

# Social impact corner

## Gates Strategy Officer on the evolving philanthropic space

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Deloitte caught up with Gates Strategy Officer **Skye Gilbert** to talk about the growing role of business in philanthropy and the importance of balancing the drive for metrics with a focus on deep and rich contextual understanding.

**Much has been written about the difference between philanthropy and charity—where do you see the most significant differences between the two? And do you consider them to be important differences?**



On the difference between philanthropy and charity, the most elegant statement I've heard is, "Charity is the act of providing fish to a hungry man; philanthropy is the act of teaching that man how to fish." Both charity and philanthropy have a critical role to play in the development space, and are most effective when they happen together. Charity alone creates dependency which, over time, can become disempowering rather than helpful. If someone is giving you a fish every day, there's a danger that you'll start to believe either that you aren't capable of learning how to fish, or that you deserve the fish that you are given and never need to learn to fish.

I don't often come across articles talking about the danger of philanthropy by itself, but it's no accident that effective philanthropic interventions are difficult to scale. Atul Gawande's *Slow Ideas*<sup>1</sup> notes that anesthesia spread in years while sterilization took decades; though the latter saved far more lives, the former alleviated human suffering. If there was a way to bundle sterilization and anesthesia, think of how much faster sterilization would have spread and how

many more lives could have been saved. If you fed people before teaching them how to fish, think of how much easier it would be for them to learn.

Knowing the conceptual difference between philanthropy and charity is critical, to ensure that you have the right mix of both when trying to help a population in need. Understanding a beneficiary's state of mind, and alleviating acute suffering, are important charitable contributions to more ambitious philanthropic aims.

**What role are businesses playing in the evolving philanthropic space—and where do you think their role is most valuable?**

I am excited by the many creative ways businesses are engaging in the philanthropic sector. A growing cohort of social entrepreneurs, with

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philanthropic missions and profitable unit economics, has been challenging the status quo in both the start-up and philanthropic spaces. Scale continues to be a challenge, but by moving toward a self-sustaining model, these businesses are doing two powerful things: increasing the amount of global capital that is allocated to philanthropic mission-based work, and in some cases, changing the beneficiary relationship to one where the beneficiary is also a paying customer. As a paying customer, the beneficiary has more influence on the business that is trying to benefit her, and that's a good thing. Traditional businesses are also increasingly involved. As growth opportunities dwindle in established

markets, I am seeing renewed effort to create value for increasingly remote, low-income populations. Established companies are uniquely positioned to solve some of the most intractable problems in philanthropy. They often have larger, more diverse R&D units, and as long as their portfolio is sufficiently diversified, they can tolerate longer timelines to profitability for specific projects.

But perhaps the most powerful, game-changing moment will be when increasing numbers of large businesses embrace the "do no harm" tenet, even if it conflicts with their bottom line. This is already a major theme in some countries and businesses, but in my work I continue to see factory pollution making fields impossible to farm, junior staff only receiving a portion of the income they are getting on paper (the rest being skimmed by middle management), or a child growing sick after touching a needle that a hospital disposed of improperly. Leaders could ask hard questions about their operations more systematically, and pro-actively manage the negative externalities that disproportionately affect marginalized communities.

**As different players in the philanthropic space come under increased pressure to demonstrate the impact of the work they are doing, we are seeing a greater move toward, and demand for, "strategic" philanthropy, metrics and KPIs. How critical do you think this measurement aspect is? What are some of the benefits, but also the dangers, of this approach?**

Strategic philanthropy, metrics and KPIs are all attempting to address a very real problem—the lack of visibility into why many philanthropic initiatives don't achieve their goals. I'm heartened by the appetite for visibility and the interest in improving approaches to philanthropy. I'm also worried that the industry is rushing to solutions without spending enough time understanding the problem. The concern about "ineffective philanthropy" has created an environment

where people only want to spend where the impact is clear. It's very difficult to articulate the impact of exploratory ethnographic and anthropological research, and this can be a costly endeavor. But if you cut it entirely, you risk not knowing the true root cause of a problem, nor, and this is even more dangerous, the complex system in which that problem resides. Take the infamous *PlayPump*<sup>2</sup> example. The project provided African villages with a merry-go-round that pumped water into a village tank when children played on it, improving access to water in regions with shortages. PlayPump created a lot of excitement and generated significant donor funding, but never took time to learn why water shortages existed, whether children would play enough on the merry-go-round, and whether villagers preferred this or a regular pump or another solution. More strategy, metrics and KPIs would not have helped make this product a success, but more investigation into the issues might have.

I want philanthropy to be more strategic, use better metrics and define clear KPIs. But it needs to be based on a deep, foundational knowledge of the problem. Without that, we risk setting policies and incentives that encourage unproductive behavior and stifle adaptive problem-solving. ●



**Skye Gilbert**

**Profession:** Strategy Officer, Gates Foundation (on assignment to Logistimo)

**Interests:** mountaineering, reading, writing

**Greatest influence:** my high school economics teacher, who changed the course of my life

1. <http://www.newyorker.com/magazine/2013/07/29/slow-ideas>  
 2. [http://www.huffingtonpost.com/entry/the-next-big-thing-is-a-s\\_b\\_7178652.html?section=india](http://www.huffingtonpost.com/entry/the-next-big-thing-is-a-s_b_7178652.html?section=india)