

# One Step Removed:

## *The U.S. Nonprofit Sector and the World*

by Geoff Mulgan

**L**IKE MANY OUTSIDE THE UNITED STATES, I often look on America with a mix of admiration and frustration. During much of the past century, the United States has led the world in social improvement and innovation, and it has been extraordinarily generous with its financial and intellectual resources. It remains in a league of its own as a giver.

But over the past few years, the country's insularity and parochialism, which have sometimes infiltrated the higher reaches of government, have also sometimes extended into civil society and philanthropy.

At a time when the rest of the world wants the United States to rejoin it as an active partner and collaborator on issues as varied as climate change and global inequality, this article suggests some attitude shifts that may help.

The perspective I bring comes from several years of experience in the British government, often collaborating closely with senior politicians and officials in the United States and elsewhere. In

these roles, I became an ardent multilateralist. Cooperating with others can be difficult and frustrating. But it's the only way to manage a complex world full of divergent perspectives.

More recently I moved into a leadership role at the Young Foundation in the United Kingdom, an organization with a long history of social entrepreneurship that dates back to the 1960s and 1970s. Long before social entrepreneurship became fashionable, the organization's founder, Michael Young, was often described as the world's most successful social entrepreneur and a pioneer in involving users in services design (ideas that have steadily become mainstream). But the Young Foundation's central activity was social innovation: designing and launching novel solutions to pressing social needs, from open universities to language translation services and extended schools to patient-led health care.

During the mid-2000s, when we relaunched the Young Foundation, our first priority was to identify the global institutions and leaders that do the best work in the field. In the past, many of Young's ideas were adapted from those of the United States, and many of Young's projects had been supported by U.S. foundations, such as the Ford Foundation, so the United States was a first port of call. We found no shortage of innovative projects and no lack of

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dynamic energy in social movements and community organizing of all kinds.

But to our surprise, in the area of bringing ideas from conception to action, we found little serious analysis of what works and what doesn't. There was plenty of innovation in technology but little attention to how profound social change happens. There were many supports for social entrepreneurship; but with honorable exceptions, most of them involved celebratory public relations efforts rather than hard-nosed lesson learning, and most of the leading institutions seemed stuck in a model that was all about individual heroes and anecdotes rather than systemic change.

We also asked what serious programs of innovation in areas such as childhood development, aging, and ecological behavior change would look like—and particularly if these programs had resources equivalent to those invested in IT or pharmaceuticals. Again, however, the answers were disappointingly thin: civil society seemed to have lost the ambition even to think in such terms. Foundations were primarily engaged in lots of small-scale projects, and government simply had no interest.

The United States remains a world leader in thinking about social change, even if its performance on many social indicators is poor by comparison with other developed countries. But our research on social innovation showed that its predominance is far less marked than it was a generation ago. In many fields, countries such as Brazil, Bangladesh, China, Korea, Portugal, and Finland are now at the leading edge. Over the past decade, in terms of policies to support social enterprise and innovation, several countries have overtaken the United States and have introduced new funding tools, legal forms, commissioning models, and models of incubation. Other countries now lead the way in thinking about systematic innovation to tackle entrenched social problems, from school dropouts to youth crime, and how to mobilize the resources not just of non-

governmental organizations (NGOs) but also of governments and business.

In our own work, we were determined to think globally. And so, with a group of partners, we created a global network of organizations—known as the Social Innovation Exchange—that has hosted events all over the world and shared emerging ideas and practices in social innovation ([www.socialinnovationexchange.org](http://www.socialinnovationexchange.org)).

We also began an ongoing survey of the field, interrogating the knowledge and methods of diverse sectors—from public policy to social entrepreneurship, from design to technology, and from business to NGOs—and we've just published a collection of some 300 methods from around the world that will become an online collaborative toolkit.

More than a few of these methods originated in the United States, particularly in fields such as open-source technology and venture philanthropy. But today, all sectors in all parts of the world can offer important lessons to those concerned with social impact and social change.

Our experience suggests three larger lessons that may be relevant to the future vitality of U.S. NGOs and to the future impact of U.S. foundations.

The first is that the United States risks increasing insularity when it most needs to look outward. Once upon a time, Britain believed that if fog appeared over the English Channel, the world was cut off. But slowly, in the wake of empire, we've had to learn to become less arrogant, and we've learned to learn. Over the past decade, we've imported participatory budgeting models from Brazil, microcredit models from Bangladesh, schooling ideas from Denmark, public-health methods from Finland, and banking ideas from Africa. It's not yet fully part of our DNA, but this global outlook has increasingly become the standard.

The same is true elsewhere. These days, I spend a lot of time in China. I've observed that when China faces a new challenge, its first response now is to scour the world for good ideas from which to

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borrow. In the United States, by contrast, this sort of mindset has become rare. Europe sits somewhere in between. But over the decades ahead, I have no doubt which mentality will ultimately prove most useful.

The second big message is that the rest of the world views the United States as weak in the area of working across sector boundaries—and again, this perception comes at a time when it may matter more than ever. Our research on innovation shows that the most important ideas move across and between the informal world of the household, grants, public agencies, and markets and that much of the most dynamic innovation happens on the borders of sectors. Grasping these interconnections is key to serious social change. We've tried to reflect that in our own work, and the Young Foundation has a history of creating not only NGOs but also public organizations (such as the Open University and Studio Schools) and for-profits (such as Language Line and the School of Everything). Working across these boundaries is rarely easy. But the United States is one of the countries that finds the task more difficult than it should be. As a result, for example, much of the discussion about social entrepreneurship happens as if the public sector didn't exist, and much of the discussion of business, and of public policy, happens with no reference to social movements.

The third message is that while the United States has done more than any other nation to create networks, it isn't as good as it could be at networking. Social innovators have to be canny at linking disparate networks not only to gain knowledge but also to mobilize resources and power. This is true at a micro level, where many of our projects now involve building up formal and informal networks of support for individuals in need. And it's also true at a macro level. Some U.S.-based initiatives—such as Wikipedia and Mozilla—are among the world's best exemplars of collaborative networking. But I've been struck by the observation that some of the more official

networks in civil society ignore the lessons by being too tightly controlled, too obsessively branded, too concerned with intellectual property, too siloed, and too insular—and unable to handle any language other than English. When less expensive and more collaborative networks could have achieved so much more, millions of dollars were wasted. Indeed, an old hand at one of the major U.S. foundations told me that U.S. initiatives today are more inward-looking than a generation ago and less comfortable collaborating with foreigners (even though spending overseas has risen) and that the newer West Coast-based foundations are, if anything, even more parochial and ill at ease outside their own culture.

The United States has extraordinary strengths. It has many of the world's leading universities, by far the richest foundations, and some of the world's few truly global NGOs. Some of these organizations act with huge sophistication and a genuine spirit of partnership. But as Shakespeare wrote, it's marvelous to have a giant's strength, but it's not marvelous to use that strength like a giant. In the current era, all institutions with power have had to learn that lesson—and what power looks like to those who have none.

We desperately want the United States to rejoin the world—not just in its politics but in its civil society. We want the United States to lead rather than lag on issues such as climate change. And we want to see the United States become as effective at social innovation on issues like childhood development and public health as it has been at innovation in computing and biotechnology. But for the United States to retrieve its former preeminence in these areas, civil society—like government—may need to learn new habits and adopt a mindset that at its heart values engagement with the world.

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