid societies, burial societies and cooperatives. The challenge is to strengthen the legal and institutional climate for vertical philanthropy and the skills of new philanthropic organisations, without abandoning or co-opting horizontal philanthropy.

'Islamic Philanthropy and Wellbeing' by Mariz Tadros develops a typology of Islamic philanthropy organisations. The paper focuses on *zakat*, the principle of the annual giving of one's wealth and the debate over *zakat* giving to non-Muslims and non-prescribed causes, including development. The ritualised sustainability of *zakat* giving and the breadth of the Muslim diaspora offer opportunities for innovation in cooperation with civil society organisations and through transnational Islamic organisations.

Both Moyo and Tadros argue that pre-existing forms of giving in the community already take human wellbeing into account and that more institutionalised philanthropies should be organised to support traditional structures. Membership in and responsibility to a community drives giving, whether it is membership in a geographic community, ethnic community, religious community or increasingly, social class. New strategies for philanthropy and development will need to take this into account in order to be effective.

These papers suggest that philanthropy in international development is at an important juncture with respect to social change. The changes that we see in the ecosystem of philanthropies in international development are the result of global pressures that are influencing international development practices and philanthropic practice.

These global pressures come from the increasing economic inequality that accompanies economic growth; from a shift to more holistic ideas of development; a decrease in government and bilateral aid from traditional donor countries; and the emergence of aid funding and transfer of development practices from the BRICS countries. The same economic growth that has increased inequality has led to dramatic growth in the number of private actors in philanthropy and development. There has also been a fragmentation of aid recipients at different levels (international, national, regional, local) and among types (international NGOs, developing country NGOs, for-profit and non-profit social enterprises).

The growth in the number of donors and recipients increases the need for cooperation and alignment among the goals and activities of the many actors. There is a need for deeper integration of private actors into development frameworks and practice. This need is particularly urgent, given the influence of private philanthropic actors over development funding and practice, as is evident in monitoring and evaluation, impact investing, microfinance and social entrepreneurship.

As institutionalised philanthropy spreads with global wealth, there is a dialogue between 'best practices' and local conditions. Regional networks of philanthropic organisations can help newer philanthropies acquire skills for effective grant-making, fundraising and management. Key innovations will emerge from cooperation between new philanthropies and local civil society. New philanthropies will gain legitimacy as they begin to fundraise from local sources as well.

The authors of the papers reviewed here believe that the future effectiveness of philanthropy in international development depends on innovations in funding that support local traditions, local involvement and local needs. In this view, what is 'local' will be based on ethnic identity, religious identity, newfound middle-class identity or indeed on a context-specific mix of all these factors. As a result, philanthropic organisations will need to engage fully with issues of participation, advocacy and social, political and economic inclusion. In order to align philanthropy with human wellbeing, philanthropy needs to find ways to co-exist with 'giving' or 'help'. Doing so will also require becoming more comfortable with the ambiguity of formal, but non-institutionalised ways of giving.

These papers open the door to additional emerging issues in philanthropy and development, related to remittances, diaspora giving, the continued role of business, and building philanthropies' ability to transfer nonmaterial gifts. The volume of remittances is six times that of philanthropy for international development. Although they are typically transfers from individuals to their families, much of remittance funding is spent on local and community causes. There is a case for philanthropic organisations to help create the conditions for cheaper and safer money transfers and to leverage remittances as social investments.

Mobilising the financial means of migrant diaspora also involves building diaspora organisational capacity and lobbying for more conducive home country environments. Khan (2008) writes that migrants need assistance in forming legal organisations, managing organisational and philanthropic processes, and ensuring accountability and fundraising. Their efforts also need home country government support for diaspora philanthropy, home country and host country tax laws that are conducive to donations, inexpensive money transfer technologies and host and home country networks of supportive fellow organisations.

2.9.1 Future challenges for philanthropy

As the ecosystem of philanthropies shifts with globalising forces, a number of necessary points for contentious debate emerge.

- The development community has noted the results orientation of philanthropy, calls for transparency, and economic pressures on national governments in order to establish the aid effectiveness agenda. The growth in the number of development actors, including philanthropists, increases the opportunities for learning and scaling development solutions. It also increases the cost of cooperation and coordination. In addition, philanthropic funding may need to be devoted to infrastructure, organisational capabilities or management training (areas which have previously attracted less philanthropic attention) in order to help societies develop the capacities needed in order to absorb philanthropic funding.

- Philanthrocapitalism – that is, the influence of business actors and business philosophies in philanthropy – will also continue to affect the development community. Its effects can be seen in the strength of impact assessment, microfinance, social enterprises, social investing and the dominance of the Bill & Melinda Gates Foundation. Whether this is a good or bad thing remains a matter of considerable debate.

- The politics of aid, especially private aid, in developing country contexts continue to be contentious. But the growth of philanthropy will make it increasingly difficult to avoid debating these politics.

- The reviews suggest that recipients continue to be under-represented in decision-making and grant-making processes. Directing philanthropy by placing emphasis on helping to grow civil society institutions also pays little regard to strong local traditions that may already support giving. Much of the emphasis on new philanthropies is based on economics and class. It tends to underplay the issue of identity philanthropy. The potential for women and youth-funded philanthropies and the importance of identity in religious and diaspora giving are also underexplored.

- The discussions suggest that foundations themselves also need to question their role as grant-makers. Some argue that foundations need to engage more as advocates and push for institutional transformation, particularly taking into account the difficult and shifting contexts where they give. Thanks to their independent financial status, they have the means and detachment to support local civil society with their voices as well as their money.

- The influence of business practices and funding on philanthropy will continue to be hotly debated. The strong goal orientation of 'philanthrocapitalists' is still seen as potentially causing problems of sustainability. The focus on innovative technical solutions, especially in health and agriculture, can at times divert attention from social objectives and social solutions. Technical complexity is assumed, but issues of institutional or social complexity tend to be brushed aside. The desire for rapid scalability of solutions also assumes that a rapid pace of change is good. The emphasis on rapid scalability may also be based on hidden assumptions about the homogeneity of target populations and homogeneity of the benefits that result, thus leaving inadequate time for deliberation, negotiation and adjustment. Finally, the networks of organisations that are able to comply with the orientation of philanthropies may be a biased sample and as such philanthropic giving in this modality may serve to reproduce existing power structures rather than challenge them.

2.10 Summary and key arguments from the Commissioned Papers

The Commissioned Papers debate the relationships that need to change to meet the various challenges ahead and encourage a reassessment of ideas.

Relationships: In terms of existing relationships between international development and philanthropy, the papers observe the following:

- The vastly increased role of the philanthropic sector in the development effort in the past 20 years, most obviously with the huge investment by the Bill & Melinda Gates Foundation in health (and to a lesser extent other fields).

- Because foundations are free from the constraints of public opinion or the need to gather taxes for ODA, they have, in theory at least, greater room for manoeuvre in choosing their issues.

- The discrepancy noted by Watkins between support for health and the primary education crisis worldwide.

- The profusion of actors in the philanthropic field and the accompanying lack of accountability and coordination in the sector.

- The tension in the interpretation between the 'old' model of development as ineffective and dated, and the 'new' business-like philanthropic sector which should increasingly replace it (an interpretation rejected by Edwards).

- A number of the authors stressed the need to understand the special possibilities which foundations have because they can shape their own way of operating; and the specialisms which can augment the 'toolbox' of development initiatives.

Reassessment: This reassessment is envisaged in different ways – most of which aspire to going 'beyond the market towards wellbeing'.

- Evans and Evans stress the need to frame analysis in terms of resource scarcity – constraints which will become worse as population increases, middle classes and their consumption expand, and climate change impacts are more readily felt.

- Kasser stresses the need to work against consumption-oriented values in favour of more empathetic values of solidarity.

- Edwards emphasises the need to move from support to intervention – aspiring to systemic change.

- Picciotto sees the realignment in terms of philanthropic organisations joining collaborative structures to help the sector achieve maximum systemic impact.

- Sumner proposes that the focus is moving away from traditional ODA to policy advocacy within middle-income countries as a means of poverty alleviation.

- Eyben and Fontana argue for inclusion of the care economy in analysis of social wellbeing – with the stress on recognition, reduction of drudgery and redistribution of caring responsibilities. A development strategy focused on growth and narrow economic indicators will almost inevitably do damage to the relational dimensions of society and in the process radically diminish wellbeing.

- Watkins takes the example of the effective coalition-building of the health sector – with alliances between national governments, multilateral organisations, donor governments and the philanthropic and private sectors – as a model for the education sector.

The philanthropy papers underline the need to locate new philanthropy in the context of the identities and values systems from which they arise.

3 The Global Dialogues

3.1 Introduction

The Bellagio Initiative began with a series of Global Dialogues, designed to bring together people from across the world to explore how issues of wellbeing, international development and philanthropy are changing. They also aimed to engage philanthropists in discussions about priorities for action, and explore how to mobilise for action. These dialogues sought to engage intellectual experts and 'situated experts' –that is, people who are personally or professionally engaged with the issues.

Global Dialogues were facilitated by IDS in Delhi (rapid urbanisation), Cairo (freedom and democracy), São Paulo (climate change: growth and sustainability), Kenya (people on the move) and London (global regulation). IDS also facilitated two virtual dialogues: on ICT and inclusive economics. Resource Alliance facilitated dialogues on philanthropy in Delhi (BRICS/rapidly growing economies), Budapest (middle-income countries), Accra (new emerging economies) and Amsterdam (cross-market INGOs).

These Global Dialogues were intended as forums for dialogue and as spaces where people who do not usually work together can share ideas. The aim was to encourage dialogue, explore context and contradiction, diversity and difference, rather than to reach consensus. A key challenge was to bring to the fore new and important voices – voices that understand the trends in life experience that are likely to emerge over the next few decades.

Each Global Dialogue explored a particular issue or problem – for example, rapidly growing economies, urbanisation and living in the city, freedom and democracy, living on the move. They sought to use the concept of 'wellbeing' as a means to look differently at the issue. Participants were thus asked to think about:

● the challenges to living well and the possibly intractable problems that constrain wellbeing;

● whether there are innovations that promote wellbeing;

● whether there is potential for cross-sectoral collaboration that can make inroads into promoting wellbeing.

By focusing on a specific issue, but linking it to wellbeing, participants asked new questions about the problem. For example, what is important for wellbeing in relation to global governance; what is important for different groups and how do these priorities relate to the specific challenges identified; how does introducing wellbeing into the discussion change the way we understand the problem and the ways solutions are approached?

The Global Dialogues were designed to inform the Bellagio Summit. But each conversation also generated new relationships and ideas, and challenged the Bellagio Initiative to recognise constraints and opportunities, while focusing attention on new ways to understand problems and seek collective resolutions. Each dialogue report has been published (see www.bellagioinitiative.org/resource-section/) giving the global community an opportunity to engage further with these discussions.

3.2 A summary of the dialogue discussions

3.2.1 Urbanisation: New Delhi, India

Urbanisation is growing at a rapid pace. It is driven by changing agricultural practices, the inability of people to sustain livelihoods in the face of climate change, the opportunities for livelihoods in

cities, people fleeing from conflict, and other challenges. It will be but a matter of decades before the majority of the very poor live in cities. According to UN-Habitat, for the first time in history more people live in urban than in rural environments. However this rapid transformation of the landscape of poverty is neither reflected in the international development agenda, nor in that of philanthropic giving. Thus it represents both a pressing need and a major opportunity. The urgent issues at an individual level are security and ensuring that social networks are not destroyed through development. The urgent issues at a societal level are failures of governance, planning and taxation. At the interface between these levels there are fundamental and unresolved issues about how the infrastructure development that accompanies economic growth displaces poor people and creates further inequality.

The key issues for the Summit were:

- putting urban issues higher up the philanthropic agenda. Rural issues have been articulated in a way that elicits giving, but urban issues much less so;

- developing a more strategic and long-term approach to investment – with funding targeted at core issues such as governance failures as well as more obviously visible projects;

- taking risks and investing in innovative pilots which governments cannot do because of the need to deliver short-term results;

- developing a greater profile in campaigning and advocacy – which is well developed in the US but is not so in Africa and Asia.

3.2.2 'Living on the Move': Kinna, Kenya

This dialogue comprised a wide mix of people who live on the move: pastoralists and mobile traders; internally displaced peoples; economic migrants and diaspora migrants. Like the urbanisation group, strong feelings were expressed that the issue of mobility hardly featured on development agendas, and that national governments did not like to support mobility because citizenship was rooted in localities. The group saw the priorities for philanthropic engagement as activities that:

- acknowledge mobility as an integral part of the modern world and campaign for understanding mobility as a human right. This would include supporting dialogue with governments and major development institutions. This is a key area where international philanthropic organisations could use their leverage and reputation as advocates. The question was asked: 'how can Bellagio lever the political will?'

- leverage the economic and social power of remittances and the internal welfare systems of mobile peoples – this would include developing partnerships and strategies with diasporas on the global stage, but also with accountable structures on the micro level. Many remittances are targeted at individuals and families. More can be done in cooperation with diasporas who organise remittances for the collective good.

- leverage the unique capabilities of deep-rooted community institutions in Africa and the diaspora that function as the guardians of good mobility and wellbeing – this would include support to indigenous conflict resolution and investing in organisations that are accountable to their constituencies. International philanthropy would be well placed to make a contribution through its ability to take risks and invest in new approaches.

- recognise the dislocation and disconnection of people moving in distress – this could take the form of support to legal services, information and rapid reintegration initiatives.

- invest in the technologies that promote the productivity of a mobile life, including information, knowledge and communication systems, face-to-face connections and education systems for people on the move. For those on the move (whether forced or unforced), education has been a longstanding problem with no easy solution. The meeting wanted to see investments in distance learning approaches that could be delivered through mobile technologies.

3.2.3 'Freedom and Wellbeing': Cairo, Egypt

Politics prevailed over the course of the discussions in Cairo, not surprising given that the region is undergoing a period of extreme political, social and economic transformation. The reconfiguration of political powers is generating new opportunities for reimagining wellbeing to include generational dimensions (youth), to promote social justice (in particular for marginalised groups) and to remove corruption from state and society. However, the new political openings also threaten to undermine wellbeing in deeply disturbing ways: the backlash against non-Muslim minorities that Egypt has experienced; the restrictions on political freedoms that Egypt and Tunisia have witnessed; and the severity of the economic downturn as a consequence of declining internal and external investment as well as a decline in tourism. Such downturns risk undermining the gains made in securing freedom and dignity because they are making many citizens rethink: freedom at what cost for ourselves and our children? In the current phase of transition in Egypt and Tunisia, people's aspirations have been stalled by ineffective transitional governments that show all the characteristics of bad governance.

The term 'wellbeing' was not used directly; participants spoke more about how to operationalise social justice – whether in setting a minimum wage, granting social entitlements to marginalised groups such as quarry workers, or supporting the workers in the informal sector. Both international philanthropy and development were seen as marginal to determining the political processes or outcomes of ongoing struggles. The focus was on indigenous political and civil actors and the role of the military.

Nonetheless, participants had very clear and concrete suggestions for international development and philanthropy projects. These included:

- supporting local knowledge production for addressing local problems; challenging the knowledge hierarchy which has assumed that international expertise is always superior to the existing local repertoire. This was viewed as a priority for participants in the Cairo Global Dialogue and an area where philanthropists might take risks backing nascent initiatives which support progressive initiatives;

- providing support for higher education and broadening the range of civil society actors and approaches to civil engagement and helping to provide expertise to reform state institutions;

- facilitating exchange programmes, experience-sharing and capacity development.

3.2.4 'Sustainability and Growth': São Paulo, Brazil

The group focused on the Latin American region, but was also attended by a participant from Ethiopia. The challenges identified included the pace of social and environmental change; fear, ignorance and greed undermining traditional values; material poverty, deprivation and inequality (in spite of attempts to address these, including those of the Brazilian government); and the limits to action for democratic institutions because of global economic interdependence. However, the challenges also give rise to some opportunities. Awareness of climate change encourages new awareness of the importance of sustainable natural resource use and opportunities for community management of biodiversity, green energy and payments for environmental services. New opportunities for social organisation arise from urbanisation and the availability of internet

technology. New forms of political, economic and natural resource governance are developing. These include participatory management of public policies, cooperative and association-based employment and income-generating initiatives and the revival of indigenous and traditional techniques of resource management. New civil society networks are also coming to the fore.

Much of the discussion centred around the conviction that growth and development are not synonymous. For example, the current growth model over-emphasises natural resource extraction and agri-business, which has negative environmental effects and creates few jobs. The meeting also looked at the environmental impacts of climate change, ranging from the risk of desertification in the arid north-east of Brazil, to mud slides in slum areas (*favelas*) as a result of sudden heavy rainstorms.

From the era of military dictatorships, Latin America has developed democratic innovations, participatory methods and governance structures allowing for more autonomy for indigenous groups.

The key issues for philanthropists identified during the dialogue were:

- recognising diversity and respecting plural perspectives on challenges and opportunities;

- facilitating autonomy through hands-on engagement with grassroots initiatives; going beyond short-term project cycles and allowing for local-level learning;

- supporting relationships, helping to build networks and broker connections between different levels, sectors and interests; and

- addressing power and politics in knowledge and governance. Environmental issues are quite marginal in political debate in Brazil. The current growth model leaves little space for different ways of relating to nature and different kinds of knowledge – for example, the traditional approaches of indigenous peoples. This also involves recognising that different forms of democracy and the availability of different kinds of spaces for civil engagement will also influence the handling of issues of sustainability, climate change and economic growth.

3.2.5 'Global Governance and Regulation': London, UK

There is a new and more complex ecosystem of actors, agencies and values involved in contemporary systems of global governance, regulation and development. More can be done to map and understand the dynamics of this new ecosystem since understanding of the interdependencies involved will be important for effective global governance and regulation in the promotion and protection of human wellbeing. The current arrangements and institutions of global governance are not well trusted and this is related to what is perceived to be a lack of accountability. There are other initiatives and institutions of governance that are better trusted and which are seen as being more accountable. One way forward may be to build on what trust already exists.

Governance challenges continued to be set and addressed at too high a level. The concept of subsidiarity means finding solutions at the most appropriate level, as close to ordinary people as possible. Attempting to address problems at too high a level can make solutions even more difficult to find. Because the stakes are often set so high it can prove impossible to progress at all until all parties agree. As a result global solutions are designed only to reach the lowest common denominator. What is necessary is to break down problems into more manageable components that can be dealt with by governance authorities operating below the very top global level. Nevertheless we should also guard against the pursuit of the best solution where that is likely to be too politically difficult to achieve and where seeking good enough solutions provides a more pragmatic route.

On the other hand, the implication of subsidiarity means that some issues do need to be resolved at a global or continental level – they cannot be resolved 'lower down'. There are genuinely international issues. The international financial crisis cannot be resolved only through action by national governments.

A major challenge for global governance and regulation is distrust of the institutions. A key contributing factor to this distrust of governance institutions is their lack of accountability and transparency. High-level, unaccountable political institutions that lack transparency are not trusted. But there are institutions that enjoy a higher degree of trust, including some religious and socially grounded institutions and new social networking institutions. It should be possible to build on existing bases of trust. The example of the ISO (International Organization for Standardization) was discussed. This involved voluntary compliance and its evolution was demand-driven rather than imposed from the top down.

There may be fundamental problems with the ideas and values on which current approaches to governance and regulation are founded. The negative contribution of purist neo-classical economics was highlighted. On the other hand the globalisation of humanitarian values is evidenced by the global responses to the needs of those who have been struck by crisis and those who are suffering. It was also argued that globalisation has been responsible for universalising values around equality and that this has provided support for growing global anti-inequality movements. This has knock-on consequences for national governance. Inequality is increasingly becoming a global issue. Extreme levels of poverty still exist, and, in many countries, society is becoming more unequal. Inequality was identified as a theme on which philanthropy could work at a systemic level. The Mo Ibrahim Foundation's work in Africa and the systemic work of the Open Society Institute (founded by George Soros) in the field of education in Eastern Europe were seen as providing noteworthy examples.

3.2.6 'The Inclusive Economy': Virtual dialogue

The online debate[12] covered a wide range of perspectives, many of which address the shortcomings of GDP as a measure of development. At one end of the range of views was Wieck Wildeboer (former Dutch Ambassador to Oman, Bolivia and Cuba) who argued 'there is a greater need for capable, dedicated, incorruptible politicians and bureaucrats to execute the strategies than for new economic theories or development models or even for money'.[13] At the other was a radical critique of the Bellagio Initiative by Claudio Shuftan, who argued that acceptance of wellbeing is 'another development gimmick in the making',[14] that major philanthropies are 'a new plutocracy' and who gave a detailed and positive evaluation of Susan George's book *Whose Crisis: Whose Future?* (George 2010).[15]

Increased material consumption does increase wellbeing, particularly for the least well off. Nonetheless, increased economic activity as signalled by GDP growth does not necessarily translate into increased income for the least well off. GDP per capita is not necessarily a good indicator of wellbeing, particularly in unequal societies. Furthermore, there are many other factors which contribute to wellbeing, which mean that far more than narrow indicators of per capita GDP must be taken into account in the assessment of quality of life.

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[12] To access individual contributions to the online debate see www.thebrokeronline.eu/Articles/Building-quality-of-life-together (accessed 13 June 2012).

[13] See www.thebrokeronline.eu/Blogs/Bellagio-Initiative/No-need-for-more-development-models

[14] Shuftan is a freelance consultant currently based in Vietnam and is an Adjunct Associate Professor at Tulane School of Public Medicine, New Orleans. See www.thebrokeronline.eu/Blogs/Bellagio-Initiative/Another-development-gimmick-in-the-making

[15] See www.thebrokeronline.eu/layout/set/print/Authors/Schuftan-Claudio

One of the difficulties with finding an alternative to GDP is finding a measure of equal simplicity and intuitive clarity. As Henk Molenaar said: 'We are in need of a single, powerful concept to rival growth as a development paradigm' (Molenaar/Report: 3).[16] Participants in the dialogue emphasised that an equally powerful concept would need to be social and relational to be convincing as a measure of wellbeing.

Taking one indicator as decisive (GDP per capita) was unlikely to give an accurate indication of wellbeing within a society. In the dialogue, Dean Baker, co-director of the Center for Economics and Policy Research in Washington DC, gave a graphic example from a different field:

> As a practical matter, no serious economist would argue that economic growth is a comprehensive measure of wellbeing. It is a useful measure in the same way that weight is a useful measure in determining whether someone is healthy. If a person has a near ideal weight, it doesn't mean that they are not suffering from cancer or some other fatal disease. However, if they are 50 pounds underweight or overweight then it is likely that they have some serious health issues. (Baker/Report: 4)

The dialogue also debated the issue of accountability in the economic profession, with the argument being advanced that there is a deeper problem than merely that of taking the wrong measure. Some commentators argued that economists should be much more ready to advance economic arguments based on values and their assessment of the common good – particularly when faced with the consequences of developments within the financial sector.

The old management theory dictum (Peter Drucker) that what gets measured is what gets managed, can be applied here. Caring and voluntary activity do not usually feature in economic calculations, yet they have a profound impact on the quality of life for many people.

Many aspects of social life are disregarded or rendered invisible by market ideology. Nicky Pouw (University of Amsterdam) highlights the shortcomings of economic analysis and prediction in the financial crisis:

> If there is one primary reason why economists failed to predict the current financial crisis it is because of a gross underestimation of the destructive forces of what I call 'propelling risks'. Financial risks that were taken at the lower end of the income distribution built up, led to welfare losses, and very quickly affected income groups across the board and in multiple countries. Articles addressing the underlying causes of this misconception always mention one or more of the following three reasons: (i) a foolish belief in perpetual economic growth; (ii) a wrong use of economic models; or (iii) a lack of ethics and morals, not in the least on the side of the financial sector. The gist of the matter however is in the inter-connections.[17]

Pouw also cites Paul Krugman's critique of the performance of economists in the continuing economic crisis (in which he also blames himself) (Krugman 2011). This is a recurrent theme in Pouw's analysis.[18]

Katherine Zobre stated that:

> Economists and citizens have systematically undervalued the resources and activities that allow the human race to survive and prosper. This is where the ethics have gone. They have

16 Henk Molenaar is Executive Director, WOTRO Science for Development.

17 For the full text of Plouw's contribution, see www.thebrokeronline.eu/Blogs/Bellagio-Initiative/The-gist-of-the-matter-is-in-the-interconnections (accessed 12 June 2012).

18 Plouw pursues the argument further in her blog www.thebrokeronline.eu/Articles/When-growth-is-empty (accessed 12 June 2012).

become a non-market good, and thereby devalued by an increasingly market-dependent global citizenry. (Zobre/Report: 7)[19]

This means we need to focus on the social as a dimension in order to welcome in the paradigm shift and to start re-imagining development. Allister McGregor supports this notion by arguing that all signs point to the fact that:

the liberal or residualist view of social reproduction is no longer tenable. … [W]e cannot expect positive social reproduction to happen by chance or as a result of the goodwill of some members of society and of women at large. (McGregor/Report: 7)

3.2.7 'New Information Communications Technologies': Virtual dialogue

The dialogue addressed the following areas:

● Theme 1: What is the value of focusing international development on human wellbeing? What do we mean by ICTs in this context?

● Theme 2: In what ways can ICTs help improve the ways in which we live well together? What particular case studies are there that help illustrate this?

● Theme 3: What new technologies, communications and platforms are available that may be beneficial?

The general consensus in this online dialogue was that technology on its own will not solve development problems. Understanding the context in which it would be used, considering the technical literacy of the people involved and scoping out the desired impact all seem to be contributing factors to successful applications. Low tech (from SMS to cassette recordings) can often provide high-value solutions. An example was given of a community returning to low-tech, older equipment (cassette recordings) for documenting the impact of HIV/AIDS on a community in Kenya. There are examples where ICTs have had a major impact, such as 'infolady', a scheme which has been developed in poor rural areas of Bangladesh. Women ride bicycles, armed with gadgets including netbooks and GSM mobiles and offer information services to various target groups: pregnant women, farmers, children, adolescent girls. They provide important practical information on health, education, farming, employment and legal advice. As one 'infolady' explained in a recent interview with a British newspaper, 'it was a scandal when I started my rounds two years ago with just a mobile phone. Now it is more of a phenomenon'. The people whose lives she is shaping treat her like a champion. The Al Jazeera film clip included in the dialogue shows the potential of cycling from village to village (up to 20 in a day), giving, for example, a basic pre-natal health check-up and photographing crops (okra /lady's fingers) to get agricultural advice for a concerned farmer. There are 23 such infoladies in Bangladesh, showing the potential of linking up with essential services and information through new technologies.[20]

A list of further examples mentioned during the dialogue is given in the full report of the virtual dialogue.[21]

The message was clearly affirmed that ICTs can be an enabler in improving wellbeing but that much more was needed to achieve positive change. One participant (Ken Banks, kiwanja.net) encapsulated this sentiment by saying: 'Let's start with the people, then the problem. And then the tech'.

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[19]   Katherine Zobre, graduate from the Master's Programme, International Development Studies, University of Amsterdam.

[20]   See http://prezi.com/gwngk_gxakkf/the-bellagio-initiative-online-forum/

[21]   See www.bellagioinitiative.org/wp-content/uploads/2011/10/Bellagio-ICT.pdf p. 6.

It is important to recognise that what people value and the uses they make of technology may not be what ICT producers initially assume. Evaluation of ICT technologies becomes more complex when they are assessed according to wellbeing criteria than if they are assessed by economic return to the producers (Professor Robin Mansell, London School of Economics).

3.2.8 'The BRICS (Brazil, Russia, India, China and South Africa): Fast-growing, Newly Developing Countries': New Delhi, India

Several trends common across the BRICS countries were identified, such as the growing wealth of BRICS countries, increased readiness to give and an increasing number of family foundations. At the same time bilateral and multilateral support from traditional donor countries has declined. New technologies are also having an impact. Thanks to these factors, there are considerable opportunities emerging, including growing citizen participation; a movement from perspectives based in charity to social investment approaches; increased mobility leading to cross-border/diaspora giving; the use of media and social networks; possibilities of harnessing innovation.

As philanthropy grows, many challenges are also emerging. More reliable leadership is needed, as is better coordination within the sector. The interface between foundations and the state is very significant in all the BRICS countries. Tax evasion is a problem undermining civic engagement. Furthermore, government taxes and fees actively discourage cross-border giving. New resources in BRICS countries were identified, including the 'new wealthy', many of whom are high net worth individuals; the rise of the middle class; venture philanthropy, social enterprise, microfinance and legacy funding; religious institutions; community networks; and family funds.

Many proposals were made about how to capitalise on these new funding opportunities. They centred on developing the sector, through raising its profile, investing in capacity development and professionalisation, and working through networks and associations. Development of the sector must also ensure that good evaluations and strong monitoring and evaluation characterise the sector's work – and that of current and potential donors – through nurturing philanthropy, understanding wellbeing and educating and involving new donors. Work also needs to be done on improving the legal framework for the sector and maintaining high standards, as well as understanding the changing roles of development actors. Professionalising development and philanthropic organisations is necessary, for example by providing certified training for board members to ensure high standards of governance. Strong and decisive leadership is also necessary. Foundations need to be more businesslike in their approaches to governments and corporations.

Better data are also required on the sector as a whole. Cooperation with research academics needs to be strengthened and better coordination between donors, foundations and development actors on similar themes, or active in the same region is required. There is further scope for networking for foundations in the BRICS countries.

Finally, 'borderless giving' should be facilitated in cooperation with governments. A key issue for the future is: where do you expect the middle class to be economically in 20 years and what potential will they have to give?

3.2.9 'Middle-Income Countries': Budapest, Hungary

Some of the trends observed were similar to those identified by the BRICS group; for example, growing local resource mobilisation and greater use of new technologies. However, other trends were unique to Middle-Income Countries, such as continued lack of a culture of giving; a lack of credibility of the non-profit sector; no tax deductions or complicated procedures for charitable

giving; suspicion by government of foreign funding; greater involvement of younger people in decision-making.

When examining opportunities some similarities were also observed with the BRICS group such as growing citizen participation; solidarity through social networks; increased entrepreneurship; and greater emphasis on non-profit impact and investment. Different opportunities also exist for MICs, such as exponential growth in use of social networking; youth leadership; withdrawal of government and international funding; 'clean' corporate culture; a favourable legal environment for philanthropy; growth of the non-profit sector; the importance of civil society; and positive resonances of 'charity' in religion/culture.

Taxes were also a challenge for Middle-Income Countries, with a complicated system for or lack of tax incentives for giving. However, governments created other challenges for this group with inflexible laws and excessive reporting requirements. The lack of trust in (or even understanding of) the sector emerged even more strongly in these countries, particularly in former socialist countries where there is no tradition of philanthropy. There is also scepticism towards corporate social responsibility. Although exponential growth in the use of social networking was identified as an opportunity, only the younger generation tends to use the internet and credit cards have not been widely adopted, which constrains the use of online giving. There is also a lack of trust in online giving.

New resources identified included high net worth individuals; venture philanthropy; community networks; religious/faith-based groups; wealthy managers and middle-income managers. However, the middle-income countries also felt they had some unique resources at their disposal such as youth and solidarity movements.

New ideas on how to capitalise on these opportunities were generated by the group: through networks/consortia of wealthy individuals; debt forgiveness for philanthropy; cross subsidy from oil-rich to poorer countries; more strategic corporate giving; cultivating children to make them more socially aware; and social innovation using indigenous technologies.

A new set of practical proposals also emerged: to support greater involvement of youth; to recognise different understandings of philanthropy; to develop a global strategy to promote local philanthropy; to institutionalise a culture of giving; and to capitalise on opportunities presented through new media.

Two key issues for the future are:

1. the examination of the relationship between private philanthropy and international organisations such as the UN and the European Union (EU);

2. exploring the role of communications in philanthropy, how news is shared and stories are told, as well as understanding communication as a strategy and tool.

3.2.10 'Emerging Markets': Accra, Ghana

This dialogue stressed from the outset that Africans should not feel constrained by existing (Northern) definitions of philanthropy. They wanted to stress their own traditions of mutuality, and communal, collective responsibility, which requires concepts of philanthropy that embrace not only giving money, but committing time, resources and support. Some in the middle-income countries also recognised that there were different concepts of philanthropy.

Types of philanthropic engagement in Africa vary substantially and beg several questions. In many parts of Africa, the cash economy predominates, so could banks help to establish supportive systems to encourage regular giving? Much philanthropy is highly personal, but can

strategic giving be developed more effectively? Major international donors look for larger-scale projects or INGOs to support, so does this change the dynamic and reduce smaller organisations to a service delivery role? Similarly, does the scale of external resources and the emergence of hugely wealthy philanthropists undermine broader-based and more traditional forms of African philanthropy? Are high net worth individuals, who often support traditional areas such as health, education and children, targeting their giving in the most effective way and is their support done in a sustainable manner?

Technology again emerged as an opportunity for philanthropy in Africa, but there are national variances, for example giving by SMS is proving effective in Kenya but less so elsewhere.

Africa has resources and wealth. It is often stressed that it is a rich continent with many poor people. In many African countries the middle class is expanding rapidly, as in other regions, and the number of high net worth individuals is increasing. As the middle-income countries group identified, the human potential of a young continent generates many opportunities.

This group felt that when developing new frameworks there needs to be a careful balance between the drive for effectiveness in giving and recognition that development is a social process. Market-driven solutions are in danger of reducing the social world to the quantifiable. Private sector models cannot be replicated directly to address development issues.

Several key issues for the future were identified:

- further development of African concepts of philanthropy, taking up the communal, cultural and social traditions of Africa;

- further consolidation of information on the diversity of philanthropy in Africa;

- further coordinated work on regulatory frameworks which incentivise and facilitate giving; strengthening mechanisms for accountability and transparency among development actors and philanthropic organisations; dialogue with corporates, civil society and academics; and support for leaders of good causes.

3.2.11 'Cross-Market International Non-Governmental Organisations (INGOs)': Amsterdam, The Netherlands

In analysing the environment within which philanthropic organisations operate, this dialogue noted many factors examined in previous meetings. These included, for example, the creation of tax incentives where none presently exist and simplifying the registration and regulation of non-profit. This dialogue also mentioned some new factors such as the creation of planned giving vehicles where none presently exist; targeted tax incentives, possibly incentivising particular causes and media; driving change in banking systems to permit electronic payments; removing the requirement for multiple registrations for INGOs; creation of 'Development Zones' for philanthropy, providing access to government incentives, fast track to registration, access to university partners (for training and new staff) and the development of investment funds for philanthropy.

Education in philanthropy again emerged as a key issue. The group suggested developing teaching resources to illustrate best practices for both large and small non-profits; developing a 'knowledge hub' or central location for fundraisers to access teaching and learning resources; introducing secondments to INGOs for staff from small indigenous non-profits; and developing qualification programmes.

The theme of data and research was also developed in this meeting. Research priorities and recommendations identified included: establishment of baseline giving data for emerging

fundraising markets; provision of donor insight – who gives, why they give, how they give, how they view their philanthropy, factors that might encourage others to give, efficacy of different communication channels, basic figures on fundraising performance; research on attitudes of younger generations; and research into the psychology of giving.

Actors should seek new ways to add value in the relationship; research the diffusion of fundraising innovation and identify ways to reach out to early adopters of fundraising innovation who can stimulate philanthropy among their peers. They should explore learning possibilities from how other industries have handled globalisation issues; setting up an evidence base for governments about why growing philanthropy is desirable and what it would deliver, both for charitable beneficiaries and wider society (e.g. social capital); and the development of a 'toolkit' of ideas for governments seeking to grow philanthropy.

This dialogue suggested that there is a need to: develop a global campaign by INGOs to raise awareness and education of key sectors of the public in respect of development needs and to enhance collaboration between organisations to promote key messages; increase understanding of what can be achieved through investment in development; find new routes to engage emergency donors to continue their support; focus on growing individual philanthropy rather than fundraising technique; develop added value for donors by allowing them to have a variety of impacts on the cause.

Issues which need to be addressed include: improving the quality and accessibility of impact measurement; taking steps to improve the poor image of the sector; educating the public about the realities of modern charities and what they should look for in the organisations they support (i.e. not fundraising and administration costs); and development/promotion of an INGO accountability charter. There is a need to educate the public not only about performance, but about what good performance might look like; and the possible development of international accreditation for development NGOs to boost public trust and confidence.

In terms of new audiences and channels, the potential was highlighted for development among youth and the middle classes, as well as geographically, particularly in emerging markets.

A key issue for the future is: further empirical research as there are a number of hypotheses where development of an evidence base would help to establish what is actually occurring. This would include research into crowding in versus crowding out of local philanthropy; crowding in or crowding out of local fundraising activity; and poaching of the most qualified staff, who are drawn away by higher salaries in INGOs.

3.3 Summary and key arguments from the Global Dialogues

There are a number of themes which resonated across all the dialogues. These included the following areas.

3.3.1 Disconnections: development and the people

The distance between funded projects and programmes on the ground, and governments and other funders is too great. Recent globalised protests and violent events indicated that people en masse felt that they were no longer in touch with governance institutions. Lack of trust in ruling political parties, and, in many cases, the established political class, was strongly articulated throughout the process. In the wake of the economic crisis, this criticism was strongly directed to financial institutions, including banks. This was a strong theme throughout the process, with participants in the Global Dialogues and the Bellagio Summit stressing distrust in political, social and economic institutions. Criticism was articulated of the 'aid system' as failing to deliver the promise of development, and a tendency from grassroots communities to consider multilateral

and bilateral aid, external NGOs and foreign foundations as external bodies which promise much more than they deliver and which cannot be relied upon. There was very little sense that public institutions exist for the common good and even less that they actively promote the interests of the poor and the marginalised.

> Governance challenges were being set and addressed at too high a level. Attempting to address problems at too high a level can make solutions even more difficult to find. Because the stakes are often set so high it can prove impossible to progress at all until all parties agree. (London: Governance and Regulation)

There is a need to engage more effectively with young people in particular and civil society in general.

3.3.2 Engaging with youth

Virtually all of the Global Dialogues stressed the importance of working with young people. Young people are seen as the voice of the future, a relatively undeveloped resource for activism, advocacy and self-help, a source of philanthropic income and a constituency that understands and can utilise new technologies effectively. Youth are also seen to be particularly disenfranchised:

> I work with a lot of young people. They don't feel they are part of this country, or part of this society. Look at a basic identity document. You apply and it takes forever. Young people form their own social networks because nobody cares about us. (Delhi: Urbanisation)

> We need to go beyond enabling internet access… we need to train people to change the way they look at things, to turn young people into conscious active citizens. (São Paulo: Sustainability and Growth)

> Support [is needed] for engagement of youth in politics, leadership and debate through education and employment, and to create a space for change. (Budapest: Middle-Income Countries)

3.3.3 Strengthening civil society

Most of the dialogues stressed the importance of initiatives to strengthen civil society. Civil society organisations are seen to be closer to the people:

> rather than continuing to attempt to exert influence at ever higher levels to bring about structural policy changes whose impact on the distribution of wealth and wellbeing is questionable to begin with, we need to refocus by trusting in the creativity of civil society. (Virtual dialogue: The Inclusive Economy)

But civil society is not seen to be unproblematic:

> But while spaces for creation and contestation are abundant worldwide, they are disconnected and therefore incapable of challenging the dominant discourse. (Virtual dialogue: The Inclusive Economy)

It was also seen as crucial now to distinguish between NGOs, civil society organisations and social movements. Social movements are loose coalitions of people who share common purposes and solidarity and who collectively challenge injustice, oppression and exploitation (sometimes termed 'defenders of the life world' and opposing the 'colonizing efforts of the system' (Schuurman 2005: 481). They have a transnational organising potential which, according to Appadurai, is linked to 'their capacity to recognize and identify each other, across numerous boundaries of language, history, strategy, and location' (Appadurai 2006: xi). Project- and grant-

focused philanthropic organisations are not usually prepared to enter into partnerships with social movements which are involved in social and political struggles.[22]

From Cairo, to Delhi, to Kinna, people spoke of how easy it is for anyone to set up an NGO, how few of them really impact on people's wellbeing, and how this has a significant negative impact on people's perceptions of NGOs. NGOs can be gatekeepers and need to be directly accountable:

> We have created a collective project managed by grassroots organisations; this is the opposite of an NGO intervening in local realities. (São Paulo: Sustainability and Growth)

> We need to limit the role of intermediaries who come between philanthropists and grassroots groups. (São Paulo: Sustainability and Growth)

> There are an estimated 3 to 4 million NGOs. There are few that have really done a good job. They are often created by retired bureaucrats, siphoning government funds and acting as a contractor. These images are going to haunt the credibility of this sector. (Delhi: Urbanisation)

In Kinna the focus was on 'investing in organisations that are accountable to their constituencies'.

> The focus needs to be on shifting giving from symptoms to causes, without putting NGOs at the centre. (Delhi: BRICS)

In Budapest, participants talked about the lack of credibility of the non-profit sector.

This led to two common conclusions: (i) the civil society sector needs to be supported to ensure it is seen to be accountable and transparent to the communities it serves; (ii) increasing emphasis needs to go to local civil society organisations/grassroots organisations rather than NGOs and INGOs.

3.3.4 Building on existing strengths

In most of the dialogues there was a strong critique of external organisations that bring imposing external solutions. These external solutions were seen as undermining local solutions that are often working effectively already (and may need nurturing and support) or could be developed in culturally sensitive ways locally with much greater buy-in from the people affected by them.

> We don't want to have or form any new organisations, we have the structures already – let us ask the international philanthropists to work with them. (Kinna: Living on the Move)

> Development isn't only about creating new things, but also about valuing traditional knowledge. (São Paulo: Sustainability and Growth)

> Learning from 'poor' philanthropy: most does go to welfare, but it is not necessarily ad hoc. Perhaps there are ways that this giving can be strategised without over-regulating. (Delhi: BRICS)

As participants in Accra pointed out:

> there is money in Africa and philanthropy is ingrained in all Africans, but the challenge is getting them to give strategically. (New Emergent Markets: Accra)

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22   Much of the literature on social movements, mobilisation and globalisation emphasises the transnational civil society and NGO participation at the expense of local, small-scale public action that supports these global processes (Edelman 2001; Escobar and Alvarez 1992; Laclau and Mouffe 1985; Touraine 1988; Falk 1994; Price 1998; Sikkink 1998; Keck and Sikkink 1998). As Escobar has argued, 'the concern with space has led to a marginalisation of place that has consequences for how we think about culture, nature, development and the like' (1999: 292).

3.3.5 Major development issues that need greater attention

The Global Dialogues identified a number of major issues that either do not get onto the agenda or do not get enough attention. The urbanisation group highlighted how rural issues dominate both the way in which development is delivered (e.g. government officials in India who have no idea about urban issues) and organised (e.g. major development corporations with no infrastructure to engage systematically with urban issues). The Living on the Move group pointed out that, despite the fact that virtually the whole of the world economy is dependent on mobility, mobility as a way of life (either chosen or forced) is barely recognised as a development issue, and many governments see mobile communities as a threat. A new development paradigm to seriously incorporate mobility would make a massive difference. A third issue, which was seen to be critical, was to develop a much better understanding of how all of these issues relate to each other. At a local level, this stresses the importance of wellbeing incorporating material imperatives. The importance of attending to the care economy, ensuring people's sense of security, and protecting people's dignity was constantly reiterated across the dialogues:

> The lax security situation and absence of protection for citizens against petty and organised crime has made people feel fearful and more vulnerable. (Cairo: Freedom and Wellbeing)

> One of the biggest wellbeing concerns is security – 'to know that you are able to live tomorrow' and 'being able to anticipate the issues that you face' are seen as crucial to wellbeing. Threats to personal security are greater because of the breakdown of community norms, and threats to economic security are higher because rapid change in cities means that people have no certainty about their livelihoods and evictions are common. (Delhi: Urbanisation)

One of the features of this series of dialogues was that the word 'dignity' and the narratives that accompanied it were much more evident than more dominant development approaches such as 'rights'. Dignity was seen as a critical dimension of wellbeing. Participants in the Cairo dialogue highlighted that the people who rose against the regimes were fighting for dignity as much as for bread. They called for 'securing the minimum requirements for a dignified life for informal workers' (Cairo: Freedom and Wellbeing). In São Paulo dignity was linked to autonomy:

> Allowing for autonomy helps to deal with questions of dignity identified as an essential element of wellbeing. (São Paulo: Sustainability and Growth)

At a global level there is also a need for a more holistic understanding of the issues. There is:

> insufficient understanding of the extent and nature of global interdependencies. This was illustrated by the fact that few analysts of and practitioners in the global financial markets foresaw the transmission of financial crisis from its roots in the US and UK debt markets to economies around the world. (London: Governance and Regulation)

Likewise the revolutions of North Africa were almost completely unforeseen by 'the development industry'.

The potential advocacy and political brokering roles of philanthropies were stressed time and time again. This is something that is not common in African or Asian philanthropies, but philanthropists can play a powerful role in raising the profile of issues that need to be addressed in the same way as they have done historically around issues such as slavery.

3.3.6 Governance

Governance was an over-riding concern across the dialogues. It was widely perceived that if we do not get governance right, it is hard to get anything else right.

one of the key challenges to the promoting of human wellbeing and freedoms at this stage in Egyptian history is the poor quality of governance on the part of the armed forces during this transitional phase. (Cairo: Freedom and Wellbeing)

The challenge of global governance and regulation in a globalising world is to establish an effective set of organisations and institutions that will support us in our attempts to live well together and to cope with increasing levels of strain and threat that a series of natural and man-made crises place upon us. (London: Global Governance and Regulation)

If you want to put money into five more schools don't bother. If you want to put money into school administration – that will have more impact. (Delhi: Urbanisation)

Similarly supporting the development of a tax base, the infrastructure to collect taxes, and the power to act against tax evasion were widely discussed in London and Delhi and raised in other dialogues. Unlike some of the other issues raised, governance is not seen to be lacking attention, but rather as a crucial issue which philanthropists understand to be someone else's (usually government's) responsibility. It is often considered to be intangible, not high profile, and unattractive as a philanthropic issue (for example, there are no 'before and after' pictures of starving or illiterate children to be shown). Yet its impact on these issues is likely to be far greater than direct project investments. The challenge then is for philanthropists to take this fully on board, and understand that in a world where strictly defined roles of different sectors may be collapsing, there is huge potential in engaging in governance issues.

3.3.7 Growth and development: For whom?

There was a consistent message from across most of the dialogues that development was perpetuating greater inequality, and many of the poorest were worse off as a result of it:

Now that 'civilization' has come, everything has become more difficult for my people… the government had done horrible things in the name of development… this kind of investment is not good for indigenous peoples. It is not what they want. Their sacred places are being sold. (São Paulo: Sustainability and Growth)

Even purportedly 'green investment' can stimulate land-grabbing and environmentally destructive infrastructure projects (including dam building) (São Paulo: Sustainability and Growth). The problems in urban Delhi were just as clearly articulated. Infrastructure development tends to mean that people are displaced from the neighbourhoods in which they live:

To draw investment, cities have to be world class, to be world class they have to have huge infrastructure projects. All of these inevitably displace people on a huge scale. This has an impact on livelihoods and transport. (Delhi: Urbanisation)

In Delhi, the metro came and people were displaced. (Delhi: Urbanisation)

They are also displaced from the work that they do.

During the Commonwealth Games traders were kicked out. (Delhi: Urbanisation)

For many of the urban poor, their lives are like a football. You make plans to resettle the already settled people. They lack the power to match this force. Why does central Delhi not have poor people in it? It's a new form of apartheid. We want them to work [in the centre] in the day. [And then send them back to the outskirts in the night.] (Delhi: Urbanisation)

Inequality and disempowerment, people's sense that they are marginalised and vulnerable, cause them to be profoundly discontented. Examples are multiplying – the Arab Spring, the Occupy Movement, protests against austerity measures in a growing number of countries – in fact it is 'Kicking Off Everywhere' (Mason 2012). Modern communications media mean that people are

profoundly aware of conditions elsewhere. Whether it is the lifestyles of the rich or the contagion effect of the Arab Spring, people are seeing what is happening in neighbouring countries with whom comparisons are made. Inequality is deepening in many countries. Young people in particular feel that there is no future for them in existing social arrangements and rebel. Modern media mean that news spreads like wildfire.

> Inequality was identified as a theme on which philanthropy could work at a systemic level and Mo Ibrahim Foundation's work in Africa and Soros's systemic work in the field of education in Eastern Europe were seen as providing noteworthy examples. (London: Global Governance and Regulation)

There was also a strong appeal for philanthropic organisations to be more strategic in their funding and to move away from short-term project-based investments.

Many of these problems could be mitigated if funders (philanthropists and others) are able to invest in many of the issues raised (good governance, strong regulation, pervasive citizen engagement, a strengthened accountable civil society, and support for traditional and new local solutions).

3.3.8 The role of philanthropy

Across the Dialogues there were some consistent messages about philanthropy and for philanthropists.

In many of the countries where Global Dialogues were held, it was noted that people frequently see philanthropists as being the same as government or as NGOs. Those who were aware of philanthropic organisations almost universally considered that their strength lay in being able to take risks:

> International philanthropy would be well placed to make a contribution through its ability to take risks and invest in new approaches. (Kinna: People on the Move)

Other strong messages across the dialogues were a call for philanthropies to build on their history of advocacy (e.g. moving from anti-slavery to the green revolution). How can philanthropic organisations promote urban issues that may be more difficult to articulate than rural ones? How can they promote the 'right to mobility', or help to put the care economy at the centre of international political and economic agendas? Philanthropists are seen as having a comparative advantage here.

> Short-term project cycles do not allow the integration of skills that enhance autonomy. Integrating skills in management, finance and organisational training can take substantial periods of time. (São Paulo: Sustainability and Growth)

Philanthropic organisations have a history of doing this, and they do not face the constraints of government and business which need short-term results either because of electoral cycles or the need to show profit. These strategic interventions should increasingly focus on building the capacity of civil society, and on good governance and administration (as articulated earlier). Once again philanthropists have a comparative advantage:

> Corporates prefer to fund tangible things, not get involved in social justice or advocacy. They prefer the high profile causes. (Accra: New Emergent Markets)

This is also true for a great deal of contemporary philanthropy, but if it looks back to its roots it can rediscover its comparative advantage in supporting a progressive locally rooted development process.

The findings of the Global Dialogues and the Commissioned Papers were intended as an integral part of the Bellagio Initiative. They provided a means of giving voice to different perspectives and insights on different challenges and different opportunities for the protection and promotion of human wellbeing. They also served to provide further briefing material for the Bellagio Summit, to which we will now turn.

4 The Bellagio Summit

4.1 Introduction

The 'Bellagio Summit on the Future of Philanthropy and Development in the Pursuit of Human Wellbeing' (hereafter known as the Bellagio Summit), was designed to build on, and integrate the work done in the Global Dialogues and Commissioned Papers. These three sets of activities were designed as an inclusive initiative to explore the following overarching questions:

● What are the current relationships between international development and philanthropy?

● How might and should these change in order to better protect and promote human wellbeing in the challenges and opportunities of the twenty-first century?

● How might we operationalise the outcomes of the deliberation process that the Bellagio Initiative has enabled?

The Bellagio Summit represented the culmination of Bellagio Initiative activities. Spread over three weeks in November 2011, and held at the Rockefeller Foundation Bellagio Centre in Italy, it sought to engage – through participatory sessions and keynote addresses – a select group of international development practitioners, opinion leaders, social entrepreneurs, donors and philanthropists, chosen for their collective capacity to advance thinking about the future of international development and the role of philanthropy.

The Bellagio Summit activities were organised across four modules. These were specifically designed to maximise participation of diverse people involved in philanthropy and development, to encourage informal dialogue and relationship-building, and to facilitate intensive and focused discussion on three thematic areas:

● Trends and opportunities in development and philanthropy in the twenty-first century

● Mobilising new resources for promoting wellbeing

● New frameworks for philanthropic innovation and action in a changing world.

Module 1 (9–12 November 2011) explored 'Trends and Opportunities in Development and Philanthropy in the twenty-first century'. Panel discussants and participants examined their work in relation to 'Protecting and Promoting Human Wellbeing in the Twenty-first Century', offering personal reflections on their involvement with, and the values provided by a wellbeing framework. Participants then assessed the 'Obstacles to and Drivers of Human Wellbeing', while also developing a sense of how the 'Development and Philanthropy Ecosystem' is evolving and how human wellbeing can be promoted within such an evolving ecosystem (discussed further below). This included developing greater understanding of the systematic barriers to wellbeing and consideration of innovations with potential to enhance or promote wellbeing. Finally, module participants explored possible actions and partnerships that would enable the development and philanthropy system to better protect and promote human wellbeing in its complexity. This first module was characterised by an open, questioning and critical approach that challenged the potential of the wellbeing concept to enhance the work of philanthropy and development.

Module 2 (14–16 November 2011) examined 'Future Resources for Human Wellbeing'. The module aimed to identify and prioritise the most relevant or potentially impactful future resources for philanthropy and development and to identify next steps for collaborative action to mobilise resources for development and human wellbeing. Participants explored how current trends affect future resources available for effective development and philanthropy and identified specific resources for further investigation, namely: (i) innovative financing and business models – private

wealth; (ii) public funding; (iii) skills, talents and networks; and (iv) community voice and action. When examining these resources in greater depth, participants sought to identify future constraints and enablers. Over the course of the module, participants moved from the exploration of the issues to identifying arenas for action. This module brought together very different actors who had not previously interacted intensively. It revealed the need to develop shared understandings of terms, concepts and perspectives as well as the need for awareness of the values inherent within different approaches. Embedded in these discussions was considerable mutual learning about development and philanthropic organisations, the terms used, implicit values and the ways in which they mobilise resources to meet their goals.

Module 3 (17–20 November 2011) investigated 'Future Frameworks for Development and Philanthropic Collaboration'. The goal for this module was to develop shared understanding of the gaps in collaboration among and between philanthropic and development actors; and to identify specific collaborative plans and actions that organisations and participants can take to begin to bridge those gaps. After sharing the achievements of the previous two modules, participants examined how philanthropy fits within the development ecosystem by both critiquing and exploring the comparative advantage of philanthropy. Building on the Global Dialogues – which indicated that trust is a critical issue for strong relationships between philanthropic organisations and their partners – participants explored ways to strengthen trust, information-sharing and complementarity within philanthropy. These were then 'tested' in relation to rural and urban development problems. This module was characterised by a critical reflection of philanthropic work and by an awareness of the need to better understand the ways in which philanthropic organisations work across the development ecosystem.

Module 4 (21–22 November 2011) on 'Synthesis and Closing', sought to incorporate substantive content from the previous three modules, asking participants to explore the potential for synthesis with a particular focus on future action. In this module, six priority challenges were identified from the previous modules and explored in greater depth. These were (i) power, politics and values; (ii) bringing innovative ideas to scale; (iii) managing risk; (iv) financial issues; (v) trust; and (vi) capacity building. This module also concluded the Bellagio Summit by specifying actionable commitments and key messages for development and philanthropy to work more effectively together in the pursuit of human wellbeing. The specific proposals for 'actionable commitments' have been condensed into 15 points in the 'Aide-Mémoire of the Bellagio Summit' and are available separately.[23]

The following sections condense discussions at the Bellagio Summit into an overview of the development and philanthropy ecosystem and the six priority challenges.

4.2 The evolving development and philanthropy 'ecosystem'

International development and wellbeing challenges are shaped by many diverse and interrelated factors. Nonetheless, particular problems or issues are often treated separately, overlooking the ways in which they impact on each other and reinforce a lack of wellbeing. Tackling international development through a wellbeing framing and an 'ecosystem' approach does greater justice to the complexity and interrelated nature of social change as it seeks to understand the 'whole system' and its mutual interdependencies. Akwasi Aidoo[24] proposed that philanthropy should be viewed, not as an instrument for development, but rather 'as development'. Thus, a society should be encouraged to help itself and external actors should only become involved when this is not possible. Such an approach recognises that philanthropy – and its role in relation to

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[23]   See www.bellagioinitiative.org/wp-content/uploads/2011/12/Bellagio_Aide-m%C3%A9moire_final.pdf

[24]   Executive Director of TrustAfrica.

international development – is a core component of this overall system. This system operates with its own internal set of dynamics, yet is in constant interaction with all the other diverse elements of the ecosystem.

The Bellagio Initiative sought to acknowledge the highly significant role that philanthropy plays, while also placing emphasis on its interactions with other diverse elements of international development. Focusing on an ecosystems approach to international development and philanthropy allowed the Bellagio Initiative to ask about possible responses to these conditions. It asked, for instance, how to move beyond separated domains and fragmented approaches, while building on the best that these have to offer (such as the Paris Declaration) to enhance human wellbeing for all and ensure that we can 'live well' both now and in the future.

4.2.1 Mapping the ecosystem

The development ecosystem – as mapped by Bellagio Summit participants – is characterised by a series of disconnects and failures. The development sector often works in isolation from geopolitics and from the private sector, there are few connections between supply and demand, or between innovation and scale. There are only limited mechanisms for coordination between aid agencies. These disconnects are often reflected in the failure of multi-stakeholder collaboration. In addition, many organisations, be they philanthropic, development or private sector organisations, do not listen to people on the ground or identify solutions and alternative knowledge already in existence. The greatest disconnects are between people, the institutional system and communities, while the relationships between people and communities are generally strong. Despite a longstanding tradition of participation in development, people's voices in general are not part of decision-making. Institutions often treat people as bystanders, not allowing space for the co-creation of development solutions and for people to define their own priorities. In terms of communities, Summit participants focused on the breakdown of communities, the exclusion of minorities and internal inequalities within societies. Finally, this group observed that the institutional system controls major resources, perpetuates authority, is controlled by elites, is slow to adapt to innovation and fails to own up to responsibility.

These disconnects have critical consequences, namely that all people do not have a voice or adequate representation in development. For communities and poor people, despite advances in participatory development, there has been little progress in dismantling obstacles to effective voice. New ways of enhancing agency and voice are needed, that go beyond mere recognition of the importance of politics. The creation of more participatory spaces is required. The emphasis has to be on finding ways of enabling people to have voice but also connecting them with those in positions of power – of meaningfully connecting voice to decision-making and action. For those working in development and philanthropy, it becomes possible to focus selectively on a small issue while disowning the problems of disconnects and failures, seeing these as someone else's problem. As such, 'people become bystanders in development, where they are isolated and not engaged'.

The virtue of taking a systemic view is that it brings about a realisation of the need to take ownership of the problems. All participants at the Bellagio Initiative are part of the development ecosystem and are being asked to take ownership of a system which both causes, and addresses these problems through the disconnects. We are all implicated and have to recognise the ways in which the ecosystem is at least partially dysfunctional. Using a wellbeing focus pushes us to recognise that there cannot be a unitary response to wellbeing. Often people's needs are not aligned, do not necessarily coincide and may be competing. But there is space to find some common ground and to reduce areas of disconnection, to identify and address divides and to find ways to work more collaboratively.

Bellagio Summit participants identified two key needs arising from their mapping of the development ecosystem:

1. The need to work towards a new development paradigm that: embraces wellbeing (rather than focusing on poverty as the main driving force); is rooted in community voices (including youth), capacity and practice; nurtures, supports and enhances practices and innovations in which people are already engaged; recognises diverse contributions (of time and talents or towards solidarity and freedom as well as material resources); moves away from short-term projects and programme investments; is responsive and adaptive to unintended consequences rather than implementing standardised models; offers a greater focus on dignity and rights; reconfigures roles and responsibilities within international development; brings in new, different actors; and develops greater coordination within the complexity of the development system.

2. The need to address a wide range of specific thematic, political economy and development-related issues which are frequently overlooked within the complex ecosystem of philanthropy and international development. These include: improvements to livelihoods (through increased security and safety, access to safe water and services, jobs, livelihoods, care, affordable housing, security of tenure, resilience to climate change impacts for the poorest, strengthened community leadership and young people's leadership, youth, women's rights and empowerment, dignity and rights); addressing the politics of power (political activity should be able to take place without fear of violent reprisal, and there should be structures through which people can demand services, shape governance and hold institutions to account); new thinking (on how global systems can empower local communities and to challenge current growth models).

4.3 Six areas of potential intervention and change

Overall, as reflected in the ecosystem approach, there are substantial disconnects in the world of development and philanthropy. This is compounded by a lack of sufficient understanding of comparative advantages and complementarities between different types of actors, institutions, organisations and policies. Discussion at the Bellagio Summit reflected on the possible complementary roles that different development and philanthropic actors can play. Participants recognised the need to be more conscious of the distinctive contribution of these different roles, focusing particularly on six challenges and areas of potential intervention and change.

● **Power, politics and values**: as new actors and voices enter the development and philanthropic ecosystem, the tendency to remain 'apolitical' may well have to change, particularly as (if we take a more positive view) advocacy and communication can lead to increased collaboration between philanthropy and development.

● **Bringing innovative ideas to scale**: Groups discussed the enthusiasm for innovation but expressed frustration with a lack of clarity about which actors within the ecosystem innovate, identify and test innovation, scale innovation or transfer existing innovations to new settings. Ideas were proposed for identifying the comparative advantages of philanthropies within the global development innovation ecosystem/value chain.

● **Space for the unplanned and managing risk**: Analysts of the philanthropic sector (and many philanthropic leaders) refer to the role of philanthropy as the 'risk capital' or the risk-takers in an otherwise slow-moving and cautious development ecosystem. Many participants saw foundations as the most conservative and cautious actors in the system, missing their potential to experiment and act quickly. Reflecting on the roles of various actors within the development and philanthropic ecosystem will allow for the identification of critical roles,

which are played at different stages in that process. It will also allow exploration of new approaches to managing risk and promoting experimentation.

- **Financial issues:** There is increasing interest in the potential for directing new forms of finance to the solution of social and environmental issues. Despite the enthusiasm for new forms of finance and capital (and its enormous potential given the scale of the financial sector) many actors in the development and philanthropic community do not understand or do not trust the private sector/profit-driven forces to address social needs.

- **Trust:** Although seldom focused on as a specific issue, the need for trust pervades all levels within the overall ecosystem, with a lack of trust hindering and obstructing both development and philanthropic work. As explored in the Bellagio Summit, this lack of trust operates in multiple directions and timescales. It is therefore important to distinguish how different factors – people, communities, small organisations, and large institutions – shape notions of trust and accountability and to find ways of enhancing relationships through building trust.

- **Capacity building:** Developing human and institutional capacities, talents and skills brings benefit to the whole development and philanthropic ecosystem, yet is supported and funded primarily by local, rather than international, organisations. Working groups proposed solutions for sharing responsibilities for capacity building in the ecosystem.

4.3.1 Power, politics and values

Box 4.1 – Statement of the problem as articulated at the Bellagio Summit

There was considerable divergence on the relative merits of the state or market to deliver effective development outcomes. Various groups and panellists observed that social change comes through movements (often more than from civil society organisations or institutional change) but development interventions are usually unable to anticipate let alone engage with them. There was a strong rhetoric around bringing the 'voices of the poor' into decision-making processes, and panellists highlighted the importance of development efforts becoming more demand driven, yet this has not been effectively embedded in mainstream practice. Most of the Global Dialogues raised the need for engaging the youth on leadership and in philanthropy. In addition, the growing middle class was seen to be a 'game changer' underlining the need for smarter political analysis, taking into account new players and shifting values. In all of these cases, ideological divides frequently keep important actors from collaborating in ways that would more effectively address wellbeing.

Key challenge: Given the diversity of opinion over how to bring about positive change, how can common values be used to construct bridges across social and political divides? And what might be the next steps in creating these bridges?

Addressing power dynamics?
Focusing on a development ecosystem enabled Summit participants to explore and address issues of power. Power relations and politics shape the characteristics of the ecosystem – both positive and negative. Negative political dimensions included fragmented global governance, the state overlooking the very local, civil society disempowerment, and a crisis of leadership and distrust. Positive dimensions included global movements, mobile technologies for democracy; and improved legal environments for civil society. Participants acknowledged that concentrations

of power and wealth influence development in specific – and often unchallenged – ways which can have both positive (enabling and empowering) and negative consequences. Yet, in pursuing a development approach congruent with wellbeing (in which poverty is not the sole consideration) and rooted in community voices, capacity and practice, the Summit supported people's right to engage in political activity without fear of violent reprisal as well as their right to demand services, shape governance and hold institutions to account.

At the same time as acknowledging the rights of citizens to engage in political processes and to demand rights; there was also a sense that philanthropic organisations needed to invest resources in greater understanding of the context and the power dynamics: Any actions taken exist within a political environment which needs to be understood. Akwasi Aidoo pointed out that philanthropy typically creates its own 'narrative' of the situation in which it works, and that this often overlooks political context and power relations. This lack of reflection on politics and power was seen, in part, as stemming from the way in which people have come to be involved in philanthropy: with their interest emerging out of social problems and their focus being on practically orientated solutions rather than reflecting on the underlying causes.[25] This emphasis on recognising solutions also means that philanthropic organisations do not always listen to those on the ground.

Philanthropic organisations, of course, cannot address all dimensions of politics and power relations. Yet they are better positioned to address, through collective action, power dynamics that hindered development and wellbeing, as well as providing support to organisations operating independently. Philanthropic organisations do have the ability to have 'quiet conversations', take risks, work to their values, develop longer-term programmes. This 'helps communities to bear witness', amplifies and broadcasts community voices, creates an enabling environment for community action and allows them to undertake advocacy.

This raises questions about how organisations, not skilled in political analysis, might discover how to: (i) ensure that power is in the right hands; (ii) get voices into decision-making processes.

Nonetheless, there are ways in which philanthropy can – and does – engage, often indirectly, with politics and power specifically in terms of catalysing wellbeing improvements. These include concrete and significant investments in women's empowerment and rights, funding for social justice initiatives, supporting middle-class activism, increasing research and knowledge on global crises (financial, ecological etc.), ensuring that communities have access to this knowledge and research, and improving philanthropic governance. It is also necessary to recognise and support actors on the ground – such as social movements – who are challenging power dynamics or political issues such as public sector spending. There is a need to consult more from the bottom up and to examine what are the issues that people experience and how these relate to power dynamics and contextual situations. Finally, it will be important to ensure that evaluations are designed in a way that addresses key questions about power, people and politics.

A neutral space

> Is it possible to create a neutral space where interests can be reframed and shared without making people (with or without voice/power) feel threatened? (Module 4)

Politics and power are not just contextual. Philanthropic organisations working in development are themselves embedded in wider political relationships, among others, which shape and influence their work. There is a danger, both in seeing society as a system or ecosystem, and in looking for a 'neutral space' and for harmonious solutions to major social problems, that real

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[25]   This perhaps also led to the reflections by some that philanthropy was seen as politically illegitimate in some contexts.

conflicts of interest are not taken sufficiently seriously. Philanthropic organisations and their partners do not have equal knowledge and understanding and do not demonstrate equal degrees of openness. This, in part, is reflected in barriers of trust and openness:

> There is the barrier that we don't trust each other. This is not a function or accountability issue, we just don't trust each other. (Module 1)

By opening up, by building relationships and sharing stories (both positive and negative), a 'community of trust' can be developed. This is a very powerful argument: The more that can be shared, the more trust can be generated. Greater dialogue, transparency and honesty also move closer towards creating a vision of development philanthropy driven by shared values and objectives, which moves from seeing beneficiaries as 'victims' to one that addresses rights and justice issues. This involves a shift from 'giving money' or 'solutions' to working in partnership with beneficiaries.

> We need to give people voice. We have been shielding ourselves from the discomfort that would come from real participation and hearing voices that might not match our ideas. (Module 3)

Creating spaces where staff and beneficiaries can share ideas, debate and discuss can contribute to positive social change. This necessitates addressing concerns that openness will not be welcomed or will induce negativity through participation in the design of the evaluation, thus creating a culture of criticism that recognises failure and projecting a willingness to change.

> CARE did a three-year review of how it was performing for women's empowerment… and because the process wasn't punitive… it led to more 'aha' moments than I had ever seen previously. (Module 3)

Power relations and voice

Despite years of work recommending participatory processes of development, there has been a considerable lack of people's voice and representation within sections of the development ecosystem.[26] Dismantling the obstacles to effective voice is not, as has repeatedly been shown, straightforward.[27] The recognition of politics and creation of more participatory spaces is not sufficient. New ways of enhancing voice and agency and finding ways of connecting people that go beyond working through NGOs and other gatekeepers are needed.

As suggested above, philanthropic development often comes about because of a particular interest and is often inspired by the identification of social problems and potential solutions rather than by dissatisfaction over the underlying structural causes. This, in turn, leads many organisations to overlook the voices of people on the ground, failing to identify or assess locally generated solutions and alternative forms of knowledge as useful and potentially productive. A crucial constituency that is routinely missed is the voice and engagement of youth. Yet listening to voice also empowers people to own the process and take responsibility to address power dynamics.

Listening to voice should also involve active processes – and different aspects – of connection. One aspect is connecting community or activist voices with those in positions of power and with

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[26] For an indication of a lifetime's work by a pioneer of participatory methodology, see Robert Chambers (2008) *Revolutions in Development Inquiry*, London, Sterling VA: Earthscan. For a review of other participatory methodologies and an assessment of the work of Chambers, see Britta Mikklesen (2005) *Methods for Development Work and Research: A New Guide for Practitioners* (2nd edn), New Delhi, Thousand Oaks, London: Sage.

[27] For example, it is germane to ask how much participatory methods and the voice of local communities have really impacted the policy and practice of the World Bank in the decade since the publication of its major study on *Voices of the Poor*.

decision-making. Another is connecting with the ideas being expressed and learning to recognise expertise within communities. For example, one participant described a misuse of the external actor's power under the pretence of participatory methodology:

> One of the worst aberrations of the concept of participation is that you get the people to participate in the ideas you want to push forward. (Module 3)

Another aspect entails connecting communities and localised concerns to global issues.

> Action at a local level is necessary, but not sufficient unless you're linking it to a global environment… and that gets to the issue of enablers and constraints linking it up to global level… because what we can do is bring a fisherman to talk at the UN, but what you get is an extraction, not a representation. (Module 2)

Creating common values, creating bridges

The differences in ideologies and values among development and philanthropic actors at all levels need to be addressed in order to channel discussion in a meaningful way and explore potential action steps. This is, in part, because of the instability of many of the former geopolitical and economic relationships at a global level which both create new challenges but also open up new possibilities. As Barbara Ibrahim[28] commented:

> There is a new divide now concerning values, it is no longer North–South. It is now about whether you are in favour of sustainability or whether you want to proceed with the financial system as it is. (Module 2)

In addressing politics and power relations, a further issue for philanthropic organisations centres around their own positionality and in-country political negotiations. This is particularly evident in relation to advocacy, which some philanthropists see as being 'political' and hence inappropriate.[29] For example,

> using philanthropic voice against cracking down on tax evaders... this becomes very political... this does not resonate with the philanthropic community. (Module 2)

The current tendency, especially for US philanthropic organisations, is to abstain from lobbying as this is seen as 'too close to politics'. Funding sources influence this 'apolitical' approach. Yet as new actors and voices enter the development and philanthropic ecosystem, this may well change, particularly as, taking a more positive view, advocacy and communication can lead to increased collaboration between philanthropy and development. As one participant said, 'we need to get over ourselves and engage' (Module 2).

Investing and engaging in advocacy and communication also provides a counter to conservative (and negative) representations of the poor. Through advocacy, philanthropy can use the evidence generated to advance good solutions, researching what does and does not work and communicating this across the public and private sectors. Generating effective advocacy will, in addition, involve addressing the challenge of discontinuities in the development ecosystem, creating common ground between actors with different goals. Collaborative, effective advocacy will also help philanthropists and development actors to be more effective and to move away from the silo mentality in development.

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[28] Director of the John D. Gerhart Center for Philanthropy and Civic Engagement, American University in Cairo and Member of the Institute for Gender and Women's Studies.

[29] But which also represents a middle ground between lobbying and 'apolitical' acceptance of the status quo.

4.3.2 Bringing innovative ideas to scale

Box 4.2 – Statement of the problem as articulated at the Bellagio Summit

A strong message from the 'voice' groups at the Bellagio Summit and from the Global Dialogues was to build on the positive forces and innovations already present in communities and not to impose solutions from the outside. There are hundreds of innovations in communities responding to their needs, but many do not find funding to support broader impact and/or reach broader markets. Social innovations such as community mapping of slums, economic innovations such as M-Pesa, and technical innovations such as the adjustable glasses developed by Adlens (presented by Summit participant, James Chen[30]) all move through a process of innovation to scaling up. Four stages were identified by the groups: (i) innovation; (ii) testing and piloting the innovations; (iii) developing 'finished products or processes'; (iv) scaling up.

Key Challenge: What do we need to do next to build effective institutional mechanisms and collaborations for spotting existing innovations and scaling them up?

Innovation and human wellbeing

Philanthropy has historically played, and continues to play, an important role in the innovation of products, processes, and social services that benefit poor, marginalised or disadvantaged populations. As participants in the Delhi, Cairo and São Paulo Dialogues pointed out, this is partly because philanthropy is not constrained by the need to deliver short-term results. It is also because philanthropy is theoretically better positioned to take risks than other categories of development organisation, such as multilateral organisations.

A wide and diverse array of innovations already exists with the potential to facilitate wellbeing.[31] Particular examples of innovation discussed at the Summit which have shaped and enhanced wellbeing include the M-Pesa, which made it possible for people to transfer and receive money safely through mobile phones; Mazdoor Kisan Shakti Sangatan (MKSS)[32] or the Workers and Peasants' Power Collective which originated in Rajasthan and campaigned for greater accountability and transparency through constitutional provisions for the right to information (RTI); and the Bolsa Família (or Family Allowance)[33] – the Brazilian government's programme of cash transfers in exchange for conditionalities (such as school attendance). In reflecting on these innovations, Bellagio Summit participants observed that these tended to start small and then evolve, making it difficult to choose one innovation over another at the early stage; that development actors tended to be missing from the early stages of innovation, despite the fact that

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[30] Co-Chair, Chen Yet-Sen Family Foundation.

[31] Examples include open data digital tools, open source technology, microfinancing, community asset building, impact investing, innovations in tax systems, agricultural innovation (in seed technology, distributed models, income-generating activities, green ecology), pro-development fiscal policies (pro-poor tax arrangement, enabling tax environment for philanthropy, policies aligned to development and strengthening global fiscal policy), conditional and community-based cash transfers and new dialogue and convening practices (such as the World Cafés, Science Cafés and deliberate democracy).

[32] The MKSS was supported by philanthropic organisations, particularly the Commonwealth Human Rights Initiative (CHRI) which helped in drafting the law and by George Soros who contributed to the setting up of independent information commissions.

[33] See www.economist.com/node/16690887

the innovations addressed development-related issues and that the innovations emerged because people demanded that some of the conditions of their lives be addressed.

Both technological and social innovation provide opportunities for reducing inequality and for promoting wellbeing through the potential to develop and enhance networks, and through creating the scope to do things in new and different ways.

Yet, despite these innovations, philanthropists in the Delhi BRICS dialogue and at the Summit expressed considerable frustration in relation to philanthropic support of innovation. In mapping the development and philanthropic ecosystem, they identified disconnections between supporting innovation and taking the same innovation to scale (which is often reflected as a failure of multi-stakeholder collaboration). They spoke about the need for more 'professionalisation' which would enhance their ability to demonstrate impact, provide better data to support innovation and improve collaboration with research academics and international donors.

There was a strong feeling that philanthropic organisations could do far more in the field of innovation and accountability and, in so doing, supplement the work of the private sector where innovation is used to create 'products for poor people' rather than asking how it might address social issues. While expressing a commitment to supporting and encouraging local innovation, Summit participants argued that philanthropy has a particular role to play in relation to nurturing enabling environments within which innovation can thrive, advocating for rights in association with innovation and providing long-term commitment to innovative ideas, as well as staying power and patience. This will involve developing a culture of innovation, making innovation more catalytic, finding better ways of scaling up innovation and using risk-taking to drive innovation. Before exploring these dimensions in greater detail, it is also necessary to examine some of the barriers to innovation.

Barriers to innovation

Organisational barriers make it challenging for philanthropy and development to identify and support innovations as they emerge.[34] Such barriers include: the tension between innovations which have long histories and the short-term nature of funding cycles; the project-based nature of funding which undermines the value of having long-term people and partners; the lack of capacity and mechanisms for large international organisations (with resources) to know what is happening on the ground; the fact that development and philanthropic organisations are not organised to be opportunistic; the fact that the 'messy terrain' (such as slums where land tenure is not secure) in which innovations take place are not the kinds of spaces that funders like to invest in; funders' lack of desire to invest in infrastructure, organisational systems and financial management systems; and the lack of funders' expertise to take innovations to scale after successful pilots. Philanthropic organisations also fail to identify synergies with other organisations working in similar countries or with other sectors of society while simultaneously deliberately avoiding the innovative work of others for competitive reasons. As one participant said, 'we don't want to fund other people's innovations. Each organisation wants to have its stamp' (Module 1).

The logical framework approach, which underlies much of current development thinking, is another barrier to innovation. Innovation is the product of trial and error, yet a logical framework creates disincentives for trial and error. The log-frame acts to fulfil a bureaucratic process and is,

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[34] In addition, the context in which innovation takes place cannot be overlooked. Major influences such as democracy or disaster really inform people's chances to innovate and to invest in post-crisis reconstruction, insulating communities against further deterioration. This is particularly important for marginal or subordinate categories of people. For example, innovation in these contexts can often improve women's rights and empowerment. But these innovations are often overlooked subsequently as more powerful actors take over to manage the context, displacing those who created the innovations in the first place.

as such, often completed at the culmination of a development intervention rather than being a tool to enhance and delineate a process of intervention from the beginning. This, in turn, creates an illusion of linear development which does not correspond to reality and does not allow room for trial and error. Similarly, the 'measurement culture' stifles innovation as people play safe if they think they are being monitored. The focus on 'results-based investment' thus inhibits innovation which is inherently hard to measure.

The lack of risk-taking within the development and philanthropy ecosystem operates as a barrier to innovation. Risk-taking has the potential to drive innovation but requires an ethos in which, if 10 per cent of an investment portfolio achieves breakthrough, it is considered to be a success. Yet development and philanthropic organisations are often not comfortable with failure. Despite recognition that it is not possible to have innovation without some failures, risk remains a challenging topic. When dealing with people's lives, failure is additionally challenging: 'In commercial R+D you are playing to win, in development you are playing not to lose' (Module 1).

The oft-cited private sector ratio of 10 per cent success and 90 per cent failure does not translate well to the development sector because of resource constraints and the immediate connection with people's lives. Yet, what might be an acceptable level of failure? Who, along a value chain, might be supported to fail and at what point? Can a platform be created which shares the learning from failure among development organisations and philanthropists?

An innovation model for human wellbeing

Re-orientating the development system towards wellbeing involves a people-centred notion of development, greater grounding in the community and recognising the impact of development and philanthropic interventions on individual dignity – even though many organisations are currently not geared up to this. These people-centred principles can be applied to the different stages of the innovation model. The model defines four stages of innovation, namely:

1. Innovation: the generation of new ideas and solutions to problems, with new ideas emerging at the grassroots community level;

2. Pilots: the development and testing/piloting of those ideas;

3. Refining: turning them into a 'finished' product or process;

4. Scale and sustainability: taking them to scale/supporting their systematic adoption.

Re-orientating the development system requires that people and communities be at the centre of idea generation, analysis, problem-solving and action, and that development and philanthropic work catalyse collaborative and complementary action (rather than imposing solutions and directing change). This in turn requires two fundamental conditions, namely:

● moving from a top-down, pre-determined process to an iterative process characterised by openness for continuous learning and accountability; and

● expanding and understanding complementarity of actors (including 'new' and non-traditional actors); leveraging knowledge, networks, assets, and action.

Existing innovation value chain models can be adapted to be more people-driven and ecosystem-oriented and to ensure that mechanisms are in place to spot such innovation. The following questions offer a means to begin focusing attention in this direction:

- What are the roles?

- What are the resources?

- Who are the important actors?

- Are feedback loops included?

- What is the appropriate evaluation system?

Bringing innovation to scale

In addition to taking risks, stimulating innovation and ensuring that innovation remains people-centred, philanthropy also has the potential to support innovation to go to scale.[35] Taking an innovation to scale requires alignment with the wider system, and greater attention to be paid to engaging with other actors of the development ecosystem to ensure that the innovation has the environment within which to grow. As one participant noted: 'Things go to scale when an intervention is just right for all of the other players. You have to think long-term to get all the pieces into place' (Module 1).

Bringing innovative ideas to scale also involves creating an enabling environment or climate of enthusiasm for innovation. Philanthropic organisations, and their extensive networks, can create an enabling environment by supporting people-centred innovations already happening and preventing a 'death valley' experience in which promising innovations fail to attract investors due to a lack of small-scale interim funding.[36] They can also, as James Chen explained at the Summit, use these networks to find ways of linking innovation for development with commercial development:

> We launched this product [adjustable spectacles] in Japan. It is called 'emergency glasses' and the wonderful thing is that the resources spent on a commercial product are also applicable to the developing world. The more successful we can be in the developed world, the more resources we have to transfer these to the provision of products for the developing world. The glasses are adjustable to size and you can use these for different strengths and there are two frames/models which fit people with different requirements. (Module 2)

Embedded within this enabling environment must be the recognition that not all philanthropic work on innovation needs to start from scratch. There have been many experiences of innovation across different sectors and countries which could assist in identifying and developing innovations. If knowledge transfer of innovation successes and failures can be achieved,[37] then learning can take place. Identifying a clear matrix for measuring success or failure of innovation and focusing particularly on people-centred innovations and pro-poor innovation value chains is a necessary next step.

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[35] This view was opposed by some Summit participants who felt that the public sector was responsible for taking innovation to scale.

[36] The gap between the point at which an idea is proved technically viable and the stage when venture capital supports the idea and takes it to scale.

[37] Successes and failures do not always replicate in the same way and it is not always clear, nor is there always agreement on, what the key attributes of success or failure might be.

4.3.3 Managing risk

Box 4.3 – Statement of the problem as articulated at the Bellagio Summit

The 'voice' and 'communities' breakout groups at the Bellagio Summit clearly articulated that sustainable outcomes are dependent on active community ownership, and this in turn is based on building a relationship with communities and allowing the key issues to emerge. The innovation work highlighted the way in which innovations rarely emerge from planned projects and are more likely to happen at the interface between sectors, through serendipity, and through investing in creative relationships. The work in Module 1 of the Summit on rethinking development processes emphasised the importance of taking risks and investing in long-term programmes where short-term outcomes could not be specified. Groups in Module 3 asserted that although the ability to take risks was theoretically one of the comparative advantages of philanthropies, in reality (like development organisations) most were risk-averse. Foundations and development agencies should better understand their tolerance for risk and develop portfolios of grants/projects with different risk profiles.

Key challenges: How can space be created within development and philanthropic organisations for riskier initiatives with unpredictable outcomes? How can the drivers which mitigate against this be managed?

The risk averseness of philanthropic organisations

One paradox that threaded its way throughout the Summit was the contradiction between the theory and practice of how philanthropies approach risk. Participants who were not philanthropists saw the great strength of philanthropic organisations as their ability to take risks and their ability to work on longer time frames. Philanthropic organisations, it was supposed, did not have to show a short-term financial return on investment like private sector companies or face the short electoral cycles of government. Furthermore they did not have to be accountable in the same ways for public money. Yet most participants agreed that philanthropies are highly risk-averse, and work mostly through short-term projects with tightly defined, predictable outcomes.

> A lot of philanthropists would say that they are already taking risks, but I think there is a consensus among the development community that they don't. I think we need to be clearer about what real risk is and what real failure is. (Module 3)

> Gates decided to continue to invest in vaccines, but politically speaking there is very little risk in this, it is a very safe choice. Working on rights is more politically risky, because you can get your offices closed down and your staff killed. What I'm saying is that [work on rights] is the really risky stuff, and it's probably too risky for foundations. (Module 3)

This was not entirely true of some of the new philanthropists:

> I think the advantage of a family foundation in particular is that we can take more risks than government. When you look at innovation, we can accept failure and have the time to try what works and what doesn't. Foundations can really drive the innovation and once you have successful models you can then go to donors, agencies and government for them to scale up. (James Chen/Module 2)

But in general all who attended the Summit agreed that foundations do not fulfil their potential role as risk-takers in the development ecosystem. One participant made the important point that when

institutions talk about risk, they are never talking about the same order of risk that communities take:

> People in the streets are taking risks, in Syria they just killed many people yesterday. But for a foundation, I don't know what risk means. (Module 3)

So a critical question is how foundations by taking 'institutional' risks can help to mitigate the 'human' risks that people on the ground are taking in defence of their rights and livelihoods. One answer to this is for foundations to more frequently engage in advocacy and rights issues, offering to play a neutral role as convener in a way that NGOs often cannot. Another is to model risk-taking behaviour:

> If we want to encourage risk-taking behaviour, we need to think about how we can encourage that within organisations, and also among organisations, such as through comparison/competition and peer pressure – if our institution is taking more risks, then it may encourage others. (Module 3)

A further dimension of this is to model patterns of funding that go against the institutional grain. One participant noted: 'we are still too much focused on optimisation in development and a tyranny around "best practice". What we need is diversity' (Module 3). Another argued: 'risk-taking should challenge consensus. If the rest of the development community isn't saying "you're crazy", you're probably not doing your job' (Module 3).

One of the strongest messages from the Summit was the need to work more directly with communities, but the centralised approach to risk and planning often adopted by large philanthropic organisations competes with a decentralised and opportunistic approach to working with communities. Supporting people to innovate in response to local problems will require philanthropic organisations to have a much higher risk tolerance.

Interaction of evaluation and risk tolerance

Groups discussed the complex interaction of traditional evaluation methods and organisations' approach to risk. Most conventional evaluation models are based on assessments against a set of planned outcomes, which can sometimes create strong disincentives to develop programmes with unpredictable outcomes. Since programme officers within funding organisations want to be evaluated positively, they tend to plan what they can guarantee is achievable. A statement offered at the end of Module 4 synthesised this very succinctly:

> There is a need for methods of assessment which are more suitable to unplanned and higher-risk activities, processes and programmes, and tools that get at aspects of wellbeing that are hard to measure – and a need for methods which involve a wider array of constituents/stakeholders. Appropriate systems of value assessment should be organised around iterative assessment, continuous learning and real-time data and analysis. They should also centre on locally generated data, indicators and milestones. This should be publicly reported. There is already an array of methodologies that can meet this challenge including action research, outcome mapping and constituency voice processes. It is proposed that organisations invest in and use these methodologies; that they advocate the strengths and robustness of this approach to evidence-gathering and assessment, and that these approaches are integrated into standards for philanthropic and development organisations.

Responsiveness to highly dynamic and fast-moving environments

A great deal of discussion centred on the need to innovate in dynamic fast-moving environments where outcomes were uncertain. To support communities in this context is to support their

resilience, their capacity to innovate and to adapt. This will often require interventions to be enabling in nature rather than programmatic:

> There is a need to support communities to anticipate crisis and build on the opportunities that derive from crisis. But realistically these organisations can only be enablers [of community-based innovation]. (Module 2)

> People-centred innovation requires finding and adapting or updating existing innovation value chain models, ensuring that mechanisms are in place to spot innovation when we see it. (Module 1)

> Development is highly contextual. It needs to be much more responsive and adaptive to unintended consequences and in so doing, move away from blanket models. (Module 1)

Investing in relationships

Investing in relationships was seen to be critical. Just as a venture capitalist might invest in an inventor rather than a product, so a philanthropic organisation might invest in communities with the potential to develop and implement innovation, rather than in projects.

> Development investment needs to be much more catalytic. Local people should be supported in developing their ideas and growing the seeds of innovation. It should move away from short-term investments. This involves a deliberate shift away from projects and programmes to long-term investments in communities and movements. There needs to be a reorientation towards investments in whole communities. This investment should occur in conjunction with a move away from issue-based approaches like education and greater endeavours towards empowering youth movements. (Module 1)

Relationships with people and relationships with NGOs are not equivalent. Time and time again Bellagio Summit participants from completely different backgrounds referred to the limitations of working through NGOs. It was suggested that the current system of NGOs involved in development was 'broken'. NGOs were seen as moving from project to project following the interests of specific funders. The heavy reliance on funders for income had led to 'solutions' that were sub-optimal, fragmented and short-term in nature.

> The problem is the way that NGOs are supported, not them themselves. NGOs are always just one grant say from extinction [and] not all that needs to be done is a project. (Module 3)

NGOs are just as risk-averse as governments and businesses and subject to the same constraints (e.g. accountability for public money). This limits their ability to engage in the search for support of community-based innovation. In acting as gatekeepers, they can obscure innovation on the ground. The people who are affected by change will not wait for NGOs, government or philanthropies:

> In the Arab world young people didn't want to wait until they could be part of an NGO or a space opened up for them being engaged. They have started their own initiatives and community activities. (Barbara Ibrahim/Module 2)

One area where better relationships are needed is the social involvement of youth. An approach seen to have particular merit was to invest much more in enabling young people, since as one participant said, 'young people have great potential and energy to mobilise resources' (Module 1).

The challenge we see is this wealth of young people who want to couple social and/or environmental problem-solving with business models. Real entrepreneurs are rare which is why it is important to build this thinking and capacity in contexts where it is not being encouraged. This is a risky undertaking and an enabling environment needs to be created. (Module 2)

Organisations wishing to engage in an issue or region need to take the time to build relationships with stakeholders. Invest in the relationships and the solutions will emerge. Participants were especially interested in the work of the ASB Community Trust, as an example of how careful relationship-building leads to better development outcomes. ASB Community Trust is a regional trust funding the Maori population and Pacific Island migrant population. These communities are plagued by high levels of alcohol abuse, crime and domestic violence. The Trust has representatives on its board from the populations they serve. In order to build relationships with local communities they undertook a consultation process for two years. During the process they adopted formal traditional welcome ceremonies and engaged with participants in culturally appropriate methods. The Trust and the communities took a full year to build up trust before they began to plan their work.

The Trust works in a way that enables people to bring dreams to them and it delivers on them in a respectful process. The Trust walks alongside the community for as long as it takes to achieve the desired outcomes. (Module 3)

It was an organic process, rather than a linear model and pre-determined roadmap or theory of change. It resulted in a relationship in which the Maori community is directly engaged in defining their problems, designing solutions, and monitoring outcomes alongside the Trust.

Focus on the long term not just on projects

The ASB example also highlights the recurring refrain that it takes time for powerful social change to emerge, develop, embed itself within communities, and to demonstrate its sustainability. Participants stressed the importance of allowing time for things to take their course:

I think we're also short-sighted in that we want to see success, results in five years; sometimes you cannot see the results for a longer period of time. (Module 2)

What can we do to ensure the philanthropic sector has more patience? (Module 2)

'Patient capital' – whether it is a social return or a financial return, we need capital to be more patient. (Module 3)

There is a need to maintain relationships, be open to new ways of working and new ideas, and also to have the stamina for the long haul.

What you have to do is push a lot of stones and see which ones roll. (Module 3)

Innovation is seldom short-term. (Module 1)

All of this requires long-term commitment to big ideas, staying power and above all patience.

4.3.4 Financial issues

Box 4.4 – Statement of the problem as articulated at the Bellagio Summit

The Global Dialogue on governance and regulation highlighted the failure of financial regulation, generating mistrust from private funds. The Global Dialogue on 'People on the Move' highlighted the ways in which immigration and other policies impact on remittances. Across the two finance breakout groups at the Bellagio Summit, issues such as decreasing resources for official development aid in OECD countries, tax breaks and incentives for enterprise, impact investing, social impact bonds, new sources of public financing for development, and new resources for aid and philanthropy in emerging countries (including diaspora giving) were highlighted.

Key challenges: What steps are needed to create an enabling environment for raising new financial resources for development and wellbeing? How can philanthropic organisations and development organisations work together to better leverage these new resources?

The context

Dramatic changes are reshaping the role of private financial markets in global development. The financial crisis that began in 2008 generated scepticism about financial markets, but at the same time new experiments in socially motivated financial investment signalled a potential for markets to direct unparalleled levels of funding to promote human wellbeing. Even without the engagement of global financial investors, individual remittances in 2009 already equalled public sector official development assistance and private philanthropy combined. Work in creating an infrastructure for private impact investing and public sector early-stage pilots of social impact bonds have demonstrated the promise of connecting large-scale funding to social benefit, and have also broken new ground in the measurement and reporting of social impact. Despite these early positive advances, there are still enormous gaps to be bridged before we can realise the full potential of financial markets to address global social needs.

A changing environment for public spending

There is healthy disagreement within the development and philanthropic communities about the best methods for the public sector to promote positive development outcomes. Although the mix of income sources varies greatly from country to country, public sector actors in developing countries already control considerable resources, including domestic tax revenues, overseas development aid, natural resource royalties, state-owned enterprises, and tariffs. Concerns about corruption and inefficiencies (along with the real impact of corruption and inefficiencies) limit the ability of developing countries to generate new sources of income domestically or secure external donor funding. The fact that the majority of the world's poor now live in middle-income countries is raising expectations that their own countries will develop the capacity to serve their needs and raises questions in donor countries about their long-term commitment to providing aid. Donors (public and private) have experimented successfully with 'cash on delivery' programmes that pay for demonstrated success but allow local actors to find the most effective methods to produce positive outcomes. Similarly, social impact bonds are experiments in directing funding to successful outcomes, with the government serving as an intermediary without dictating details of action.

The most promising prospects for improving the efficacy of public spending and for leveraging public spending with matching funding from the private sector may lie in programmes that focus on clearly measurable social results. But decentralised decision-making must feature in discussions about what constitute the most effective local actions to achieve those results and decentralised inputs from a mixed array of donors and investors will be required.

Comments from Bellagio Summit participants included:

Increasing public funding will be difficult if the outcomes from public spending are weak.

Sometimes the goals of public spending do not promote individual wellbeing.

Better community-level utilisation of funds is more important than increasing the overall level of the funding.

Discussions also frequently returned to the importance of combating corruption as a way of improving development outcomes overall, and for restoring public, private, and civil society confidence in government. As is well known, corruption and rent-seeking plague resource-rich nations, and local power-holders, international corporations and governments in the developed world have been either actively or passively complicit in corrupt international deals to extract natural resources. The last decade has seen progress on this front, with more than 30 governments signing up to the Extractive Industries Transparency Initiative,[38] which requires participating companies to 'publish what they pay'. This initiative has been strengthened by legislation in the United States requiring all businesses listed on those countries' stock exchanges to publish detailed records of their spending in natural resource extraction. This model of using transparency to fight corruption is spreading to the local level, with initiatives like 'Ipaidabribe.com', set up by an Indian non-profit organisation, Janaagraha, which allows individuals to report via the internet when local officials demand bribes of them for minor services.[39] Although high-scale bribery involving top government officials and multinational corporations may grab headlines, small-scale everyday bribery has an equally important impact on the lives of poor and vulnerable populations, eroding their livelihoods and destroying trust in the social contract between government and citizen. Philanthropic and development organisations should play an active role in expanding the *Ipaidabribe.com* model to other countries and contexts to restore the capacity of individuals to play a role in combating corruption. Combating corruption will not only permit more effective allocation of domestic resources to human wellbeing but will also increase the likelihood that international and private donors will see government as an effective partner.

New forms and sources of private philanthropy, finance, and giving

The Summit addressed many different forms of private spending, ranging from remittances, long recognised as a major flow of funds from North to South, to philanthropic giving and the newly emerging actors in impact investing who seek investments that produce both financial and positive measurable social or environmental returns. In all instances, there is potential for private resources to be more efficiently directed to promote better development outcomes and greater potential for positive synergies between private giving and investment and other actors in the development ecosystem.

Despite long traditions of large- and small-scale individual giving, insufficient infrastructure and multiple barriers interfere with international philanthropic action. From restrictions on financial flows to registration barriers for civil society organisations and taxes on remittances, national

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[38]   See the website of the Extractive Industries Transparency Initiative (EITI) http://eiti.org/

[39]   See http://ipaidabribe.com/

governments often intentionally or unintentionally disincentivise cross-border support for development. Participants called on governments, multilateral development organisations, and foundations to find ways to tap into and effectively direct giving to address development needs.

New high net worth philanthropists take a wide variety of approaches to promoting wellbeing, often reflecting the political/cultural/social context in which they work, and often reflecting their own personal experiences in building businesses and wealth. Some new philanthropists in the global South have chosen to address failures and successes in governance directly, funding studies of corruption and awarding major prizes to recognise good governance. Others have chosen to focus on the private sector, business, and small enterprise as the engine of producing wellbeing and individual dignity. Still others have focused on education and literacy as the foundation of both economic and political independence. The strength of these philanthropic initiatives lies in their donors' commitment. Although participants on occasion called for a unified approach and shared theory of change in philanthropic action, many recognised the power of diversity in philanthropy.

Other proposals made were included: find investment-ready systems; invest in financial standards; champion the measurement of the social impact side of impact investing; and help build the infrastructure for impact investing (focusing especially on the development of social stock exchanges). Work here can also monitor future developments in social impact bonds to ascertain when and how these may become more appropriate for international development. In terms of development innovations, philanthropy can also play a key role in sourcing and aggregating good ideas and development innovations for investment (match-making/technical assistance).

Philanthropic organisations also have a role to play in terms of using financing to create more enabling environments. This includes guaranteeing funds to help make local banks lend money to poor people for social enterprises; making funds available and exploring, with other development partners, risk pooling as a means to share risk. Philanthropic organisations can also work with governments to increase the local tax base and to make the mechanics of remittances easier as well as supporting diaspora giving by devoting more to social causes and by establishing community foundations.

The new and untapped potential of financial markets to direct large-scale funding to the solution of social and environmental needs also formed a focal point of discussions. The Rockefeller Foundation has taken the lead in recent years in supporting the development of infrastructure to accelerate the emergence of the impact investing industry. In order for institutional investors to undertake investments that promise both financial and social/environmental returns, tools were needed to measure the impact of the investments and to rate potential investment instruments and companies in terms of social and environmental performance. From this work, the Global Impact Investment Network (a network of impact investors), the Global Impact Investment Ratings System (GIIRS), and Impact Reporting Investment Standards (IRIS) emerged.[40] Other forms of directing investments towards social outcomes have also arisen, including recent work by the governments of the United Kingdom and the United States with social investment bonds, which are structured so that investors share part of the risk of new social programmes, allowing large-scale government funding to flow once 'winning' approaches are identified through multiple seekers. New projects are being explored to find ways to aggregate social investments for large-scale projects (such as green and climate-change resilient infrastructure) and to create social stock exchanges, to enable philanthropic actors to assume the high-risk tranche of investments that support increased lending to under-served populations.

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[40] See www.thegiin.org/cgi-bin/iowa/home/index.html

While some Summit participants were very familiar with trends in this field, others were less familiar and/or less convinced that private sector investors have an interest in prioritising social outcomes. Nonetheless, there was a widespread desire to understand and learn more:

> We need an easy-to-read primer on impact investing and how it can promote development, written for people working in development organisations or NGOs who aren't experts in financial and investment terminology.

4.3.5 Trust

Box 4.5 – Statement of the problem as articulated at the Bellagio Summit

It is difficult to raise money for wellbeing and international development because donors and taxpayers cannot easily see where their money is going and what it is achieving. The Global Dialogues on the 'BRICS' and 'Middle-Income Countries' highlighted that the primary barrier for private philanthropists to support development work is the lack of trust in local civil society organisations. Breakout groups at the Bellagio Summit emphasised the need for better monitoring and evaluation and accountability and transparency processes, which include tracking money flows from natural resource royalties etc. Communities, clients and 'beneficiaries' often don't trust what they see as the 'development industry'. There are high levels of distrust between the private sector, philanthropists, civil society, and the public sector. If, as identified, there is a need for greater collaboration between these sectors then the issue of trust needs to be addressed.

Key Challenge: How can we systematically embed processes into wellbeing programmes which foster trust between sectors, and between institutions and people?

The lack of trust

The lack of trust affects many areas of the development and philanthropic ecosystem and influences wellbeing in a variety of ways. Global governance institutions and arrangements are distrusted because of their lack of transparency and questions of accountability; the development and philanthropic ecosystem suffers from a crisis of leadership and associated distrust; there is public mistrust of the state, uncertainty about the motivations of donors, widespread corruption and a failure to trust in the creativity of civil society.

Addressing this lack of trust must be accomplished at all levels, throughout the ecosystem. It is necessary to generate trust throughout the chain: from donor to service delivery provider to communities and people on the ground. Developing trust is difficult and time-consuming, and conversely trust can be destroyed quickly. Many different factors are required to build trust (including empathy, transparency, communication, clear expectations about success and failure, clarity about mutual expectations, a willingness to be open to innovation and a readiness to invest in people). Trust relies on predictability: allowing all parties involved in transactions to participate in planning for different scenarios of success or failure. Using a human wellbeing approach has the advantage of requiring stakeholders who hold power and resources to take into account the autonomy, insightfulness, dignity, and security of all participants engaged in a relationship in order to build the trust necessary for the long-term success of a project and strength of a relationship.

A framework for building trust

After exploring reasons for the lack of trust within the system, working groups formulated the following recommendations for development and philanthropic organisations to build trust with each other and with the communities where they work.

- **Provide opportunities for feedback:** Beneficiaries should be given formal and informal opportunities to reflect on grants/projects and their relationship with donors. Aggregated and published online, these can provide critical information for creating positive change. Such feedback opportunities need to be accompanied by the creation of 'safe spaces' where evaluation does not result in negative impacts. Performance data should be used for enhanced learning. If the development of trust is the goal, this should be at least one of the metrics against which senior management teams are assessed. Feedback data from grantees should inform performance appraisals for staff. It was noted that: 'the whole sector should have the capacity to learn from the experiences of specific organisations, so it is important to convert data into something that gets attention from sector leadership'.

- **Encourage wider reflections on failure:** The creation of additional performance data (such as feedback surveys) allows for enhanced learning across the development and philanthropy ecosystem through disseminated information. For performance feedback to be effective there needs to be recognition of failure as a form of learning and part of a trust-building process. Events where organisations can be brought together, in 'safe spaces', to talk through their experiences and failures can help build these 'spaces' and values.

- **Donors should minimise and carefully target evaluation burdens for grantees:** Only data that can and will be used to inform strategy should be gathered; resources should be allocated to the recipient to allow them to undertake the reporting.

- **Identify the locus of trust:** Distinguish between interpersonal trust (between people as individuals) and institutional trust (between organisations). Both of these forms of trust have a role to play in improving the quality of the overall ecosystem. It is necessary to identify which kind of trust is appropriate in particular contexts.

- **Refrain from external impositions:** Trust is built when the approach shifts from something being 'done to' beneficiaries and grantees to one which is 'being done with'. This involves not imposing external philanthropy or development, but actively encouraging and engaging with indigenous philanthropy and/or government.

- **Emphasise collaborative relationships:** Encourage greater collaborative working by breaking down the traditional barriers that exist within and between organisations. Seek to develop closer relationships with beneficiaries. This involves creating opportunities to hear beneficiaries' voices, even if local civil society organisations might mediate the process.

  > Although we know that we need 'every kind of help', the main problem is when there is a lack of communication between recipients and philanthropists. We need to sensitise and liaise very closely with direct beneficiaries, involving them in the entire process in such a way that they own the process. (Samia Yaba Nkrumah, MP)[41]

- **Make expectations explicit:** Be clear about goals from the outset of a relationship and in particular, be clear about the level of risk tolerance expected by, and of, partners. This should also involve articulating an explicit theory of change and demonstrating the effectiveness of this approach through cases.

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[41] Leader of the Convention People's Party, Member of Parliament, Ghana.

- **Involve diverse actors:** These include funders (board members, senior staff of foundations, programme officers), primary constituents, people and organisations in communities, intermediaries, outside facilitators, methodologists to assist constituents develop measures, movement builders and social entrepreneurs.

- **Dedicate financial resources and time to building trust:** This includes for capacity building, for facilitators, to allow decision-makers to visit communities, for infrastructural support and training.

- **Articulate a clear exit plan:** Grant-makers need to do this in collaboration with all other stakeholders at the beginning of an intervention and with sufficient lead time before the anticipated beginning of the project.

- **Ensure alignment between partners:** Relationships between grant-makers and service providers must clarify outcomes expected at the grant allocation stage. The alignment of grant-makers' and service providers' strategies and values should be examined, ensuring that there is a mutual understanding of risk and a way to check that no harm is being done.

- **Be transparent about funding:** To help communities own the process and to manage resources efficiently, it must be clear how funding is being allocated. Communities must be encouraged to invest their labour into projects. This raises credibility and trust and moves from giving charity to establishing a relationship.

To summarise, a framework for building trust must rest on the following parameters:

Clarity of outcome, alignment of strategies/mission of partners, mutual understanding of comfort with failure and risk, clarity about definition of failure(s), a learning plan for success or failure, clarity on public transparency, a contingency plan for unintended consequences, a plan for sustainability and grant-maker's exit, clarity over the process, transparency about resources, feedback loops, and embedded respect.

4.3.6 Capacity building

Box 4.6 – Statement of the problem as articulated at the Bellagio Summit

There are major challenges to delivering capacity development at scale. Among other things, institutions need to embed in all their work: monitoring and evaluation; continuous learning systems; effective processes for engaging with the voices of the poor and most vulnerable. Many of the skills and knowledge necessary for development organisations and private philanthropies to achieve sustainability are lacking. Fundraising, communication and advocacy skills are a particular focus. There may be a role for the foundation sector to fund the development and dissemination of a strong knowledge base. The notion that development organisations should routinely be 'one grant away from extinction' is a serious barrier to long-term sustainable capacity development. Many participants in Module 3 of the Bellagio Summit felt that foundations need to develop a mix of short-term and long-term grants to better support capacity building in their NGO partners.

Key challenges: How can we build the infrastructure across institutions for capacity development on the scale that is needed? What are the next steps?

Philanthropy and capacity building

The need for building capacity exists across the development ecosystem and is interconnected with the six Bellagio Summit challenges (see Section 4.3). If the development ecosystem is to be more orientated towards wellbeing, then eliminating income poverty should not be the only driving force. The work of philanthropy and development needs to be rooted in building capacity for the expression of community voices, for activism and practice.

Philanthropic organisations do have a comparative advantage in relation to capacity development. They do not have the constraints of government or business, putting them in a good position to focus on building capacity for civil society, good governance and administration. As stated in the Accra Global Dialogue on Emergent New Markets: 'corporates prefer to fund tangible things, not get involved in social justice or advocacy'.

In the Cairo dialogue, people called on philanthropists to recognise the importance of exchange programmes, experience-sharing and capacity development – but cautioned as well that a technocratic approach would not automatically bring about capacity building. If civil society organisations are going to play an important role in bringing about positive change, then there is a need to rethink the nature of capacity development and, as proposed by these participants, to focus on the realm of education.[42] The Bellagio Summit recognised the key role that philanthropists could play in demonstration projects, capacity development, and convening to improve the quality of public spending. Although capacity development is seen as critical, and as an important means to try to address broader challenges – such as urbanisation, migration, rural stagnation, poverty – implementing and advancing capacity building within development and philanthropy is not altogether straightforward.

Infrastructure for capacity development

Despite the tendency to see capacity building as a highly localised activity for the recipients and beneficiaries, many actors within the development ecosystem require capacity building of some sort. NGOs, which often act as gatekeepers to communities, require capacity development to enhance, rather than 'gate-keep' interrelationships between communities and international organisations. Poor people and communities require capacity building in terms of expressing voice and shaping agendas. Yet at the same time, philanthropic organisations are often detached from what is happening on the ground. Senior managers and experts require skills in collaborative working, learning to listen to community voices and to engage in meaningful processes of advocacy. They need greater capacity to take risks and better ways to build their partners' and beneficiaries' independence. They also need to develop their collective capacity, to learn from each other, sharing tools and information. More work also needs to be done evaluating the effectiveness of capacity building initiatives. There is thus a double element to capacity building, in which philanthropic actors have to build their own capacity in order to ensure that their partners ultimately have the capacity to assure their own future and to make sure that their combined approach to development is sustainable.

Examples of capacity development within the philanthropic and development world tend however to emphasise a localised and particular nature. For example, volunteering for problem-solving is focused on enhancing wellbeing through interaction and problem-solving; connecting skilled multinational corporation workers to development organisations in order to bring particular skills to development work and provide an opportunity for hands-on learning. The scheme is demand-driven with volunteers providing skills that enhance the capacity of the host organisations, rather

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[42]   In this context, note the comment from the Delhi Dialogue (see Section 3.3.6): 'If you want to put money into five more schools, don't bother. If you want to put money into school administration – that will have more impact'. The temptation for philanthropic organisations is to go for what is immediate, visible and tangible.

than simply solving immediate problems. This project-focused nature of philanthropy limits the reach of capacity building.

In-country capacity building and 'on the ground learning' provide local organisations with skilled personnel and build local capacity in communities. As development and philanthropic organisations compete for skilled practitioners, locally trained people move into high-profile international development jobs, initiate important network links and/or start their own development organisations. As such, they provide a vital component of capacity building across the sector. International organisations benefit from such capacity development, yet bear none of the associated costs. This is frustrating for the local development organisations that undertook the training and, as training costs cannot be recuperated, is difficult to sustain. It is therefore necessary that the value of capacity building within local organisations, and their role in training and investing in skills in people, be recognised (and remunerated) as a contribution to the development and philanthropy sector as a whole.

A joint framework for achieving capacity building objectives

> The whole sector should have the capacity to learn from the experiences of specific organisations, so it is important to convert data into something that gets attention from sector leadership. (Module 3)

> We will not solve the basic problem with poverty and inequality etc. unless and until the people who are experiencing these problems effectively participate in producing the solutions. (Module 3)

Building the infrastructure for capacity building across institutions in the development ecosystem requires an assessment of latent capacity, next steps and scale. The Bellagio Summit stressed the need for a joint framework which helps philanthropic and development actors and their partners to assess needs, develop a conceptual plan and confirm the course of action to achieve programme objectives. Developing a framework collaboratively makes it more likely that objectives will be achieved and may identify the need to bring in third party collaborators, with specialist skills. Such a framework or clearing house for capacity development also needs to ensure accountability and transparency, while respecting the external checks that sharing provides.

The framework for capacity development should focus on the following elements:

- **Needs assessment and self-reflection** (what is known or not known, what latent capacity exists already, what a holistic set of skills might include);

- **Infrastructure mechanisms and changing mindsets** (emphasising the need to see philanthropy as development, to address the lack of skills, but also to expand beyond local to regional capacity building, to emphasise long-term capacity building as a process requiring significant investments rather than focus on quick outcomes);

- **Resources** (to recognise the limited monetary resources but also to focus on other non-monetary aspects associated with capacity building. This links back to the needs assessment and self-reflection and the emphasis on identifying what is needed and channelling resources effectively);

- **Monitoring and evaluation (M&E) of impact** (it is necessary to develop metrics for institutional development, to incorporate ways of learning from failure and ensuring effective feedback systems to do this).

Overall the Bellagio Summit recognised that greater coordination between philanthropic actors is necessary to set standards, identify gaps, collaboratively create and ensure better work, and to share learning and successful models.

4.4 Summary of key arguments from the Bellagio Summit

The Bellagio Summit brought together more than 100 participants, from about 30 countries, representing small and large philanthropic organisations, government policymakers, academics, individual philanthropists, fundraisers and development professionals. This 15-day Summit also involved more than 1,000 individuals across the world through social media. The 12 key statements from the Summit are documented in the 'Bellagio Aide-Mémoire'.[43]

These key messages provide the conclusions that participants reached during the Bellagio Summit. But to what extent did the Summit address the initial aims of the Bellagio Initiative? These aims were to discuss the nature of current relationships between international development and philanthropy, to reflect on how these might change in order to better protect and promote human wellbeing in a twenty-first century context and to decide how to operationalise the outcomes of the Summit and the broader deliberation process of the Bellagio Initiative.

The first of these aims, namely the exploration of the current relationships between development and philanthropy, received considerable attention at the Bellagio Summit through the exploration of people and resources involved in the development and philanthropic ecosystem and through their interrogation of the failings and problems.

As is evident in the discussions outlined here, Summit participants identified significant areas of disconnection and considerable spaces characterised by ambiguity or a lack of knowledge about different actors' activities and roles. There was a strong recognition of actors' tendency to prioritise specific sectors or programmes and of a widespread failure to take responsibility for the overall systems or to recognise how individuals' and organisations' work perpetuated shortcomings within the system as a whole. Yet, in bringing together a wide range of actors from within the ecosystem, the Summit also helped participants to encounter new ideas and approaches, to develop opportunities for future collaboration. For many participants, the Summit represented a new kind of collaboration, where actors moved out of their comfort zones, met new people and engaged in discussions that deviated from their usual focus or incorporated new perspectives and understandings. These discussions helped participants appreciate the diverse and diffuse nature of the ecosystem, and to understand the inter-linkages between their own work and that of other actors within the system. This meant that significant time was dedicated to discovering the underlying means and values that different actors attached to commonly understood words. After much discussion and reflection across the four modules, considerable ground was achieved in finding a common language for addressing the challenges to human wellbeing. This is evident in the strong support for wellbeing in the six core challenges discussed in Section 4.3.

The second aim focused on exploring what could or should change in order to better protect and promote human wellbeing in a dynamic twenty-first century context. Bellagio Summit participants recognised that the paradigms that have dominated international development assistance and philanthropic effort are currently being challenged or are discredited, but it is not yet clear what new ideas and approaches will take their place. There was strong support for the need for better collaboration between philanthropy and development and, as a result of much honest discussion and critical reflection, considerable debate about whether there was potential for the Summit to influence a new paradigm of philanthropy and development. The Bellagio Summit's influence is

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[43] For the full text, see www.bellagioinitiative.org/wp-content/uploads/2011/12/Bellagio_Aide-m%C3%A9moire_final.pdf

for a new paradigm shaped through the key challenges discussed above and, as such, one that embraces wellbeing; engages with community voices (including youth); recognises dignity and rights; nurtures local innovation; recognises diverse contributions; emphasises long-term investment and commitment; is responsive to unintended consequences; reconfigures roles and responsibilities within international development; brings in new different actors; and develops greater coordination within the development system.

Yet, at the same time, participants recognised the enormous challenge associated with a 'new paradigm' and focused on realisable steps towards change. These included:

● Recognition of the need to focus on the social dimensions of people's lives, particularly aspects of social life that are disregarded, negated and rendered invisible by market ideology. Such an approach stresses the importance of wellbeing (alongside material imperatives) and emphasises attending to the care economy, ensuring people's sense of security and protecting people's dignity.

● Reconsideration of the way in which development is constructed and organised through a rural model of reality. This requires recognition of people's mobility and that current development problems are increasingly experienced in urban or rapidly urbanising contexts.

● Emphasising communities' initiatives and creating opportunities for communities to take a lead in development and in philanthropy, through recognition of these roles and responsibilities as embedded in the 'philanthropy as development' approach; and through mobilising new resources inherent in people, their talent, skills, networks and voice. This involves not just being aware of community voice, but acting on it.

● Grasping the opportunity for supporting local innovation through a new combination of actors and approaches that nurtures the innovation value chain for its social value and contribution to human wellbeing.

Finally, the third aim asked how the outcomes of the Bellagio Initiative deliberation process might be operationalised. This is an area where far more potential exists to develop new approaches and where new partnerships and new approaches are currently emerging. The Bellagio Summit, as part of the broader Bellagio Initiative, represents the start of mutual learning and exploration, of critical reflection of roles and responsibilities and of challenging a development paradigm. It revealed the huge complexity of the development and philanthropic ecosystem, incredible diversity and potential of knowledge and also huge gaps in shared knowledge about different roles and activities, an awareness of new players, different value systems at play within the ecosystem, and the presence of competition and contestation. It also demonstrated some key dimensions of change: new ways of working which embrace diversity; new forms of collaboration; space for many different kinds of contributions; and new ways to develop coherence. Out of these identifications and associated actions will emerge new frameworks for action which bring philanthropists much closer to their beneficiaries and which will, in time, create spaces for new forms of engagement. The Bellagio Summit was only one part of the Bellagio Initiative. The Initiative as a whole was far broader and more ambitious, including the Commissioned Papers and the Global Dialogues. The following section asks what conclusions can be drawn from the Bellagio Initiative as a whole.

5 Conclusion

The Bellagio Initiative brought together a wide range of participants, from 30 countries in all world regions,[44] representing local communities, indigenous people, activists from across the political spectrum, in-country philanthropic organisations, government policymakers, academics, development professionals, senior officials from international organisations, business representatives and journalists. This six-month Initiative also reached out to the rest of the world through various forms of social media – blogs, Twitter, live streaming – and involved in total more than 1,000 individuals across the world.

The three stated purposes of the Initiative were:

1. To build a description of the changing landscape of actors and resources involved in and relevant to international development and philanthropic efforts to protect and promote human wellbeing.

2. To identify the major challenges to protecting and promoting human wellbeing on a global scale in the twenty-first century and uncover what new opportunities and innovations are emerging to support this.

3. To develop an explanation of how the outcomes of the deliberation might be used by philanthropic and international development organisations to operationalise strategic engagement with these challenges and opportunities.

In this concluding chapter we will review the extent to which each of these purposes has been fulfilled and discuss the implications for the future of international development and philanthropy.

5.1 Building a description: a more complex and diverse ecosystem for international development effort

The Bellagio Initiative was instituted because of recognition that there were major changes afoot in the global ecosystem within which international development and philanthropic organisations are operating. The overall process has built a more detailed picture of the complexity of that change.

The last ten years have seen acceleration in the number and a burgeoning of the diversity of actors and agencies involved in international development effort. What for long had been the preserve of a rather narrow body of professionals in a well-established set of organisations including governmental multilateral and bilateral agencies, large non-governmental organisations, and a small range of philanthropic organisations, is now being overtaken by a much wider and more pluralistic array of contributors to international development effort. A key driving change has been the emergence of a new generation of philanthropy driven by recently wealthy global individuals. This new generation is widening the diversity of global philanthropy in geographic, cultural and ideological terms. It includes philanthropies associated with the rise of new economic powers but also philanthropic efforts that are founded in new entrepreneurial identities. At the same time the shift in global economic power has seen the strengthening of the voice of the governments of new economic powers in global debates. The review of significant global political shifts that was conducted as a preliminary step to the Initiative points to the growing ascendancy of the G20 over the G8 as the major global economic discussion forum, and also the emergence of the BRICS and other rapidly developing economies as development donors and advisors in their own right. Alongside this there has been increasing involvement of a more diffuse global

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[44]   There was representation from Australasia, but not the Pacific Islands.

citizenry. The growth of the internet and modern communication technologies has supported a growing demand from people themselves to be an integral part of development effort, as citizens, as givers and as decision-makers.

These changes have brought a new set of actors and agents into development debates. They bring with them new ideas about how development should be done and a mix of both sound and wayward critiques of existing development policy and practice. Various contributions to the Bellagio Initiative and debates at the Summit explored areas of potential strength and weakness in this new generation of development thinking. It is not possible or necessary to propound on what are the correct arguments or critiques that are associated with this change, but perhaps the most important opportunity it represents is that it widens the diversity of debate. Many of the new philanthropies are often founded in different identities of culture, religion or ideology and new development donors bring with them different histories and different places in the global political economy. It will be an important challenge for debates over the future of development effort to take into account these new voices. The emergence of more articulated and coordinated voice from our diverse global population (aided by new communications technologies) also represents an opportunity to systematically include the voices of a wide range of different identities (the poor, youth, women, the marginalised in particular social and political contexts, religious identities, ethnic/cultural identities) in development deliberations.

The Bellagio Initiative has begun to build a picture of what this new ecosystem looks like. The set of Commissioned Papers on philanthropy begin to map out the span of the expansion of philanthropy but also explore some of the qualities of that growth. The discussions at the Summit and in the Global Dialogues illustrate the diversity of views from new actors and the extent to which old development models are being challenged. In order to navigate in this new ecosystem an important next step will be to invest further in building a better understanding of this new and evolving ecosystem.

The ecosystem analogy has been found to have considerable value throughout the process. This is because it allows observers and practitioners to recognise that the change is more than one of new actors, but is also one that involves new values and new relationships. All of these add up to different dynamics in global international development effort and offer new possibilities for how we conceptualise and engage in development in ways that emphasise wellbeing for all.

Various components of the Initiative begin to reveal some of the complexity of these changes and the methodology for the Initiative also has introduced elements of complexity thinking into considerations of how to move forward. One of the key messages of complexity thinking is a focus on 'the system' alongside consideration of its various component parts. The agenda for change that has developed through this process has illustrated the need for a multi-level strategy for action in the international development arena after this process. It is necessary to explore reforms and changes at the level of specific organisations alongside consideration of system-level change.

The focus on the challenges to promoting and protecting human wellbeing has been useful for the exercises of mapping out the new ecosystem. It provided a focal point for mapping the new complexity. The social wellbeing concept has particular affinities with ecosystem thinking. It requires us to think of the interactions between people and the wider social and organisational structures in which they operate. Throughout the various meetings in the process there have been repeated calls for a more people-centred approach to development, supported by the human wellbeing focus. In all attempts to graphically represent the ecosystem, it stimulated the question – where are the people? The proposition that arises from the adoption of the human wellbeing focus is that, in further development of the new international development ecosystem, it

will be important to keep the human beings who are intended to be the beneficiaries of that effort at the centre of the picture.

The human wellbeing orientation fits with the ecosystem approach in other deeper ways. The first is that it makes the agenda of differing values explicit. Thus any future ecosystem map would not just be about who is doing what, where, but it would also seek to represent and make transparent the different values that are at play in the new development dynamic. A major critique of the current orthodoxy of international development that has been revealed by the discussions throughout the Bellagio process is that it has been insufficiently capable of absorbing different value positions in its core orientation. The recognition of differing and sometime clashing values can be seen as a threat to the coherence of future international development effort, but a major theme throughout the deliberations has been that such value difference is part of the reality that development must operate in and with. As such, a framework which makes explicit the fact that different value positions matter is a first step to enabling constructive engagement between those different value positions.

The second deeper way that the social wellbeing framework has been appropriate has been through its emphasis on relationships. An ecosystem map is not just about who is where, but it is also about how they relate to each other. One of the most powerful observations of the first days of the Bellagio Summit was that there are many 'disconnects' in the current international development ecosystem. Many of the agencies and people who logically should have relationships to each other if development effort is to be effective either do not have relationships to each other or have relationships that are ineffective or dysfunctional. The process of future ecosystem mapping can assist in focusing the agenda on what relationships need to be created, built and strengthened. The wellbeing framework provides a way of thinking about the quality and function of relationships and how they do (or do not) contribute to the protection and promotion of human wellbeing.

In all component parts of the Bellagio process there has been much criticism of the existing international development set-up: organisations, structures and processes. But there was also a counter message that it is important we do not overlook and discard all the positive elements that have been hard won over the decades. A particularly lively debate that has run through the different elements of the process has been about the extent to which philanthropic organisations should emulate or align with existing international development practices and protocols. Or, alternatively, that the development industry should learn from the business world, using a problem-solving business model delivered by the private sector and philanthropy to re-invigorate development.

Neither of the extremes of total alignment with business or total rejection of current development approaches is a sensible route forward. The conclusion of the deliberation has been focused instead on identifying the comparative advantages of different kinds of organisations. In his Commissioned Paper, Michael Edwards argues for space in which the diversity of approaches in the philanthropy sector can be maintained, but alongside this there has been an associated call for philanthropies to be more transparent and accountable. Although the Paris Declaration on Aid Effectiveness has come in for criticism from some corners (see Michael Green's contribution to the Summit), there are key principles contained in that global effort which deserve an appropriate level of continued respect. The principles of recipient ownership, alignment between different aid-givers and recipients, and mutual accountability between donor and recipient, have all been recognised as important considerations for ongoing collaboration between international development and philanthropic organisations.

A more contentious principle that was the subject of repeated discussion throughout the Initiative has been the focus on results that was also strengthened by the Paris Declaration. Throughout the deliberation, the issue of a narrow and restrictive definition of what constitutes results and evidence has been seen as a threat to a diversity of approaches and focus. While the importance of having sound evidence was accepted, there was also recognition that there will be development situations where evidence is difficult to generate. Narrow definitions of what counts as results or evidence run counter to other important directions which the deliberations saw as important for international development and philanthropy organisations to explore. Supporting new ideas and innovations as well as taking greater risks all may have significant but less tangible and less immediate benefits for poor and vulnerable people.

5.2 Identifying the major challenges and opportunities for protecting and promoting human wellbeing on a global scale in the twenty-first century

There is a fairly well-agreed set of threats to the wellbeing of humankind that must be addressed over the coming decades. In the various Commissioned Papers and Global Dialogues, the process addressed threats associated with: a new distribution of poverty, resource scarcity, climate change and sustainability, democratic breakdown, materialist values, urbanisation and increased mobility. There are other challenges and threats that were not dealt with by Commissioned Papers or a focused Dialogue. These were often identified and discussed throughout the deliberations (for example, unemployed and disaffected youth, an aging demographic, violent conflict).

There are also ways of meeting these challenges that are widely understood. The various discussions revealed a succession of new ideas and innovations of different kinds that can represent ways whereby concerted international development effort can protect and promote human wellbeing in the coming decades.

However, being able to realise opportunities depends on an effectively functioning global system of governance and policy. This involves relevant and effective international institutional aid agreements; effective national systems of governance; and systems of policy formulation and implementation that are regarded as legitimate and accepted by the global citizenry at all levels.

If we take a step back from the major and obvious threats to humankind in the coming years and look at the major themes that emerged from across all elements of the deliberation, perhaps one of the most striking challenges to protecting and promoting human wellbeing in the twenty-first century is the breakdown of trust in systems of governance and regulation. A diverse range of participants, in a diverse range of locations and contexts emphasised that people had lost trust in governance and regulation and that they had lost trust in the organisations and agencies that are supposed to be responsible for protecting and promoting human wellbeing. The sense of distrust extended from nation-state governments, to global bodies and across to the formal development agencies. This distrust is a matter of concern for philanthropic organisations and NGOs since many participants noted that most intended beneficiaries of the development effort do not distinguish them from formal development agencies and from government. To people on the ground, big organisations whose staff arrive in 4x4 vehicles, who have offices in nearby towns or cities and who formulate plans and projects they are told are intended to better their lives, all look much the same.

The fundamental importance of trust in how international development and philanthropy might work to protect and promote human wellbeing is highlighted by the approach adopted here. It is a fundamental precept of the wellbeing approach that governmental, non-governmental or philanthropic organisations do not and cannot 'give' people wellbeing: rather people make their

wellbeing themselves and they do so through their relationships with others. However a key set of relationships for this ability to achieve wellbeing is to those actors who create the conditions within which they live and in which they marshal the resources with which to strive to achieve wellbeing. If the governance and developmental aid relationships that are supposed to create and maintain these conditions are mistrusted, then the legitimacy of governance arrangements breaks down and this usually has adverse consequences for the least powerful and most vulnerable in our societies. The failure of trust that was acknowledged throughout the Bellagio deliberations is a fundamental dysfunction in the global system for international development effort.

Many of the specific threats to human wellbeing that have been identified throughout the process can be understood to emanate from failures in relationships of governance: the crises of global economic instability; climate change; natural resource conflicts; unplanned urbanisation; chronic poverty and inequality. These failures of governance and regulation are fed by distrust and feed future distrust. This is a destructive cycle that is apparent at all levels of governance and is present in many geographical locations. A priority and fundamental challenge for international development and philanthropic organisations is to engage in a global project of rebuilding trust in governance and regulation.

The deliberations indicate that this can be tackled at many different levels and in a range of different ways: from taking care of trust in the one-to-one relationships between aid giver and aid recipient through to system-level challenges to improve accountability and transparency as a means of re-establishing trust in governors and regulators. This system-level challenge lies at the heart of making governance relationships work more effectively. It indicates that there is an agenda for activity at a range of system levels: at the level of global governance; in national governance systems; in systems of governance within development organisations; and at the local and community levels. Greater inclusivity, connectedness and greater levels of transparency and accountability are key characteristics in new approaches to this endeavour. These moves are founded in values of respect for citizens and their rights as human beings with valid aspirations, hopes and fears and they represent a shift away from modes of development policy and practice that treat people as objects.

The discussions during the different parts of the process repeatedly highlighted the obstacles that have generated this mistrust and which currently stand in the way of making international development and philanthropic organisations more trusted and more effective in their contribution to positive governance. One of the main ways in which this was expressed was in the call for a more 'human-centred' model for development. The currently technocratic narrative of the dominant development agencies has been seen by many as contributing to their remoteness and perceived irrelevance. In turn this technocracy is reflected in and is a reflection of what it is that development agencies focus their measurement effort on: for example, growth rates and income poverty lines. The recommendation of the Sarkozy Commission, that there needs to be a shift from narrow measures of development as economic progress to broader measures of development as improvements in human wellbeing, was supported by the Bellagio deliberations. The need for new metrics was accepted although there was less clarity on what those metrics would consist of and how they could be generated.

In spite of the challenging international situation, the Bellagio deliberations indicate that there are grounds for hope to meet the challenges. Throughout the process, a range of different innovations and opportunities were identified as having the potential to help the international community meet the threats to human wellbeing. It has been important to note that innovation is not always about new technologies and the Bellagio discussion distinguished between four types of innovations. These were: technological innovation, organisational innovation, financial

innovations and social innovation. Examples were found in each of new ways of working to meet human wellbeing challenges.

It was understood throughout the discussion that new information and communications technologies are already transforming the world while simultaneously, and ironically, contributing to the irrelevance of development agencies. New technologies have been shown to have the potential to be significant contributors to effective development practice. This includes both projects that use technologies to enable people to better meet their expressed needs (for example M-Pesa) and also the use of new technologies to make the international development system work more effectively (demanding more responsive governance, improving the potential for accountability, generating real-time data on crises, lesson sharing etc.). Of course, as was noted in the ICT Virtual Dialogue, if unregulated, new technologies can also be used in ways that can work against human wellbeing and which can be harmful for poor and less powerful people.

The key to all of these forms of innovation is that they enable existing resources to be better used to meet the real challenges to human wellbeing, or they mobilise additional resources to contribute to that effort. Participants in the Bellagio deliberation showed a wide understanding of what resources could make a difference. The arguments for better using or mobilising more funds for the development effort are conventionally understood, but the deliberation also emphasised that other key resources included ideas, people and organisations.

Throughout the Initiative, it was recognised that a range of different opportunities exist which could be harnessed to meet the challenges of the coming decades. If we accept some of basic tenets of the complexity framework that has been present in the ecosystem approach developed by the Bellagio discussions, then a number of observations arise:

- There will be a need for a diversity of approaches in development effort in order to cope with future complexities (i.e. they cannot always be predicted nor solutions to them be blueprinted);

- New problems and volatility bring an increased focus to developing new capacities for innovation;

- No single organisation on its own is likely to be fully effective in solving problems in a complex and interconnected world and, as such, finding ways to collaborate effectively will become increasingly important.

These observations underpinned a widespread recognition at the Bellagio Summit that it will be necessary for the different organisations in international development and philanthropy to work out their comparative advantage in relation to each other. This comparative advantage is not a straightjacket for philanthropy organisations since the diversity argument suggests that different philanthropic organisations should have different comparative advantages. The observations also highlight another key realisation; that development organisations should not seek to be everything in themselves, but that they may have distinctive roles to play in complex processes. This requires some humility and recognition that development organisations make a contribution but do not own solutions. It was recognised that this runs hard against the 'my results, my beneficiaries, my organisation' culture which some results orientations can encourage.

As is evident in the Aide-Mémoire issued immediately after the Summit, one of the key areas where a spirit of collaboration and human-centred approach is being combined was Summit participants working together to develop a new human-centred approach to innovation. This will involve different organisations determining where best to contribute to the processes of identification, nurturing and bringing to scale innovations that are driven by people's needs.

A key topic highlighted in relation to identifying comparative advantage is the different attitude and capacity for risk in the different organisations engaged in the development effort. The Bellagio discussions exposed that, while there is a widespread view that philanthropies are better able to take on more risky ventures, the reality was that they tend to be quite risk-averse. Various contributions to the process point out that by virtue of their source of funding, philanthropies should be more capable of taking on higher risk ventures than elected governments (subject to political cycles), publicly funded bodies (bound not to take risks with public money and subject to political cycles), charities and NGOs (who need to be seen as being careful with voluntary contributions), or private organisations (who are disciplined by the market). The discussions identified a number of factors which inhibit risk-taking in philanthropies. These included: narrow evaluation approaches which introduce a bias towards demonstrable, tangible and short-term returns for investments; short time horizons for projects and delimited partnerships; and the pressure not to be seen to fail.

When we look at the likely challenges to human wellbeing over the coming years and the required efforts to innovate and to address some of the fundaments of these challenges then it is apparent that someone, some organisations, somewhere in the global development system will have to take risks. A human wellbeing perspective on this problem makes it is clear that the people who have least resources to invest in taking the risks of adaptation or mitigation are the poor and vulnerable. Yet the evidence of the global responses to recent food, fuel and financial crises has been that it is poorer people who have largely been bearing the brunt of coping, while other organisations and agencies have been shored up by stimulus investment.

The discussion of the attitude to risk in philanthropic organisations should thus not be detached from the human-centric analysis, asking: to what extent should philanthropies conceive of themselves as sharing the burden of risk with poor and vulnerable people? The following section discusses a range of possible agendas for change that have been identified in this analysis as worthy of consideration for global investment in order to better protect and promote human wellbeing in a challenging global environment.

5.3 Operationalising strategic engagement with challenges and opportunities

In the opening chapter of this report we began with a brief overview of other events and publications that have sought to rethink the future of international development. From that review we distilled five types of change that have been regarded as important if we are to meet the challenges of development in the coming years. In this concluding discussion we use that framework to organise the insights offered by the deliberations throughout the Bellagio Initiative about what is required to change if we are to seize opportunities and better meet the challenges to human wellbeing in the twenty-first century.

5.3.1 Change what and how we measure (policy effects and impacts)

Reinforcing one of the main recommendations of the Sarkozy Commission there was widespread acceptance of the need for new measures in development that better capture what is important for people's lives. The value of focusing on human wellbeing received general endorsement throughout the deliberation. In some cases this was enthusiastic, in others it was lukewarm, but there was no outright rejection of the value of shifting to this kind of focus. A range of terms was used to describe what future policy thinking and measurement needed to take account of and these included, for example, voice, dignity, social justice. All of these terms are consistent with the focus on human wellbeing and they all recognise that development must systematically take account of what people experience, feel and aspire to do and to be.

Key possible areas for operationalisation: supplement existing metrics of development progress with new metrics that are more human-centred. In particular, it will be necessary to explore how existing objective development indicators can be complemented by indicators that reveal the subjective dimensions of a person's development experience. This would allow development organisations to understand the impact of their development efforts on people's sense of what is just and what constitutes a dignified way of life. To do this requires development and philanthropic organisations to clarify the conceptual basis for new measures and then to develop methodologies to employ in the generation of new data and evidence. There are already significant advances in this area at different levels; from work on national statistics (see OECD) through to individual measures of wellbeing, quality of life, or life satisfaction. There were relatively low levels of awareness among participants in the Bellagio process of what alternative measures had already been developed and where they were being used. Further work is required to increase awareness of these alternative measures; how they are being adapted and operationalised by development organisations; and how they might be tailored to the needs of development and philanthropic organisations in order to broaden the scope of their evaluation and monitoring.

5.3.2 Change the policy agenda (new issues, new policies and new priorities)

It is ambitious to call for changes in the development policy agenda but the Bellagio Initiative was an ambitious undertaking and engaged an ambitious cast of participants. An analysis of the Bellagio deliberations suggests that philanthropic and development organisations should not shy away from the challenge of changing the policy agenda at this time. At the very least there is a need to review policy priorities. For example, throughout the Commissioned Papers, Dialogues and in the Summit there were repeated calls for greater recognition to be given to issues of care for children, families and communities. Care work – the hours of labour time that turns our children into good citizens and that build the strengths of community cohesion; care for the aged; and care for AIDS orphans – goes uncosted in our current economic development model. The adverse consequences of undervaluing care work have been illustrated by the extent to which the burden of coping with the difficulties of the global economic crisis has fallen on the shoulders of women. This has placed strains on childcare, as women have had to extend their income-earning efforts, it has placed strains on family relations and in many places it has had adverse effects on community cohesion. Although gender issues have been an integral part of the development narrative for many years now it is less apparent that there has been a correspondent recognition of the issue in the orthodox growth-oriented development policy agenda. This is not the only issue which has featured in the global development narrative but has failed to find sufficient, serious traction in how development policy is conducted. Other examples include increasing urban poverty and vulnerability, working with increasingly mobile populations, and the proper valuation of the natural environment.

While there is widespread dissatisfaction with many aspects of how the development industry is currently working, there is a lack of leadership at the global level in shaping what a new policy agenda should consist of. Historically, philanthropic organisations have been able to take a critical perspective and be a leading voice for change in global and national policy debates. Many participants throughout the discussion process called for philanthropic organisations to rediscover their advocacy position.

At the heart of this challenge is the observation that not all elements of the development agenda will sit compatibly with each other and that there will be a need to challenge and explore accepted and comfortable truths. Difficult issues that have been highlighted in this process and which require further exploration include questions around economic growth and growing inequality.

Key possible areas for operationalisation:

● **Build momentum for policy change:** Continue to build the momentum from this Bellagio process for changes in development policy priorities. This will require a clearer formulation of alternative, more human wellbeing-oriented policy positions. The organisations and individuals that came together in the Bellagio process can also continue to build the coalitions that were initiated there in order to create pressure for policy agenda changes. Global shifts in power and the entry of new players in major development debates may present a window of opportunity for new policy thinking but maintaining forward momentum towards a progressive and more human-focused policy agenda will require careful and deliberated strategising.

● **Working globally and locally:** It is also important to note that not all changes in policy agendas need be sought either at a global level or by the philanthropic and development agencies themselves. Attention can also be given to national and sub-national movements for policy agenda change and support can be given to existing organisational momentum in civil society and among different forms of lobbying organisation.

● **Demand-driven policy:** A key element in efforts to shift the policy agenda at different levels will be to engage more effectively with what people themselves demand and need. This is consistent with a human-centred orientation and also would play an important part in the reconstruction of trust in governance arrangements that was discussed at the outset of this chapter.

5.3.3 Change the thinking (encourage paradigm shifts)

In order to achieve many of the ambitious goals set out in the Bellagio discussions, not least shifting the development policy agenda, it will be necessary to change how people think about development. Operationalising many of the ideas that have arisen from the Bellagio process will require a strong underpinning in terms of a coherent body of thinking. The Bellagio process was a microcosm of the global situation: participants felt the need for a change away from the current development orthodoxy and they agreed a general human-centred direction, but they were less clear about what new thinking was available to underpin this. For the last two decades Amartya Sen has provided stimulating and alternative ideas for a more human-centric approach to development. The various ways in which his ideas and inspirations have been developed provide a good foundation for a fundamental change in development thinking. What requires further additional effort is bringing this high-level conceptual work into closer relationship to development policy choices and practices.

Key possible areas for operationalisation: Invest in ideas and their dissemination among key audiences. Many philanthropic organisations already do this to a considerable extent but again the challenge is one of building a greater momentum from these investments. In particular there is a need for investment to be focused on developing what is meant by a human-centred development paradigm and what is required to make that practical for international development organisations. The 3D Human Wellbeing paper[45] which has been a resource for this exercise is one brief illustration of how a human-centric approach can be made more practical for development policy deliberations. Other examples include the work of Sabine Alkire,[46] the ongoing work of the UNDP in its Human Development Reports, the OECD in its background work for its 'Better Life Index', and the diverse work of members of the Human Development and

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[45] McGregor, J.A. and Sumner, A. (2010) 'Beyond Business as Usual: What Might 3-D Wellbeing Contribute to MDG Momentum?', *IDS Bulletin* 41.1: 104–12.

[46] See for example, Alkire, S. and Foster, J. (2011) 'Counting and Multidimensional Poverty Measurement', *Journal of Public Economics* 95.7–8: 476–487.

Capability Association. A distinctive feature of how this support for new thinking can be taken forward involves deliberately encouraging contributions to the construction of a new paradigm from a more diverse range of value and geographical positions.

5.3.4 Change how we do things (organisational and institutional reforms)

The deliberation process and discussion at the Summit in particular suggested a wide range of specific changes that would be desirable in order to better meet the challenges to human wellbeing in the coming decades. A number of the proposals from the Summit are outlined in the Aide-Mémoire. In this conclusion however we can take a broader view of the organisational and institutional changes that the Initiative overall has suggested. These changes can be organised according to three levels, involving: systems change; organisational change; and individual change.

Systems-level change

Systems-level changes refer to changes that need to happen at the level of the infrastructure of international development effort and that affect the overall organisation and coordination of that effort. This overall organisation and coordination is sometimes constituted by particular organisations (i.e. the OECD and its Development Assistance Committee – the DAC); sometimes in formal agreements (such as the Paris Declaration); and sometimes in the institutional practices of the constituent organisations.

Key possible areas for operationalisation:

- **Communication:** Discussions during the Bellagio process revealed that there is a considerable lack of understanding between the development and philanthropic camps. On occasion discussion lapsed into caricatures of two distinct tribes. However the Initiative also revealed a good deal of common ground and identified areas and issues where the development of further common understanding is needed (for example, on harmonisation of development effort or the different directions of accountability). As such it will be important to continue with the momentum from the Bellagio Initiative to continue to improve communications between international development and philanthropy.

   This may take the form of general sharing of ideas and approaches, but also is likely to require the development of more specific agreements and understandings between development and philanthropic organisations about the principles of working together for the common good. As noted earlier in this report, the Paris Declaration provides one obvious starting point for discussion about how development agencies and philanthropies might work together to be more effective in their development effort.

- **Sharing learning:** In conjunction with the need for continued communication between development and philanthropy organisations, more effective ways of sharing information and knowledge are needed. In particular more effective systems for sharing the lessons of both successes and failures will be useful. At the Bellagio Summit, the World Bank and USAID both announced their recent policy decisions to make all of their evaluation reports publicly available and in this respect these organisations provide an example for others to follow. In discussions this was presented as a particular challenge to some philanthropy organisations that were seen as not open or transparent in the sharing of their experiences.

- **Common indicators and measures:** In order for communications to proceed effectively and also for lessons to be learned across the sectors it is necessary to develop a common language and narrative. A central element of any future shared language for development and philanthropy organisations will be the indicators and measures that are used to assess

success and progress. A specific proposal that arises out of the Bellagio Initiative is that there needs to be further work to develop agreements at the system level as to what constitute appropriate measures of development success. This will require the development of indicators that can be used as sound evidence in support of policy and investment decisions and methodologies for the generation of this data. This suite of indicators must not be imposed from the top down but must systematically incorporate the views, voices and perspectives of those whom development is intended to benefit.

Organisation-level change

Organisation-level change refers to changes in the practices and procedures of particular organisations.

- **Comparative advantage:** There is a clear need for development and philanthropic organisations engaged in development to discover or rediscover their comparative advantage. This involves the recognition that no single organisation is able to do everything and that the funding, constitution, history or strategic position of a particular organisation may mean that it is better placed to contribute to development effort in a specific way. This is a process that each organisation can undertake in its own way, in order to identify what the particular comparative advantage of the organisation might be.

- **Partnerships and trust:** Assuming that no single development operation is likely to operate effectively to meet complex development challenges in the coming years, so partnerships will be a necessary feature of future development effort. These may be partnerships either horizontally with collaborators, or vertically, downwards with implementing organisations or grassroots bodies, or upwards with coordinating or regulating organisations. In order for partnerships to fulfil their potential effectiveness, it is necessary they are built on mutual understanding and a good level of trust. There have been indications throughout the Bellagio discussions that the quality of partnerships in development may have been neglected in the past. The proposition that arises out of this process is that both development and philanthropy organisations need to reflect on their practices regarding how they build the quality of their partnerships. The establishment of effective arrangements for working with others can help to build trust and in doing so make an organisation-specific contribution to the greater challenge of reconstructing trust in the wider governance system.

- **Space for innovation:** The discussions throughout the Bellagio process revealed that a considerable degree of innovation is taking place to meet the challenges that confront people in their struggles of development and wellbeing. What is striking is that often these innovations emerge without support from international development organisations or philanthropies. Overall international development and philanthropy organisations could work better together to identify, foster and expand the reach of pro-wellbeing innovations. As is indicated in the Aide-Mémoire, this has been one of the first initiatives to be taken up after the Bellagio Summit. However individual organisations need to work to create spaces for identifying and supporting human-centred innovation. This can be done by making specific innovation appointments, creating innovation funds, creating the space in organisation routines for identifying and sharing information about innovations that staff observe or work with.

- **Risk:** The need to better engage with innovation has been hindered by the attitudes to risk-taking among development and philanthropic organisations. As was noted in earlier discussion, there has been a view that philanthropies are well suited to taking risks in their choice of development efforts to support. Yet, philanthropies appear to operate in quite risk-averse ways. The proposition that arises is that, in order to protect and promote human

wellbeing in the face of increasing instability and challenges, it will be vital for some actors in the development process to bear a greater share of the risk that is associated with the necessary changes. The different organisations contributing to future development effort will need to engage in processes of reflection about their willingness to invest in development ventures that involve greater levels of risk. This accompanies the need to develop a clearer picture of comparative advantage while also requiring better institutional arrangements for sharing risk.

- **Human-centric processes and procedures:** As was recognised at the start of this report it is easy to use the notion of human wellbeing at a rhetorical level, but it is harder to bring it down to operational use. The same applies to the call throughout the Bellagio Initiative for a more human-centric approach to development. Whether it is framed in terms of social justice, dignity or human wellbeing, a more human-centric approach will require real changes in organisational procedures and practices. This consideration involves applying questions at all stages of the policy/programme or project cycle (from project identification through implementation to monitoring and evaluation) about the extent to which the interventions are actually making a difference in terms of the humans involved.

  Moreover, if we push deeper on this issue we see that an authentic engagement with a more human-centric orientation cannot be imposed artificially from the top but should actually involve organisations in developing procedures that will enable them to systematically take account of the views and voices of those that development efforts are intended to benefit. An adoption of such processes and procedures would represent an important practical step in making development effort more transparent and accountable.

Individual-level change
Change at the individual level is a more unusual category for consideration in international development circles, but throughout the Bellagio process and in other rethinking events, there have been calls for an approach to development that is more founded in human values. Following this logic through, it can be argued that the system and organisational changes discussed above will only be possible if they are backed by consonant changes at the individual level. How we each act and interact with others constitutes our experience of working in development and represents to others what they perceive development effort to consist of. In considering the extent of the perceived disconnects between people and development organisations it is hardly surprising that if professionals in development organisations treat 'the poor' as objects of policy and assistance then 'the poor' in turn will regard those organisations as remote, often irrelevant and untrustworthy. There is much work yet to do in order to rediscover the values that are important for development; these have been buried over the years by technique and bureaucracy. For some time now Robert Chambers (1995) has been arguing that development must be perceived as good change. This entails people in development organisations having a view about what constitutes good change and engaging in critical debate about different conceptions of the good. For example, in respect of the aftershocks of the recent financial crisis there has been much talk about some economies being more resilient than others and that being a good thing. Development organisations have thus been turning to consider how they might support resilience. However closer examination of how economic resilience has been enabled in some economies suggests that it has been achieved at considerable human cost. In interrogating a concept such as resilience it is necessary to carefully tease out both its positive and negative dimensions in terms of what constitutes good change (see Martin-Breen and Anderies 2011). While other aspects of Chambers' work have been highly influential in the development industry (for example, his work on participation), the implications of the 'development as good change' have yet to be fully explored by professionals in many development organisations.

- **Human values:** There is a need for further exploration of how human values matter for how development is conducted and also what values development efforts propagate. Tim Kasser's Commissioned Paper reviews current thinking about how some values may be detrimental to human wellbeing while others are supportive of it. Kasser's argument is that the spread of materialist values at the expense of intrinsic values is in itself an important threat to the future of human wellbeing globally. International development effort has often steered clear of engagement in debates over human values because this is complex and controversial. However, rights-based approaches to development begin to break down that disconnection. There are clear areas where 'development' has been willing to speak out against culturally (value system) driven practices which are clearly harmful for those subjected to them (for example female genital mutilation). Exploring ways in which international development policy can engage positively with diverse and culturally embedded human values is still in its infancy but it is clear that this represents a crucial area for further inquiry.

- **Accepting diversity:** It has been apparent throughout the Bellagio deliberations that we cannot, will not and should not agree on everything. An important aspect of working together to protect human wellbeing will be to accept that human diversity is part of the strength that will enable us to meet unpredictable challenges. In all discussions and deliberations in development partnerships there will be a diversity of views, theories and values at play. This suggests that as individuals working in partnership, we need to find ways of working together for the common good.

- **Deliberation:** The acceptance of diversity entails acknowledging that we will at various times have to compromise in what we want. Put another way, and recalling the discussion in the opening section of this report, we can all aspire to live well but the real development struggle is to find ways to live well together. This applies as much to our individual behaviours and orientations as it does to the organisations we find ourselves working for. If our intention is to contribute to development as a form of good change then an important starting point will be for us to learn to participate in processes of deliberation that might not yield precisely what we want as individuals but which might entail trade-offs that are necessary for us to live and work well together.

5.3.5 Change who does things

A key message from the Bellagio process has been that no single development or philanthropic actor or agency is likely to be able to meet the challenges of the twenty-first century. While philanthropic organisations can play a key role both in terms of their strategic contribution at the systems level and in terms of their direct action as organisations at project or programme level, it is clear that they will best be able to achieve their goals through working with others. This will include with existing, established development agencies and organisations but also a much wider cast of key players.

The Bellagio Initiative has begun to build a picture of what that new ecosystem of international development and philanthropy looks like. It has also mapped out some of the key challenges to human wellbeing in the coming decades. Taken together these paint a complex picture of interlocked threats and the need to take account of a greater diversity of identities, values and interests. This can appear to present us with an overwhelmingly complex agenda for change, but the complexity only begins to reflect the reality. In the real world the challenges (of economic instability, of a changing climate, of shifting power structures) for poor and vulnerable people are complex. They no longer fit – if indeed they ever have – into the neat and tidy boxes of the existing development paradigm. They are not amenable to past technocratic development solutions.

The Bellagio deliberations made the essentially political nature of the struggle to protect and promote human wellbeing more explicit for debate. Throughout the resultant discussions there have been strong calls for future development effort to move to a more inclusive phase. The problems of people will not be solved without the participation of the people themselves. In order to meet complex challenges it will be necessary to draw on the skills, ingenuity, innovative capacities and aspirations of all global citizens.

As we have argued above, this inclusive effort will not be forthcoming if development organisations and philanthropies do not close the gap that currently exists between them and the people that they claim to serve. The legitimacy of the organisations that constitute the structures of governance and regulation globally must be perceived as just and must be more trusted. A process of greater inclusiveness has the potential to begin rebuilding trust, but equally if that inclusiveness is treated instrumentally or is carelessly handled it could also result in more harm to relationships.

Key possible areas for operationalisation:

- **Voice, transparency and accountability:** The Bellagio process acknowledged the need to give greater voice to people, particularly to marginal people, in the development process. Yet at times this kind of statement appeared banal and naïve. The call for increasing the 'voices of the poor' has been part of the dominant development narrative for almost two decades, but as with other aspects of the off-centre development agenda, voice has been much talked about but seldom meaningfully realised. A more inclusive approach to development is not just about giving more voice to some people; it is about making system changes that make the voices of people an integral part of development processes. In effect it is about the democratisation of development effort. Evidence from various social innovations (from MKSS in India to the 'Arab Spring' in North Africa) suggests that it is not just voice in terms of demanding what is done that is important but also being able to hold those who are charged with working in the public interest to account. To be more inclusive requires transparency and the empowerment of citizens to hold development organisations to account for their actions. Both development and philanthropic organisations must consider the extent to which they are willing to allow themselves to be held to account.

    There is an important counterpoint to this call for the more systematic incorporation of voice into development efforts that is highlighted by the use of the wellbeing framework. It is that the voice of 'the people' cannot always be the absolute arbiter of development direction. There are a number of reasons for this. First, not everyone is always right in what they demand – sometimes what people demand or say that they need may be demonstrably harmful for themselves (for example, smoking tobacco); may be demonstrably harmful for others in their immediate community (for example, the right to discriminate against others on the basis of race, gender, caste or class); or may be demonstrably harmful for others that are distant either in terms of space or of generations (for example, behaviours which drive climate change, and which have effects both on others in other parts of the global system and on future generations). This highlights the deep relationship between social wellbeing and sustainability concepts, which has often gone unstated in these deliberations. If, as is argued in the social wellbeing framework, the challenge is to live well together then engaging with the voice of the people must involve processes of deliberation that explore the environmental, social and political sustainability of different demands and claims. This indicates that although 'voice' should be better incorporated into development policy processes, it is important to recognise that voices are diverse and that development futures will necessarily involve trade-offs between competing demands and claims. Further work is required on how deliberative

processes can work: how they can be constituted at different levels and what procedures will be involved in their operation.

- **Grassroots and civil society organisations:** In order to achieve the necessary momentum for any of the above changes it will be necessary to identify coalitions of those who recognise the need to shift away from the current development orthodoxy. A focus on human wellbeing (broadly defined) has provided a sufficient rallying call during the Bellagio process for the beginning of coalition building. The discussion called for development and philanthropic organisations to increase their engagement with and support for civil society organisations on the ground as these were regarded as being closer to the people that development is intended to benefit.

- **The marginal:** Finally, throughout the Bellagio discussion there were reflections from people who felt themselves to be marginalised by the current development orthodoxy. Foremost among the groups identified in this process were youth and women. It is important that an approach recognises, and actively seeks to engage with, particular marginalised groups with least voice, and those most vulnerable to grave threats to human wellbeing. Simultaneously it is important for development practitioners and philanthropists to reflect on their actions, to consider which marginal groups are receiving attention and how this, in turn, creates new marginalisation, and to recognise the ways in which political processes constantly shape and reshape exclusion.

In conclusion, it can be stressed that the multiplicity of voices throughout all of the elements of the Bellagio Initiative provided rich material and challenging insights. This report provides an initial analysis of some of the implications of this input but further skill, patience and careful organisation will be required to work through some of these insights to agree forms of action for international development and philanthropic organisations. At the same time, policymakers require ongoing advice. The evolving and deepening global crises mean that it will not be possible to wait for a time when things have 'settled down'. A twin-track approach is called for, where careful profound reflection runs alongside urgent action. The recognition that there is a more complex development ecosystem also indicates that it will be important that both these tracks are developed in ways that are inclusive of groups and sets of values that have previously been marginal in the current development orthodoxy. This requires the development of consultative processes and feedback loops, so that the implications of decisions in one part of the global system for people living in other parts of that system can be understood and be taken into account. Consultative methodologies and taking advantage of new technologies suggest that a new approach to interactive and inclusive policymaking for human wellbeing must be fostered.

Appendix 1: Other perspectives on global challenges

This brief overview serves to highlight some of the analyses of the interlocking challenges to wellbeing and serves to illustrate the range of perspectives on essential issues, networks and organisations engaged in describing the key issues and necessary policy responses.

What are the challenges?

A review of the challenges literature and documentation indicates that there are many 'lists' of key challenges and explanations as to why they are important. This has been done occasionally as an individual *tour de force* and often as part of a collective revision effort.

John Naisbitt's *Megatrends* series[47] and Bill Emmott's *20:21 Vision – 20th century Lessons for the 21st Century* (2003)[48] both represent individual populist commentaries on crises and challenges. More recently editors from *The Economist* have built on their annual review series to offer an edited volume discussing future global scenarios up to 2050 (Franklin and Andrews 2012).

From a more academic perspective, a number of authors have offered influential reframings of the challenges of contemporary global development and new ways of meeting these. Examples include Manuel Castells' sweeping trilogy on global challenges and the emergence of network society at the end of the millennium (Castells 1996, 1997, 1998) and Paul Collier's reframing of the global poverty and aid debate in *The Bottom Billion* (Collier 2008). In different ways Von Weizsäcker *et al.* (2009), Jeffrey Sachs (2008) and Guy Standing (2011) all pick up the conjoined challenges of how we currently organise our economies and how we do economics, in relation to the challenges of environmental, social and political sustainability. In *Why Nations Fail*, Acemoglu and Robinson (2012) offer a comprehensive analysis of the interplay of economics and politics that they argue underpins current global failures, crises and instabilities.

The collective efforts tend to come from major organisations or from convened meetings. Two series of annual reports are notable for their analysis of global trends and challenges. These are the State of the World reports produced by the Worldwatch Institute and *The Economist's* 'The World'. Of course, various official development agencies including the IMF, World Bank, UN and its component bodies, the OECD and the International Energy Association, also all produce regular annual overviews and 'State of the World' updates.

Military and business-focused bodies also address development issues, but usually in a way that is focused on instability or state failure. Examples here include the US National Intelligence Council report *Global Trends 2025 – A Transformed World* (2008)[49] and Shell's recent work on energy scenarios through to 2050, subtitled *An Era of Volatile Transitions*.[50] From a different security perspective the Stockholm International Peace Research Institute (SIPRI) provides reports annually on arms spending and current armed conflict.[51]

While operating in awareness of this range of reviews there are a small number of sources that provided a particular overview of what the main global challenges are and from which we

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[47]   www.naisbitt.com/bibliography/megatrends.html

[48]   www.billemmott.com/biography.php

[49]   www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf

[50]   www-static.shell.com/static/aboutshell/downloads/aboutshell/signals_signposts.pdf

[51]   www.sipri.org/yearbook/2011/files/SIPRIYB11summary.pdf

selected specific issues to be addressed in the Bellagio Commissioned Papers and Global Dialogues. J.F. Rischard's book, *High Noon: Twenty Global Issues and Twenty Years to Solve Them* (2002), uses an approach that corresponds to the living well together motif that had been adopted by the Bellagio Initiative. He identifies three categories of challenge to living well together: sharing the planet, sharing our humanity, sharing our rule book. Under each of the categories he lists specific challenges, given in Table 1.

Table 1. Rischard's three categories of challenge

Sharing Our Planet: Issues involving the global commons
● Global warming   ● Biodiversity and ecosystem losses   ● Fisheries depletion   ● Deforestation   ● Water deficits   ● Maritime safety and pollution
Sharing Our Humanity: Issues requiring global commitment
● Massive step-up in the fight against poverty   ● Peacekeeping, conflict prevention, combating terrorism   ● Education for all   ● Global infectious diseases   ● Digital divide   ● Natural disaster prevention and mitigation
Sharing Our Rule Book: Issues needing a global regulatory approach
● Reinventing taxation for the twenty-first century   ● Biotechnology rules   ● Global financial architecture   ● Illegal drugs   ● Trade, investment and competition rules   ● Intellectual property rights   ● E-commerce rules   ● International labour and migration rules

From a different perspective, and in an approach that is being developed year by year, the World Economic Forum (2011) recently identified six major types of risk:

● Fiscal crises

● Geopolitical conflict

● Climate change

● Extreme energy price instability

● Economic disparity

● Global governance failures.

Finally, a report commissioned by Action Aid, called *2020: Development Futures*, identifies eight sets of issues around which there are likely to be uncertainties over the coming decade.[52] These are:

- Shifts in the global balance of power

- Job creation failing to keep pace with demographic change

- A failure of global monetary regulation

- Uncertainty about the direction and benefits of technological change

- Resource scarcity limits

- Declines in global trade

- The changing nature of political influence

- Major global shocks.

As we can see there is much common ground in the range of challenges that are identified by these various commentators, experts and organisations. Although expressed differently or organised together in different ways there is fairly broad consensus on the types of problems or challenges that will confront humankind over the coming decades. This consensus formed the pool from which the lead issues for the Bellagio Commissioned Papers and Global Dialogues were selected.

Global commissions are a well-recognised way of seeking to address major challenges and produce widespread policy shifts. Over the past four decades a succession of major global commissions have addressed what have been perceived to be the pressing threats of the time. Without reaching too far into history and for the purposes of this Initiative, we can look back to the Brandt Commission (1980, North-South relations), the Brundtland Commission (1987, addressing environmental sustainability in terms of 'Our Common Future'), and the World Commission on the Social Dimension of Globalization in 2004, co-chaired by the presidents of Finland and Tanzania.[53] Reflection on these various major commissions suggests that they do have impacts in the long run and are often stimulants for new policy thinking and new movements.

The effect of the Brundtland Commission has been particularly notable for providing momentum for the now highly effective global climate change movement. Given additional impetus by the Earth Summit in Rio de Janeiro in 1992, the policy momentum on these issues is maintained by the Intergovernmental Panel on Climate Change (IPCC) which is the leading international body for the assessment of climate change thinking and evidence.

Parallel to this there has also been a considerable amount of deliberation and action on the effectiveness of international development assistance over the last decade. There are two major strands to consider; in one the focus is on policymakers and aid bureaucrats and the other has been a rallying call for politicians.

The first strand is marked by the Paris Declaration on Aid Effectiveness in 2005[54] and the Accra Agenda for Action in 2008[55] and these were followed up in the Busan Summit on Aid Effectiveness in late 2011. The basic direction of travel has been to develop five sets of norms for aid practice: strengthening recipient nation *ownership* of development strategies; improving the

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[52] www.globaldashboard.org/wp-content/uploads/2020-Development-Futures-GD.pdf

[53] World Commission on the Social Dimension of Globalization (2004) *A Fair Globalization: Creating Opportunities for All*, Geneva: ILO. For the report, see: www.ilo.org/fairglobalization/lang--en/index.htm (accessed 28 March 2012).

[54] For the text of the Paris Declaration, see www.oecd.org/dataoecd/11/41/34428351.pdf

[55] www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

alignment of donor efforts to recipient strategies; seeking improved *harmonisation* of in-country development efforts; for development policies to enunciate clear goals and develop better means of monitoring *results*; and for donors and recipients alike to develop *mutual accountability* in their efforts to achieve development *goals*.

Hard on the heels of the aid effectiveness process, Severino and Ray have pronounced that 'Official Development Assistance is dying' (2009: 1). They argue for a new approach to development cooperation based on a new global public policy. Their argument is based on the recognition that efforts thus far to deal with major global challenges (such as climate mitigation, trade regulation, financial flow controls, narcotics control, arms trade regulation and global crisis insurance) through the provision of global public goods have been flawed. The consequences of these failures, they argue, are increasingly evident and, without global reform, will become more significant as we proceed into the new century.

The second major strand of the efforts to improve the effectiveness of development assistance was signalled by the Millennium Declaration in 2000. This sought to bind global politicians and national governments to clear poverty reduction targets. In an effort to tighten the relationship between political statement and action, these were formulated into eight measurable Millennium Development Goals (MDGs). These comprehensive development goals, which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all have a target date of 2015. As a mechanism for improving development focus they have had some success (see Manning 2009), but since we are now approaching that date there has been a recent welter of activity both reviewing progress towards the MDGs and debating what form of global agreement should succeed them after 2015.

In the realm of changing thinking about what development consists of and how we should go about it, the work of Amartya Sen has been groundbreaking and has had a growing influence over the last two decades. His ideas and those of his fellow travellers have had direct influence in the establishment of UNDP's Human Development Report series. The Human Development and Capabilities Association (HDCA) is a growing body of academics and practitioners who are pushing the boundaries of current thinking.[56] For insight into a new approach to measuring multidimensional poverty that arises out of this school of thought, see Alkire and Foster (2011).[57]

More broadly however, the financial crisis of 2008 accelerated calls for rethinking the main development paradigm and particularly the contribution of orthodox economics to doing that. In 2009–10 IDS undertook a widespread global consultation called 'Reimagining Development'. This involved development academics, policymakers and practitioners taking part in meetings and dialogues around the world to explore the effects of the Triple F crisis (food, fuel and finance) on development thinking and praxis. In the wake of the crisis there was widespread acceptance of the need and a desire to change the ways that we think about and do development. But there was also a reluctance or inability to change because of perceptions that new thinking was insufficiently developed and there was little institutional change to support doing things differently (see Haddad *et al.* 2011).

At a level of greater operational specificity the *2020: Development Futures* report sets out ten recommended responses for development organisations and development NGOs in particular, in the face of grand global challenges.:

1. Greater preparedness: Be more ready for shocks as these will be the key drivers of change.

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[56]   The Human Development and Capabilities Association www.capabilityapproach.com/index.php

[57]   www.ophi.org.uk/research/multidimensional-poverty/

2. Focus on resilience: Make poor people less vulnerable.

3. Put your members in charge: Because if they do not like what you are doing they can bypass you.

4. Talk about fairness: Because increasingly tight limits change everything.

5. Work more in and on coalitions: Because single organisations cannot address the complexity of the challenges on their own.

6. Engage with the emerging economies: Because the power, resources and ideas that arise from those societies will be globally significant.

7. Bring news from elsewhere: Because innovation will come from the edges.

8. Expect failures: Because it is necessary to learn from these.

9. Work for poor people, not poor countries: Because the demography of poverty is changing.

10. Be a storyteller: Because stories create worldviews and new policy narratives.

(Adapted from *2020: Development Futures*)

This set of recommendations corresponds with ideas from a diverse range of sources. They also intimate the increasing influence of complexity thinking. Eric Beinhocker's work *The Origin of Wealth* (2007) carries the subtitle 'Evolution, Complexity and the Remaking of Economics'. This captures the zeitgeist and sets out some of the basic principles for moving thinking forward in the complexity direction.

Economics in particular has come in for some major criticism in the wake of the financial crisis. In different ways Paul Krugman (2009), Robert Skidelsky (2009) and Nassim Taleb (2008) all criticise what they perceive as mis-steps and arrogance in the ways in which economics as a social science has developed. The flaws that they highlight cause them to question the influence that orthodox economics has had and continues to have over public policy. In Fool's Gold, Financial Times journalist Gillian Tett provides a persuasive anthropological explanation of the global banking crisis as being the result of bankers talking primarily to bankers and investors and using complex economic mathematical models which few understood until they began to unravel. Dani Rodrik (2011) argues that economic globalisation must now be put in second place behind considerations of democracy and national self-determination. Drawing much of this type of thinking together, the Institute for New Economic Thinking convened a collective rethink on economics in early 2011, at Bretton Woods, New Hampshire. This meeting was entitled 'Crisis and Renewal: International Political Economy at the Crossroads', and consisted of a comprehensive exploration of the ways that economics would need to change in order to deal with the current global challenges.[58]

In all of these various rethinking events and pronouncements, the renewal of democracy and improved transparency in systems of governance features highly. This is probably one of the most difficult areas to get substantial change. But there are pronounced voices and increased organisation around systems and processes for democratisation. The Soros Foundation's work on open society has been notable, as has the work of the Mo Ibrahim Foundation in Africa. At the same time organisations such as Keystone Accountability campaign and work to improve transparency in international development effort. In particular they seek to develop methods that

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[58] http://ineteconomics.org/initiatives/conferences/bretton-woods

focus on incorporating the voices of beneficiaries and other constituents into development policy processes and project procedures.

This emphasis on incorporating the voices of those that development efforts are intended to benefit is a growing theme that arises out of the failure of existing systems of governance, regulation and development assistance. It is well recognised that the crises of the last few years have deepened the depth of disaffection and distrust between formal organisations and people at large (see George 2010). This has been documented by Mason (2012) and is exemplified by the Occupy Movements and anti-austerity protests. But rather than wait for those in authority and power to do something about this, it is clear that people are doing it for themselves. This has been happening both spontaneously and in organised form, but in both cases it is greatly enabled by new communications technologies. The use of these technologies in the organisation of street protests in North Africa and in Europe is well documented. In more organised form, internet-based movements such as www.avaaz.org/ or http://ipaidabribe.com/ provide a direct route for voice to be expressed in relation to governments. In development practice, technology-based initiatives like Map Kibera[59] provide a new and exciting mode of citizen participation in development effort. Duncan Green's *From Poverty to Power: How Active Citizens and Effective States Can Change the World* provides a comprehensive background to the main arguments for increased citizen involvement in development policy and activity (Green 2008).

Aside from increased direct citizen action and voice, the other big new player on the development block is organised philanthropy. While as we know there has been an established group of well-known philanthropic organisations active in development for decades, there has been a recent new wave of philanthropy in development. This can be categorised as coming from two broad directions: one is the newly wealthy in developed capitalist societies (Gates, Hewlett Packard, Skoll, etc.); and the other is the emergence of significant philanthropic effort from rapidly developing societies. For a comprehensive review of both these, see the Background Paper on 'Philanthropy: Current Context and Future Outlook' that was produced for the Bellagio Initiative.[60] That philanthropy can contribute to international development effort to meet growing global challenges is undoubted but what is more a matter for debate is what its precise role should be and in what ways it can contribute. While Bishop and Green (2008) argue that 'philanthrocapitalism' can 'save the world', in two separate Commissioned Papers for this process Edwards and Picciotto chart out different paths and more nuanced roles.

Who can and needs to act in order to meet the challenges?

In discussing how the challenges can be addressed, we are already transgressing on the question of who can and needs to act in order meet challenges. The preceding section identifies that 'the people' themselves and 'philanthropists' are two prominent sets of actors that can and need to act more effectively if we are to protect and promote human wellbeing. But who else is in the frame?

Of course the major motor force that should be spearheading the global response to new challenges is the already substantial multilateral and bilateral international development infrastructure but many perceive recent crises as revealing the extent of its failure. Certainly the financial crisis has been widely perceived as a failure of global regulation (Vibert 2011).

A number of commentators address what is perceived to be a crisis of multilateralism and there has been some questioning as to whether the existing global development institutions are any longer fit for purpose. In the aftermath of the East Asian financial crisis, Walden Bello has been a

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[59]   http://mapkiberaproject.yolasite.com/

[60]   www.bellagioinitiative.org/wp-content/uploads/2011/11/Bellagio-RA-bp.pdf

prominent critical voice.[61] Others point to the protracted failure to achieve a 'Development Round' through the World Trade Organization or the lack of progress in global climate change talks. Ngaire Woods (2010) picks up the theme of the reform of the multilateral system post the financial crisis and argues that with the emergence of new global economic powers, the 'old club' has to change. She discusses the shift from the closed influence of the G7–G8 to a more influential G20 that includes the voices of new powers such as Brazil, China, India and Russia.

It is in this context that the UN system has been struggling to identify and maintain its global role in a more volatile and crisis-prone world. The United Nations classically embodies the global notion of seeking to live well together, but while some UN agencies and bodies are stronger and more evident than others, as a whole they face an identity problem. As with other agencies in the global development infrastructure, the UN appears remote and fragmented. Their 'Platform HD2010: Towards a People's Multilateralism' has been one attempt to find a greater role and a more people-focused identity in the post-financial-crisis world.[62] The launch of UN Global Pulse seeks to harness new technologies to give the UN a more immediate and relevant purpose in identifying and responding to emergent crises and it makes particular mention of the significance of monitoring changes in human wellbeing.[63]

Both business and civil society are staking claims to greater roles in global governance. The World Economic Forum defines itself as: 'an independent international organization committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas'.[64] But the reach of this forum has some constraints; for example, as Bloomberg points out, there was a degree of irony in the 2011 Davos meeting 'bemoaning inequality' when it was attended by an estimated 70 billionaires.[65] A contrasting and growing global gathering is the World Social Forum[66] which is a movement described on the WSF website as 'decentralized coordination and networking among organizations engaged in concrete action towards building another world, at any level from the local to the international'. While it may offer a lively and critical talking shop, it has no powers of authority or will to act as a coherent representative of global civil society. It does show – perhaps in embryonic form – that globalisation 'from below' is also possible in a networked world.

For the last decade, the Millennium Development Goals have provided a focal point for development effort but there is a sense that this is waning and that the movement no longer provides a clear lead in global development discussions. This review suggests that, as complex crises continue to beset global society and the economy, and despite many meetings and gatherings to pick over the problems, no clear leadership is emerging. It is apparent the ecosystem of international development effort is changing. There is an ongoing change in the cast of players that will be in the forefront of global effort to meet challenges, but it is difficult to identify who will provide the focal points for global effort to protect and promote human wellbeing in the twenty-first century.

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[61] www.tni.org/archives/archives_bello_multilateralism

[62] http://hdr.undp.org/en/media/Civil_society_HDR_2010_4-5-June_2009.pdf

[63] www.unglobalpulse.org/

[64] See the WEF website, www.weforum.org/ accessed 2 July 2012.

[65] www.businessweek.com/news/2012-01-31/billionaires-occupy-davos-as-0-01-bemoan-income-inequality.html

[66] http://www.forumsocialmundial.org.br/main.php?id_menu=4&cd_language=2

Appendix 2: The Bellagio Initiative Aide-Mémoire, December 2011

Documenting the Bellagio Initiative Summit

8–23 November 2011

Background

The Bellagio Initiative was developed by The Rockefeller Foundation, the Institute of Development Studies (IDS) and the Resource Alliance to contribute to the development of a new framework for philanthropic and international development collaboration in pursuit of human wellbeing in the 21st century. It has incorporated a series of consultations spanning most regions of the world, garnered advice and guidance from an international Advisory Council, generated nine commissioned papers on a series of relevant topics, included a 15-day Summit at The Rockefeller Foundation's Bellagio Center, in Italy, and involved more than a thousand individuals across the world through social media. The aim of this aide-mémoire is to capture key lessons learned and to maintain the momentum and commitment from those individuals who have brought such a wealth of knowledge and expertise to this process throughout 2011.

Key messages

The Bellagio Initiative Summit generated key messages for institutions and individuals working within, or between, the sectors of development and philanthropy, as well as those wishing to engage in these sectors in the future. While a more comprehensive report will be produced which will give more detailed analysis of the key insights and action points from the entire Bellagio Initiative process, the preliminary conclusions identified from the Summit by the three organising institutions are as follows:

1. The paradigms that have dominated international development assistance and philanthropic effort are currently being challenged or are discredited, but it is not yet clear what new ideas and approaches will take their place. This provides a **moment of great opportunity** for innovating based on a new combination of actors and approaches.

2. We acknowledged the lack of sufficient understanding of comparative advantages and complementarities between different types of actors, and examined **an ecosystem approach that builds on promising practices** underway in many places across the world. Discussion reflected on the possible complementary roles that different development and philanthropic actors can play and recognised the need to be more conscious of the distinctive contribution of these different roles. These different roles include: convening, exploring, listening, piloting, incubating, catalysing, investing patient capital, investing risk capital, leveraging, scaling, empowering, and incorporating feedback, research, advocacy and learning.

3. There was **strong support for a more people-centred approach** to development efforts. The discussion repeatedly returned to the need to understand the power structures that systematically inhibit a people-centred approach and to the place of ideas around rights and justice in any approach. This reflected a more general theme throughout the Summit that new approaches need to be moreexplicit about the values on which they are based and that the value basis for international development and philanthropic effort needs to be more consistently applied. In seeking to be more people centred the discussion highlighted the critical importance of more effectively engaging with the role of youth and women in

development. Ironically, although philanthropy is people focused from its initiation to purpose, current discussions on these topics are often absent in philanthropies.

4. Questions regarding **the aims of international development and philanthropic effort** arose throughout the Summit. Participants debated the merits and obstacles to using a concept of human wellbeing as a guide in addition to more traditional income-focused measures of development. There was some support for this move, but it was clear that much more work was required to clarify the way the concept could be used and what data could be generated on less tangible dimensions such as voice, dignity and justice.

5. We must build or improve upon shared platforms for **collecting, analysing and acting on data**. Ideally this would involve everyone from the largest development agencies, such as The World Bank and the UN system, to individual philanthropists.

6. Issues of **accountability and transparency** were repeatedly raised in discussion and were highlighted as essential components in any new way forward. These were seen as essential for reconnecting development and philanthropic effort to the people it is intended to benefit.

7. **Financial, social and technological innovations** were examined and appreciated, and this appeared to be a particularly fruitful area for shared learning and action. We explored ways to more effectively find, support and scale innovations that support human wellbeing, with an eye to a future action agenda. We examined community-based methods, prizes and matchmaking methods. At the same time, we must not overlook what is not new and has proven to work well and continue supporting those efforts.

8. **Risk** was a theme running throughout the Summit. Although many participants acknowledged a common assumption that the philanthropic sector can take risks where others cannot (because of endowments and independence), the sector is often as risk averse as others. Balancing a calculus of risk versus opportunities, assessing risk at the strategy and portfolio level rather than at the individual project level, and creating cultures where failures are accepted and seen as sources of learning were seen as possible game-changers in how the philanthropic sector can draw on this potential comparative advantage.

9. The theme of **trust** arose again and again. We discussed the need for better and more reciprocal feedback mechanisms, longer-term and institutional funding, safe spaces for reviewing performance and admitting failures, challenging assumptions and stereotypes, and many other ideas to build trust between different actors. We noted how difficult it is to rebuild trust once it is lost. We noted the great difficulty and even peril that many grantees and development actors face in their societies. And we agreed that there are no substitutes for real relationships that are built on courtesy, respect and getting to know one another on a face-to-face basis.

10. We don't always find the **right combination of actors and social forces**. Authentic, competent local leadership is key – as are capable institutions. And entrepreneurs are often bypassed by development efforts altogether. Providing the appropriate amount of sustained support over time is an important aspect of this.

11. Much of the discussion at the Summit focused on the issue of **resources**; of how to mobilise new resources and make better use of existing resources for philanthropic and development effort to have better effect in promoting human wellbeing. People and their talent, skills, networks, voice and communities were all seen as being equally important for ensuring the effectiveness of both public and private money. Crucially, we agreed that we must not continue to just discuss community voice and action, but rather must act on it. There was a sense that this is where a paradigm shift must originate. New institutional mechanisms for

resource mobilisation and new information and communication technologies were discussed as areas of innovation to be explored. The group recognised the importance of funding social movement organisations in addition to more traditional individual institutions.

12. Awareness of the political nature of development, the unintended consequences of giving, and the importance of reciprocal relationships between givers and receivers were threaded throughout the discussions. **Advocacy** is something we should not fear – but should support responsibly.

Actionable commitments emerging

The Bellagio Initiative Summit also generated agreed and potential commitments for action. These include:

1. Creating a **centre of excellence** that is a training centre and repository for philanthropic organisations, covering topics such as the legal environment, taxation, advocacy, governance and collaboration between philanthropy and development.

2. Convening **working groups for new philanthropists** on specific topics raised in the Summit, including sharing due diligence, a guidelines for funders and NGOs in building partnerships, and governance and management tools for new country-level non-profit organisations.

3. Providing **workshops on philanthropic infrastructure**, development priorities and collaboration for high- net worth philanthropists from Asia and Africa.

4. Developing **supportive peer networks** of high-net worth philanthropists in countries where they do not yet exist.

5. Convening a follow-on event from a **civil society organisations** (CSO) perspective, building on the development and philanthropy focus of the Summit.

6. Convening a follow-on event hosted by a major international development organisation to deepen the Bellagio Initiative focus on the role of development organisations within a **complex ecosystem of actors**.

7. Forming a time-bound Project Team to develop and implement a **research project on power/ideology** in the evolving system of actors.

8. Exploring **people-centred innovation value chains**, starting with existing work on innovation value chains to determine if any are relevant for wellbeing and development; and if people-centred innovation value chains do not exist, writing a brief with recommendations on how a funder could launch a research project on this theme.

9. Conducting background research and scoping for a **Volunteer Impact Assessment** to analyse the return on investment and long-term impact of volunteering in development and CSO, for organisations giving their employees compensated time off, receiving organisations investing time and resources in hosting volunteers, and the volunteer.

10. Supporting expansion and greater quality of **philanthropic endeavours in China** through writing about the Bellagio Initiative experience for a Chinese audience (in Chinese) and potentially hosting a Bellagio Initiative Summit for China-based philanthropy.

11. A research project on how philanthropic, development and CSO can more effectively use **evaluation results** in their communications strategies.

12. **Expanding ideas** such as Ipaidabribe.com or publishing school and clinic budgets on site, and developing applications that can be used on mobile phones.

13. Developing tools for philanthropies to better understand their own **risk tolerance** and to construct portfolios of grants and projects that reflect a mix of risk (rather than gravitating toward the lowest level of risk for all projects).

14 **Developing case studies** for combining local philanthropic giving with international philanthropy, overseas development aid and national level social spending to create financial sustainability for projects.

15. Developing formal recommendations for how foundations can use their convening power and external consultants to **better engage communities** in the early definition of problems and mapping of systems of actors (rather than only engaging communities after solutions have been drafted).

Towards a Framework for Action on wellbeing

Finally, the Bellagio Initiative Summit outlined principles and steps toward a new framework which the organisers believe will help institutions and individuals in the fields of development and philanthropy more effectively promote the wellbeing of people around the world. This framework will be included in the final report on the Bellagio Initiative.

Conclusion

The Bellagio Initiative Summit organisers realise that there were some gaps in themes and participants, most notably insufficient attention to questions of the environment and the people–nature nexus. And though our discussions were robust and deep, we surfaced as many questions as we resolved. Nevertheless, we believe that these messages, commitments and outline of a framework will make a distinct contribution to the fields of philanthropy and development in the coming years.

12 December 2011

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