Resilient Funders
By Chris Allan and Scott DuPree[1]

I.   Introduction

The closing space of civil society around the world over the last decades has created a challenge for social, economic, and environmental funders of civil society organizations. Funders are working in restrictive political environments and are subject to new and enhanced state restrictions on their activities, increased cost of funding from new red tape, and even physical and other immediate threats to their staff and networks.

While efforts to push back on these restrictions directly are crucial, the civil society sector itself must adapt to this new environment if it is to continue to be effective. Civil society organizations and funders cannot expect the conditions that prevailed during the rise of formal non-governmental organizations (NGOs) over the last half century to continue unchanged.

While most work in the area focuses on advocacy for civil society organizations and enabling policy environments, little research looks at the **key practices of resilient funders** that enable them to continue to operate under shifting circumstances. This study considers a cross section of social change funders working in countries of concern that are creating ways to ensure that funds can continue to have an impact on issues as the space to operate narrows.

Even when non-governmental or nonprofit forms of organization are threatened, we have the capacity to adapt our associative forms to the changing conditions. Such adaptation is normal. Civil society is regularly shifting the popular forms of association (the once prevalent fraternal clubs are on the decline, for example, even while internet organization has been booming), and it will innovate and adapt to the changing circumstances in unforeseen ways.[2] Funders that have grown up around funding NGOs must also adapt to the new realities, and find ways to effectively reach civil society organizations and understand how they are adapting. Unless funders use experimentation, learning, and flexibility to find ways to support innovative and emerging associative forms, the ability of the civil society to adapt will be even further constrained.

[2] Michael Edwards, The University of Scranton's Schemel Forum in April 2016 - *What's happening to Civil Society in America?,* https://www.youtube.com/watch?v=4PZN4OOVWWE.

The closing space of civil society takes many forms.[3] None of these restrictions is new, but they are emerging on an unprecedented scale across the globe. Thomas Carothers, Vice President for Studies at the Carnegie Endowment for International Peace, notes:

> "*We are currently witnessing the greatest collective effort of governments since the 1980s. These restrictive laws are part of a phenomenon that marks the end of a period of democratic opening in the 90's and begins a period of democratic stagnation. This is a time that is redefining the balance of power between citizens and the State*."[4]

The following summarizes the most common concerns expressed by funders interviewed for this paper, and documented in the literature.[5] There are increasing legal and administrative restrictions on:

- **Access to foreign funding** – governments and banks are responding to perceived threats of terrorism, money laundering, state security, and sovereignty;
- **Formation of civil society organizations** – registering new organizations is getting harder;
- **Regulation of civil society organizations** – increased scrutiny of civil society organizations, such as the need for government permission to withdraw funds from an organizational bank account for funds from abroad or requirements for information on personal information about board members, staff, and donors;
- **Constraints on advocacy and participation in policy change** – Organizations that address systemic or social change issues are particularly affected, far more than those that operate in a welfare or direct service mode.

Fortunately, the emerging field of resilience studies — the quality of a system to continue its functions in the face of shocks and stresses — is developing principles that can help funders prepare for and recognize ways to adapt to changing conditions and continue to reach civil society organizations. The greater the adaptive capacity of a system, the more resilient it is to changing

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[3] This study is focused on funders in the Global South, and not the entire global civil society sector. For reviews of trends and responses more globally, see Thomas Carothers and Saskia Brechenmacher, Closing Space: Democracy and Human Rights Support Under *Fire*, Carnegie Endowment for International Peace, 2014; Douglas Rutzen, *Aid Barriers and the Rise of Philanthropic Protectionism*, International Journal of Not-for-Profit Law, vol. 17, no. 1, March 2015; Iva Dobichina and Poonam Joshi, *In the Name of Security: When Silencing Active Citizens Creates Even Greater Problems*, opendemocracy.net, April 20, 2016; John Harvey and Andrzej Kozlowski, *Internationally engaged foundations: coping with the disabling environment*, Alliance, June 7, 2016.

[4] Ana Carbajosa, translated by Alejandrx Urruti and edited by Indhira Prego Raveneau, *The Global Siege on Civil Society*, El País, April 30, 2016.

[5] International Human Rights Funders Group and ARIADNE, *Introduction to the Donor Working Group on Cross-Border Philanthropy*, July 7, 2014

conditions. In this case, the traditional system of funders and formal NGOs is disrupted by new regulations, and the ability of both funders and civil society to function has been greatly reduced.

This paper applies **a resilience lens to the funding sector** and suggests ways that this lens can help evaluate and interpret how to continue supporting the civil society sector in old ways and new.

This study considers a cross-section of social change funders working in countries of concern that are creating ways to ensure that funders continue to have an impact on social issues even as the space in which they operate narrows. Through interviews with dozens of these funders and their supporters and a review of key documents, this study proposes a conceptual framework for understanding what makes the infrastructure of organizations better able to weather the threats from these trends. Funders include community foundations and thematic funders in areas such as women's rights, environment, and human rights. The vast majority are not endowed, and thus raise their funds domestically and internationally from private and public funders.[6]

This study is not meant to be a "how-to" guide – those are available elsewhere, and are of high quality.[7] The purpose of the conceptual framework presented here is to provide funders with an overlay for assessing their own activities with resilience in mind.   The intention is to prompt good questions about how to assess the situation and any actions proposed to deal with it.

II.   Resilient Funding

What increases resilience for funders? Funders whose structure and practice reflect the characteristics of resilience have high adaptive capacity. *Adaptive capacity is the ability of a funder to change what it is doing, or the context in which it operates, to maintain its functions.*

Our interviews with funders and experience as funders ourselves suggests that there are three major dimensions to the resilience of funding organizations:

1. **Adaptive Procedures** – How to Support Social Action
2. **Multiple Strategies** – What to Support
3. **Adaptive Environment** – Conditions for Social Action

Increased adaptive capacity in these three areas promotes the flexibility to weather the shocks and stresses of tightening restrictions and increasing

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[6] Given the sensitivity of the issue in many places, this study maintains confidentiality of all informants.

[7] See for example ARIADNE, European Foundation Centre, and International Human Rights Funders Group, Challenging the Closing Space for Civil Society: A practical starting point for funders, n.d.

violence. The more funders increase these three parameters, the more resilient they are to shocks and stresses.

This concept is illustrated by the "resilience cube" below:
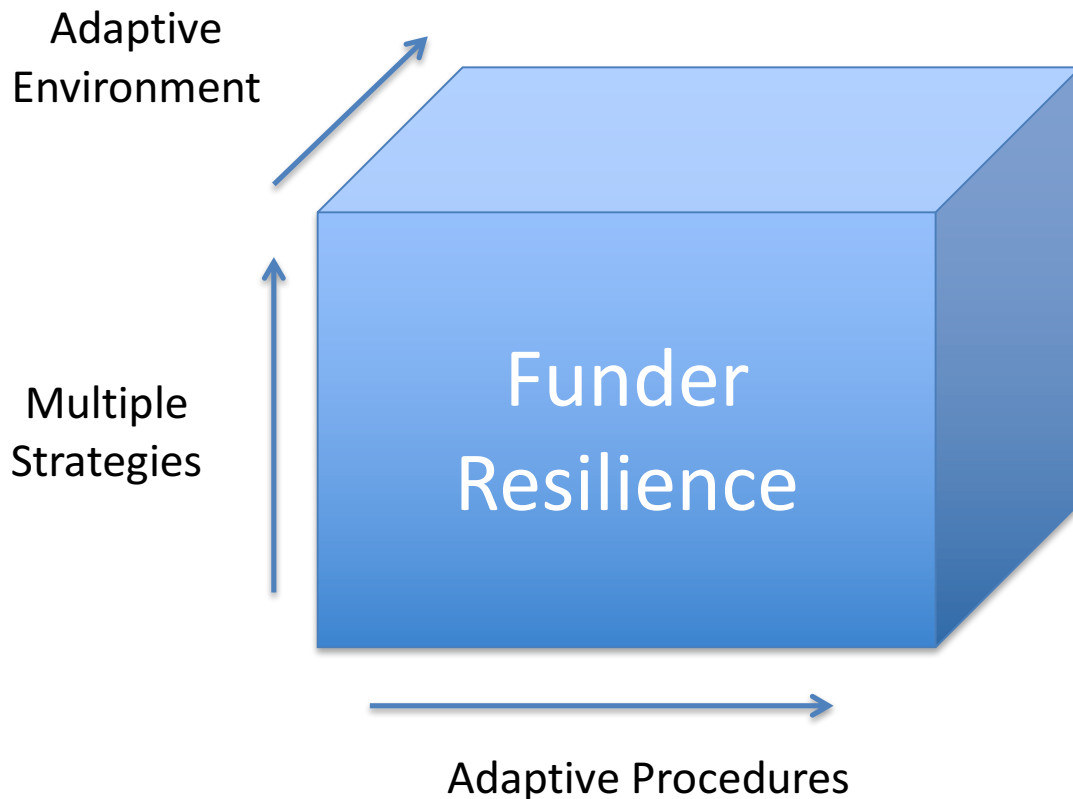
Funder Resilience: The larger the cube, the more resilient the funder

Within each of these three dimensions, it is helpful to keep in mind the characteristics of resilience that increase the adaptive capacity of each. There are many characteristics of resilience. Common lists include flexibility, diversity, redundancy, connections through multiple relationships, safe failure, ability to learn, and transparent, accountable and responsive decision making, among others. In order to simplify the framework to make it more usable, we propose an abbreviated model that stresses three characteristics funders are finding critical to maintaining the funding function and responding to an increasingly restrictive space for civil society:

- **Flexibility —** The ability to change processes, procedures, and strategies to respond to the prevailing social environment.

- **Diversity and Redundancy —** Different parts of the funding system and civil society are not identical; different types of associations and organizations perform similar functions.
- **Ability to Learn and Resourcefulness —** The ability to monitor changing conditions and adjust operations accordingly; experimenting with new approaches.

The table below shows what is meant by each characteristic, and gives some initial examples drawn from our interviews with funders of how each characteristic supports the three dimensions of the conceptual framework. We will explore and apply these characteristics to the three principles areas of adaptive capacity noted above to suggest ways that funders can maintain support for the civil society sector.

Resilient Funding			
	Adaptive Procedures – How to Support Social Action	**Multiple Strategies** – What to Support	**Adaptive Environment** – Conditions for Social Action
Flexibility	Funders move away from traditional grants to non-tax deductible project support. They engage in projects, support research and private sector solutions including consultants, they allow room to maneuver in use of funds and reporting.	Funders support a wide variety of organizations, including formal and informal civil society organizations, social entrepreneurs, and government allies	Funders support and participate in advocacy, organizing, and creativity in defending the space for citizen action in many forms
Diversity and Redundancy	A network of funders is keeping funding flowing because it is composed of diverse types of giving —community foundations, private foundations, and worker giving — that create	Funders support a wide range of strategies, from charity to advocacy	Funders participate in networks of funders; civil society, private sector and any other organizations that maximize the number and variety of

	redundancy in the ability to fund the same or similar organizations.		organizations allowed to work on social issues.
Ability to Learn and Resourcefulness	Funders experiment with new ways of engaging in social action, breaking out of the traditional "grants to NGOs" model that has flourished in recent years.	Funders monitor changes and support the new forms of organizations that emerge as governments shut down first advocacy NGOs and then trade unions	Funders invest in continuous learning about the issues, political landscape, and needs of the groups they fund. They invest in challenging legal and practical impediments to supporting social action.

These characteristics of resilience are systemic in nature—organizations do not operate in a void. The system functions through the interrelation of the various parts and the role the funder is playing. Funders who consciously build in these resilience characteristics promote the ability of the funding system to quickly adapt, even when various avenues for action are blocked off or become ineffective.

III.   Adaptive Procedures – How to Support Social Action

For one African funder with whom we spoke, supporting groups working in rural communities now requires government approval of all contacts and a government official to accompany it on site visits. Restrictions like these have resulted in a drought of international funding in this country and a skittishness among the local companies and individuals who might be able to make up for some of the difference. In response, the funder has begun to work with community groups to build "local endowments," in effect decentralizing and moving the funding to the community level. In Egypt, international funders are facing prohibitive red tape on grant funding, ostensibly due to security concerns. In response, many funders have explored non-grant funding avenues to channel support. In Mexico, legal and tax restrictions on funding have resulted in many donors supporting projects they run themselves and have increased the use of non-tax deductible payments.

Funders who have only one way of supporting organizations are susceptible to changes in the rules or context. The more diversity there is in how a funder

supports partners, the more likely it is to be able to continue that support when funding is constricted. Funders need multiple ways of:

- Contacting potential and existing partners;
- Receiving proposals and ideas;
- Providing support, including transferring funds;
- Receiving feedback for due diligence or increased understanding; and
- Connecting partners with other sources of support, influence, and leverage.

Increase Flexibility and Diversity

Funders can increase their flexibility to perform these functions in a wide variety of ways:

- Accept proposals from multiple types of organizations and by various means;
- Have multiple ways of making funding decisions;
- Fund general support;
- Do grants from a few days to multi-year;
- Cross-train staff to maintain functions when some staff are blocked from working;
- Support a spectrum of organizations, from community based to international networks.

The prevailing form of grant support tends to be composed of a formal review of proposals and transfer of funds to legally registered NGOs. However, *the actual function to be maintained is support for social action, in whatever form possible, and in whatever form civil society needs it.*

While transfers of funds to formal NGOs is a very important form of support, it is only in the last half century that it has become the norm. Grant support has enabled the emergence of a more professionalized sector that has resources for staff and activities and is able to provide consistency and expertise to its area of action. As the viability of this form of support wanes, many funders are already establishing alternate channels of support that include:

- Using the funders' influence where it can be helpful in promoting the mission or rights of communities to self-organize;
- Alternate forms of direct financial support, including prizes, fellowships, loans, contracts for services, in-kind donations, support of triple bottom line businesses, and provision of income generating assets;
- Supporting publications, studies, and inclusive planning processes;
- Working with intermediaries;
- Implementing projects themselves;

- Speaking at important conferences and gatherings;
- Leveraging their networks and influence by introducing partners to other supporters, information, or networks that can help them to succeed;
- Developing an "internet of funders" with loose networks of funding organizations.

Historic Experience

There is evidence that restrictions on organizations or funding have historically been met with strong adaptation. In China through the first decade of the 2000s, for example, the laws around NGOs were ambiguous and confusing. Yet studies show in that period there were thousands of NGOs operating across a variety of sectors, most unregistered, some registered with government departments, and many registered as for-profit businesses. On the other end of the scale, Pierre Omidyar of eBay discovered that registering his new foundation as an NGO would restrict its ability to invest in businesses with a social impact, whereas foregoing tax exemption would allow the foundation to achieve far greater impact at a cost of about one percent of its total spending.[8] And the Islamic world has a long history of investing without requiring interest that has been adopted by NGOs. Following the logic of *waqf*-type investments, supporters provide income-generating assets, such as office buildings that generate rent for support of NGO activity.[9]

Buying property rather than giving grants is an approach many NGOs in fast growing economies have long urged supporters to adopt, since not only does it reduce their cash needs on an ongoing basis, but also it generates an asset that will appreciate in value. One of the important environmental organizations in the Russian Far East got its start back in the 1990s by using a donated computer and printer as a local print service, supporting its activities in part with the revenue generated. Even in struggling economies, ownership of real estate by civil society organizations ensures that people continue to have a place to meet and some level of insulation against failing currencies and jobs.

Creating "internets of funders" — loose networks of independent funders who share learning, joint action, and often grantees — is an approach funders themselves have developed to increase their adaptability. The women's and environmental movements have developed funder networks around the world that team up when needed and operate separately when appropriate, allowing them to keep resources flowing when parts of the network are under strain.

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[8] Pierre Omidyar, *How I Did It: EBay's Founder on Innovating the Business Model of Social Change*, Harvard Business Review, September 1, 2011.

[9] For a brief summary of the use and history of *waqf* for social purposes see https://en.wikipedia.org/wiki/Waqf.

For funders who must raise their own resources, diversifying sources of income is another way to increase resilience. Funders have learned to not rely on a few grants from international organizations. Instead, they create a varied fundraising program where different sources are not all subject to the same rules, including:

- Individuals, including variations on traditional forms of mutual support like *qoqolela* in Southern Africa and joint community work in South America;
- Self-Generated resources include revenue from:
  - Natural resources – farms, forests, waters, etc.;
  - Infrastructure – property, rent, royalties, user fees;
  - Entrepreneurship – casinos, consulting, triple bottom line business, etc.;
- Domestic institutions like foundations, corporations, or government programs in sympathetic departments.

Reviewing the characteristics of resilience can help assess ways to increase adaptive capacity. Processes and procedures need to have:

- **Flexibility** — Funders adapt procedures, requirements, channels for support, and even how funding is conceived to keep support flowing.
- **Diversity and Redundancy** — Funders invest in multiple forms of support leading to the same end.
- **Ability to Learn and Resourcefulness** — The relationship between the funder and civil society is understood to be changeable. The procedures that worked yesterday may not work today, with implications for what we will do tomorrow.

Applying this lens to the way a funder works can help suggest ways to increase adaptive capacity.

Can these tactics work for everyone? Of course not. Egyptian activists are now being arrested for working on contract for foreign foundations, property transactions can be enormously complicated, and there are limits to how much time people can put in without salaries. But the bottom line is to remember the function of funders – to support social action in a shifting ecosystem of organizations of which they are a small piece. Keeping this function going requires creativity when traditional methods are challenged. In difficult environments the point is not to struggle to return to an old normal – which had its issues of power differentials, lest we forget – but rather to adapt to new conditions that achieve the goal.

IV.   Multiple Strategies – What to Support

The purpose of funders is to advance action on social priorities that are best met through civic action, not simply to fund NGOs. With this simple reminder, the

scope for social action opens up considerably. Small businesses, events, collectives, church groups, and community groups are all proven ways of organizing social action. These groups have a multitude of ways to mobilize the resources they need – and many have never even had a grant.

**Expanding the Informal Sector**

How do we understand the alternatives? Social organizing internationally has taken many forms, both alongside this formal funding system as well as preceding it. Repressive governments are not new. In Czechoslovakia in the 1970s and 1980s, Vaclav Havel and colleagues organized book clubs when independent civil society organizing was impossible. Coffee shops in Prague became the front lines of social struggle. Under the dictatorship in Brazil in the 1960s, the Catholic Church Pastoral offices became the lynchpin of social action. Civil society in South Africa in the apartheid era adapted a kaleidoscope of organizational forms to keep a step ahead of government crackdowns. In the US, the civil rights movement was largely driven by communities of activists with few connections at all to formal funders. In all these environments independent social action was very restricted. The point is that even in these extremely limiting environments people found ways to organize.

Going back farther in history prior to the emergence of the modern NGO, international movements in the eighteenth century successfully outlawed the slave trade in Britain with a combination of letter writing campaigns, economic boycotts, media campaigns, behind the scenes advocacy, and parliamentary legislation. One of the first modern day international human rights campaigns wrested control of the Congo from King Leopold of Belgium in 1908 using similar tactics. In both of these historic cases, formally organized NGOs were only part of a larger constellation of forces.[10]

The rise of the formal civil society sector since the Second World War has created an image where social problems are addressed by formal organizations that raise money for salaries and rent and act for disadvantaged people. While the growth of this formal sector has created an infrastructure for social action that is immense, now that it is under fire in many places it is important to recall that there is a far larger *informal* sector of civil action. Expanding the boundary of support between formal and informal society vastly opens up the scope for social action. For example, under US tax law, international grantees do not need to be formally registered NGOs to receive grants from US based funders. Within many countries the same logic applies – formal registration is not required to receive money, only for those donations to be tax deductible. Funders who forgo the need for their donations to be deductible have vast new possibilities before them.

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[10] These movements are documented in Adam Hochschild, <u>Bury the Chains: Prophets & Rebels in the Fight to Free an Empire's Slaves</u>, Houghton Mifflin Harcourt, 2005 and Adam Hochschild, <u>King Leopold's Ghost</u>, Houghton Mifflin, 1998.

From a social movements perspective, few social transformations take place solely based on formal NGOs. (In fact there is some evidence that the formal NGO sector may inhibit the effectiveness of the wider citizen organizing in the informal sector in some cases.[11]) While in most places it has traditionally been easier for funders to support the members of social movements who are formally registered, in the current environment this method is increasingly difficult. As a result, funders need to support alliances of informal organizations that represent citizens rather than NGOs. The figure below illustrates the relationship between the formal and informal sectors – expanding capacity to provide support on both sides of the line separating the two provides ways to support civil action under increasingly restrictive conditions.
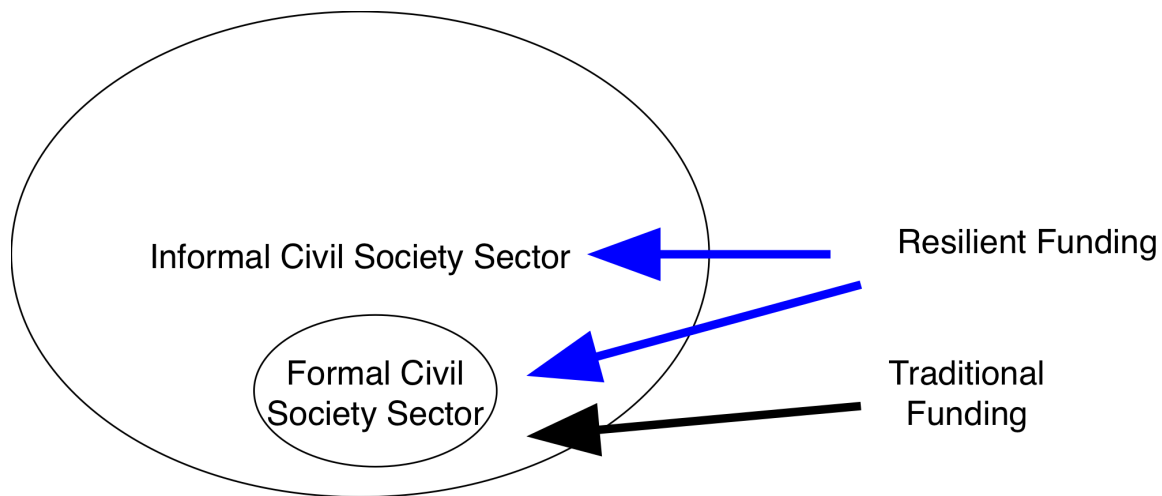
Engaging the Public and For-Profit Sectors

Expanding the scope for social action to include these other forms of organizations allows funders to diversify the avenues for addressing social issues. There are a number of ways to do that that are already well developed, while others require more experimentation and creativity.

There are sympathetic government departments that are eligible for support, and in many countries it is becoming standard practice to support the transport, expenses, and even time of government staff to support civil society or nascent business activity. In advocacy campaigns this type of support to sympathetic policy makers can support their struggles with other colleagues pursuing less desirable policies. Support for environmental departments in the Amazonian states of Brazil has stimulated a new government infrastructure that is working

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[11] See for example A. Scott DuPree, *Withholding Political Authority: Civil Society and People's Power in Zimbabwe*, A Dissertation Presented to the Faculty of the Josef Korbel School Of International Studies, University of Denver, August 2012.

directly with civic and Indigenous groups as important partners in developing environmental policies. It is important to note that without this capacity of citizens to organize and act, these state agencies do not have the same political capital to protect their own mandate from predation by other government departments or the fickleness of national priorities.

The private sector can be mobilized as well. The Impact Investing sector, for example, has found ways to remedy social problems through creating sustainable businesses that address social issues. Low interest mortgages and finance for agriculture and small businesses are addressing issues on a scale beyond what is possible with grants, and doing so with little or no involvement of NGOs. Corporate volunteer and giving programs can be platforms for engaging large numbers of people. One funder noted their efforts to engage corporations beyond the activities supported by grants:

> *"Organizing their volunteer efforts…would promote more active civic participation. This could also make a larger impact on society in general by forming the social conscience and involvement of the citizenry. This has been a very slow process in* [our country]*. Social engagement is negligible as are the donations coming from average citizens to common causes."*

Transforming Mainstream Activities

Building the skills and capacity of informal groups to speak for themselves and protect their rights to act and use local resources is still a key component. This was cited by many funders in this study.

Even within the mainstream activities of charity and education, funders can build social capacity. While funding mainstream programs, funders can support activities that build organizational skills of informal groups, as well as awareness of broader systemic issues behind the charitable issues they are working on. In this way funders work within the narrow space for action while providing opportunities for strengthening organizations and networks. Enabling participation in workshops and learning networks where issues of rights and justice are addressed, ensuring that marginalized populations are actively included in these fora, and linking groups together are all ways in which donors use their resources to meet objectives from within.

For example, in apartheid South Africa, the Social Change Assistant Trust could not support organizations to take down racist laws and structures but it could address the lack of information, voice, and support faced by black communities by supporting legal resource centers that strengthened the capacity of these communities to relate with the government, thus altering the power dynamics of the system. In the 1990s in Brazil, toy makers became aware that police and state agencies were punishing and even killing poor children. They addressed

the issue obliquely by forming the Abrinq Foundation, which mobilized dentists, doctors, and companies to adopt these children in the name of children's rights. Even the most restrictive environment is susceptible to strategic influence. Knowing how and where to influence the environment in which they work is an adaptive capacity that enables funding impact even in harsh conditions.

Finally, creating and defending *associative space* is important as an enabling element for civil society. Resilient funders should adopt support for places of gathering even when the outcome of this support is not clear. For example, the Catholic Church has a long history building the agency of poor communities through providing a space for discourse and to organize and plan. Schools and universities are clearly other venues that have the infrastructure to support the emergence and impact of groups.

A resilience lens shows that broadening support to include the vast domain of informal organizations greatly increases the diversity and flexibility of funding opportunities. Grants are more difficult to make, but many other interventions may in fact be easier – for example, action research, convenings, publications, and informal but well organized coalitions. Experience in many countries has shown that many of the most effective movements have not in fact benefitted directly from formal funding but have used whatever infrastructure was most available to them.

Keeping in mind this broader scope of organizations, funding multiple grantees working on the same issue in different ways can increase the chances that work will continue even if some organizations are incapacitated. Resilient funders often integrate a spectrum of approaches to a problem in the same grant, from direct service to system change to intentionally leverage this opportunity.

Again, using resilience characteristics can help think about how to broaden the scope for social action.

- **Flexibility** — funding strategies evolve; experimenting and innovating with partners and approaches.
- **Diversity and Redundancy —** strategies that work with a **diversity** of actors build adaptive capacity and **redundancy** by allowing for cross-over in functions among organizations.
- **Ability to Learn and Resourcefulness** — as conditions change, funders alter their strategies, learn about the needs of and work with different types of actors, and support those actors in different ways to achieve the funder's goals.

V.   Adaptive Environment – Conditions for Social Action

In India, a vibrant human rights network recently found itself on a funding blacklist. The political narrative characterized these organizations as anti-development, unpatriotic, and acting under foreign cultural influence. The network has vowed to fight on, underfunded but resourced by committed volunteers and activists.

While procedures and strategies are largely internal matters for funders, influencing the environment in which they are working can also increase adaptive capacity. Three systemic levers for improving the environment merit action by funders:

- **Narrative —** Consider how a narrative that is no longer working can be reframed in a way that it is relevant and urgent for the greater society.
- **Networks** — Ensure that the constituencies for an issue are mutually supportive and can address issues from several angles.
- **Legal framework** — Invest in both understanding the legal and political restrictions on civil society action and working with others to change repressive elements.

Narrative

Along with the increasing legal restrictions on civil society, there is a growing narrative in many countries that describes this work as unpatriotic, anti-development, and even terrorist. While welfare-oriented direct service work is rarely labeled this way, an increasing amount of civil society work on social issues is, whether infrastructure development, economic or agricultural development policy, or any public policy decisions that in the past have been up for public debate. "*There is no space for new answers*," lamented one Indian activist.

This narrative stands in stark contrast to the traditional **–** if rose-colored – lenses through which most people view the civil society sector as working in the public interest for the greater good. It is important for funders to resist this shifting framing and support efforts in the media, academia, private sector, and civil society sector to do so as well. Support for advocacy in all possible forms, improving public messaging around the sector, refraining from making claims which are not supportable, and taking a stand on the benefits of citizen action are all crucial for pushing back on increasing restrictions. At the same time, as civil society develops new forms, funders need to be open to supporting new narratives that move past the now-contested public good narrative.

At the national level, many local funders report that they are not making the case for civil society per se, but rather working to translate the issue into a more

accessible framing. One funder pointed out that for them *"parallel to the grantmaking program there is a second program* [to build a] *constituency for human rights. People cannot support you if they don't know what human rights are, and what the link between human rights and businesses is."* For other funders, this can be work on concrete issues like women's rights or education. In the case of Abrinq Foundation discussed above, an adoption program also served as a children's rights program by making the direct link of the welfare of children to the police and education policies that were part of the problem to begin with. This approach blurs the distinction between welfare interventions and larger systems change efforts. The role of civil society in working on these issues is then a means to an end.

Increased scrutiny of grants has also rendered some funders and grantees more innovative in making the case for civil society**.** For example, grants to civil society groups that use social media, music, or art have challenged the status quo in less threatening ways. Funders also report that efforts that reinforce the importance of rights and show the contribution of civil society to national income have been effective in changing views on the value of civil society.

> *"There is e*vidence and compelling arguments, especially from Kenya, on contributions to GDP of civil society and foreign funding. Groups in Nigeria have been successful in pushing back on a social media bill with strong arguments for free expression and the right to privacy. A dynamic community of young people who had been supported to talk about issues that mattered to them were immediately on it."*

> *"[We] and others began aligning with artists to push political messages. This tended to work…It's a new form of activism – grants to artists, musicians."*

However, countering negative narratives can be risky. For many, fear of drawing attention to themselves by taking leadership roles limits their initiative. One observer noted that there is *"reluctance on the part of NGOs to speak their minds….There is fear of greater scrutiny."* Many funders expressed their belief that current responses to negative narratives are insufficient. Given its importance, funders must find ways to counter these narratives in subtle or overt ways.

Networks

Fundamental to resilient systems are multiple connections to a variety of types of organizations. Networks among funders, among civil society organizations, and across social movements all create social infrastructure that can be mobilized to:

- Organize collective advocacy;
- Generate collective understanding of who is funding what and how, so there is a clearer picture of what parts of the sector are stressed and how;

- Create multiple paths to funding – direct to organizations, or indirect to intermediaries domestically or internationally;
- Mutual support when individual organizations are attacked or confronted;
- Create redundancy, so the loss of one funder or key grantee does not undermine the entire sector since many organizations of multiple forms are supported.

Networks provide access not only to best practices, information, and what works but they also allow groups to refine and strengthen a common narrative.

> *"We build local networks through capacity building workshops. For example, the networks working [in one region] are very strong in the area of conservation. We have a program for this – it takes about a fifth of our resources and capacity, but in fact, all of our programs are invested in this in one way or the other."*

Networks can take many forms, and some forms are better structured to increase resilience than others. Hub and spoke networks, in which all members are connected to a single hub, are the most vulnerable. We see hub and spoke networks in associative forms such as unions or industry groups that replicate a form of hierarchy in creating a representative voice. Hub and spoke networks are also replicated in many formal networks where the need for resources in the center often drive the work of staff and leadership. Taking out the hub (say by restricting funding or creating onerous legal hurdles to independent action) forces the whole network to collapse.[12]
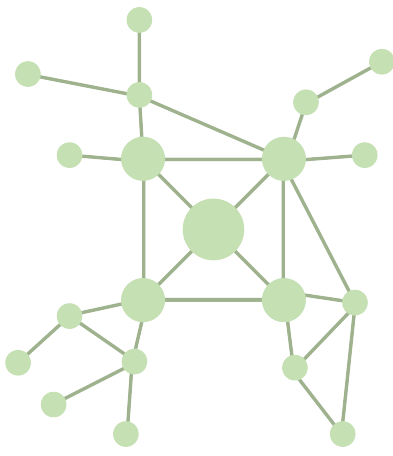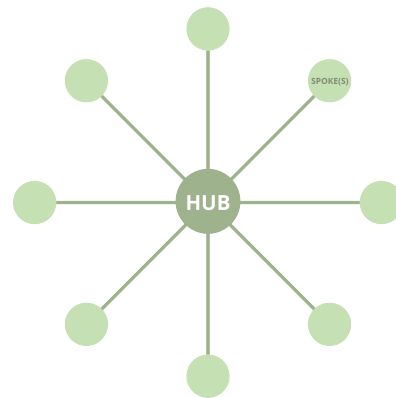
Networks with multiple, diverse connections are less efficient and harder to manage, but are the more likely to continue to function if some parts are blocked or even removed. Consequently, they are better insulated from the collapse of funding because regions of the network can innovate and access alternative funding more readily.

Membership matters too. Networks made up of homogeneous organization types will all be affected by shocks and stresses in a similar way. For example, networks of private US foundations will all

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[12] Note that Collective Impact efforts often expose themselves to this type of organization with their reliance on "backbone organizations." Any inhibition on the action of the backbone organization can stymie the entire movement.

be subject to similar restrictions when government rules on banking are tightened. In a network of public and private funders, NGOs, academics, and progressive businesses, each type of member will be affected a different way, providing more options for responding. Those organizations that are least affected can pick up the slack or provide support to their colleagues. Diverse networks are also more likely to generate new ideas since members think differently and tap into different sources of information.

The phenomenon of closing space has prompted a number of coalitions working to respond to it: Donor Working Group on Cross Border Philanthropy, Funders' Initiative for Civil Society, International Civic Forum, the Civic Charter, and The Global NPO Coalition on FATF are all examples. The rise of these collaborations suggests a resourcefulness to the sector that bodes well for adapting to current and future challenge.

Legal framework

The most obvious environmental factor for resilient social action is the set of laws and regulations that govern how organizations can legally operate. Advocacy by as many means as possible to maintain a supportive legal framework is clearly important. Since this is one of the main problems in the closing space, organizations know this already. Yet, despite that knowledge, discussions with civil society funders around the world reveal a reluctance to engage publicly on resisting increasing restriction, usually for fear of being targeted as a result. In these cases, networks can help, though they are no panacea.

Yet even in the most restrictive environments people find ways to manage. One observer noted that "*for every bureaucrat making a rule, there are a hundred people trying to find a way around it.*" When the apartheid-era South African government banned formally registered organizations and arrested their leaders, other leaders stepped up and created "civic associations" that organized citizens and carried on similar functions. When dozens of African countries proposed restrictive NGO legislation in the 1990s, civil society organizations came together to oppose them, together with Northern donor governments, and in most cases successfully defeated the measures.

In summary, funders can keep the social action environment as supportive as possible by maximizing adaptive capacity of the system through:

- **Flexibility** — Watch for opportunities for strategic interventions that improve the narrative, networks, and legal framework environments.
- **Diversity and Redundancy** — Work through networks to elevate a variety of voices, and support a wide variety of channels to push back on restrictions.

- **Ability to Learn and Resourcefulness** — Participate in advocacy, dialogues, and initiatives that provide the best learning on what is possible in the prevailing social environment.

VI. Conclusion

Through a resilience lens it becomes clearer that managing a changing system goes far beyond simply opposing legal restrictions. Adaptive capacity includes changing forms of organizations, forging new relationships, and finding new ways of working to continue essential functions.

Funders are very aware of the dramatic implications of the closing space for civil society taking place in many forms and ways around the world. When citizens are penalized for expressing their truths and acting for the improvement of their communities, it is not only a tragedy for the individuals who are losing their lives and livelihoods, it is a concern for all of us. Solving the problems and challenges we face around the globe becomes more difficult and harder to sustain.

Despite this, funders express a belief that civil society is up to the challenge. Civil society can and will adapt. It is the challenge of funders to continue to support civil society across an uneven terrain. We hope the insights and suggestions of this paper will provide some guidance to funders as they rise to these challenges.

VII.   References

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