



PHILANTHROPIC
FOUNDATIONS
IN CANADA

LANDSCAPES,
INDIGENOUS
PERSPECTIVES
AND PATHWAYS
TO CHANGE

Edited by
Peter R Elson
Sylvain A. Lefèvre
Jean-Marc Fontan





University
of Victoria

UQÀM | Université du Québec
à Montréal



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Dedicated to our dear
friend and colleague
Jack Quarter
1942–2019

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Part three
Chapter nine



The cost of social
inequalities: Philanthropic
field-building in Québec
through the creation of
the *Collectif des fondations*

Annabelle Berthiaume and Sylvain A. Lefèvre





Only a handful of foundations in Canada have been pursuing advocacy activities and public campaigns geared towards public policy reform over a sustained period of time. More recently, however, foundations are increasingly adopting this approach as a way to increase their leverage and advance their missions (Coffman, 2008; Elson & Hall, 2017). Foundations are therefore increasingly shedding their role of staying on the sidelines and leaving it up to the state and community organizations to take the lead in debating and addressing social issues. This can be seen in Quebec, where, in the spring of 2015, social movements had been mobilizing for months to fight against the austerity policies introduced by the provincial government. Foundations then decided to join the voices of those denouncing the unequal impacts of those stringent budgetary measures.

The publishing of an open letter signed by nine Quebec foundations marked the beginning of a new form of collaboration between these organizations. The letter reiterated calls from international economic organizations urging vigilance about budget stringency measures and inviting the Liberal government to weigh the effects of its public policies on inequalities within Quebec society. Even today, this collective appeal remains an exception to the rule: foundations rarely address the government publicly, much less as a group. The fact that social inequalities were being addressed was also surprising insofar as, historically speaking, philanthropy has tended to focus on poverty issues.

This chapter will analyze the creation of this collective of Quebec foundations in response to social inequalities in the spring of 2015 by revisiting the conditions that gave rise to such an unlikely mobilization. To do this, a series of participant observations and semi-structured interviews were conducted with member foundations of the *Collectif des fondations* – hereafter called the Collectif – and consultants who worked with the Collectif at different stages, and public documents (e.g. websites, newspaper articles, etc.) were analyzed.

We begin with a presentation of the political context and internal questionings that characterized the foundation sector in the months leading up to the issuing of their public statement. This is followed with an examination of some of the issues and challenges involved in the continuation of the foundations' initiatives. We then conclude with an assessment of the real and potential impacts of the creation of this collective.

At first glance, this collective action of foundations seems to be oriented outwards, that is, it appears to be addressing the provincial government. However, we show that this action has above all benefited the philanthropic sector itself (in this case, the philanthropic sector in Quebec). The action also helped to redefine the relationship established with the grantees, which has thus far been characterized by a certain mutual mistrust. In this sense, the intention of this collective and collaborative action to put itself on the map, in the sense of even being publicly discussed (Neveu, 1999), appears to have been able to build bridges within and outside the philanthropic sector.

Context: Increase of inequalities and restructuring in the foundation sector

Quebec's social services sector and the provincial philanthropic landscape have undergone substantive changes over the past 20 years. This transformation had been triggered by the emergence of new philanthropic actors and practices. More generally, it can also be attributed to the reconstitution of the role of the Quebec state in addressing social issues (Lefèvre & Berthiaume, 2017). Indeed, foundations' growing questions about their own role was one of the key factors behind the emergence of the Collectif. Most of these foundations have traditionally sought to fund emerging initiatives, with the idea, or hope, that the state would subsequently institutionalize the initiatives that prove effective and legitimate (e.g. seed money). But what is the role of foundations, the foundations asked themselves, in a context where public funding no longer provides, or even promises to provide, such support? This question provoked nothing short of an identity crisis in some foundations.

Following multiple provincial government austerity budgets involving major cuts to health, social services and education, the Collectif issued its first public statement in 2015. The nine participating foundations were concerned about the organizations they were supporting – which were being financially suffocated by the cuts – and had become acutely aware of their own financial limitations in the face of ever-increasing needs. In the desolate context of austerity, where public services and funding were being cut, foundations thus felt they were shouldering an ever-mounting burden of responsibility. Many community-based organizations had been relying

on state subsidies not merely as a supplement to allow for, say, renewal and innovation, but to secure the main funding of their mission and the very survival of their organization.

In this context, foundations, given their financial autonomy and their experience of working with community organizations, had both the expertise and credibility required for engaging meaningfully in public debate. In the words of one interviewee:

→ As foundations, we work very closely with organizations in each of our activity sectors, and we see first-hand what's happening on the ground. We can also see how the government might want to outsource to organizations rather than assume its state responsibilities ... At the end of the day, our role is really to keep a watch, and to provide support, because we can speak out freely ... We aren't government funded.¹

In the interviews for this study, foundations closer to community or rural settings mentioned their empathy with discouraged grantees: "The whole idea [of the Collectif] was sort of to put a foot down, to say 'This is ridiculous; what can we do?'" The austerity measures that prompted the foundations' mobilization could thus be seen as the straw that broke the camel's back. What emerged was a much broader and more acute question about the role of foundations in Quebec.

Several foundations, especially smaller and medium-sized ones, told us that, without government investment, their efforts to combat inequalities would add insult to injury. One interviewee went so far as to say he found himself trapped in an unwanted role: "Organizations are so fragile that funding cuts are like the sword of Damocles hanging over their head; and filling that gap is not the role foundations want to play." He felt as if he had the power of life or death over organizations that are increasingly in need of funding. Moreover, in the absence of the state funding required to institutionalize innovative initiatives within the grantee organizations, some foundations have come to question the niche they had carved out for themselves. In other words, why fund innovation and creation if there is no prospect of it ever becoming institutionalized?

As foundations saw that social inequalities continued increasing despite their efforts, they decided to take a stance in support of the organizations they funded by reminding the state of some of its social responsibilities:

¹ Except where otherwise noted, the quotations in this chapter are excerpts from interviews conducted in the context of our research. As verbatim transcriptions which convey the tone and expressions of our respondents, they also contain typical errors of spoken language. All translations of interviewee statements are ours.

→ I don't want to criticize the government, but I do want to speak up, and I think things were expressed pretty clearly in the letter. The fact is that Quebec is one of the most egalitarian societies in America, and that's a good thing ... It gives us a certain quality of life, and it allows a certain percentage of Quebec's population to have a better life. It results in us having what's probably one of the lowest crime rates in America, among all sorts of other things ...

Interview respondent

Further afield, talk about the “cost of inequalities” around the world and within philanthropic networks had intensified in recent years. For example, a 2014 report by the Organization for Economic Co-operation and Development (OECD) showed that the rise in inequality was connected to recent transformations in taxation (income tax in particular) and a systemic decline in the re-distributive role of the state (OECD, 2014). Discussions around the book *The Price of Inequality: How Today's Divided Society Endangers Our Future*, by Nobel-winning economist Joseph Stiglitz (2013), also contributed to mainstreaming the acknowledgment of the growing inequalities and their repercussions on social bonds and wellbeing. Indeed, the issue of social inequalities has rallied many credible international policy actors to its cause and extended into the foundation world.

At the same time, the foundations agreed that their stance should not be a challenge to the state or the government but rather a statement of concern about budget stringency measures and their impact on social inequalities. The chosen tone was more a benevolent warning than criticism, to ensure the foundations' discourse was favourably received by the public: “As long as we're staying neutral and apolitical rather than pressuring, it's alright.” The foundations' desire to take a public position was accompanied by the hope, or expectation, that the vast majority of stakeholders would agree with them. Indeed, the negative impacts of budget cuts had increasingly been exposed and denounced in journalistic circles, communities and certain business sectors across Quebec. In that sense, the public debate on inequalities promised to be a debate with few if any opponents, thereby incurring little risk for the foundations.

Some interviewed foundations also saw the position-taking on public policy as an opportunity to improve their visibility and make themselves more widely known. In that context, some even revamped their brand image from the bottom up, so as to reflect, beyond a mere change in their logo and website, their new philanthropic role. At the municipal level, this was the case with Centraide of Greater Montreal when it launched its Collective Impact Project in some neighbourhoods of the city, to which several of the Collectif foundations ended up contributing financially (see Chapter 12 by Nancy Pole and Myriam Bérubé on this subject). Likewise, at the municipal level in Montreal, the first Policy on Children in 2015 solicited the participation of community and philanthropic organizations in providing services.

This new approach was especially appealing to foundations, including the Lucie and André Chagnon Foundation (hereafter, the Chagnon Foundation), who sought ways to mend fraught relationships with community groups who had been levelling harsh criticism against them. For example, with the announcement of the Chagnon Foundation that its three public-philanthropic partnerships with the Québec government – Québec en forme (2007–17), Avenir d'enfants (2009–19) and Réunir Réussir (2009–15) – would not be renewed, the foundation marked a transition to a new stage.²

Some foundations also expressed the desire for a networking space and platform for interacting with the government, to facilitate their engagement in the public debate. At the time of the Collectif's formation, only a few of the Québec foundations were consistently taking part in Canadian meetings of foundations. Nevertheless, the formation of a new group of foundations was not viewed as competition with any existing networks so much as a way to establish a complementary coalition. In building the Collectif, a number of participating foundations drew on a previous, time-limited collaborative experience with one another.

By taking a position, and above all one that aligns with the latest trend observed in OECD countries, the Collectif seized the important opportunity to demonstrate its loyalty to the funded community groups, either by reaffirming solidarity or by building a relationship of trust – all with next to no risk of making enemies. Indeed, the goal of (re)creating a bond of trust with its members' funded groups was perceived as a more feasible and attainable outcome than that of actually raising concern among politicians. It was only a little later, on the occasion of the Collectif's public meetings and events, that the representatives of the participating foundations grew to appreciate the new dialogue between the foundations which they had contributed to establishing.

² At the time these partnerships were being established, during the previous decade, the foundation was heavily criticized by unions, community groups and academics for playing an active role in the privatization of public services. The announcement of the end of these partnerships was then an opportunity for the foundation to communicate a change of attitude and an organizational repositioning toward their funded organizations (Lefèvre & Berthiaume, 2017).

Chronology of the Collectif's creation

In the fall of 2014, the Béati Foundation, rooted in Christian and progressive values, contacted other foundations about taking part in collective action on the issue of social inequalities.³ Although aware that their political vision is not widely shared across the heterogeneous philanthropic field, Béati viewed the mobilization of other foundations around social justice issues as a prerequisite for success. Having a strong reputation within the community sector (at times stronger even than that of foundations with much bigger endowments), Béati's social capital was a strong asset in its capacity to mobilize other foundations around the creation of the Collectif.

To start, the director of the Béati Foundation approached the Chagnon Foundation – one of Canada's largest, in terms of capital – which agreed to team up and to play a leadership role in the Collectif initiative. The interviewees all mentioned the competence of this alliance in successfully rallying large foundations around the same table, without intimidating the smaller ones.

Béati's proximity to funded communities gave it legitimacy to talk about the realities reported by actors on the ground. The Chagnon Foundation, for its part, gave the Collectif credibility, both early on, in the eyes of the other foundation managers, and later on, when launched, in the eyes of the media. Moreover, it enjoyed significant resources, including: existing relationships with consultants; access to organizational know-how; a position at the crossroads of the political, community and economic sectors combined with an ambition to connect with the general public; and expertise on the issue of inequalities, thanks to a recent awareness campaign on this topic.

Having chosen to address the issue of social inequalities, these initiating foundations used their contacts to reach out to other foundations that they thought might be interested in addressing this topic with the government. In spite of a few refusals, several foundations agreed to join discussions on what form the group should take. From the beginning, the organizing model proposed seemed to mesh with the usual working methods in the philanthropic sector (email exchanges, rather brief meetings, etc.). Four meetings were held between the handful of interested foundations, in the course of which the initial decision was made to write the first collective letter setting forth the foundations' official position. During these meetings, with the support of a consultant and a public relations firm, a draft was reworked and the letter's release and course of action were addressed. All aspects were discussed: the tone of the letter, finding common ground

³ With an endowment of approximately CAD\$12 million, the Béati Foundation ranks among the medium-sized foundations. While there is no direct link between the Béati Foundation and the US-American social change philanthropy that emerged in the 1970s, the Foundation does exhibit characteristics that align with this approach. For example, Béati continues to pursue an in-depth reflection on philanthropy's internal contradictions, and particularly on the intrinsically asymmetrical power structure in the grantor–grantee relationship. Beyond a declaration of principle, this positioning is embodied in a number of practices, from the direct contact between support agents and organizations to the inclusion within the grantee selection committee of representatives belonging to the communities they wish to support.

with one other, and consequently finding the right positioning while avoiding overly accusatory or divisive formulations.

Following the fourth meeting, the foundations sent their letter directly to the Quebec premier, the president of the Treasury Board, the Minister of Finance and the Minister of Labour. A few days later, given that the foundations had not received a reply or an acknowledgement of receipt, they decided to go forward with releasing the letter to the public. The open letter, entitled “Les risques de la rigueur budgétaire” (The risks of budget stringency),⁴ was published on March 11, 2015 in the Quebec newspaper *Le Devoir* (the letter is given on pp. 198–9). Widely circulated in the media, the letter essentially reiterated international economic organizations’ entreaties to be vigilant about budget stringency measures, and encouraged the Quebec government to weigh the effects of its public policies not only on the most vulnerable populations but also on Quebec society at large.

“The risks of budget austerity”

We are concerned about rising social inequalities, an issue that is leading our most respected economic organizations to issue calls for vigilance.

For the first time, Quebec foundations are coming together to voice their concerns and express the unease felt by the individuals, families, and communities they support. At a time when many government programs are being re-evaluated and the tax system is subject to an in-depth review, we question the potential impacts these changes could have on society.

We are particularly concerned about their impact on social inequality, a growing phenomenon worldwide, which has led to calls for vigilance by the most credible economic organizations and, increasingly, by recognized political leaders.

A criterion for judging the reforms

We would like to constructively participate in the debate by inviting the Quebec government to consider our concerns and to fully measure the impact of its reform plans on citizens and communities.

It is, of course, necessary to manage public finances responsibly. It is equally important to ensure that public services are effective and that they achieve their goals, which is why they must be reviewed periodically.

⁴ All translations of the Collectif’s statements are ours.

We urge the government to guide its policy choices by the effects they have on social inequality, while responsibly managing public funds. We propose that the government adopt as one of the criteria for judging the merits of a particular reform that it reduces inequality or, at least, that it does not further increase it. A more egalitarian society: a benefit to everyone.

Quebec is the most egalitarian society in North America. This enviable situation is a result of our collective choices and is a significant economic and social asset. Inequality harms the economy, society and democracy, as experts from around the world have proven, and as we have seen through our day-to-day grassroots work throughout Quebec.

When inequality increases, there is a growing divide between citizens. Like the links in a chain that stretch and break, the links between members of a society also break, and the entire community suffers. Social issues worsen and pressure on public and community services increases, causing costs to rise. Everyone loses.

In the most inegalitarian countries, crime is higher and life expectancy is lower than elsewhere. Conversely, the most egalitarian countries are among the most economically prosperous and powerful countries in the world.

Over the years, Quebec has developed the means to reduce inequality through taxation, education, health care and adequate social services. Investing in everyone's potential allows everyone to contribute to the best of their abilities. When each individual can put their shoulder to the wheel, the economy and society are better for it.

Remaining vigilant

Today it is no doubt time to see if the means we have chosen are still the most effective. But one thing that Quebecers will not call into question is the goal of being a society that gives everyone a chance. We believe that it is worth remembering this strong Quebec consensus illustrated by, among other things, the unanimous adoption by the National Assembly, in 2002, of the *Act to Combat Poverty and Social Exclusion*.

Despite such efforts, the level of inequality is greater in Québec today than it was 30 years ago. We must therefore remain vigilant. The reforms will be more effective if they contribute to reducing inequality. This, we believe, is a winning proposition for all.

Joint statement

The signatories are directors of private foundations^{5,6}

Following the letter's publication, the group of foundations, encouraged by the chord that its public position-taking had struck, decided to organize a half-day of reflection on April 22, 2015. Entitled "Les inégalités au Québec: restons vigilants" (Inequalities in Québec: we must remain vigilant), this event gathered several experts to address the thorny issue of measuring social inequalities as a result of government reforms. In addition to the open letter's signatory foundations, approximately 120 people from different backgrounds (unionists, public health administrators, international development representatives, academics and other philanthropic representatives) attended the event, after which several new foundations expressed their interest in joining the signatory foundations in pursuing their common reflection.

Spurred on by this enthusiasm, the Collectif continued its concerted work and submitted, in January 2016, a brief to a "Public consultation. Solidarity and social inclusion. Towards a third plan for government action". At this stage, the brief was signed by 20 public and private foundations. Explicitly referring to the first open letter dating back to March 2015, the foundations reiterated their call for vigilance:

Excerpt from "Reducing poverty and social inequalities, an issue that concerns us"

Our brief is a follow-up to the letter that a number of the signatory foundations of this brief addressed to the Government of Québec in March 2015. [...]

The core of our message is the need to focus on improving living conditions and the prevention of poverty by drawing on methods with a proven track record as well as by properly assessing the impact of administrative choices and public policies on social inequalities and ensuring consistency across governmental actions.

One year later, on January 26, 2017, the Collectif joined forces with the *Centre de recherche Léa-Roback sur les inégalités sociales de santé de Montréal* to organize a second public event entitled

⁵ See Appendix to this chapter (pp. 213–14) for a complete list of the signatory foundations involved in the Collectif's mobilization.

⁶ Originally published in *Le Devoir* on March 11, 2015 as "Les risques de la rigueur budgétaire." <https://www.ledevoir.com/opinion/idees/434025/de-grandes-fondations-privées-inquietes-les-risques-de-la-rigueur-budgétaire>

“Un ensemble de politiques visant à réduire les inégalités” (A set of policies aimed at reducing inequality). This one-day event attracted roughly the same number of participants as the first. An even greater focus was put on the need to adopt concrete tools to measure and reduce social inequalities in Quebec, including presentations on the key indicators for comparing inequalities between OECD countries and proposals for more progressive education and fiscal policies.

After almost two years, the members of the Collectif also decided to formalize their organization to secure the continuation of their initiative where previous initiatives had faltered. The Collectif members pooled financial resources, set up a website and hired a part-time liaison officer to coordinate the network and alleviate the burden of the two initiating foundations, which had invested considerable resources and internal expertise to handle coordination and media relations. Moreover, in 2017, the Collectif decided to solicit the services of two coaches in impact and strategic clarity to develop an action plan – their theory of change.

It was during the fall of 2017, with this theory of change in hand, that the liaison officer took over coordination and supported the Collectif in releasing a second public letter. The letter (see below) was published in the newspaper *Le Devoir*⁷ on November 15, 2017 – Philanthropy Day – prior to the release of the action plan and the provincial government’s economic update. It was also sent to the Premier, the Minister of Labour and Social Solidarity, and the province’s Official Opposition team. This time, the list of Collectif signatories grew with the addition of two more foundations. The letter, slightly milder in tone than the first, urged the government and opposition parties to adopt a broader vision for combating poverty, one that involved mobilizing and supporting a vast array of stakeholders for this cause. The letter also reiterated the importance of the *Act to Combat Poverty and Social Exclusion* adopted in December 2002 in preparation for the release of the third government action plan to combat poverty and social exclusion.

“Engaging a community of stakeholders in the fight against poverty”

As philanthropic foundations that support hundreds of organizations working to assist families, youths, the elderly and communities, every day we see first hand the impact of concerted action by a multitude of stakeholders committed to diminishing social inequalities. When an entire community comes together to take charge of the situation in its own environment, when a host of small and large actions are combined – that is when we see the best results.

⁷ Collectif des fondations (2017, November 15) ‘Engager une communauté d’acteurs dans la lutte contre la pauvreté’, *Le Devoir*. Retrieved from: <https://www.ledevoir.com/opinion/idees/512968/journee-nationale-de-la-philanthropie-engager-une-communaute-d-acteurs-dans-la-lutte-contre-la-pauvrete>

Our position also leaves us well placed to appreciate the vital role of the government in creating the conditions for this generalized commitment to solidarity and inclusion. Unlike each of the organizations we represent, the government has levers at its disposal to act on a myriad of economic and social factors that contribute to diminishing or increasing social inequalities, and which cascade through its decisions and public policies.

On this subject, the government adopted governmental action plans to combat poverty and exclusion in 2004 and then 2010 with ambitious orientations and involving an array of societal actors with the ability to act on several determinants of poverty.

Unfortunately, in spite of the adoption of the *Act to Combat Poverty* and two subsequent action plans, Quebec has not achieved its goal of joining the ranks of the nations with the lowest numbers of poor, as evidenced by the report of the Ministère du Travail, de l'Emploi et de la Solidarité sociale entitled "Résultats des actions menées dans le cadre de la stratégie nationale de lutte contre la pauvreté et l'exclusion sociale, 2002–13" (Results of the actions carried out within the framework of the national strategy to combat poverty and social exclusion, 2002–13).

Going further

In this context, the third governmental action plan anticipated for this fall should go further. As the Minister of Employment, François Blais, recommended this past March, the plan should set clear targets for poverty reduction and establish the means to achieve them, along with the investments required. It should also provide for additional assistance to the organizations that help people facing poverty and exclusion, who lack social networks.

Moreover, this new plan arrives in a very different context. The economy is on the upswing, public finances are in balance, and unemployment is at a record low. However, despite its tremendous importance, employment is not the only criterion for progress.

The favorable economic context lends itself to the government's establishment of even more ambitious targets to combat poverty, and a continued focus on a range of diversified actions beyond supporting employment. As the strategy to combat poverty and social exclusion points out, it would be important for the action plan to include measures to combat prejudices against people living in poverty, and measures to improve access to public services.

Finally, we urge the government to stay true to this third action plan and adopt mechanisms to ensure consistency across its actions and to measure the impacts of its policies on inequalities.

This third governmental action plan to combat poverty and social exclusion is an opportunity for the government to embark anew on efforts to mobilize all ministries, governmental agencies, socio-economic stakeholders and citizens around this shared goal.

We hope the government will send a powerful message that it intends to use all the levers at its disposal. One of the most powerful is taxation, which remains one of the most effective tools for diminishing inequality. It would be interesting to seize this opportunity to advance reflection and social dialogue on the best options available in this respect.

We, the directors of nine foundations, commit to collaborating on this strategy by contributing our expertise, our passion and our ability to mobilize stakeholders from a diversity of backgrounds.

Starting from the first public statement, the Collectif's actions can be understood in two contexts. First, the foundations clearly wished to have a space where they could come together to pave the way for a collaborative partnership. Member foundations' desire for a coalition that could take collective action on social inequality was supported by their pooling of resources, hiring of a liaison officer and creation of a website. But this consolidation was not intended solely to support their ability to take public positions and to enter into dialogue with government; the Collectif also wanted to stimulate broader public reflection on social inequality by initiating public events and, most importantly, internal debates on the topic.

In the two-and-a-half years following the first open letter, the Collectif did attempt to engage with government officials with a view to establishing an ongoing dialogue about what the government could be doing to combat poverty and reduce social inequalities, and to offer to collaborate towards these ends. They did this from their position as philanthropic foundations, presenting themselves as having a privileged vantage point and a neutral capacity to represent civil society perspectives. While a couple of meetings with representatives of the Ministry of Labour, Employment and Social Solidarity did take place, Collectif members quickly came to understand that their government interlocutors suffered from some misconceptions about the foundation sector, and that the basis for greater mutual understanding would first need to be established before engaging in further dialogue about potential collaborations.

Finally, since 2018, the Collectif's foundations have been in a dialogue with one another on the issue of tax privileges (related to Canada Revenue Agency's regulatory framework for charities) and their own "inequality footprint" as foundations. To this end, they reflected on how the tax

privileges they benefit from may reinforce certain socio-economic inequalities. As an increasing number of calls are made to review and modernize federal charity regulation⁸, the Collectif's own reflections are timely, as some of these tax privileges may well come under renewed scrutiny. Yet this reflection is designed first and foremost to feed their own internal practices. As part of this process, several member foundations engaged their boards and management teams in a dialogue on this subject. This ability to engage in a collective discussion around tax issues, a sensitive subject within the philanthropic sector, is a measure of the progress made in building trust between members of the Collectif.

Evaluating the results

Given the absence of a positive government response to the Collectif's appeal to adopt a tool to measure the impacts of its policies on social inequalities, one might at first glance judge the Collectif project a failure. During our first interviews in the summer of 2015, the government issued no response to the Collectif, aside from acknowledging receipt of their statements. For some stakeholders, the absence of a swift response on the part of the provincial government constituted the project's main failure.

Nevertheless, it is worth noting that most member foundations never expected at the outset that they would encounter much success in getting the government to change its practices in matters of social inequalities. Based on the interview statements of the project's initiators, the main goal was simply to "introduce doubt". Moreover, over time the range of potential government interlocutors expanded to include people at the federal as well as the provincial level.

The evaluation of the mobilization thus becomes more nuanced when considering the impact of its favorable coverage in the media and its reception by not only community organizations but also players who are generally critical of foundations. The Collectif's arguments in some ways run counter to the usual criticism of foundations as agents of social policy privatization. Above all, the Collectif's greatest effect has been to spark a new dialogue among the foundations of Quebec. Since its creation, other foundations have shown an interest in the Collectif's reflections on the role of foundations in public debate, their relationship with the state and taxation, and on social inequalities.

In the end, Quebec's Ministère du Travail, de l'Emploi et de la Solidarité sociale agreed to meet the Collectif's representatives, but it seems (at the time of going to press) that discussions are still in their infancy and the ministry continues to show little understanding of the Collectif's atypical

⁸ See, for instance, the report issued in 2019 by the Special Senate Committee on the Charitable Sector.

mobilization. In the face of this problem, the Collectif's representatives should clarify their public stance, since they refuse to be recognized as either a lobby, advocacy group or mere funder. If anything, they wish to be recognized as a unique entity, and they propose that government explore possibilities to further collaborate for social equality by leveraging both parties' resources.

Despite the fact that the government calls upon foundations to financially support the community sector and to give its support to government policies, the government does not seem to acknowledge foundations as a legitimate policy actor. The government's lack of openness to cooperate in this manner remains a significant disappointment to the members of the Collectif. In 2019, however, the Collectif was one of the rare actors of the philanthropic sector invited by the Government of Quebec to submit a new joint brief in the framework of the consultation leading up to the new government action plan for supporting community action.

Media coverage of the first letter still represents a success for members of the Collectif. The reaction gave it credibility and confirmed the importance of having taken a public stance. Community groups, in particular, expressed to the foundations how warmly they welcomed this action. Several foundations stated that they had received words of thanks and encouragement, thus marking a break from the sometimes much tenser relationships between foundations and community organizations: "It was very spontaneous and came from groups, group networks or closely involved individuals the very morning after the letter went out. I remember that feedback started coming in as early as a quarter to seven in the morning. Brief messages like, 'Hey thank you!' 'Wow, that's fantastic!'" The public letter contributed to a sense of relief among the funded organizations, given that they are in a position where taking a stance might jeopardize their financial capacity.

Accordingly, foundations reported that the community organizations felt encouraged and endorsed: "They find that the letter added another voice. It's one more voice speaking up for greater social justice"; "Our organizations were telling us that it's supportive of, and substantiates, what we're saying." In turn, these thanks fueled a sense of pride among the Collectif's members and work teams: "We're proud to have taken part in the Collectif"; "It's like, wow! We really supported them in their efforts."

Going forward

Several questions put to our interviewees dealt with the future of this Quebec coalition of foundations and the potential participation of the interviewed foundations. Their responses allowed us to identify three points of tension that shed light on potential issues going forward.

The issue of inequalities ... between foundations

Quebec's philanthropic sector struggles with its own disparities and tensions with regard to:

- affinities with different fields of endeavour (e.g. religion, politics, community action, sports, medicine)
- scale of intervention (e.g. local, provincial, federal, international)
- sub-categories with their own networks (e.g. the Centraide/United Way foundations, community foundations)
- size and scale of economic resources (e.g. size of endowment, amounts raised by fundraising or through partnerships)
- social capital (e.g. pool of contacts, ability to mobilize other stakeholders, quality of relationships with community, political and religious organizations)
- symbolic capital (e.g. age/maturity of the foundation, prestige associated with the founder's name, board members' reputation, recognition conferred by awards, testimonials from grantees)

Considering this heterogeneity, it is not surprising that the composition of the foundations comprising the Collectif are diverse, including significant differences in terms of financial resources, territory (local, provincial, Canadian) and relationships to the state (partnership/distance).

Predictably, the most striking disparity lies in the foundations' financial capacity. Since the Collectif includes two of Canada's ten largest foundations and other much smaller ones, it may face a challenge in terms of managing financial inequalities among its own members. This gap in size often goes hand in hand with different organizational cultures, ranging from a more entrepreneurial culture to what one interviewee described as "activist at heart". Some of the member foundations have few or no salaried permanent positions, which can represent a problem for follow-ups and participation in meetings. The Collectif was also challenged to do justice to the smaller foundations, proving unable to give their words greater weight or to allow for a less costly participation in meetings and events.

To take this disparity into account, the Collectif adopted a lenient and flexible approach to the contributions to expenses. The Collectif's members agreed that each member could contribute according to its own financial means and that no foundation would be excluded due to a lack of

financial contribution. However, this threatened to become a source of tension in the longer term if the absence of a contribution by certain medium-sized or larger foundations was noticed or if the words of a given foundation weren't heard and acknowledged in quite the same way during discussions.

Along similar lines, the disparity of resources between the foundations risks significantly influencing their commitment to the coalition's continuation. Small and medium-sized foundations, for example, experience the "cost" of their participation more directly on the rest of their activities, and their members (employees or other) have less time to devote to the project. At a time when some foundations would like to fund a larger number of projects in order to foster more initiatives (or to keep others going), questions arise about the "profitability" of invested resources: Can these foundations afford to invest in the Collectif? What are the potential and measurable impacts of this commitment?

A final important difference between foundations around the table is the decision-making power of their management, which is itself dependent on the philanthropic capital structure of their foundation. Based on our observations, we posit the following hypotheses in this regard:

- First, foundations that rely on fundraising from large private donors or the general public are reluctant to politicize their image through overcommitment
- Second, among the capitalized foundations, differences between managements' power appear to be determined by the degree of presence of the donor

At one end of the spectrum there are foundations in which the donor and her or his family still have the "hands on the wheel". At the other end of the spectrum there are foundations in which managers with no ties to the history of philanthropic capital hold significant power, as is the case especially when a donor relinquishes any place in the foundation's governance. These differences in management power and capital structure can lead to complex exchange dynamics. Thus, discussions on the investment of capital and its sustainability or use have different implications in foundations, depending on whether the donor (or her or his heirs) is absent or present within the governance. These differences between foundations are sometimes revealed when it comes to "talking politics".

The fear of "talking politics"

The second point of tension revealed during our interviews is to do with the Collectif's future mode of operation. Despite a sense of being able to speak freely, some foundations worry about the repercussions of public position-taking and the legal framework governing their organizations. They fear that federal regulatory control will become more stringent, either spontaneously or in the definition of their activities (charity versus political).

In addition to the Collectif, the foundations also have various partners to whom they feel accountable or with whom they seek to secure a bond of trust. Their autonomy is dependent on their various connections within society. Among other things, some foundations, even in the absence of formal partnerships, seek to preserve their privileged ties with the state and therefore prefer to “refrain from criticizing”. Others, conversely, are more demanding in voicing expectations of a strong welfare state. As one respondent summarized:

→ You know that foundations enjoy a good relationship with the government ... Yet at the same time no one can deny the need to balance our budgets and better manage our collective assets. So ... it’s a dance [laughs], a sort of tango where you inevitably learn to dance, since the dance is something you make up as you go, as the measures are being implemented.

Finally, the foundations’ fear of “talking politics” stems from the fear that public interventions would lose their “special” status if they were to become too frequent. They fear that, by expressing their views more frequently in the media, they might lose their credibility (accorded to them). Hence, they conclude that “strategy” and targeted intermittent interventions might be the wiser option. Already, more recent media releases attracted less attention than the first one.

This concern also ties in with the desire by some foundations to maintain a certain distance from public debates. Indeed, for public foundations that rely more heavily on donors (especially major and wealthy grantors), “talking politics” may well give them a more contentious public image, which then runs the risk of scaring away any donors who are more reluctant to associate with an advocacy movement. Roughly half of the foundations mentioned that they prefer not being associated with the “rhetoric” of an activist movement or lobby.

Observers from the field (Cave, 2016; Northcott, 2016) believe that the election of the Trudeau Liberals in 2015 has sent a positive signal to a considerable group of Canadian charities and nonprofits, following many years of tension with a federal government accused of putting a “chill” on activities (Floyd, 2015). In 2018, the Ontario Superior Court ruled in favor of an organization threatened with the loss of its charitable status, which was contesting the ten-percent limit for political activities. As a result of this ruling, the government established a new framework, abolishing the ten-percent limit for political activities but continuing to prohibit partisan activities (Grant-Poitras & Alalouf-Hall, 2019). Nevertheless, the challenge of the difficult relationship between politics and philanthropy, as highlighted in 2012 by Stephen Harper’s Conservative government, is not just a thing of the past. Only recently, Alberta’s premier, J Kenney, warned environmental foundations about being critical of the province’s extractive activity (Lum, 2019).

The relationship between philanthropy and inequalities

The final point of tension about the Collectif's mobilization concerns the societal position of the foundations themselves. Even if they would like to formulate a solution to inequalities, structurally speaking, they are themselves a product of inequalities of capital. Indeed, the Collectif is not entirely in control over how it is perceived by grantee organizations or the general public. The organizations attached to the philanthropic foundation label or to a specific foundation can sometimes have more weight than the Collectif's voice. This context of heightening social inequalities brings back into the public debate the complex and delicate issue of wealth creation and redistribution and, more generally, the role of philanthropy in combating social inequalities.

Foundations appear to be the bearers of an inherent contradiction in their discourse, given that they are at once a result and a cause of wealth inequality. Capital has accumulated and become ever more concentrated since the 1980s. This capital accumulation has occurred in correlation with a decline in states' redistributive capacity, especially from a taxation standpoint (Piketty, 2014). Structurally, the central problem stems from the fact that foundations' revenues or endowments depend on the health of financial markets, known to be precarious and volatile – an economic health that is disconnected from the health and well-being of our societies.

It is not surprising, then, that several of the individuals we interviewed proved rather cautious about publicly voicing their views on this issue.⁹ This even included those from foundations with less capital or those relying more heavily on fundraising, who might be expected to be more vocal about issuing warnings about rising inequalities. But, as our interviews uncovered, some of these representatives feel that their modest infrastructure gives them a limited role, or fear that run-ins with public opinion might cost them a large swath of their potential donor pool.

Despite repeated affirmations on the part of interviewees that their foundations did not wish to replace the state, vagueness continues to prevail around their legitimacy in publicly voicing their views on inequalities. Indeed, foundations spoke to us of the contradictions and questions with which the responsibility of speaking up in public is fraught: Should the role of foundations be, instead, to encourage or empower the groups they fund to voice their own views? Can they reconcile the role of mouthpiece to the government with continuing to act as supporters of the organizations that combat inequalities? And what can they do internally to diminish inequalities?

⁹ This is, in fact, a question that one radio show host put to the Collectif's spokesperson following the March 11, 2015 media release: "People question how foundations exist, why they exist, and how they manage money that should have been distributed to society, in the form of taxes, in the first place. [...] Surely, the best redistribution of wealth is to pay your taxes [...] Which foundations don't!" The host went on to explain how one foundation belonging to the Collectif had been created following the sale of the cable company Vidéotron, and how this was an example of tax avoidance. This criticism has continued to resurface since the beginning of the 20th century and the institutionalization of a tax privilege for foundations.

Clearly, speaking out in public also carries the risk of being answered publicly. Among other things, the matter of tax avoidance through the creation of foundations may well be brought up, which foundations would find it hard to answer. Further, any defined point of view on this issue is unlikely to be shared by all other members of the Collectif. For example, one respondent's view was that taxes were no longer enough to meet social needs anyhow, and that paying one's taxes therefore comes down to "paying off deficits ... But you don't get any leverage." Keeping one's money within a foundation allows for "stretching your dollar further than if it went to the government".

Foundations thus appear to be split into two camps: one that follows a more "offence-focused" discourse of demanding public policies geared toward diminishing inequalities, and the other adopting a less conflictual posture and one that praises existing accomplishments and achievements. This issue is all the more delicate for the foundations that rely on fundraising, especially from major donors, who are not particularly open to the idea of being more heavily taxed. For this reason, it is critical that the Collectif provides a meaningful and safe space for foundations to reflect on their public engagement of social inequalities.

Conclusion: "A good conversation"

At first glance, the Collectif's actions seem to be directed outwards, given that it addresses the provincial government and more broadly the stakeholders involved in combating poverty. However, a number of elements indicate that these actions have been primarily directed inward, with Quebec foundations participating to build a new philanthropic field. Indeed, the Collectif's greatest success lies in the ties forged between foundations, as this strengthened their capacity to influence the agenda of the foundations themselves and to tackle the question of social inequalities.

Moreover, the project created an uncommon opportunity to open the way for internal discussion between colleagues within foundations. The Collectif made it possible to discuss and to reflect on social inequality issues, a topic not often addressed in the everyday work of many foundations' teams. Even in cases where internal conversations became relatively tense, the interview respondents evaluated them positively, underlining the value of this unifying experience for the team.

Another aspect appreciated by the interviewees was the opportunity for foundations to come together, develop a new form of collaboration, and position themselves with respect to other foundations. In the context of our interviews, nearly all the foundations emphasized the quality of the discussions that took place. The recognition of the Collectif as a forum for exchange has been the central element of its sustainability over the past four years – and, even though it has not made many public pronouncements in recent months, the exchanges and internal reflection

sessions have continued. Reflecting this organizational transition, the Collectif now presents itself on its website as: “A place to network, learn and share ideas about social inequalities and the role of foundations in the current social context” (Collectif des fondations, 2019).

Nevertheless, it is difficult to predict whether and how the Collectif will be able to maintain this resolve throughout variegated political contexts once the initial enthusiasm has waned. At the very least, there can be no doubt that creating a network of foundations in Québec has spurred many stakeholders to reflect on their role and their positioning with respect to the state. Such reflection will have, at least in part, been a response to the “identity crisis” that had preoccupied the foundations that were the first to join the Collectif, as well as those who joined later on. Indeed, over and beyond its immediate public message, the founding hallmark of the Collectif lies in the will to deepen the dialogue between foundations, and to voice a common position.

Foundation representatives’ satisfaction with the internal cohesion created during the preparation of the first media release and the ensuing events cannot be understood without taking into account the earlier approval and significant positive feedback received from community milieus. The initiative enabled the foundations closest to these milieus to maintain their close ties and allowed others to warm up relations or ameliorate a climate of mistrust, if only temporarily. Over and beyond the power relations inherent in the grantor–grantee relationship, the foundations’ public statements brought to light overlapping interests, whether in terms of the need to maintain public funding for social services or the issue of social inequalities. Representatives of community organizations have given foundations the legitimacy to intervene on the issue of social inequalities, an issue on which they have historically claimed their own legitimacy vis-à-vis the Québec government. And in this sense, it would have been difficult to envisage that the Collectif publicly release a political discourse contradictory to the one of community organizations.

One of the keys to the success of the Collectif initiative is ultimately that it enabled foundation representatives to come to know one another and community organizations to feel listened to. Beyond its unifying dimension, the discussion around social inequalities continues to provide an arena for debating and defining a broad and diverse philanthropic field. Moreover, in the wake of the initiative, the foundations came to realize that they too – and not only the organizations they fund – are vulnerable and prone to work in silos and be consumed in inter-organizational competition. Viewed from this perspective, this collective action served to bring more consistency and coherence to foundations’ discourse and ways of doing things.

Three key takeaways

1

Social inequalities concern all foundations, even if this is not their direct field of intervention. This is because assets are core to both their creation and subsequent disbursements across all fields of expertise, such as health, education, culture or environment.

2

The work of the *Collectif des fondations* is an example of a collective interlocutor with influence among participating foundations as well as public authorities and foundations in other provinces.

3

While the initial context that led to the creation of the *Collectif des fondations* has evolved, other issues such as the frontier between politics and philanthropy, and charity modernization and tax reform, still fuel the need for collective discussions.

Appendix A: Stakeholders involved

The following table outlines the stakeholders involved in the Collectif's actions.

<p>Open letter #1 (March 11, 2015)</p>	<p>Béati Foundation Berthiaume-Du-Tremblay Foundation Dufresne and Gauthier Foundation Léa-Roback Foundation Lucie and André Chagnon Foundation McConnell Family Foundation Montreal Women's Y Foundation Solstice Foundation YMCAs of Quebec Foundation</p>
<p>Brief (January 26, 2016)</p>	<p>Béati Foundation Berthiaume-Du-Tremblay Foundation Centraide du Grand Montréal Centraide Duplessis Centraide Estrie Centraide Gatineau-Labelle-Hautes-Laurentides Centraide KRTB-Côte-du-Sud Centraide Lanaudière Centraide Mauricie Centraide Outaouais Centraide Québec Chaudière-Appalaches Centraide Sud-Ouest du Québec Dufresne and Gauthier Foundation Léa-Roback Foundation Léger Foundation Lucie and André Chagnon Foundation McConnell Family Foundation Montreal Women's Y Foundation Solstice Foundation YMCAs of Quebec Foundation</p>
<p>Open Letter #2 (November 15, 2017)</p>	<p>Béati Foundation Berthiaume-Du-Tremblay Foundation Dufresne and Gauthier Foundation Léo-Cormier Foundation Léa-Roback Foundation Léger Foundation Lucie and André Chagnon Foundation McConnell Family Foundation Solstice Foundation</p>

Current members (as they appear on the Collectif's website in November 2019)

Active members:

Béati Foundation
Berthiaume-Du-Tremblay Foundation
Centraide du Grand Montréal
Centraide Québec Chaudière-Appalaches
Dufresne and Gauthier Foundation
Léa-Roback Foundation
Léo-Cormier Foundation
Lucie and André Chagnon Foundation
McConnell Foundation
Mission Inclusion
Mirella & Lino Saputo Foundation
Montreal Women's Y Foundation
Solstice Foundation
Trottier Foundation

Peripheral members:

Centraide des régions du Centre Ouest du Québec
YMCAs of Quebec Foundation

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