

# Article

## Addressing wicked problems. Collaboration, trust and the role of shared principles at the philanthropy and government interface

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### Abstract

Collaborative activities at the interface of philanthropy and government are increasingly assumed to be a desirable answer to complex—even wicked—public problems. Against this backdrop, this article discusses different types of collaborations, their accompanying levels of difficulty, and the roles that philanthropies might play in these efforts. Although this collaboration might hold promising potential, it will be argued that success will be very difficult to achieve. Consequently, indications are that philanthropies interested in increasing their collaborative activities at the interface of government might need to adjust their expectations and enhance their frustration tolerance. However, *trust* is seen as the central driver of collaborations across all sectors. By adopting a common approach to managing philanthropic practice, such as a joint performance management, that includes a broad understanding of

performance beyond fixed indicators, it is argued that philanthropies are able to operationalize the resource *trust*. The Philanthropy. Insight Assessment Tool is proposed as a starting point for a joint conversation on the current and future philanthropic practice and its principles, including debates on the practical value of performance management systems.

Across the OECD and beyond, the last decade has shed light on a new form of partnership: collaborative efforts at the interface of philanthropy and government.<sup>1</sup> From “Cross-sector Partnerships,”<sup>2</sup> “Collaborative Philanthropy”<sup>3</sup> and “Public-Philanthropic Partnerships”<sup>4</sup> to “Offices of Strategic Partnerships”<sup>5</sup> the interface of philanthropy and government is a subject of lively theoretical debates. Similarly, networks of philanthropy repeat the call for collaborative action for various purposes, particularly in the context of the

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1. S Toepfler, *Philanthropic Foundation Options and Constraints in Response to Covid-19* (George Mason University 2020).

2. M Almog Bar / H Schmid, "Cross-Sector Partnerships in Human Services: Insights and Organizational Dilemmas" 47 (4) *Nonprofit and Voluntary Sector Quarterly* (2018).

3. O Leland, "A New Model of Collaborative Philanthropy" (Nov) *Stanford SOCIAL INNOVATION REVIEW* (2017).

4. A Abramson / B Soskis / S Toepfler, "Public-Philanthropic Partnerships: A Review of Recent Trends" 6(2) *The Foundation Review* (2014) 52 - 66 at 52. <https://doi.org/10.9707/1944-5660.1201>.

5. J M Ferris / N Williams, *Offices of Strategic Partnerships: Helping Philanthropy and Government Work Better Together* (5) 4 *The Foundation Review* (2014) 24-36.

Covid-19 pandemic.<sup>6</sup> Besides theoretical contingencies and the noise floor of a buzzing eco-system, queries emanate from the current stage of developments on the ground.

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Recent empirical examples of the interface of philanthropy and government include innovating aging communities in Israel,<sup>7</sup> the joint vaccine development efforts of governments and foundations in the USA,<sup>8</sup> and financing climate infrastructure in emerging economies.<sup>9</sup> In France, the state explicitly reaches out to deepen its ties with philanthropy.<sup>10</sup>

The calls for a more intense collaboration between philanthropies<sup>11</sup> and governments can be traced back *inter alia* to the challenges that obviously cannot be solved by single actor efforts. Given the inherent complexity, the absence of certainty, and the large economic burden involved, some refer to them as wicked problems.<sup>12</sup> Examples of wicked problems include poverty and climate change, but also public health, most prominently represented by the Covid-19 crisis.<sup>13</sup>

As actors, mostly organizations, become aware of their incapability of solving complex issues alone, the demand for collaboration rises.<sup>14</sup> Similarly, collaborative efforts appear to be influenced by “sector failure,”<sup>15</sup> ie attempted—and indeed failed—efforts to solve a complex problem through a single-sector approach. Both observations correspond with so-called “collaborative strategies”<sup>16</sup> that are seen as an alternative to addressing wicked problems. Consequently, collaborations arise when public value is at risk.<sup>17</sup>

All in all, indications are that the increasing prominence—and demand—for activities at the interface of philanthropy are driven by complex social challenges that are not to be solved unilaterally. Questions arise how philanthropies in general will position themselves against this increasing demand. As “good models of what these partnerships should look like are still missing,”<sup>18</sup> this article seeks to stimulate reflection on what is meant by collaboration, what affects collaboration—negatively and positively—as well as what could stimulate or enable collaboration. As trust will be displayed as a central driver of collaboration, this article will take a closer look at its concepts, how trust affects collaboration and how its implementation difficulties can be overcome. From there, this article concludes with implications for current and future philanthropic practice.

6. Foundations 20, "Open Letter to the President of the EU-Commission Ursula von der Leyen" (2020), <https://www.foundations-20.org/open-letter-to-the-president-of-the-eu-commission-ursula-von-der-leyen/>; DAFNE, *Collaboration and Courage in a Time of Crisis* (2020), <https://dafne-online.eu/news/collaboration-and-courage-in-a-time-of-crisis/>; H Staehle, Building back better is not enough? Alliance Magazine (2020), <https://www.alliancemagazine.org/blog/building-back-better-is-not-enough-is-collaboration-the-answer/>

7. C Rubinstein, *This Is How Israeli Innovation Is Saving Elderly Communities*, *Forbes* (2020). <https://www.forbes.com/sites/carrierubinstein/2020/04/08/this-is-how-israeli-innovation-is-saving-the-elderly-community/?sh=edd698d4c1a5>

8. Bill&Melinda Gates Foundation in 2020 announces new funds to develop Covid-19 vaccines and increase access to affordable vaccines in low-income countries.

9. M Waite, *Blending Philanthropic, Public and Private Capital to Finance Climate Infrastructure in Emerging Economies* (William+Flora Hewlett Foundation 2020).

10. S E Haïry / N Moutchou, *La Philanthropie à la Française (Fevrier)* Rapport Remis au Premier Ministre (2020), <https://www.associations.gouv.fr/IMG/pdf/rapport-philanthropie-vf-11022020.pdf>

11. The term philanthropies is used here throughout to denominate all types of bodies instrumental in organizing and implementing philanthropic activities (eg trusts, foundations, donor advised funds, philanthropic family offices).

12. H W J Rittel / M M Webber, "Dilemmas in a General Theory of Planning" 4 *Policy Sciences* (1973) 155–169; J Jonston / D Rodriguez / M Rubenstein / C Swanson, *What's a Wicked Problem?* (Stoneybrook University 2019).

13. P M Schiefloe, "The Corona Crisis: A Wicked Problem" 49(1) *Scandinavian Journal for Public Health* (2021) 5–8 at 5.

14. A Albrechtsen, "Why Collaboration Will Be Key to Achieving the Sustainable Development Goals" *World Economic Forum* (2017), <https://www.weforum.org/agenda/2017/01/realising-the-potential-of-cross-sector-partner-ships/>.

15. J M Bryson / B Crosby / L Bloomberg, "The Design and Implementation of Cross-Sector Collaborations: Propositions from the Literature" 66 (1) *Public Administration Review* (2006) .

16. N C Roberts, "Wicked Problems and Network Approaches to Resolution" 1(1) *The International Public Management Review* (2000) 355.

17. B Bozeman, "Public-Value Failure: When Efficient Markets May Not Do" 62(2) *Public Administration Review* (2002) 145–161.

18. S Topleer, *Public Philanthropic Partnerships: The Changing Nature of Government/Foundation Relationships in the US* 41 (8) *International Journal of Public Administration* (2018) 657–669 at 662.

## Meaning, types and difficulties

Being derived from the Latin word *collaborare*, understood as working together, collaboration implies that actors can “accomplish more as a collective than they can achieve by acting as independent agents.”<sup>19</sup> Collaboration can happen intra-sectorally or cross-sectorally. For the purpose of the following argument, collaboration is to mean cross-sectoral collaboration.

The literature on collaboration among organizations from different sectors, eg civil society including philanthropic and government actors, differentiates three types of collaboration: Joint service delivery, including client referral and information exchange; sharing administrative resources, including money and/or staff; and working on systemic changes, including meeting internal needs and addressing external problems, opportunities and mandates.<sup>20</sup>

The three types of cross-collaboration vary with regard to difficulties in implementation. Whereas collaborating in the delivery of services is most easily achieved, coordination with regard to systemic change is regarded as most difficult; collaborating on administrative resources, however, “fall[s] somewhere in the middle.”<sup>21</sup> Thus, deciding on the type of collaboration will affect its success. As will be shown, this argument holds true for philanthropies as well.

Against the backdrop of presumed wicked problems, the demand for collaboration arguably rather aims at sharing administrative resources and working on systemic change than on delivering joint services. Striking current cases, eg the development of Covid-19 vaccines, support that argument. They suggest that the demand for collaboration at the interface of philanthropy and government is increasingly located in an area where collaboration is generally difficult to implement.

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## Diverging logics

Questions arise how types of collaboration, organizational logics and power issues affect the role of philanthropies in activities at the interface of philanthropy and government. Against the background of diverging issues of flexibility, time horizon and discretion, philanthropies and government hold internal logics that do not necessarily benefit joint collaborations. Although collaboration without consensus is possible,<sup>22</sup> conflicts between institutional logics occur that may complicate collaboration.<sup>23</sup>

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1. While the business of government, in particular, in democratic societies, is based on a permanent evolution of policy, philanthropies are habitually bound by the original donor’s will.
2. While philanthropies, being civil society players, would contend to be driven by their mission only, governments would readily admit that a complex blend of considerations determines their policies.
3. Whereas philanthropies are flexible with regard to timing, governments are tied to annual budget cycles.

19. N C Roberts (n 17) 360.

20. J M Bolland / J Wilson, “Three Faces of Integrative Coordination: A Model of Interorganizational Relations in Community-Based Health and Human Services” 29(3) *Health Services Research* (1994) 341–366, at 344.

21. *ibid* 355.

22. L Star / J R Griesemer, “Translations’ and Boundary Objects: Amateurs and Professionals in Berkeley’s Museum of Vertebrate Zoology 1907–39” 19(3) *Social Studies of Science* (1989) 387–420.

23. P DiMaggio, “State Expansion and Organizational Fields” in Hall/Quinn (Eds.), *Organizational Theory and Public Policy* (Sage Publications, 1983) 147–161.

4. Governments in liberal democracies are tied by electoral cycles, while philanthropies may make long-term decisions.
5. Neither philanthropies nor governments are “inclined to share authority”; in particular, philanthropies “are accustomed to making decisions on their own without the involvement of outside actors.”<sup>24</sup>
6. Fundamental differences include the legitimacy of their actions and the consequences of engagement. Governments establish rights of citizens, whereas philanthropies operate at their discretion.

These institutional logics are not static but subject to personal interactions and might thus change over time as actors from different sectors continue to engage with each other. This phenomenon, described as isomorphism,<sup>25</sup> describes how agents of diverse collaborating entities may develop an increasing affinity towards each other while becoming estranged from the principles of the organization they represent. From a distance, governments are inclined to see philanthropies as tax optimization schemes or as “cash machines to fill gaps in public budgets”<sup>26</sup> or, at worst, suspect them of meddling in their area of authority. Over time, this is prone to change.

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Power imbalances between the partaking actors may also affect collaborations. These imbalances related to

power come in different shapes; if not sufficiently managed, they constitute a threat to successful collaboration. They include the access to funding streams, and the ability of a partner to endure radical changes such as political shifts or changes in the staff or reputation. They become most significant, “when partners have difficulty agreeing on a shared purpose.”<sup>27</sup> Recent case studies of cross-sectoral collaboration have reinforced the observation of delicate power imbalances, particularly “over funding, responsibility for and ownership of the projects as well as differing views regarding work procedures.”<sup>28</sup> Power imbalances, in particular, may have negative effects, such as mutual distrust between partners.<sup>29</sup>

### Supplement, complement or adversarial?

Different frameworks with varying degrees of richness of details are to be found in relevant literature.<sup>30</sup> Although multiple frameworks for relations between government and philanthropies exist, Dennis Young’s triangle framework works as backdrop for philanthropies’ roles. This framework, which will be used here, offers three roles for philanthropies in relation to governments: “supplementary, complementary, [and] adversarial.”<sup>31</sup>

1. In a **supplementary role**, philanthropies “step in to compensate for governmental undersupply.”<sup>32</sup>
2. In a **complementary role**, philanthropies work as “first line of defence in addressing emerging social problems of many kinds, but face resource insufficiencies over time that, in turn, can be compensated for by government funding.”<sup>33</sup>

24. Ferris / Williams (n 5) 6.

25. P DiMaggio / W W Powell, “The Iron Cage Revisited: Collective Rationality and Institutional Isomorphism in Organizational Fields” 48(2) *American Sociological Review* (1983) 147–160.

26. H K Anheier, “Philanthropy vs. Democracy” *Long Reads* (Project Syndicate, 2019).

27. Bryson / Crosby / Bloomberg (n 16) 50.

28. M Almog Bar / H Schmid (n 2) 130.

29. Bryson / Crosby / Bloomberg (n 16) 50.

30. H K Anheier, *Nonprofit Organizations, Theory, Management, Policy* (Routledge, 2nd ed. 2014) 496–499.

31. D R Young, “Alternative Models of Government-Non-profit Sector Relations: Theoretical and Internal Perspectives” 29(1) *Non-profit and Voluntary Sector Quarterly* (2000) 150.

32. Anheier (n 31) 496.

33. *Ibid.*

3. In an adversary role, philanthropies share “different goals and means,”<sup>34</sup> and thus “prod government to make changes in public policy and to maintain accountability to the public.”<sup>35</sup>

In addition, it would seem important to remember what Ralf Dahrendorf established for civil society, the larger arena to which philanthropies belong: “In a free country, civil society is the world in which people spend the major portion of their lives”; it is “apart from government, apart from the state. [It does not] require government at any point other than as a guarantor of citizenship rights.”<sup>36</sup> He underpins this point by quoting James Madison, one of the authors of *The Federalist Papers*: “Ultimately, only civil society can help us.”<sup>37</sup> So unlike a notion deeply entrenched in European political thought, it is not a case of philanthropies being dependent on government, but rather vice versa.

Given this seemingly huge divergence in thought and logic of action, the complexity of wicked problems, and the diverging chances of collaboration across sectors, questions arise both to do with philanthropies’ potential roles in philanthropy–government relations, and as to which concrete tasks for philanthropies could be derived from these roles.

## Future roles

The complexity of wicked problems may drive philanthropies to supplement government at their discretion by increasing unheard voices on the ground and detecting social demands. In a second step, professionalized knowledge transfer practices could be developed to exchange information between science, policy and society.<sup>38</sup> Both could help reduce the complexity of wicked problems. As to complex problems’ inherent uncertainty, philanthropies’ flexibility can be instrumental in complementing government and developing

innovative ideas and practices for “social imagination.”<sup>39</sup> In this way, philanthropies offer transformational knowledge to governments making major changes in social and economic orders.

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Philanthropies’ flexibility in funding can decrease the economic burden of solving complex problems. In particular, at initial stages, **supplementary and complementary** modes may generate venture capital for experimental research designs. At later stages, government actors can step in and scale-up new approaches if proven effective. Thus, from making marginalized voices heard, to developing and feeding in innovative ideas, to funding untried research projects, the propositions for philanthropies’ role in collaboration with government are likewise **supplementary and complementary**. In fact, more often than not, this has been accepted traditional philanthropy policy.

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However, these role models come with distinct difficulties of implementation. Raising one’s voice to

34. T Jung / J Harrow, “Philanthropy, the State and Public Good” in O Guerrero, P and P Wilkins (Eds.), *Doing Public Good? Private Actors, Evaluation and Public Value* (Transaction Publishers, 2015) 9.

35. Young (n 32) 151.

36. R Dahrendorf, “Civil society” (Winter) *Common Purpose Journal* (1992) 4–9 at 8.

37. *ibid* 6.

38. E Turnhout / W Tuinstra / W Halffmann, *Environmental Expertise: Connecting Science, Policy and Society* (Cambridge, 2019).

39. G Mulgan, *The Imaginary Crisis (and How We Might Quicken Social and Public Imagination)* (UCL, Demos Helsinki and Untitled, 2020) 3.



promote social demands and move the issues is presumably straightforward. The same holds for funding initial stages of experimental projects, but ownership struggles might occur. There is also ample evidence that collaborating on system change can be challenging.<sup>40</sup> Although various forms of transformational knowledge towards social imagination may be developed and provided in a state-of-the-art manner, the responsiveness of governments might well fail to materialize, thus leaving philanthropies unsatisfied and without a real incentive to continue their collaborative efforts. Moreover, this may result in shifting to a more adversarial role, where advocacy for the respective idea is exercised without involving the government partner, or vice versa. Indeed, there is some evidence that the less philanthropies rely on their government partners, the more satisfying the collaboration that might eventually come about. This, in fact, would correspond to what Colin Crouch and others have described as civil society's prime task: to watch over government, since parties, government and the other political institutions alone are not in a position to guarantee the health of democracy.<sup>41</sup> With regard to driving major changes in social or economic orders, however, philanthropies might be well advised to include frustration tolerance in such constellations.<sup>42</sup>

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## The way forward

Despite the fact that promising roles for philanthropies in cross-sectoral collaborations entail a number of challenges, certain process variables are available to facilitate collaboration. Among others, leadership and trust are named.<sup>43</sup> Leadership having been extensively discussed as a key driver of collaborative processes, particularly in its distinctive form of integrative public leadership,<sup>44</sup> trust as a driver for collaborations shall be introduced here.

Trust is not sector-specific; it affects the quality of collaborative efforts across sectors,<sup>45</sup> and is slowly gaining relevance in the philanthropic subsector.<sup>46</sup> Although a lack of conceptual clarity persists, at least two understandings of trust within collaborations have been identified: an emotional and a practical one<sup>47</sup>; and, almost identically, "trust in intentions" and "trust in competence."<sup>48</sup>

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The emotional side of trust concerns the belief "that an alliance partner will behave with goodwill toward the alliance and the partner."<sup>49</sup> In this regard, trust may be understood as the "willingness of a party to be vulnerable,"<sup>50</sup> while being aware of an "absence of

40. J Elvidge, *The Enabling State: A Discussion Paper* (The Carnegie UK Trust, 2012) 38.

41. C Crouch, *Post-Democracy after the Crisis* (Polity Press, 2020) 150.

42. G Soros, *In Defence of Open Society* (John Murray, 2019) 51.

43. Bryson / Crosby / Bloomberg (n 16) 47ff.

44. R Morse, "Integrative Public Leadership: Catalyzing Collaboration to Create Public Value" 21(2) *The Leadership Quarterly* (2010).

45. B Chen, "Antecedents or Processes? Determinants of Perceived Effectiveness of Interorganizational Collaborations for Public Service Delivery" 13(4) *International Public Management Journal* (2010) 381–407.

46. D Greiling, "Trust and Performance Management in Non-profit Organizations" 12(3) *The Innovation Journal: Public Sector Innovation Journal* (2007) 18.

47. J B Cullen / J L Johnson / S Tomoaki, "Success Through Commitment and Trust: The Soft Side of Strategic Alliance Management" 35(3) *Journal of World Business* (2000) 225.

48. B Nooteboom, "Social Capital, Institutions and Trust" (Tilburg University, Center for Economic Research Discussion Paper; Vol. 2006-35) 8.

49. Cullen / Johnson / Tomoaki (n 48) 225.

50. F D Schoorman / R C Mayer / J H Davis, "An Integrative Model of Organizational Trust. Past, Present and Future" 32(2) *Academy of Management Review* (2007) 344–354 at 347.

opportunism.”<sup>51</sup> The practical side of trust concerns the belief in the ability of partners to meet their mutual obligations and contribute to a collaboration, ie to actually deliver what they promise.<sup>52</sup> In this regard, trust is considered a “particular level of the subjective probability with which an agent assesses that another agent or group of agents will perform a particular action.”<sup>53</sup> Thus, trust is valued across sectors and is conceptualized by a form of good faith on the one hand and a capacity to meet one’s expectations on the other.

On a process level, trust affects collaboration in several ways. Depending on the type of collaboration, more or less formal agreements between collaborating actors are concluded. Not being able to cover every issue that might arise, trust can “fill the gaps in the formal agreement” and help keep relationships running smoothly.<sup>54</sup> In as much as diverging organizational logics across sectors affect the functionality of collaboration, trust works as an “ever ready lubricant” that permits participation and exchange.<sup>55</sup> In particular, trust enables the exchange of information and knowledge for organizational learning. Additionally, the experience of trust-driven problem-solving within organizational learning furthermore “strengthens trust between the parties involved.”<sup>56</sup> This transfer is unlikely to happen both ways, “if partners do not trust each other.”<sup>57</sup> Thus, trust promotes collaboration processes by allowing discretion, fostering exchange beyond organizational constraints and thus enabling learning.

## Building trust

Against the backdrop of trust positively affecting collaboration processes, the issue of how organizations, and especially philanthropies, are able to build trust, deserves particular attention.

As neo-institutionalism contends, an organization seeking to acquire necessary resources must build legitimacy.<sup>58</sup> This holds especially true for the resource *trust*, given that it can be neither enforced nor installed, and is slow in developing.<sup>59</sup> In the philanthropic subsector, performance management systems may be seen “as one approach (among others) for creating trust.”<sup>60</sup> As an instrument that signals competence by conforming to certain principles, a performance management system is arguably “a form of mimetic isomorphism.”<sup>61</sup> Mimetic isomorphism is likely to occur in situations of environmental uncertainty and leads to organizations modelling themselves after other sectors’ practices,<sup>62</sup> eg performance management systems “that have become standards for corporations and public agencies.”<sup>63</sup> By sharing a modelling process based on common principles, and continuity, legitimacy and consequently *trust* are increased.<sup>64</sup> However, importantly, performance management will not be a simple task as “it includes performance measurement.”<sup>65</sup> Trust-driven performance management is to be understood as an idea to make sense of philanthropic activity beyond the impact paradigm of fixed indicators and benchmarking.<sup>66</sup> This results in trust-driven performance management of philanthropies considering how output is assessed

51. Nooteboom (n 49) 6.

52. Cullen / Johnson / Tomoaki (n 48) 225.

53. D Gambetta (ed.), *Trust: Making and Breaking Cooperative Relations* (Blackwell, 1988) 217.

54. Cullen / Johnson / Tomoaki (n 48) 226.

55. P Dasgupta, “Trust as Commodity” in D Gambetta (ed.), *Trust: Making and Breaking Cooperative Relations* (Blackwell, 1988) 49.

56. Greiling (n 47) 16.

57. Cullen / Johnson / Tomoaki (n 48) 227.

58. Anheier (n 31) 323.

59. Cullen / Johnson / Tomoaki (n 48) 223.

60. Greiling (n 47) 9.

61. *ibid.*

62. Anheier (n 31) 323.

63. H K Anheier / D Leat, *Performance Measurement in Philanthropic Foundations: The Ambiguity of Success and Failure* (Routledge, 2018) 5.

64. Greiling (n 47) 9.

65. *ibid.* 12.

66. R Alter / R G Strachwitz, “Improving Trust in Trusts: Introducing the Philanthropy.Insight Tool” 26(6) *Trusts&Trustees* (2020) 485.

in highly complex, fast-changing, and often contested fields that address problems that are ill understood, riddled with externalities, and involve implications of many kinds that may not be anticipated, where declaring success or failure depends as much on normative preferences as on facts, inviting further contestation, and where over time, assessments of performance factors and outcomes vary *ex post* as well as *ex ante* ('moving goal post').<sup>67</sup>

Accordingly, principals of trust-driven performance management need to acknowledge that there are dimensions of trust beyond quantitatively assessable control, such as "commitment."<sup>68</sup> It is therefore crucial to include indicators that "leave considerable room for discretionary behaviour."<sup>69</sup> Thus, it is argued that trust can be built by performance management systems that are shared and accepted by partaking actors as they create legitimacy, which in consequence lead to trust. However, it is emphasized to use a broad concept of performance that goes beyond the paradigm of quantitatively measurable evaluation and seeks to include the complex environment in which philanthropic activities are carried out.

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## A starting point

All this understood, it would seem evident that a tool is of essence, which philanthropies might adapt to react to the increasing demand for activities at the interface of philanthropy and government. In practice, philanthropies interested in increasing their activities at the

interface of philanthropy and government could align their strategies on *trust*. An assessment tool named *Philanthropy.Insight*<sup>70</sup> was developed "to reposition philanthropies against the current environment (...) of societal distrust".<sup>71</sup> Reacting to its core principles contributes at least twofold. On the one hand, philanthropies will be able to align their activities towards *trust*. Beyond that, philanthropic organizations will be able to demonstrate their trustworthiness. By consequence, *Philanthropy.Insight* may serve as a journey towards contingencies of a comprehensive performance management system that, according to academia, has yet to be installed.

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*Philanthropy.Insight was developed "to reposition philanthropies against the current environment ... of societal distrust"*

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The pentagon of the *Philanthropy.Insight* Assessment Tool for trust-driven philanthropy<sup>72</sup> will serve as a backdrop on which the practical and emotional sides of trust will be operationalized.

The emotional side of trust is represented by a process providing guidance through the first three principles of the tool: *commitment*, *public purpose* and *relevance*. Commitment addresses questions on whether a philanthropic institution is living up to the essentials of the eco-system of philanthropy. Its focus is on the extent to which a philanthropic organization's action takes the voice of the beneficiaries, ie the "ultimate customers"<sup>73</sup> of philanthropy, into account. Public Purpose underlines that philanthropic activity has to be tailored around public value. Its focus lies on the degree to which philanthropies are driven by public demand, how far stakeholders are involved, and standards of integrity are adopted. Relevance poses questions on the characteristics of philanthropic activities; *inter alia* making sure that they are sustainable and

67. Anheier / Leat (n 64) 5.

68. Nooteboom (n 49) 8.

69. Greiling (n 47) 11.

70. R Alter/ R G Strachwitz / T Unger (2019): "Philanthropy.Insight – Work in Progress" Observatorium no 31 (Berlin, Maecenata, 2019)

71. Alter / Strachwitz (n 67) 486.

72. *ibid* 485.

73. Center of Effective Philanthropy (CEP), *Understanding Your Customers...the Beneficiaries* (2014).



impactful for the beneficiaries.<sup>74</sup> Philanthropic organizations who walk through the process of answering the three underlining principles self-critically demonstrate the “willingness of a party to be vulnerable.”<sup>75</sup> Thus, these principles operationalize the emotional side of trust by the degree to which philanthropies are driven by stakeholder input, public value orientation and the ability of making a difference.

The practical side of trust will be represented by a process that guides through the remaining two principles of the tool: *performance* and *accountability*. Performance embodies the internal and external postures of a philanthropic organization; questions include the extent to which leadership is mindful and adaptive, how far strategic management practices reach, and to which extent organizations make sure to operate on level playing fields. Accountability accentuates the existent consciousness of a responsibility towards society; questions include how organizations comply with due diligence principles on responsibility and transparency.<sup>76</sup> These principles point towards a collaborative partner’s obligations and the ability to contribute within a collaboration.<sup>77</sup> Thus, the tool operationalizes the practical side of trust by getting a handle on the degree to which philanthropies are driven by cutting-edge practice and openness. At the end of the day, the more a philanthropic organization strives to perform well on every count, the more the pentagon will converge to the ideal type of trustworthiness.

## Conclusion

It is certainly a truism to state that in a process of collaboration, all partners face the need to adjust and improve. In a cross-sectoral collaboration effort of

philanthropy and the state that aims at tackling wicked problems, this approach is certainly of essence if success is to be achieved. This article has concentrated on the demands to be made on philanthropies. Against the backdrop of an increasing debate over collaboration at the interface of government and philanthropy driven by the necessity to solve complex and even wicked problems, the article has sought to reflect on types of collaboration across sectors, their accompanying levels of difficulty, the roles philanthropies might play, and ways how these collaborations may be realized.

It should be borne in mind that although collaboration across sectors might hold promising potential, philanthropies are well advised to realize that success does not only vary by types and designs, but depends largely on sector-inherent logics, which may be hard to overcome, and on managing power imbalances. Philanthropies and governments will need to reflect on developing a shared understanding of each other, to overcome those differences. Trust, in its practical and emotional form, is a prime instrument to reduce difficulties regarding logics and power imbalances despite its limitations regarding specific types of collaboration. Consequently, philanthropies interested in increasing collaboration with government might lower their expectations in such a way that “success will be very difficult to achieve.”<sup>78</sup> Trust arguably remains a central driver of collaboration, albeit no panacea. Collaboration will benefit from a shared understanding of the dimensions of trust. The Philanthropy.Insight Assessment Tool may serve to improve current and future philanthropic practice.

The delicate balance between independence and watchdog function on one hand and working towards the public good with a partner who by definition is

74. Alter / Strachwitz (n 67) 488f.

75. Schoorman / Mayer/ Davis (n 51) 347.

76. Alter / Strachwitz (n 67) 489f.

77. Cullen / Johnson / Tomoaki (n 48) 225.

78. Bryson / Crosby / Bloomberg (n 16) 46.

stronger and more powerful and thus likely to determine the rules of the game, will yet always need to be watched. Ultimate success will depend on whether both sides, and the stronger one, in particular, accept the legitimacy of a collaborating and competing rival.<sup>79</sup>

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79. A C Grayling, *The Good State* (One World, 2020) 77.