



Collectively Addressing SDGs to Change an Industry: The Case of the Water Revolution Foundation

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1. Introduction

In our efforts to reach the Sustainable Development Goals (SDGs) and resolve our grand challenges, the world faces a funding gap of \$2.5 trillion each year¹—and we will obviously never have enough financial resources to fill this gap. We must, therefore, find innovative ways of addressing our grand challenges, with “all hands on deck.” Companies can play a pivotal role in this regard (George et al. 2016).

One way in which companies can help is by making their core business practices more sustainable and inclusive in several respects (Boons and Lüdeke-Freund 2013; Stubbs and Cocklin 2008). The increasing number of companies that are actively committing to being sustainable and inclusive is evidenced in a variety of developments, including the rise of social entrepreneurship (Santos 2012), social intrapreneurship (Geradts and Bocken 2019), the B-Corp movement (Lahneman et al. 2019), and inclusive business models (Lashitew et al. 2019). The answer does not rest exclusively in the market (Eikenberry 2009) or in the government; our grand challenges are far too complex. They call for cross-sector partnerships, hence SDG 17.

Given the complexity and multi-dimensionality of the grand challenges facing society (e.g., providing healthcare, stopping climate change, and producing clean energy), they should be “plausibly addressed through coordinated and collaborative effort” (George et al. 2016, p. 1880). Such efforts can be informed by the existing body of management and business literature on within-industry collaborations aimed at creating more sustainable and inclusive supply chains (Allaoui et al. 2019), as well as by literature on cross-sector partnerships (e.g., Austin and Seitanidi 2012a, 2012b). One potential collaborative effort that has tended to be overlooked, however, involves companies seeking to establish mutual partnerships in order to create positive social change,² based on a non-commercial strategy. In this chapter, we examine a relatively

¹ <https://www.un.org/press/en/2019/dsgsm1340.doc.htm> (accessed on 19 July 2020).

² By referring to social change, we refer to both social and environmental aspects.

new form of multi-stakeholder initiatives aimed at achieving the SDGs: the industry foundation. An industry foundation draws on collective power to leverage resources from the market sector within a particular industry, and to invest them across sectors in NGOs and social enterprises, that can help to create positive social change through the transformation of the entire industry. In this chapter, we examine and discuss the specific dynamics of industry foundations created by companies.

Positive social change refers to “the process of transforming patterns of thought, behavior, social relationships, institutions, and social structure to generate beneficial outcomes for individuals, communities, organizations, society, and/or the environment, beyond the benefits for the instigators of such transformation” (Stephan et al. 2016, p. 1252). In recent decades, scholars have investigated the concept of corporate philanthropy (among others), in order to support the efforts of companies to create positive social change (for reviews, see Gautier and Pache 2015; Liket and Simaens 2015). To date, such work has been the subject of controversy. This is because, while some see corporate philanthropy as a gesture from companies seeking to invest in the public good, others tend to regard it as self-serving and driven more by commercial interest than by the desire to serve the public good (Bertrand et al. 2018). It is at this point that formal organizational structures come into play. Such structures can ensure that the benefits of such collaborative efforts are indeed directed toward the public good, in the pursuit of goals that transcend the direct interests of the instigators. The corporate foundation is one example of such an organizational structure (Herlin and Pedersen 2013; Roza et al. 2020).

A corporate foundation is a separate legal entity that is formally related to a company, but that has a public-benefit mission. It is either the owner of the company or an affiliate established by the company (Bothello et al. 2020; Pedrini and Minciullo 2011; Westhues and Einwiller 2006). Even though such foundations are currently operating around the globe, and despite the fact that their role in the social sector is expanding, corporate foundations have yet to receive much scholarly attention (Pedrini and Minciullo 2011; Roza et al. 2020; Westhues and Einwiller 2006). Even less attention has been paid to situations in which companies join forces to establish a collective foundation with the aim of creating positive social change (e.g., within a specific geographical area) (Maas 2020). This chapter explores why and how companies work collectively to create positive social change. This will contribute to the debate on SDG 17, which is sharply focused on cross-sector partnerships (business and civil society or business and government), with less attention paid to the joint creation of entities within the civil society (i.e., businesses creating civil

society). The primary purpose of this chapter is to explain issues that are specifically related to civil society organizations that are at arms' lengths of the corporate world.

Our discussion makes at least three contributions to the current body of literature. First, we provide an initial description of a collaborative governance structure aimed at creating positive social change. Second, we describe the motivations, processes, and conditions needed in order to establish and implement an industry foundation as a force for positive social change. Finally, we open a discussion concerning what can and cannot be regarded as public benefit, against the backdrop of one specific industry foundation, whose objective is to increase the sustainability of the corporate industry. We also open a discussion concerning what various stakeholders might perceive as the responsibility of individual companies, of industry associations, and of public benefit organizations.

To this end, we contextualize collective corporate philanthropy efforts in the form of an industry foundation. We define this type of foundation as a non-commercial investment with which companies seek to address grand challenges and, potentially, to change industry standards. We then explore why and how companies might use this approach, based on a case study of the "Water Revolution Foundation." This non-profit, science-driven organization is a collaborative effort supported by a number of partner companies (including Abeking and Rasmussen, Alexseal, Amels|Damen, Benetti, De Koning Groep, Feadship, Heesen, Lürssen, MB92 Group and Rybovich) within the international superyacht industry. Its objective is to make the industry more sustainable. We conclude the chapter by formulating lessons that can be learned from this case, and highlighting implications for managerial research and practice.

2. Non-Commercial Strategies to Create Positive Social Change

Corporate philanthropy is the most commonly implemented non-commercial strategy for creating positive social change in large multinational, as well as in small and medium-sized, companies throughout the world (Roza 2016). It consists of the voluntary act of making corporate resources available "without any direct commercial benefit, to one or more organizations whose core purpose is to benefit the community's welfare" (Madden et al. 2006, p. 49). Companies are increasingly allocating resources to corporate philanthropy (Campbell et al. 2002). In both the United States and Europe, corporate giving amounts to more than 20 billion USD(Giving USA 2019; Giving in Europe 2017). This amount is expected to continue increasing as investments in corporate philanthropy have been rising since 2007 (Charitable Aid Foundation 2014). These two regions, nevertheless, differ with regard to the relative importance of the contributions. Whereas giving by companies is relatively low compared to other

forms of giving in the United States (accounting for only 5% of total giving), it is relatively high in Europe (accounting for 25% of total giving).³

Despite differences in the relative proportions of total giving across different regions, the activities that are considered to be part of corporate philanthropy are changing throughout the world. For example, corporate philanthropy has traditionally been manifested in donations of time, money, or means for the public good. At present, however, corporate philanthropy is also understood to include other corporate resources, including core assets and the provision of access to corporate stakeholders, including customers, corporate partners, and the broader public, to which companies have access (e.g., through their media outlets) (Meijs and Voort 2004). While corporate philanthropy was once dominated by grant-making, companies are increasingly becoming engaged in venture philanthropy, including the application of tailored or hybrid financing, non-financial support, and impact management (Buckland et al. 2013).

In addition to the changes outlined above, the act of corporate philanthropy is undergoing changes in terms of the governance structures that companies choose in order to channel their corporate philanthropy, as they become increasingly aware of the importance of creating social impact (Alhouti et al. 2016). Companies are increasingly establishing separate legal entities (e.g., foundations) instead of in-house programs, in order to safeguard their social-impact ambitions and to separate their corporate philanthropy from their day-to-day business, given the inherently different interests of these aspects (social versus commercial). Corporate philanthropy can nevertheless be closely aligned to what a company does or considers important (Bethmann and Schnurbein 2020; European Venture Philanthropy Association 2019; Heitmann et al. 2020). By having a public benefit purpose with no direct commercial goals, corporate philanthropy—particularly as expressed through legal entities like corporate foundations—can be distinguished from other forms of business–society involvement (e.g., corporate sponsorship or corporate social responsibility), which clearly entail social investments, with a direct, inherently commercial goal.

Managing corporate foundations to create positive social change is not easy. The governance structure poses a range of challenges, including: (1) the reason and purpose for which the foundation exists (i.e., commercial or social); (2) the actors

³ The figures from Europe and the United States are not entirely comparable, as the definition and measurement of giving differ across studies. They nevertheless provide a good indication of the relative size of this sub-sector within the broader universe of philanthropy.

who actually govern the foundation, and the logics by which they make decisions (i.e., philanthropic or commercial); and (3) the entities to which the foundation is accountable and for what reason (i.e., the company or society, and for business goals or social impact) (Renz et al. 2020). In light of such fundamental governance questions, the management of a foundation established by a single company or entrepreneur is challenging enough. The situation becomes even more difficult for foundations involving multiple partners, each with unique motivations, interests, logic, and so forth. One example of such a complex structure occurs when companies jointly establish a “collective corporate foundation”. Maas (2020) studied this phenomenon within the Port of Rotterdam (Netherlands), in which more than 70 companies from various industries, but within the same geographical area, converge their philanthropic giving, with the aim of developing that region. According to Maas, the decision to participate in such a partnership implies the following for a company: (1) loss of control, (2) loss of involvement, and (3) fewer individual organizational benefits (Maas 2020). These elements are usually regarded as important factors for developing regular corporate foundations or philanthropic programs within a particular company. The situation could be even more challenging if the partners are also competitors.

In addition to these challenges, collective involvement in the creation of positive social change could potentially have multiple societal benefits as well. In addition to its direct investments in social innovations, the foundation must have an implicit or explicit potential to persuade the companies that are involved in the foundation to become more inclusive and/or sustainable. While these characteristics clearly increase the complexity of managing such organizations, they also hold a vast potential for generating positive social change.

It is important to investigate these specific forms of collaboration aimed at creating positive social change, as traditional ways of addressing grand challenges have proven insufficient. The adoption of such non-commercial strategies by companies is of particular interest, given the need to look beyond market-based solutions in order to maximize the possibility of investing in solutions to grand challenges. As noted before, this chapter focuses on industry foundations, which can play an important role in helping companies within the same industry to align themselves to the Sustainable Development Goals. This is because industry foundations are more focused, decisive, and involve greater readiness for immediate action than do industry associations, which must represent the interests of a much broader membership (Watkins et al. 2015), despite their role as enablers (Dalziel 2006)

and regulators (Vogel 2010) of innovation. Later in this chapter we illustrate the potential and complexity of an industry foundation.

3. Method and Data

The research on which this chapter is based draws on a single instrumental case study (Stake 1995), which is used to illustrate the phenomenon at hand by applying concepts from theory (Yin 2011). We applied a qualitative method, in order to arrive at an in-depth description and explanation. The case focuses on the Water Revolution Foundation, which provides an example of a specific manifestation of a non-commercial collaborative strategy aimed at creating positive social change. The foundation aims to transform the global superyacht industry to make it more sustainable and to preserve marine life (SDG 14). This objective is manifested in activities relating to three focal areas: “promoting new technology and empowering innovation; pro-actively creating the industry’s own sustainability agenda, going beyond legislative requirements; and reinvesting in ocean conservation.”⁴ For our study, we adopted an approach combining a dialogic qualitative interview design with member validation (Harvey 2015; Charmaz 2006). Interviews were semi-structured, including topics such as motives, establishment of the foundation, governance, management and decision-making processes and a future outlook. We started by interviewing the managing director (September 2019, by telephone, about 90 min), and familiarizing ourselves with the case by studying the website, the annual report, and the internal documentation shared with us by the managing director. To improve our understanding of the case, we held a follow-up interview with the managing director (October 2019, by telephone, about 60 min). For the purpose of member validation (Charmaz 2006), we held a third conversation with the managing director (November 2019, by telephone, 30 min, as well as by e-mail), in order to verify that the facts presented in the case provided a faithful reflection of reality.

4. Results

The Case: Water Revolution Foundation

All around the globe, people within the same industry come together at conferences (see e.g., Van Waarden 1992), meeting for coffee to share ideas about joining forces, to set aside their mutual competition in order to collaborate

⁴ <https://waterrevolutionfoundation.org/our-plans/> (accessed on 19 July 2020).

on improving the industry and society. Popular ways of pursuing such goals include partnerships (within or across sectors), and the creation of alliances and coalitions. Examples include the Rainforest Alliance⁵ and the Palm Oil Transparency Coalition⁶ (see also Nikoloyuk et al. 2010), which focus on advancing the industry's contributions to the Sustainable Development Goals. Industry foundations constitute a more permanent form of serving both the industry and the broader community. Examples include the industry foundations established in the entertainment industry,⁷ the insurance industry,⁸ and—more recently—the superyacht industry.

Around 2015, an Italian sustainability scholar became involved with the Italian superyacht builder Viareggio SuperYachts (VSY). As the first sustainability manager within the superyacht industry, she proposed developing a sustainability measurement tool that could calculate the footprint of superyachts, both existing and in the design or construction phase. As an academic, her intention was to develop this tool not only for this specific organization, but also for the public domain. The tool would, thus, ultimately not be able to enhance the competitive advantage of the company within which it was developed. It would nevertheless serve an industry which, as a whole, was in need of a transition toward more sustainable practices. This would enable the superyacht industry to become a leader within the broader maritime sector. As she began to develop the instrument, she met with other actors in the industry (e.g., competitors, suppliers) at conferences and, more specifically, at the meetings of the Superyacht Builders Association. In early 2017, the secretariat of the industry association brought together a select group of like-minded, forward-thinking industry leaders who were eager to develop disruptive sustainable innovations for the industry as a whole. They saw two major opportunities. First, such innovations could help the industry to respond to institutional pressures and changes in the market that are demanding greater environmental sustainability. Second, such initiatives could enable the industry to take a leading role in preserving marine life (SDG 14), thereby preserving the primary reason for their customers to own superyachts.

At the same time, when considering how to respond to these opportunities, the industry leaders arrived at three realizations. First, change cannot happen through individual organizational efforts alone; the entire industry must hold itself accountable for increasing the sustainability of its practices. Second, creating this

⁵ <https://www.rainforest-alliance.org/> (accessed on 19 July 2020).

⁶ <https://www.palmoiltransparency.org/about/> (accessed on 19 July 2020).

⁷ <https://www.eifoundation.org/> (accessed on 19 July 2020).

⁸ <https://www.iicf.org/> (accessed on 19 July 2020).

change would be unlikely to occur at the needed pace if the efforts were organized through sustainability committees within the industry association. Given the inherent nature of an association, change efforts organized in this manner would most probably be defined by the members with the most conservative notions, regarding the shift to more sustainable practices. A simpler governance construction was needed. Third, the ideas and ambitions that the industry leaders held with regard to changing the industry standards toward greater sustainability would also need broader support from other industry stakeholders (e.g., governments, NGOs, consumers), in addition to the members of the association.

The bold ambitions of some industry leaders and the realization that achieving these ambitions and changing the industry standards would require joint efforts led to the establishment of the Water Revolution Foundation. In addition to the founders, the first anchor partners included nine leading companies within the industry: Abeking and Rasmussen, Alexseal, Amels|Damen, Benetti, Feadship, Heesen, Lürssen, MB92, and Rybovich. The members of this “coalition of the willing” shared the belief that a change in course was needed in order to take better care of the planet, while guaranteeing the future of the industry.

The founders presented their ideas for a new industry foundation at an annual industry forum in November 2018. In their presentation, they formalized their commitment with the notary, who was waiting outside the room with the statutes and by-laws. This marked the official birth of the Water Revolution Foundation.

The foundation’s mission is “to drive sustainability in the superyacht industry through collaboration and innovation and leading the way to neutralise its ecological footprint and preserve the world’s precious oceans.” (Water Revolution Foundation 2019) The founders consider this mission necessary, as “the superyacht industry uses valuable resources and has an environmental impact. We [as actors in the superyacht industry] have both an obligation and an opportunity to reduce our footprint and future-proof our industry.” The Water Revolution Foundation focuses on sustainability, with the goal of enabling their customers to “discover 71% of the planet, free from restrictions and environmental impact.” The figure to which this statement refers is the amount of the Earth’s surface that is covered by oceans. The foundation thus aims to serve as a platform for closer collaboration within the superyacht industry, in order to accomplish the necessary shift together. The founders further claim that the superyacht industry is in a good position to influence the wider maritime industry, fulfilling an innovative role similar to that of Formula 1 in the auto industry. In addition, the superyacht industry has many affluent customers, who could potentially become influential powers for positive social

change, as new technologies can allow superyachts to become prototypes—and even mini-laboratories—supporting research aimed at preserving marine life.

Based on the joint investment of several players within the industry, the founders planned a three-year budget. For 2019, they allocated 250,000 EUR, increasing to 300,000 EUR in 2020 and to 500,000 EUR in 2021. The following pillars of investment were adopted:

1. Technology: “Promoting new technology and empowering innovation to achieve a lighter footprint for the superyachting industry.” The foundation is currently supporting the development of the aforementioned science-based tool for assessing the social and environmental impact of yachts. This tool will help those active within the superyacht industry to make more informed decisions in the design and construction of superyachts and to report on measurable progress.
2. Policy: “Pro-actively create the industry’s own agenda, beyond legislative developments, initiating progressive steps and actively being part of international and cross-industry worktables.” The foundation collects and promotes sustainable solutions by sharing information and best practices. These efforts aim to establish a new industry culture of open-source sustainability. In this light, the foundation seeks to develop and operate an educational program on sustainability, customized primarily to the superyacht industry. In this way, they hope to educate professionals within the industry about sustainability, thereby making sustainability as accessible as possible, while encouraging and facilitating change.
3. Conservation: “Looking after nature for ecosystems’ vitality, human well-being and yachting habitats.” This pillar involves taking responsibility for protecting the beautiful oceans and improving the planet’s well-being. The foundation plans to play an active role in advising industry players on where they should invest their philanthropic resources in order to support the ecosystems of marine life.

After establishing the foundation, the board of directors fine-tuned its governance and organization. To the founders, it was important to have an industry-wide representation on the board, in order to ensure the foundation’s legitimacy and influence in every aspect of the industry. The initiating sustainability scientist and a non-profit financial expert were also on the board, given the foundation’s aim to increase the sustainability of the superyacht industry. In 2019, the foundation had three main organizational bodies. At the time of writing, the board of directors consisted of seven members (two superyacht builders, a refit shipyard, a designer,

a sustainability scientist, an industry media expert, a financial expert, and a non-profit expert). In addition, there was a scientific board that consists of various experts in the areas of sustainability, marine biology and ocean conservation, innovation and technology, and economics. The scientific board advised the board of directors and foundation partners accordingly. The two boards were supported by a secretariat, which was headed by the executive director.

Another decision was to apply for the status of a public benefit organization (PBO; in Dutch: ANBI), with an officially recognized charitable status with the tax authority in the Netherlands. This decision made it necessary for the managing director—one of the original founding board members—to resign from the board, as the regulations for such organizations require distance between the agent and the principal.

5. Discussion

The case of the Water Revolution Foundation provides an illustration of a contemporary development in which companies enter partnerships with each other in new organizational forms within civil society in order to address grand challenges. In addition to the more traditional industry associations, industry foundations embrace specific—perhaps even novel—collective organizational governance structures that enable more progressive action. As demonstrated by the case study, industry foundations can potentially play a variety of roles in creating positive social change. For example, the foundation form enables self-selected companies from the same industry to join forces to address less optimal social and environmental conditions within the industry (thereby making it more sustainable). In addition, a foundation enables its members to address issues that could create a more favorable context for the industry (e.g., ocean conservation), which might not have been recognized by all of the industry members in the association. Finally, an industry foundation can address or resolve issues created by the industry (e.g., the consequences of carbon emissions) on a larger scale than would be possible for an individual corporate foundation.

5.1. A Specific Species?

The industry-level origins and perspectives of industry foundations differentiate them from corporate foundations (Roza et al. 2020) and other collective or corporate arrangements (Maas 2020; Roza et al. 2020), multi-stakeholder initiatives (Dentoni et al. 2018), and non-public-benefit industry associations (Watkins et al. 2015). In contrast to single-donor corporate foundations, industry foundations have

multiple donors and participants, each with unique individual motivations and interests, but committed to a collective goal (in our case, increasing the sustainability of the superyacht industry). This characteristic serves to limit the risk that such foundations will focus primarily on serving the donors, as is sometimes the case with regular corporate foundations or partnerships. In theory, an industry foundation could also enjoy greater power and legitimacy within the industry, as they do not advance any individual interests—a common source of criticism concerning corporate foundations (Herlin and Pedersen 2013; Roza et al. 2020).

Industry foundations (or at least the Water Revolution Foundation) also differ from collective corporate foundations and collective business efforts aimed at certain geographical areas (Maas 2020). Such collective corporate foundations are closer to community foundations, especially when their decision-making power is allocated to the local community (through the composition of their governing boards). The Water Revolution Foundation does not have the objective of supporting social issues within a particular geographical area. Instead, it aims to effect change within a particular industry (in this case, as a niche industry). The board members represent the industry and the funders, with the voice of the community (i.e., the social issue at hand) being incorporated through an advisory board.

Given the representation of multiple actors in the organization, industry foundations can be regarded as multi-stakeholder initiatives. They do not usually constitute cross-sector initiatives, however, as they are not actually separate from the corporate world and have no previous existence as civil society organizations. In addition, industry foundations include only actors who are directly involved in the industry (and thus not those who might be affected). Nevertheless, the Water Revolution Foundation does engage in cross-sector partnerships with educational institutions, academic institutions, and non-profit organizations (for a review on cross-sector partnerships, see Austin and Seitaniidi 2012a, 2012b). Like any foundation, therefore, industry foundations should be scrutinized with regard to the extent to which they serve a public mission (instead of a private membership mission, as is the case with industry associations). Such scrutiny should thus focus on whether the day-to-day operations of industry foundations serve this mission, instead of the donors. Given that only the industry is represented in the highest decision-making body of an industry foundation, it should be closely monitored in order to ensure that its focus remains fixed on creating positive social change that is inherently beyond the interests of the instigators of such transformation (Stephan et al. 2016).

Finally, the Water Revolution Foundation explicitly positions itself as independent of the industry association. Even more specifically, it was established as a direct response

to the limits of the industry association. In this regard, the industry association is intended to support the interests of its full membership, and not all of these members would be eager to accelerate the pace at which the industry is increasing its sustainability. Such differences could increase the costs or complexity of the processes for some who are not yet ready for change. At the same time, however, the case highlights many similarities between the goals of the foundation and the association. This could be a source of confusion concerning the role of the foundation from the perspective of stakeholders (e.g., governments, NGOs, customers, and the general public). Who should be addressed for what? Is there a hidden agenda? Why is the industry foundation not part of the industry association, given that they both support the same industry?

5.2. Public, Private or Limited Benefit?

The Water Revolution Foundation's application for the status of a public benefit organization illustrates another characteristic that distinguishes industry foundations from industry associations, which are based on non-public-benefit purposes. The aims of industry foundations are nevertheless similar to those of individual corporate foundations (Roza et al. 2020). Given that public benefit organizations have a special tax status in many countries, their funders receive tax exemptions. It is therefore becoming increasingly important for the Water Revolution Foundation to explain the actual public benefits of changing industry standards. One potential question of critics might concern why taxpayers should support a foundation that contributes to increasing the sustainability of a commercial industry, given that such a mission would not be tax deductible for donors when adopted by the industry association or one of its member companies. The extent of overlap between the goals of the foundation and those of the industry association could arguably make it more difficult for the foundation to claim that its goal is public instead of private (i.e., for members of the association). Relevant questions in this regard concern why a public benefit organization is needed and why its goals are not the responsibility of the industry association or the individual companies, given that any efforts to achieve these goals will ultimately support their much-needed transition toward sustainability.

Understanding the nuances discussed above requires a refined perspective on social impact, private benefit, and public benefit. The goal of changing industry standards is intended to challenge and transform the current system and to accelerate the process of change. The foundation firmly believes that the industry's logical connection with and contribution to marine life will continue to be absent without changes to the current practices within the commercial industry. Even if the foundation were to invest in NGOs, unless the business practices within the

industry are changed, such investments would have to swim against the current of unsustainable practices, thus being unlikely to result in any positive sustainable social change. Like other public benefit organizations (e.g., the C&A Foundation and Fashion for Good in the apparel industry), the Water Revolution Foundation acknowledges the importance of creating social impact—and thus public benefit—by changing how the market sector works and by eventually sharing such knowledge and solutions with other maritime industries.

To this end, the foundation has designed a vision, mission, and goal that go beyond the interest of the industry itself, thereby aiming to create positive social change (Stephan et al. 2016). Such a public benefit mission could enable the foundation to be a vehicle for introducing sustainability into the sector. As a public benefit organization supported by key players within the industry, the foundation is regarded as a credible and legitimate partner within the transition toward sustainability. The foundation can use this position to influence both the committed organizations and all actors involved in the industry. For example, the measurement tool and the database will be available through open access, and thus freely accessible to the public domain, and not exclusively to the foundation's funding partners. It is in this regard—the use of a public benefit foundation to invest long-term (i.e., "patient") philanthropic capital to develop a tool that will become publicly available—that the construction fits within the norms of the philanthropic sector. The challenge for the foundation is to keep this public benefit at heart, and not to fall into mission drift and take on the mantle of the industry association by shifting the primary focus to the interests of the industry.

This study describes a specific collective arrangement between companies within a single niche industry aimed at creating positive social change. It is obviously subject to several limitations, which in turn suggest avenues for future research. First, although the method of data collection was appropriate to the purpose of the study, it could also have been informed by third parties. Second, because the Water Revolution Foundation is relatively new, while the creation of positive social change requires long-term commitment, it is difficult to say whether the foundation will eventually lead to success. It would therefore be interesting to follow the case closely over the coming years to gain a deeper understanding of these organizational structures and their contribution to positive social change and the SDGs, in addition to assessing whether it is actually a promising partnership for development. It would also be interesting to identify any conflicts that might arise among the various stakeholders, in addition to tracking the foundation's impact on its founding companies and the industry at large. This could also provide insight into

developments in governance, stakeholder perceptions on the role and functioning of such foundations, and—more broadly—on how we regard social impact.

6. Conclusions

The resolution of grand challenges and the achievement of the Sustainable Development Goals requires new and innovative collective collaborative arrangements and partnerships (SDG 17). This chapter highlights one potentially promising collective arrangement that is emerging as a way to address grand challenges; the industry foundation. Our analysis of the single case of the Water Revolution Foundation leads to three main conclusions. First, an industry foundation differs from other non-commercial structures rooted in companies (e.g., philanthropy departments, corporate foundations, collective corporate foundations, industry associations, and multi-stakeholder initiatives). Second, the challenges faced by industry foundations are comparable to those faced by corporate foundations with regard to legitimizing their public benefit, as questions could arise concerning the extent to which it exists truly for the public benefit or whether it serves a private interest in disguise (as is quite overt within the industry association). Third, one major potential of an industry foundation is that the actors involved are part of the industry: they know the possibilities and limitations of the industry and are trusted by others within the industry. This type of non-commercial activity or foundation could serve as a “coalition of the willing” by bringing together front-runners who can actually accelerate change within an industry.

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