



Video Transcript

ENTREPRENEURSHIP IN NONPROFITS

The theory of change

[Georg von Schnurbein] This is Isaak Iselin. Together with other citizens of Basel, he founded the 'Society for the Good and the Benevolent' in Basel in 1777 called 'GGG Basel'. As many others in the age of enlightening, he was convinced that the pursuit of happiness leads to a better life. This is a historic example for a theory of change.

The concept of the theory of change is closely linked to the logic framework we already discussed. The basic idea is to describe on a normative level a logical approach to solve a social problem. Later, this normative assumption should be supported by evidence from measurement models.

But the theory of change is not only a cause-effect model of input, output, outcome, and impact. Additionally, you can use a theory of change to detect hurdles or bottlenecks that need to be disposed of. Through this, you may find a way to increase the impact of your resources and activities because you direct them to where they are needed most.

For example, you may reach better education of kids by paying them their school books. Your impact may even increase if you offer a good breakfast because these kids go hungry to school and are, thus, less attentive in class.

Your theory of change should not remain a theoretical description in your strategy plan. You should use your theory of change not only as the basis of your projects, but also for your communication and future planning.

In communication, you may enroll a debate by making your theory of change public in order to increase the impact of your idea. You may motivate copycats to implement the same project somewhere else, or you may get good feedback and learn how to improve your theory of change or to pay attention to unintended consequences. Future planning based on a theory of change may lead to new or related fields of activity in order to strengthen your mission goals.

Today, the positive effects of happiness are proven even in economic terms. How you can measure your theory of change is the topic of the next chapters.