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Keywords

Social capital, Teaching philanthropy

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Abstract

The SOTL project was based on the goal of developing learning tools that would help students think and act outside the narrow circles of relatives and friends and develop the potential for broader associations through participating in nonprofit organizations and philanthropy. This was done by having students work in groups to invent a charitable organization based on specific local needs during the course, and by having them reflect on the learning gained through the project work. By the end of the term, as indicated by the group projects, reflective essays and two surveys, the vast majority of the students have progressed considerably towards a better understanding of philanthropy, nonprofit sector, and the importance of social capital. Their perspective on the society has also changed: they have been constantly expressing their willingness to either become philanthropists or be involved with nonprofit sector and voluntary work. Thinking of philanthropy in terms of social entrepreneurship, long-term sustainable social investments and cost-benefit analysis of effective projects has led to the growth of engagement and to the growth of interest in working on project teams. Helping students connect the notions of personal success and career fulfillment with the ideas of social entrepreneurship via philanthropy has encouraged their motivation. The necessity to develop projects in a certain socio-economic setting and the requirement to make their projects transform a crisis-stricken city into a better place to live have promoted their engagement as team members. The most engaging elements of team work were discussion, open communication and brainstorming.

Introduction

The research was carried out at School of Public Administration, Moscow State University (Russia), in a Nonprofit and Philanthropy Management Class. The teaching process has been based on the goal of developing learning tools that would help students think and act outside the narrow circles of relatives and friends and develop the potential for broader associations, public participation and working for public benefit through participating in nonprofit organizations and philanthropy, (that is, by constructing social capital). This was done by having students work in groups to invent a charitable organization based on specific local needs during the course, and by having them reflect on the learning gained through the project work. Combining the issues of philanthropy and nonprofit management in one class seemed only natural and helpful for obtaining the goals of the course. Nonprofit and charitable organizations (the third sector) can be seen as the best possible tools to develop networks of ties and connections that bond people together and bridge the gaps between social classes, different races, ethnicities and confessions and thus help increase social capital. Those ties based on joint participation in philanthropic activities and social work take people out of their small inner social circles and extend their access to other people who share values with them.

The nonprofit sector is often defined as the third sector in reference to the public and private sectors. The definition also refers to the visibility of borders, demarcating the nonprofit sector from public sector and private enterprise; these borders, however, tend to become less visible and sometimes can be hardly drawn in the modern world.

One of the most important educational goals of the class was to teach students about philanthropy in the 21st century as a form of social investment and innovative social entrepreneurship. One of the definitions of social entrepreneurship views this contemporary phenomenon as “the voluntary and not-for-profit sector adopting more entrepreneurial approaches” (Nicholls, 2008, p. 12). The notion of the third sector in a modern society being dynamic and innovative should appeal better to students of nonprofit management in countries with transitional economies and societies like Russia, where people are currently alienated, atomized and tending to focus on their individual success rather than on social issues and the needs of their communities. The first claim of this study is that when students come to understand modern philanthropy as a part of the entrepreneurial world and entrepreneurial behavior, it promotes their engagement and encourages motivation.

The other claim of this study is that the new, more attractive and innovative image of the third sector and philanthropy helps students learn about civil society, social involvement and voluntary action; it also develops their philanthropic thinking. One of the most important indicators of a better developed philanthropic thinking would be developing a notion of charitable giving as social investment aimed at achieving sustainable social change.

It can also be claimed that the growth of connectivity of ideas related to social capital can be stimulated by the increase of engagement due to the necessity to act and think in terms of project management, which is the mode of acting well known to students from previously taken classes on corporate management; Working on small group projects in a team appears to be one of the best tools of enhancing this type of thinking.

The last claim is the following: collaborating on project teams, brainstorming and discussing the best ways to start a charitable organization in small groups helps construct social capital and encourages students to think in the terms of public good and benefit to the society.

Methods

Data Gathering Strategies and Methods of Data Analysis

As McKinney has pointed out in her book, “Enhancing Learning Through the Scholarship of Teaching and Learning: The Challenges and Joys of Juggling”, there is a range of possible research strategies and methodologies that have been and can be used for SoTL work (McKinney, 2007, p. 71). Qualitative work generally uses a naturalistic and interpretative strategy (McKinney, 2007, p.68). Skerratt has correctly noted that, as opposed to quantitative approach, which helps answer the “how many”, “what” and “when” questions, the qualitative method allows the researcher to find answer to the “why” questions (Skerratt, 2008, p. 100). Since this research concerns the issue of the project group work’s influence on students’ perspective on philanthropy and their willingness to establish societal ties and develop social capital as the main research question, it was important to follow predominantly the qualitative approach. It was important to discern, why students are interacting or not interacting in certain settings, why they have chosen different approaches to get involved in philanthropy, why they have selected specific types of philanthropic organizations and ruled out the alternatives, why they have chosen certain audiences as aid recipients and excluded others, what categories of donors they would have preferred to approach and why.

It has to be noted, that in the qualitative research methods data are not seen as “existing”; instead qualitative researchers have to construct data through their investigations (Skerratt, 2008, p. 101). This is being done with the help of the questions we ask, the way we challenge students with assignments and additional pre-requisites we create for them when they embark on the small project work. Constructing data for

qualitative research means that we make a judgment on what data we believe would be relevant or irrelevant, and which data may support the researcher's claim and how. Within the qualitative aspect of content analysis it's important to find the "primary" themes most of the surveyed audience is talking about. Castles mentions several levels of importance with regard to identifying and analyzing the primary discursive themes, naming the factor mentioned by all surveyed (interviewed), either negatively, or positively, the "first level of importance" (Castles, 2004, p. 176). I agree with Skerratt who argues, that in a qualitative research it is necessary to show and analyze (Skerratt, 2008, p. 108):

- Themes mentioned by the majority
- Areas of consensus within themes and sub-themes
- The range and diversity of responses

In this paper, students' texts and discourses will be analyzed following the above-mentioned approach.

Small group projects were chosen as the key elements of the pedagogical approach in the class and a key subject for this SOTL inquiry. The class was split up into several project teams, each consisting of 5-7 students. The students were requested to "invent" a nonprofit entity that would fall into one of the two major categories: to be either a public benefit organization (PBO, i.e. serving wider constituencies of beneficiaries) or a mutual benefit organization (MBO, serving only a narrow circle of its members and people involved with the organization). Each project team was to write a mission-statement, describe the goals of the organization and its major stakeholders, develop appropriate fundraising tools and their organization's budget, and write a profile of the recipients of resources their organizations will be providing for. The students were asked to design their organizations in a way that would be most effective for serving a specific local community.

The main research question was:

How does the process of developing a group project on "inventing" a philanthropic NGO influence students' perspective on society and their willingness to participate in philanthropic activities?

So the research question was focused on whether and how each of the above-mentioned elements of the project (type of organization, mission statement, etc.) reflect the change of students' perceptions of philanthropy, social capital and civil society.

The students were provided with a certain hypothetical economic and social setting they had to fit their philanthropic organization in. Each of the class's six project groups were asked to "start" a philanthropic organization in a typical Russian medium-size, crisis-stricken industrial city (*not* in the capital cities of Moscow or Saint Petersburg!) with a population of about 700,000 people, bearing the economic legacy of the Soviet-era obsolete industrial structure, with high unemployment rate, growing violent crime rate, relatively high levels of alcoholism and drug addiction, especially among young people.

To generate complimentary qualitative data, two surveys were also included in the research – one in the beginning of the course, and the second one – in the end of it, and a final reflective essay. In the first survey, students were asked to give definitions of a nonprofit organization and philanthropy. They were also asked, if they have worked in a philanthropic foundation, to name 5 groups of funds recipients (beneficiaries of the foundation) in the order of their preference. By asking such questions it was possible to examine the students' vision of the link between philanthropy and most pressing social

needs as well as with the goals of modernizing Russia. For instance, helping homeless children would be an honorable cause reflecting the intention to cure one of the most painful social problems, while providing funds for an institution of higher education might assist the creation of the innovative "knowledge economy".

In the second survey, in order to provide data on the presumed growth of their knowledge and engagement, the students were asked to give definitions of fundraising and social capital; they were also requested to provide an extended description of how project management in a philanthropic organization differs from the one in a commercial company. By asking the students to provide a definition of social capital in the end of the course, I was intending to examine approaches and discourses used and make conclusions about patterns of thought and behavior regarding their willingness to associate for public benefit after they had taken my class, i.e. their willingness to construct social capital.

The reflective essay had been selected as an important source of data on an individual perspective of each student's progress in learning about social capital, philanthropy and civil society. Students were provided with the following prompt for the reflective essay:

After having been involved in a group project, compare the way you've been thinking about philanthropy and civil society before and after your work on the project team. Describe the process of interaction and team-building in your group. What was your most positive experience? What kind of problems have you encountered while working on the project? What was the hardest thing for you during your work? Which element of group work has influenced your understanding of philanthropy most and least? How will you view philanthropy (or participate in charitable giving) in the future (if at all)?

The Conceptual Background: Why Learning About Social Capital Is Important?

The classical definition of social capital, as provided by Robert Putnam, stresses such aspects as connections and trust: "... connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them" (Putnam, 2000, p. 19). The issues of social capital, its nature, its impact on human lives, the importance of people's networks for economic growth and political and socio-cultural modernization have been widely discussed across social sciences in recent years. Currently most scholars agree that the contemporary significance of the term "social capital" derives from the 1980s and 1990s and is mainly associated with the works of the three most prominent figures: Pierre Bourdieu, James Coleman and Robert Putnam (Field, 2008, p. 15). In brief, Bourdieu shares with Marxism a concern with questions of unequal access to resources, influence and power; Coleman takes as his starting point the rational choice theory: the idea of individuals acting rationally in pursuit of their own interests; Putnam has developed the idea of association and civic activity as a basis of social integration and well-being (Field, 2008, p. 15).

Recent scholarship suggests, that the key idea of social capital is that social networks and social cohesiveness are no less important, if not to say absolutely crucial, for a modern society, than human or financial capitals. As Putnam has pointed out, "... the core idea of social capital theory is that social networks have value... social contacts affect the productivity of individuals and groups" (Putnam, 2000, p. 18-19). Coleman and Putnam were as one in defining trust as a key component of social capital (Field, 2008, p. 70). Therefore social capital has a dual significance: it's crucial for both the economic performance, especially in a modern economy, based on information and knowledge, and for the flourishing civil society, the basis of democracy. Different in nature from either human or financial capital, social capital builds trust and willingness to associate through creating participatory enthusiasm for public life and social

involvement. Learning about the role of social capital might help find ways to construct it and thus improve society's sustainability.

Philanthropic Thinking and Practices of Giving as Constructors of Social Capital

Given the role of social capital in building civil society and democracy, it is important to define the place of philanthropy in that process and, in general, to investigate how philanthropy relates to social capital. Nonprofit, charitable and voluntary action is absolutely central to democracy because it stimulates not just civic engagement, but promotes political participation as well. Local philanthropic and other types of nonprofits contribute to community civic cohesiveness, social solidarity, trust and confidence in the society – to what is called “social capital”.

Our understanding of philanthropy cannot be limited to viewing it as just a financial institution. The very act of charitable giving can be defined as a very important form of societal activity which, on the one hand, derives from social capital (people donate to whom they trust; they donate because they are socially involved and think that their contribution can make impact), and on the other – it contributes to the formation of social capital and democracy. As a leading contemporary scholar of philanthropy Peter Frumkin puts it, “Philanthropy involves a process that draws individuals into the public sphere and invites them into new experiences and worlds” (*Frumkin, 2006 p. 375*). Throughout the world, philanthropy is seen as important means of strengthening democracy, developing civil society and consolidating social capital. The development of social capital influences the level of philanthropic activity, and, conversely, charity work increases the social capital and strengthens society. The stronger and more independent and active civil society is, the better developed philanthropy is; conversely, participation in charity work strengthens civil society and democracy.

In a modern world we are witnessing a tremendous growth of the third (nonprofit and philanthropic) sector both in the number of organizations and in the volume of monetary and physical resources those organizations work with. Robert Payton and Michael Moody stress that “philanthropy is in the midst of a growth spurt, both in the United States and around the globe. In the United States, the number of nonprofit organizations continues to increase, and there has been a surge in the number of private foundations” (*Payton, 2008, p. 7*). These authors define philanthropy as “voluntary action for public good” (*Payton, 2008, p.28*), assuming that charitable giving manifests itself primarily in action, not simply in purpose or intention. Another modern definition of philanthropy puts emphasis on the issue of social impact philanthropic giving might have and on the problem of the sustainability of that impact. As defined by Lisa Dietlin, philanthropy is “the active effort to promote the human welfare; it is usually focused on the long term and allows sustainable change to occur” (*Dietlin, 2010, p. 310*). This approach brings along the term “transformational philanthropy”. According to Dietlin, transformational philanthropy is charitable work that transforms both the giver and the receiver of the donation (*Dietlin, 2010, p. 36*). This approach might be applied to the social capital theory in a way that people who donate to charitable causes and think in philanthropic terms, are the constructors of social capital. If we look at philanthropy that way, we can discuss an important pedagogical goal, which is teaching social capital development via practical involvement in philanthropy, and also making philanthropy an important part of an individual's thinking about his contribution to the society.

Another educational implication deals with students' motivations to learn, and this is especially relevant for Russia, and, as it could be assumed, for other transitional countries, striving to get rid of the legacy of communist regimes and all the socio-cultural and societal deformities those regimes had caused. People in post-communist societies are generally less tending to think about the society's welfare and public good.

They are eager to learn about business practices, while nonprofit, voluntary and philanthropic activities remain at the remote periphery of what people might think of their future. For a vast majority of young generation, personal success means personal wealth, while philanthropy is associated with "giving away" small amounts to help the most disadvantaged. Very few people see philanthropy as an exciting venture, which requires a lot of creativity, entrepreneurial spirit and which might bring along the feeling of personal success and fulfillment.

However many contemporary scholars emphasize the increasing blurring of boundaries between the sectors, which has led, among other important consequences, to the emergence of the social entrepreneurship concept. Although they sometimes compete, the three sectors throughout the world are going through the process of rapidly growing interaction and cooperation. Social entrepreneurs, as Alex Nicholls puts it, "engage simultaneously with government, philanthropic institutions, the voluntary sector, and banks, as well as the commercial market to secure funding and other support where necessary. Similarly, social entrepreneurs will often exploit a range of organizational forms – often-unique hybrids – from the charity to not-for-profit to commercial venture to maximize social value creation" (Nicholls, 2008. p. 10-11).

Teaching Russian students about philanthropy and social capital is also about helping them learn that those concepts are not alien to the Russian culture and tradition; on the contrary, charitable giving was profoundly rooted in the pre-communist Russian history and has a deep grounding in the Russian thought. It is crucial to have students acquainted with the deeds of the outstanding Russian philanthropists of the late 19th – early 20th centuries – the Tretyakovs, Morozovs, Mamontovs. In order to encourage students' motivation to learn about philanthropy, given the interest of many students to the Russian cultural heritage, is important that they know, for example, what a renowned Russian philosopher and priest, the Orthodox Archbishop of San Francisco Ioann (Prince Dmitry Shakhovskoy) was writing about the concept of giving in his famous essay "For Mercy Over the World": "God wants his miracle, the compassion of one person for another. Here is the power of the higher life. True charity is always simple and active. It is the will, ready for any labor; the heart, consenting to endure any grief for love.

"True charity is businesslike. It unites heaven and earth, and helps not only in feelings and intentions, but – now here, on this dry and dusty land between Jerusalem and Jericho" (*The Small Sin Apocalypse*, 2010).

Learning about philanthropy is to a large extent learning about values and responsibility towards the society. It is important to note, that the ethics of SOTL is strongly grounded not just in educational research, but in the vision of a better world, transformed by the quality of learning. Lee S. Shulman has correctly noted that "...teaching is an intentional, designed act undertaken to influence the minds of others, and to change the world in an intensely intimate, socially responsible manner (Shulman, 2002, p. v). The concept of SOTL is also the concept of moral action, aimed at cultural change (Shulman, 2002, p. vii).

Evidence and Interpretation

Claim 1. Understanding modern philanthropy as part of entrepreneurial world and entrepreneurial behavior promotes students' engagement and encourages motivation.

The students were surveyed during the very first class in order to evaluate their knowledge about nonprofit sector and philanthropy. In general, the class's knowledge at the start of the semester was very limited and superficial. In the beginning of the

course virtually no one has ever associated the third sector with the ideas of entrepreneurship, competition and innovation, cost-benefit analysis, effective investment, etc. This is how student G. describes the process of learning: *"I have to confess that before being involved in our group project I was very distant from philanthropy at all. I just knew that it was a way of helping others in need. But the classes of "Nonprofit Management and Philanthropy" and during preparing our group project I got acquainted with the process of creating a charity fund, communicating with the donors, developing a budget and other details. That was really interesting and informative"*.

Student A. also ponders on her own early ideas of philanthropy: *"Before [taking] the class the expression "nonprofit management and philanthropy" was kind of enigma to me. I had identified philanthropy or charity as an activity which is a whim of very rich people. They do it because charity is a fashion of the last decades. Maybe this opinion was formed by incomplete single sided media coverage. Or maybe the reason here is Russian mentality, I don't know. But I am really glad that the team work on the class this semester has changed my point of view"*. She also insists she *"was strongly influenced by the projects of my colleagues"*. What specifically has student A. learned from working on the project? She claims that the biggest element of her new knowledge is about *"people who work in nonprofit sector, a big group of people who care"*. After working on the project team she also thinks that *"nonprofits form social capital, attracting society's attention to its problems"*.

Student B. talks about the process of himself building knowledge and understanding the following way: *"When I started my studying of "Nonprofit management and Philanthropy" class my knowledge was quite limited. I used to think that nonprofit organizations were the organizations, whose activities were only dedicated to charity. It was a mystery to me why people created such kind of organizations and who made them do it. At first, high levels of social responsibility of people involved in this activity came to my mind as an explanation. But of course, economic motives couldn't be eliminated and my studying in the new class helped me make the situation clear"*. Connecting social responsibility with economic behavior, including the issue of making rational economic choices, could be easily traced in many reflective essays. Philanthropy and public good do not contradict entrepreneurial innovation; on the contrary they might be seen as two sides of one coin– this discovery made fairly early in class helped students better understand all the other aspects of charity and social capital.

Getting to know about the important role of the third sector and philanthropy in a modern society has led to the growth of interest in the topic and the increasing motivation. Student P.: *"... I suddenly realized that I had no information about nonprofit management at all. Of course, it was partly my fault (I wasn't interested in that sphere and, besides, had no time for learning it), but we had no subject on the theme. So, nonprofit management led me to my own little discovery of nonprofit sector"*.

Having known about students' excitement, sometimes almost obsession with the idea of entrepreneurial success, the emphasis in classroom lectures has been made on the ideas of innovative social entrepreneurship, strategic and venture philanthropy, on the idea of the necessity to think and act in an innovative way in the nonprofit and charity world. It has been explained to the students, that being involved with philanthropic ventures might be a lot of fun, excitement, and at the same time it could be very rewarding in many ways. Having started to work on their group projects, students were requested to research the experience of creating and developing successful philanthropic ventures in Russia and around the globe. The reflective essays, submitted in the end of the semester, have demonstrated the process of them connecting the issues of philanthropy with the ideas of social entrepreneurship. Most students have been mentioning that this connection was increasing their motivation to learn, as well as their willingness to be

somehow involved in nonprofit and philanthropic activities. This is how student F. describes the process of learning: *"As a matter of fact, before the class I underestimated the scope of nonprofit sector, considering it to be pretty small and not including the large and prominent projects [such] as IMF, Wikipedia etc., although it has always been clear that they belong to the nonprofit organizations. The problem was that I didn't view them as a part of one large sector, which operates under its own taxation and ideological rules".* In the end of his essay this student connects philanthropy and social capital: *"... philanthropy is not only about taxation issues for making business or about redistributing excess profits among needy, but also about using social trust and professional competences to create more trust among people and invest in the future social capital for the national and international community".*

Student D. has pondered on himself getting to know that the nonprofit world is the world of innovative social entrepreneurship aiming at achieving public good: *"I was always thinking that charity is just giving something to other people for free. Usually, we think that if we do something simple like presenting old clothes to the orphans, or giving them some unnecessary toys it means we are making non-commercial activity. Indeed, everything is much more difficult. Another mistake was that I always guessed that nonprofit sector never gets profit. Now I understand that successful philanthropy must be profitable... What else did I understand? Firstly, I couldn't even imagine how huge noncommercial companies can be and how enormous their wide range of activities [could be]. They can provide services all over the world. They can help people everywhere! It is really unbelievable. I caught myself that I would like to do the same".*

A lot of this transformation of thinking with regard to the third sector, as indicated by reflective essays, occurred due to the work on project teams. *"It was unusual and strange to create a non-commercial fund",* - writes student M. He continues: *"It seems to me that I managed to change my vision on many things. I never thought that business can be so flexible and philanthropic. It was cool to help people using my usual skills".* This quote indicates that group projects helped students combine their previous formidable theoretical knowledge of business administration with the ideas of social entrepreneurship in the area of philanthropy, which was a motivating factor for their learning. The teamwork on philanthropic projects, according to the reflective essays' analysis, was the most powerful tool of connectivity.

The most important aspect of successful learning, however, was helping students connect their newly-acquired understanding of philanthropy and nonprofits as an exciting, innovative and in many respects entrepreneurial venture with the idea of achieving public benefit. Simply learning about the world of nonprofits as "another form of business" was insufficient to reach the educational goals of the class and could have led to a noticeable misbalance in students' knowledge; the contemporary image of philanthropy should have been connected with the ideas of social capital's importance.

It was of primary importance to trace how students evaluated the role of social capital in society; attributing positive role to social capital and connecting it to civil society, nonprofit sector, public participation and charitable giving would have proven a substantial transformation of a student's mind-set with regard to the class's educational goals.

The surveys have provided data on the levels of social capital among students body in the beginning of the class and the students' understanding of the importance of social capital, and the willingness to develop it – in the end of the term. In order to evaluate the level of social capital in the first survey students were requested to rank the following groups according to whom they trust most:

- Nearest family members;

- Extended family members;
- Friends;
- Neighbors;
- Fellow students;
- Colleagues;
- Businessmen;
- Muscovites;
- Citizens of Russia;
- People from a philanthropic foundation.

The first six groups can be defined as a near circle of trust, with the first one being the nearest and then moving towards the margin. The remaining four groups are seen by me as a broad (external) circle of trust. The last group – people from a philanthropic foundation – being part of a broader circle at the same time connects the indicators of social capital with the issues of trust for philanthropy, civil society and the nonprofit sector.

The research of the degrees of trust towards near and remote social circles has proven the anticipated claim of a generally very low level of social capital. The overwhelming majority expressed trust for nearest and extended family, friends and fellow students, with friends being the second most trusted group after the nearest family members. The least trusted groups were citizens of Russia, Muscovites, businessmen and people from a philanthropic foundation. The first two of these represent the most remote social circle, and the low credibility students had for fellow citizens and Muscovites indicated a limited potential for social bonding and civic association (or constructing external, i.e. lying outside their families and jobs, social capital). Although people from a philanthropic foundation, according to the survey, were better trusted than Russian citizens or Muscovites, they were placed very low on the students' scale of trust. These results have proven a widely discussed problem among Russian scholars: low credibility Russians have for nonprofit organizations and people involved in philanthropic work.

However the research has revealed that by the end of the course the students have developed a fairly deep understanding of the idea of the usefulness of civic association and public participation for achieving the goals of society's welfare, modernization and sustainable development. As one of the students has put it, social capital *"is a key component to build and maintain democracy"*. The analysis has indicated that only few students were defining social capital in more neutral terms, while the majority used discourses that obviously used positive connotations. The majority have clearly seen and described the connection between social capital, civic participation and democracy, philanthropy and social welfare. As defined by student A., *"social capital is a sum of institutions, values, norms and other social brands which keeps society together and helps society to live and function; social networks that include people who help each other are a powerful asset"*. Student P. has emphasized that *"social capital is a mix of trust, care and people. The main aspects are citizenship, social networks, and civil participation"*. According to student's Z. understanding, *"social capital is the aggregate of actual or potential resources, which are possessed by social institute, relationships and social rules; a level of trust, care, responsibility and relationship between people"*. Many students have stressed that social capital *"develops from horizontal communications between people"* (student E). Most students have correctly stressed "trust" as the key element and evidence of social capital.

Claim 2. The new, more attractive and innovative image of the third sector and philanthropy helps students learn about civil society, social involvement and voluntary action; it also develops their philanthropic thinking. One of the most important indicators of a better developed

philanthropic thinking is the notion of charitable giving as a social investment aimed at achieving sustainable social change.

In the beginning of the course, as was indicated by the first survey, an overwhelming majority of the students were unaware not only of the social entrepreneurship concept, but of the related concept of social investment as well. For instance, in the first survey the request to define philanthropy encountered a lot of difficulties: firstly, it brought up a great variety of contradicting definitions, and secondly, revealed a lot of confusion and misunderstanding of the role of giving in a modern society. The most commonly provided definition, with variations, was *"voluntary action that includes different types of help to poor and indigent people"* (student Y.). The dominant concepts of philanthropy were *"help to unprotected groups of people who can't provide for themselves"* (student K.), *"helping weak people"* (student S.), *"unconditional helping the helpless people"* (student Z.), *"help, when funds are transferred to those people, regions or countries, who are suffering from... disasters, diseases, discrimination, etc."* (student S.), *"helping people who can't work in order to have a salary"* (student A.). "Help" was the key and most formative word, reflecting their mind-set regarding giving. Virtually nobody, with single exceptions, was talking about philanthropy as social investment, or social enterprise; as an action to promote public welfare in order to achieve sustainable social change (or, like one of the students put it, *"using capital to increase social welfare instead of increasing capital"*). Just two students have mentioned education, science, culture and healthcare as societal areas, targeted by charitable giving, in the context of philanthropy's definition.

A similar picture has emerged when the student named 5 groups of philanthropic funds' recipients in the order of their preference, as if they were supposed to distribute those funds. The most common preferences were orphanages, elderly people, nursing homes, war veterans, low-income people, homeless people, drug-addicts, sick children, etc. Environmental issues were mentioned only three times: one – ranking second, the other – ranking fourth, in the third case a specific organization – "Greenpeace" – was number one on the preference list of one of the students.

A very limited number of students mentioned education, science, culture and healthcare issues as possible beneficiaries of their philanthropic contribution, except healthcare for terminally ill, disabled, elderly and the poor. These preferences, as indicated by the students, followed the same pattern of viewing philanthropy as simply "help" to people, afflicted by huge social problems.

The situation has changed when students began working on the projects. The most striking evidence of students developing philanthropic thinking through learning about social investments was the group projects themselves. The following criteria of philanthropic thinking as manifested in group projects have been selected for analysis:

1. The type of organization "invented": PBO – deeper philanthropic thinking; MBO – less developed philanthropic thinking
2. Mission statement, whether it stresses the values of public good or not
3. Whether the project serves the purpose of achieving a visible social impact, improving the overall situation in the community and making it a better place to live (social investment versus "help"). In other words, a good philanthropic project should serve the goals of the community's sustainable development.
4. Willingness to network for better social effects with other organized public groups; developing the mechanisms of transparency and accountability not just to the organization's donors but to local residents; openness to the press.

The seven philanthropic organizations, “invented” by the project teams, were:

1. **“Gavrosh”**: a foundation, aiming at “providing shelter to homeless children; providing orphaned children with everything they need; stimulating adoption, providing communicative training to children”, etc.
2. **“Sport Foundation of Machine-builders”**: a foundation, whose main target group would be industrial workers (and their families), nevertheless open to serving other important constituencies as well. The organization would create football teams and tennis groups, build tennis courts, provide children with sports equipment, and popularize sports and healthy lifestyle.
3. **“The Best Friend for All”** foundation. The organization is intending to train guide dogs for vision impaired people, therapy dogs for children with special needs and assistance dogs for disabled people in order to “promote the availability of guide dogs, therapy and companion dogs to all people who need them”.
4. **“The Fund of Medical Help and Support”**, an organization whose main goal is to build a medical center “which specializes in industrial and occupational injuries and will provide medical help to the majority of workers in our town”. The organization also aims at “undertaking preventive measures to avoid injuries at all factories and enterprises of our town”.
5. **“Restoration and Development of the Abandoned Park”**: the organization aiming at carrying out work of land reclamation and implementation of park design. The major goal of the team was “providing quality cultural and leisure services to residents” in the park they’ve been intending to restore. The project also had an obvious environmental implication.
6. **“Healthy Future”**: an organization characterized by the team as a “cultural philanthropic foundation”. The mission of this NPO was “to propagandize the healthy way of life and to organize leisure of children and teenagers through physical training and sports”. The organization, according to its “founders”, “conducts actions which aim at making sports affordable and available to all young people and teenagers”. One of the team’s goals was fundraising in order to build large sports facility, open to every child in the city.
7. **“Rebirth of the Town”**: a foundation, intending to “teach young people healthy values of humility and integrity”. Aiming at introducing healthy lifestyles among children and teenagers, and thus decreasing crime rate in the city, this organization has selected fundraising for a new large school of martial arts as their major social project.

The analyses of the presentations, as well as project descriptions provided by the teams, point to a substantial growth of their in-depth understanding of the third sector and a philanthropic organization’s major purpose - to serve public good. As we might see, none of the organizations were “invented” as mutual benefit entities, designed to serve an elite circle of members and founders. On the contrary, all projects presented could be described as more or less public benefit endeavors, targeting broader constituencies and determined to assist everyone within fairly broad target audiences. By striking contrast with what the students had been thinking of philanthropy in the beginning of the term,

five of the seven projects (except projects 1 and 3) could be categorized as effective and long-term social investments rather than immediate "help to the needy". But even projects 1 and 3 (targeting the disadvantaged groups) have attempted to put philanthropic assistance into a strategic perspective of overall improvement of social situation in the city. What has also contrasted with the data provided by the first survey was the choice of social issues targeted by philanthropic effort: healthcare, sports and healthy life issues being the champions of students' choice, with one of the seven projects being centered on the issues of environment protection. The three healthy life and sports development projects stressed the goal of decreasing alcoholism, drug addiction and crime rates in the city; while providing high-quality medical assistance to industrial workers (the largest employment group in the city - project 4) can be also defined as strategic social investment.

Among major stakeholders all project teams named local authorities, business owners, citizens of the city. However all seven projects have been lacking any reference of attempting to organize public support for their projects, and to achieve better transparency and accountability through networking with organized public groups, some other third sector actors and through public relations effort.

Another disappointing result in terms of evaluating the maturity of philanthropic thinking was that only three of the seven mission statements have been apparently value-oriented ("Gavrosh", "Restoration and Development of the Abandoned Park", and "Rebirth of the Town"). The remaining four mission statements sounded exactly as if they were written for a business company.

So, we have seen a very obvious transformation of the students' vision of philanthropy and social capital. It has become more comprehensive, vivid, based on deeper theoretical knowledge, well connected to understanding of a modern society's patterns of development. Therefore we can talk about a growth of connectivity within the course. As the two surveys and the group projects have indicated, the students have eventually linked the issues of social capital, civic participation and philanthropy into one important multi-faceted problem. They have developed approaches to creating and implementing a sophisticated philanthropic project that would fit into the Russian economic and socio-cultural context.

Claim 3. The growth of connectivity accompanied by the increase of engagement occurred due to the necessity to act and think in terms of project management, well known to students from previously taken classes on corporate management. Working on small group projects in team appears to be one of the best tools of enhancing this type of thinking.

Students were requested to develop projects that would substantially transform social environment in the direction that would be beneficial for themselves and their families. And they had to achieve the desired positive social change in a most cost-benefit efficient way. By giving this assignment I was intending to have students learn the connection between managing an efficient philanthropic project and constructing social capital.

The second survey provided additional data on the building of knowledge and understanding of social capital, philanthropy and nonprofit activity in the end of the term. A vast majority have defined "fundraising" along the lines, offered by one of the students: "activity to collect money in order to support philanthropy" (student M.). In defining and describing the process of fundraising, most students have correctly stressed the social value of fundraising. What was even more important, very many have used the term which was absent from the first survey's results - "social projects". As one student has put it, "fundraising is an activity of attracting money for a real project with

realistic goals" (student S.). This new, project-oriented discourse about philanthropy has become a manifestation of change in their attitudes towards philanthropy – from "helping the poor" to "developing and implementing a social project". From this new perspective, the concept of philanthropy has become a much better understood and accepted idea, since in their previous learning experience students had received a good theoretical knowledge of efficient project management in business. So with regard to this aspect of their learning, the second survey provided an obvious evidence of connectivity. The new knowledge about civil society and philanthropy has fit into their understanding of how to construct and manage efficient organizations and implement efficient projects based on a thorough cost-benefit analysis. The students have begun thinking in terms of the "social returns" approach. All of a sudden the idea of "helping" has transformed into the idea of "doing cost-effective nonprofit business for public benefit", working on well-designed, sophisticated projects, with carefully developed goals, a clear outline of steps and measures to achieve those goals, within a certain realistic timeframe and with a thoroughly elaborated budget. "Getting money from donors" (student S.), or "attracting investors" (student L.) for the sake of implementing a public good project – this understanding of fundraising dominated students discourse in the second survey.

"My best experience about this work was that it is a new work, and a creative one. I tried to think about something that can be real, innovative. I really liked the process of creating something that can help people. I tried to understand this sphere of activities, and I have understood something. I also liked ... the given standard of the project. There weren't any philosophical speeches, [lengthy] descriptions, etc. There was a brief description of the project, and that is good because we can compare, and we can evaluate our work", - reflects student M. He also thinks that what he learned most from the project team's work was *"the way nonprofit organizations work. I really was surprised when I understood that some nonprofit organizations had a more complex structure than some business companies"*. Student Z. argues: *"As for me I would recommend everyone to make such a project especially in a group, because it really helps you understand the sense of a charitable foundation's activity. This makes you think differently and gives you a good start for your future plans if you want to become a real philanthropist"*.

Claim 4. Collaborating on project teams, brainstorming and discussing in small groups the best ways to start a charitable organization helps construct social capital and encourages students to think in the terms of public good and benefit to the society.

Data gathered from the reflective essays provide support for the anticipated claim: all aspects of working on group projects, including choosing the idea, discussing and brainstorming the idea in the group, developing open communication in the team, as well as presenting their projects in the classroom have become most powerful engaging elements of their learning process (as student D. has put it, *"every part of our group work influenced my understanding [of philanthropy and social capital]"*).

"I have found this type of work (The student means work on a project team) really interesting and effective", - writes student B.: *"it helped me to fix the theory for myself while practicing it. I don't know if I would engage in a nonprofit organization's activity or not, but anyways knowledge I got because of this class and this work, would be very useful to me"*.

What were the elements of the group work on their projects students think have influenced their understanding of philanthropy and social capital most? *"Generating ideas together"* (student B.) – this was the most commonly mentioned most powerful element of their learning through collaboration on the project teams. *"We were often brainstorming while preparing the project"* (student B.); *"my best experience was the*

process of discussion. The discussion allowed us to see some extra aspects which each of us could miss. That was really great" (student A.); "we wrote the list of main problems. Then we started brainstorming" (student G.). In the last mentioned essay the student elaborates on different stages of their "brainstorming process": "George wrote all our ideas on the list of items. They were different: absurd, interesting and a really good one. Then we looked at the list and ruled out some ideas: some because of their absurdity and some because other groups had already proposed similar ideas. After that we reduced the list to three ideas. After that we wrote down advantages and disadvantages of all three. After a long discussion we decided to choose the third idea". And afterwards student G. concludes: "During our work in the group I have understood philanthropy more completely than before". "The best experience from the team work was discussing the project idea until everyone was happy with it", - writes student F. This student mentions both in-team and inter-team communication as the most powerful learning tools: "The most powerful parts of the project work for understanding philanthropy were analyzing ideas for creating a nonprofit organization and discussing the projects with other teams critically. Viewing the projects from the viewpoint of potential investors and stakeholders could help me better understand why some projects are successful and some are not".

"Initially we decided to have a meeting at someone's home, but we didn't find enough time for that. So we managed to communicate with the help of modern technologies. We used call conference in Skype. It was really useful. We had already read some information about non-commercial sector, later we began to discuss it. Some ideas were too complicated, some - too primitive, but summarizing, I must say we had a lot of attractive ideas. We outlined 3 main possible projects... Firstly, we didn't know what to do. After evaluating the drawbacks and the advantages of our ideas, we didn't manage to choose the right one. But suddenly we got some help from our colleagues. They made projects which were very close to our variables", - writes student M.

"The first part of our work was to brainstorm. Firstly, we looked at the information about the city, which was given [in class]. Then we decided to find a similar city on the Internet. After that we have learned about the problems of those cities. We started recording ideas, each of us offering ideas and opinions... When the ideas have ended, we evaluated all the ideas; some ideas were discarded due to the fact that the theme was chosen by another group or the idea wasn't feasible... teamwork was very good", - writes student T.

So the overwhelming majority of students have mentioned two elements of the team work that made the most powerful impact on their project's successful development, and ultimately, on their deeper understanding of philanthropy:

1. Active and open discussion, brainstorming;
2. The degree of intensity of open communication in the team; efforts made by group members to intensify active dialog; large scope of different types of team work, dealing with extensive communication and exchanging ideas.

A vast majority have highly valued team work because the process of discussion has significantly promoted their engagement: helped them start thinking in philanthropic terms and, viewing themselves as a team of founders of a philanthropic organization they thought and acted as if they were real activists developing a real philanthropic project. Work on project teams, as many have noted, have connected the theoretical knowledge they had already acquired in the class, to the realities of doing a nonprofit business in the Russian setting; it was the key element of elaborating a practically applicable project of charitable giving and making social investments.

Most students have expressed their desire to be somehow involved in philanthropy in the future. *"Now I'm thinking of continuing my education. Maybe I will prefer nonprofit management. Moreover now I'm trying to enter a summer program in an Italian NPO. After all, there are two ways to participate in nonprofit activities: to work in an NPO or to invest money in it. So both of them are attractive for me"*, - writes student K. *"I'm also interested in participation in philanthropy after being involved in our group project. And for today I'm ready to take part in developing a charity program of our faculty and further in the future"*, - writes student G. *"Personally, I decided for myself that I would try to find time and resources for some help, because a human is born [to be] not a consumer only; we can do more. We should help"*, - states student N. *"We have faced many problems during our work [on the project], though it was a good experience that we will definitely need in the future. If I have a chance, I would love to set up my own charity foundation to help people, fortunately this desire is growing [inside of me] all the time. I've had great pleasure and found out many interesting things"*, - student A. joins the choir of enthusiasts. Actually, all students either expressed their desire to get involved in philanthropy right away or do it sometime in the future when they have "necessary resources for that". Even more encouraging sign of the growth of their engagement was the increase of the number of those, who speak positively of the nonprofit sector and even express their willingness to work as managers in philanthropic nonprofit organizations.

Conclusions

"Pedagogical imperative", as an essential element of SOTL, includes the obligation to inquire into the consequences of one's work with students. Knowing that students would have a better developed philanthropic thinking by the end of the term would mean that teaching as "moral action" Lee Shulman was writing about (Shulman, 2002, p. vii) has reached its goal.

By the end of the term, as indicated by the group projects, reflective essays and two surveys, the vast majority of the students have progressed considerably towards a better understanding of philanthropy, nonprofit sector, and the importance of social capital. Their perspective on the society has also changed: they have been constantly expressing their willingness to either become philanthropists or be involved with nonprofit sector and voluntary work. The growth of connectivity accompanied by the increase of engagement occurred due to the necessity to act and think in terms of project management, well familiar to students from their entire previous learning experience at SPA MSU. Applying and legitimizing the term "business" to nonprofit and charitable activities helped students make meaningful connections between the new information on nonprofit management they have been accumulating in class and their previous extensive training in business administration. However, the course was also the first time when they tried to apply their understanding of what a cost-efficient business project management should be to the value-based nonprofit and philanthropic management. The transformation of their philanthropic discourse from the "help-based" to the "social investment-based" could serve as the evidence of the growth of their learning. Thinking of philanthropy in terms of social entrepreneurship, long-term sustainable social investments and cost-benefit analysis of effective projects has led to the growth of engagement and to the growth of interest in working on project teams. Helping students connect the notions of personal success and career fulfillment with the ideas of social entrepreneurship via philanthropy has encouraged their motivation, both strategic and immediate. Strategic motivation deals with prospects for future lives and careers; as a result of taking the class and, specifically, participating in practically applicable group projects students have shown a substantial growth of interest in working in the third sector or being involved in charitable giving in the future. Their immediate motivation was dealing with eagerness to be engaged in class and to actively

participate in teamwork while developing a project. The achievement motivation in this case deals with their desire to come up with the best project that should be approved and “funded” by “donors” – the rest of the class.

As a result of working in class and preparing their group projects students have developed a much better understanding of the idea of social capital and civic engagement; a vast majority have successfully connected social capital with society’s effective and sustainable development. Working on project teams, as indicated by reflective essays, for most of them was a valuable experience of constructing internal social capital, the one which develops within a small group or organization. However the ability to operate with public good values and to keep in mind the “ideology of volunteerism” in managing nonprofit projects has remained questionable, as well as their understanding of a necessity to bond with other civic groups for the sake of their projects’ success. The analysis of reflective essays has shown that work on project teams has been the most crucial formative element of their learning process. The necessity to develop projects in a certain socio-economic setting and the requirement to make their projects transform a crisis-stricken city into a better place to live have promoted their engagement as team members. The most engaging elements of team work were discussion, open communication and brainstorming. The shortcomings of work in small groups were dealing mainly with their inability to get the less interested students contribute equally to the teamwork.

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