

**“SCALING UP” IN A TIME OF SCARCITY– SOME EXPERIENCES,
OBSERVATIONS AND CAVEATS**

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I very much appreciate the invitation offered by my friends Joel Fleishman and Ed Skloot to speak here today. When they asked me some months ago if I would take part in the second annual scaling up conference, I warned them that I did not consider myself a particularly big “scaler.” In truth I was a little intimidated by the all-star scaler line-up assembled for today and tomorrow featuring the leading funders and social entrepreneurs working in this expanding space. In the high school cafeteria of philanthropy, I’m afraid I am more likely to be found at the “social justice” table, dodging the slurpees thrown my way by the more popular kids at the scaling table.

Seriously, though, and happily, the world of philanthropy is not divided into such opposing camps. Almost every funder is a hybrid of styles and approaches, and that’s as it should be in the pluralistic trade in which we work. For instance, I would like to think that the work of Atlantic Philanthropies, which for nearly five years I have been privileged to lead, stands at the intersection of the effectiveness and social justice movements, exactly the right place to be. I’ll have more to say about this in a little while.

Before I warm to my theme today, though, I want to pause to poke a few pins in the often over-inflated balloon of our sector, particularly a few of its cherished

buzzwords. For starters, just to call it a sector, a word I never heard used about the non-profit organizations I worked for until I ventured over to the funding side, is to inflate it a bit further. To be honest, until I went into philanthropy about fifteen years ago, I never thought much about foundation strategies. Foundations were simply piles of money that might be available for the organizations I worked for, including ACLU and Human Rights Watch, if I hit the right buttons. So of course I made myself familiar with foundations' missions and guidelines to that end, but that end only. I didn't care much, or think much about, the foundations themselves and what they might be trying to achieve. The relationship was purely instrumental. Almost any honest grant-seeker, whatever regard or respect they may have for one or more of their funders, will surely tell you that, at least after a few drinks.

Only when I went to work for the Open Society Institute in 1996 did I come to develop – big shocker coming – a foundation-centric view of the world, where the world of non-profits is divided up into your grantees and others, where you scan the New York Times each morning for evidence of your impact, customized a bit like that Roz Chast New Yorker cartoon where the man is reading the obituary pages and each item carries headings like, “ten years younger than you,” “three years older than you, “ “exactly your age.” A little more humility in our line of work is always in order, and I look forward to having much to be humble about when I leave my post at Atlantic later this summer.

Now let me say a few words about scaling – what it is and what it isn't. It's a perfectly dreadful term, by the way, if you're not a fishmonger or Spiderman making his way up the side of a building, and too myopic a view about scaling can get in the way of ... well, scaling. I'm sure other speakers at this conference before and after me have

made this distinction, but it needs pointing out that scaling isn't for everyone and every issue. A lot of what Atlantic does – or OSI, or Ford, or others – isn't relevant to scaling, like trying to close Guantanamo or pass comprehensive immigration reform. Some advocacy campaigns, particularly those which proceed on a state by state basis, like the effort to end the death penalty or advance same-sex marriage, do rely on a kind of scaling, but the set of tools involved, like public interest litigation, is often quite different from those relied on for other social interventions. In that sense, Brown v. Board of Education or Miranda v. Arizona are the quintessential examples of scaling – when the Supreme Court strikes down a practice as unconstitutional, it has an impact well beyond the one place which gave rise to the lawsuit.

Of course there are also initiatives that one wants to keep small, either because the circumstances are not replicable or because a choice is made to limit or focus, like a scholarship program or work that is meant to be limited to a certain neighborhood or constituency group.

So when we speak of scaling up we are mainly speaking of initiatives that address big societal challenges, like education, health and housing, where an approach can be tested, improved and proven on a manageable basis and where having done so, given the huge scope of the challenge, it is appropriate or even imperative to extend the benefits much more widely.

A quick comment here, if I may, about an overused word that often appears in the same sentence as scaling up, and that is innovation. I have a problem with it, because I think the word often reflects a bias toward novelty that I question. It is easy enough to

say that the most vexing problems of our society – underperforming schools, homelessness, crime, lack of access to health care – have defied solution, and that we have to break out of the box to find new ways of dealing with them. But what is often really the case is that the old ways were never really given a chance to work, or that the lessons learned in earlier times have been forgotten or even trampled over by ideological assaults.

I am a big admirer, for example, of my friend Geoff Canada's Harlem Children's Zone, and have been privileged to provide support for it both at OSI and Atlantic. It is justly celebrated. But is Geoff's insight about the holistic approach to improving outcomes for children in his community an innovative one? Or does it have much in common with the work of Jane Addams and other progressive reformers in the settlement house movement at the turn of the previous century? Does that matter at all? Is Teach for America, another admirable institution, innovative because it taps the idealism of young people for service? Or is it the Peace Corps or Vista applied to urban education?

I don't make these comparisons to denigrate either HCZ or TFA, two paradigmatic institutions created by leaders who are among the most tenacious and visionary of our era. I raise them to ask us to be more careful about touting innovation as an end in itself because that kind of thinking can boomerang against effective programs when, inevitably, they are no longer the flavor of the month.

When I told Ed and Joel that I wasn't sure what I would have to say about "scaling up," except perhaps a few caveats, they suggested I talk about advocacy with

government, since the foundations I have been associated with, OSI and Atlantic, are perhaps more than any others identified with the deployment of funding to advance certain policy goals, from reducing America's excessive reliance on incarceration to protecting the economic security of older people. Scaling up a social initiative like extended learning time or encore careers for older adults can almost never take place without significant investment by government, and that almost never happens without some kind of advocacy, some foray into the policy world. Even foundations that start out quite focused on the provision of services, or technocratic problem-solving, like our friends at Gates, eventually find themselves on the advocacy path. Atlantic, it's true, has a good deal of experience with that, not only here in the U.S. but in a number of other geographies in which we work.

So yes, I will talk about scaling up and government. But that will have to take account of the particular moment we are in, and I want to set out a few questions to consider before I am through. What does it mean to try to scale up evidence-based programs at a time when government is struggling for money and philanthropic assets are just beginning to recover from the financial crisis? Is the money there?

In good economic times and bad, there will always be an uphill climb for programs that work, strange as it sounds to say that, because impact and effectiveness are often no match for the pull of inertia and tradition, of patronage and politics, and evidence alone has never been enough to win the day. What, therefore, do we need to do to communicate more effectively about proven programs? To build the missing constituency for effectiveness?

Most of what I have to say today pertains to the United States, but I've learned much about models of working with government from Atlantic's staff in the other geographies in which we make grants, and I want to touch on those models in thinking about the relationships between government and philanthropy in the U.S. In the Republic of Ireland, a small country where Atlantic is by far the largest funder, there is little tradition of investigative journalism and few think tanks to influence policy. Civil servants are of a generally high quality, and government is very centralized, so we form relationships with them – with the permanent government, as it were. This paid off over the last fifteen to twenty years in co-investments by Atlantic with the Irish government in strengthening the research capacity of higher education, in Harlem Children's Zone-like youth development programs, and in the appointment of key ministers to advance the concerns of older adults in both the Republic of Ireland and Northern Ireland.

In South Africa, Atlantic's Population Health program negotiates with the national Department of Health to support some the costs of upgrading nursing training facilities, and our Reconciliation and Human Rights program has partnered with the Department of Land Affairs to provide legal advice and support to farm-workers who face illegal eviction. The Legal Aid Board, which provides legal support for indigent people, has entered into a partnership with our grantee the Association of University Legal Aid Institutions to provide support in some rural areas. The Department of Social Development provides support to some advice offices in the Western Cape which also receive support from Atlantic, and the Department of Education matched an Atlantic grant to build a Life Sciences Complex at the University of the Western Cape.

In Viet Nam, of course, the government's role is quite pervasive, and Atlantic's program has to interact quite closely with it. But there are many levels of government, and depending on projects' needs and administrative requirements, and we work with the appropriate level of government as needed. In Viet Nam this ranges from public health campaigns such as mandating motorcycle helmets to dramatically reduce traffic fatalities and injuries to co-financing the upgrading of rural commune health clinics. Atlantic's investments in Viet Nam, particularly its capital investments in hospitals and health clinics, have been able to bring major projects to scale, with incredibly positive impact on health outcomes in the country.

The Ministry of Health is our partner in raising needed matching funds for projects such as the construction of the National Hospital of Pediatrics in Ha Noi, for which approximately \$10 million in Atlantic support has yielded \$3 million in equipment from the Japanese Government and a \$40 million commitment from the Vietnamese government toward the full redevelopment of the hospital. A \$12 million grant to the School of Public Health produced an equivalent donation from other sources for construction, training and equipment; the Hue Central Hospital turned \$20 million of Atlantic investment over ten years into more than \$50 million from other donors; the Da Nang General Hospital pivoted \$11 million in construction support into over \$20 million for equipment. Atlantic's investment in the upgrading of rural health communes like the one at A Luoi district comes in the form of a grant to provincial health departments that is matched on a one-to-one basis, and on the evidence of this success, the Vietnamese government is now prepared to commit \$400 million for the next three years to scale up this model nationally.

Here in the United States, Atlantic's relationship to government has over the years taken two forms. The first is essentially adversarial. We fund organizations that monitor, criticize and sue the government, like civil rights groups fighting draconian restrictions on immigrants cropping up all over the country, and civil liberties lawyers challenging Guantanamo and warrantless wiretapping. I'm sorry to say that this aspect of our work has not changed very much from the Bush to the Obama administrations. Atlantic has become well known for our \$26 million grant to HCAN, the largest grant ever made by a foundation for advocacy, which played a critical role in organizing support for comprehensive health care reform from 2008 to 2010, aligning with a key objective of the Obama administration. But this grant, too, was in an important sense adversarial, mobilizing support for the public option and other more strongly progressive measures when the administration was often too inclined toward compromise.

In fact, the last two years, with a progressive President in office who is more committed than his immediate predecessor to a number of Atlantic's strategic objectives, have been sobering – among other things, they have provided a civics lesson in how Senate rules and the institutional rivalries between legislative chambers and branches of government can combine to frustrate reform. We will be careful to study the experience of engagement during the past few years and learn from it. It seems evident to me that the campaigns and civil society organizations that have been built and strengthened by the support of Atlantic and other foundations have improved the climate for more progressive policies and helped keep the Administration accountable to its professed values and goals. But in the end-game of policy, particularly where huge

economic interests are at stake, as in health care and financial reform, this is far from determinative. And the aftermath of those battles, where Atlantic and our partner foundations have had to continue a serious level of investment just to protect and implement gains only recently won, shows that big change is a long-haul proposition.

The second kind of relationship we have to government in the U.S., as elsewhere, takes the form of partnership, from working with the Corporation for National Service to provide more placement opportunities for older adults to the State of New Mexico and the cities of Oakland and Chicago to match our investments in integrated services for middle school students.

Holding government accountable on the one hand and working to leverage public funding on the other has been standard practice for Atlantic and other foundations engaged in public policy for a number of years. But in the last few years in Washington we've seen something that goes beyond the carrot and the stick. We've seen serious efforts to change the way government funding works, moving to base policies and programs on a more sound evidentiary basis. After years in which federal policy has often run in the opposite direction from the evidence, whether on climate change, criminal justice or abstinence programs, this is quite welcome indeed.

The establishment of the White House Social Innovation Fund, inspired by the rigorous approach to evaluation and evidence promoted in recent years by foundations like Edna McConnell Clark, Gates and Hewlett, is the most visible example of this commitment, though it can be seen, at even greater scale, in the Race to the Top Fund of

the Department of Education, in the i(3) fund, and in numerous other government agencies.

The foundations mentioned and several others have been quite closely engaged with this because the Social Innovation Fund represents a welcome and audacious effort to take a strong philanthropic trend of the last five to ten years and employ it in government, which is by many multiples is a much larger funder than private philanthropy. There are plenty of reasons why the Obama Administration's evidence-based initiative might not work out, and of course it's still early days yet, with the initial grants only recently made. The money being offered is relatively modest, the matches required of intermediaries and non-profits are fairly steep, the number of qualified intermediaries may not be high enough for necessary critical mass, normal politics may at any point raise its head and compromise the effort, and so on. But I don't see who could argue with the goal of having government funds flow to proven programs, or who would have a reason not to wish the effort well.

So let me return to the questions I laid out toward the outset of this talk. How can we talk of scaling up at a time when governments everywhere have less money, and the risk capital that foundations are usually well situated to provide might demonstrate an impact that no one will be in a position to multiply, like the proverbial tree that falls in the empty forest that no one hears? I've been worried about this, particularly since Atlantic's successes through our Elev8 middle schools initiative are premised on the notion that city, state and federal funding will follow, and every jurisdiction in which we operate the program faces severe budget shortfalls. It's much worse in Ireland, where when I came to Atlantic nearly five years ago the Celtic Tiger was roaring and we had

every good reason to expect that the gains our grantees were demonstrating through “regeneration” projects in distressed communities like Ballymun or Limerick would be taken up by government ministries who were watching our work with interest and care.

But a funny thing has happened as the money got tight. In the U.S. the design of our Elev8 program – or rather its re-design in the few years since Atlantic adopted a social justice framework for our funding – emphasizes the centrality of community voice and empowerment to meaningful change. And to the extent that has been successful in Baltimore, New Mexico, Oakland and Chicago, the places where Elev8 operates, it has given the programs a much stronger base – a real constituency ready to fight for continued and increased funding. Far from a foundation experiment parachuted into these communities, Elev8 is now owned by the communities themselves – children, parents, teachers, administrators. This has greatly strengthened Elev8 for the budget fights they are facing. There are important lessons here for other initiatives.

And in Ireland, another funny thing happened. We feared that the dire fiscal constraints of the new Fine Gael government would cause its ministers to lose interest in our partnerships. But the early signs are that the scarcity of public dollars, far from being an excuse to abandon proven programs, increases the interest in them. When you don't have money to spare, you want to make sure it goes to places it will have the most impact. I met with the new Finance Minister for Public Investment when I was in Dublin a few weeks ago and I found him keenly interested in learning as much as he could about every program we believe to be effective.

Will that happen in the United States, in our highly polarized political environment, where, despite the involvement of respected Republicans like Steve Goldsmith, any misstep by the Social Innovation Fund or the Corporation for National Service will be seized upon by ideologues brandishing megaphones in our 24-7 cable news/talk radio/blogosphere? The actions we take in the next critical phase of what I will reluctantly call the scaling up movement will provide the answer, or at least the possibility of one.

There is an impressive community of people gathered in this room, and around similar tables in a number of institutions, who have brought a new and welcome rigor to philanthropy. Most importantly, you are thinking big thoughts about big problems. But we – and here, despite my lunch table comments at the outset, I must declare myself in solidarity with you – are not yet a movement, and to be blunt we have much too-slender connections to existing movements. If that does not change I fear we will not have what it takes to take the work being discussed these few days to the next level – to really institutionalize a way of thinking.

A movement is missing because we have failed make our case in the moral terms it demands. No one is drawn to school reform or poverty reduction because of programs. No one marches to war under the banner of effectiveness. People mobilize to right a wrong or address an injustice. They convene around a collective will to change the world for the better.

We demand schools that work for poor children because it is a moral obscenity that, in a rich country, for all too many of our children, they do not. We want poor

people not to have to jump through hoops to access social benefits to which they are entitled not because we love to see a logic model working perfectly, but because no one should have to go hungry or homeless. When people have rights, they must be respected.

I've spoken at much greater length elsewhere about the need to restore moral language to the work of philanthropy and non-profits and plan, as many of you know, to write about it much more in the coming months. So I won't belabor these points now, but close with a few other observations and recommendations.

First, as I have suggested, we need to think hard about the language we use. I think some of us fear that if we use plain language or speak from the heart, we won't be taken seriously. We are still in many ways fighting the battles of the 1960's and reeling from the attacks on Ford and other foundations who dared to talk about the root causes of social ills. But we don't need to abandon the high road to get the details right. We can do both. Rigor and moral clarity need not be in tension. They are mutually reinforcing and mutually dependent.

It's fine for us wonks to talk about scaling and metrics, but let's keep that in the family. To build the missing constituency for what works requires us to understand that evidence does not drive policy unless a compelling message is there. And I would submit, back to Harlem Children's Zone and Teach for America, that for all their metrics and business plans, they are paradigmatic social ventures because they tell a story that is compelling, and a story with compelling messengers.

Finally, though we need even more than language and stories. We need muscle. And the muscle will be there when ordinary people – the parents and students and community leaders who benefit from the important work that is represented by so many here today -- feel their own stake in it, deeply, and take action to protect it. Too often the face of our field is the face of the social entrepreneur, and too often despite the many black and brown people involved, it is a white face. That also needs to change.

Navigating the waters to bring lasting change to scale in the U.S. at the moment is to wade through waters infested with budgetary and political sharks. The only way we can achieve impact at any scale is if we become a movement for change, combining proven metrics and effective programs with communications and advocacy efforts propelled by a shared vision and story of who we are, what we're trying to achieve and why the change we seek is vital to the lives of real people in every community. When that happens, we will have a movement, and yes, we will have the scale that is equal to the challenges we face.