
From a Reader: A Call for Radical Compassion and Empowering Collaboration

Title: From a Reader: A Call for Radical Compassion and Empowering Collaboration

Author: Patricia Bradshaw

Published in: *The Philanthropist*, COVID-19

ISSN: 2562-1491

Date: August 19, 2020

Original Link: <https://thephilanthropist.ca/2020/08/from-a-reader-a-call-for-radical-compassion-and-empowering-collaboration/>

Date of PDF Download: September 18, 2020

I am writing in response to [the article by Tim Harper](#) published on June 17, 2020 in *The Philanthropist*. The article, which also includes an interview with Gordon Floyd, is about the “charitable” sector and how COVID-19 is an opportunity for disruption of the status quo. I was glad to see many of the challenges facing the sector during COVID-19 described in the article. I also agree with many suggestions for the way forward, including the need for more partnerships, strategic alliances, collaborations, mergers, use of technology, and the leveraging of virtual operations. The Academy for Collaboration, which has the goal of creating a forum for philanthropists to be allies for change, according to the article “wants to transform, not merely tweak, the sector’s risk-averse culture into something more progressive.”

Floyd points out that *The Philanthropist* decided to create controversial content, to “force the sector to think more deeply about challenges and opportunities facing their organizations” and to “stir the pot.” I would like to unpack, expand, and discuss some of the points Harper and Floyd make in the article. Their remarks are intentionally provocative with the goal of helping. I am responding to their challenges with the hope of moving philanthropists and non-profits forward together. I believe we need more genuine empowered collaboration and radical compassion. I have pulled out seven key themes to highlight, discuss, and rebut.

1. *Risk averse or lacking systemic power*: The article says that the CEOs of seven family foundations formed the Academy for Collaboration out of frustration because of the sector’s lack of ambition and how it is often “dragged down by egos and internal politics.” The interview with Floyd further says that the sector is based in conservatism and short sightedness. I would agree that some (not all) non-profits have these characteristics and that much of this comes from resource scarcity and a scarcity

mindset. It is also a reflection of dependence created by our funding models. Power, defined as independence, comes from abundance and access to resources. Powerlessness is defined as dependence. Researchers know that with dependence and powerlessness comes neediness, risk aversion, lack of confidence, competition, politics, and efforts to please. The alternative to the dance of power and powerlessness is genuine inter-dependence, as Floyd points out in referencing Mark Carney, the former Bank of Canada governor. Philanthropists, government funders, and non-profits with charitable status working together in new and mutually empowering ways, with the shared goal of disrupting the status quo, can reverse risk aversion and competitive politics. To do this, systemic and deeply entrenched power relationships must be profoundly shifted so the sector is not dependent on unpredictable and critical philanthropists and other funders.

2. *Lack of crisis preparation or failures of governance in all sectors:* The article attributes lack of crisis preparation to the charitable sector, but I would suggest this is not unique to the sector and that all sectors were unprepared for the global pandemic. Governments let their emergency preparation plans lapse and sectors like airlines were clearly not prepared. Bailouts are across the board and not unique to the non-profit sector. Boards of directors have fiduciary responsibilities and risk management is part of their duty of care. It is time for a deep conversation about the risks of not only pandemics, but also climate change, technological disruption, and systemic racism. We require good governance now more than ever in every sector of our economy.
3. *Inadequate business models or different operating principles:* Floyd is critical when he says that the “vast majority” of charitable organizations “have essentially no reserves” and can use the shock of the pandemic to “update their structures and methods of work within a sector that has been very slow to evolve and modernize over the years.” Floyd points out it is “not responsible management” to operate charities close to the line financially. In a survey of Nova Scotia non-profits in early April, we learned that 28% did not have the resources to operate for more than three months and an Ontario survey in 2019 found almost half of non-profits did not have three months of reserves. I think we need to be careful in characterizing “the vast majority” of non-profits as having outdated and inadequate business models. In fact, universities, including top business schools, have been training leaders of the sector for decades. The underlying operational models of for-profit and non-profit are different and there is indeed a philosophy of putting services and clients before building up reserves in latter sector. For-profit businesses have been critiqued for not living by the United Nations’ Sustainable Development Goals and for putting profit before people and planet. We can learn even more across sectors to appreciate our underlying shared values. There may also, as Floyd points out, be a cultural and structural bias against charities having reserves and this is something that needs to be discussed, as does the need for more core funding and appreciation that “grantees know best how to spend their funds and deliver their services.” It is certainly welcome to have the authors express a collective commitment to pay those who work in the sector fairly in addition to building up reserves. Some of the structural issues may be gender-based due to the [sector being composed of more women](#). Leaders[i] in the sector in Nova Scotia are 67% female and highly educated, with 48% having an undergraduate degree and another 36% with a master’s degree. Twenty-seven percent have been in their roles for more than 10 years, but despite their education and experience, their salaries far less than senior management salaries in the rest of the economy, with a median salary of \$58,000 compared to \$81,000 for the province’s senior managers across all sectors. I do encourage funding of the sector that

allows staff to have benefits (41% of non-profits in Nova Scotia do not have employee benefits) and fair pay.

4. *Lack of data or research not accessed:* The article points out that the sector does not have enough data. I encourage the Academy for Collaboration to support sector efforts, being led by the Ontario Nonprofit Network (ONN), to have Statistics Canada include this in the up-coming revision to the North American Industry Classification System (NAICS) system. Specifically, I would ask them to work with us to ensure that NAICS better reflects non-profit labour market information, laying the groundwork for workforce planning and better understanding of labour market conditions, including compensation. The sector itself has done multiple surveys in most provinces to determine the impacts of COVID-19. We in fact have a great deal of data we would be happy to share.
5. *Failures in advocacy or widespread devaluing of the sector:* Harper and Floyd say that charities have failed to communicate their messages to mainstream media and that our lobby and advocacy voices are muted. This, they say, means that business and labour groups are far more successful at securing bailout funding. They suggest the sector needs to package its stories, establish relationships in the media, and deliver stories to journalists who will then take them and turn them into more independent reports. It sounds simple. So far, concerted, creative, and strategic efforts, including by Imagine Canada provincial groups, have failed to yield results. I would suggest that this is not a failure of effort and strategy but reflects a dynamic that systematically devalues charitable work. Historically, charitable work is framed as benevolent, as doing good, but also as needy and reliant on the generosity of donors, philanthropists, and governments. Advocacy in the sector is framed as more of the same: predictable calls for help and as less worthy of support. This sets up a paradox where philanthropists feel they know better and have more, while charities are weak and dependent on them. Then, I would argue, charities are open to criticism of failures of advocacy and management.
6. *Earned revenue or adapting a failing business model:* The article suggests that charities need to lessen dependence on corporate and government funding and individual donations by moving toward more earned revenue and social enterprise models to “ensure that they are less susceptible to political whims or business cycles.” In Nova Scotia, 30% of non-profits have social enterprise activities. During COVID-19, they have lost more 80% of this revenue [\[ii\]](#)— just as have many small for-profit businesses. I do not understand how business activities such as retail, education and training, catering, and business consultancy will help the sector survive the swings in business cycles. But these social enterprises do often employ clients of the agency and provide job training, employment, and enhanced self worth to marginalized community members. While critiques of business models and the failures of the corporate structures are evident during the pandemic, it seems questionable to advocate for charities to adapt this approach.
7. *Time to rethink non-profit structures or time to build on existing innovations:* Finally, Floyd says this is a critical time for charities “to rethink their role in communities and to rethink their relationship with governments and the private sector. The shock of this can be an opportunity to update structures and methods of work within a sector . . . I hope this leads to some fundamental rethinking of the way some charities are organized, the way they deliver to services, the way they relate to their partners in the community and the way they deal with risk.” In Nova Scotia, 60% of non-profits, in a recent survey conducted by the Atlantic Provinces Economic Council (2020), reported existing successful collaborations with other non-profits and plans to do more. Another 30% said they have had active collaborations with some success. As one respondent reported,

“More innovative collaborations between non-profits would be helpful to attract further support from government.” Another said, “the sector needs programs to expand collaboration resources and to communicate outcomes to community stakeholders.” These quotes and the survey results were delivered before the arrival of COVID-19 and I would agree more with Floyd’s point that we are seeing a heightening of these existing commitments to innovation and to creating bold new ways of working and disrupting the status quo. In my own outreach with sector leaders, the most common question asked is “how can we work together to better help our communities?”

I would argue that non-profits with charitable status may have an easier time of pivoting, disrupting, and innovating than other organizations, including business, government, and philanthropic organizations, because we rely on different theoretical frameworks that liberate new ways of working. We are happy to share what we know about anti-oppression, feminism, intersectionality, decolonization, power, complexity sciences, network theory, collective action, adult education, and other theoretical models.

Stirring the pot can be a good thing. However, harsh or over-generalized critiques that have the unintended consequence of undermining charitable organizations may not be the best way to motivate change. It is exciting to hear about the Indigenous Peoples Resilience Fund and it sounds like a model for meaningful collaboration. We should work together, share power, and create the future that we all want but I would suggest we all build on assumptions of radical compassion and a genuine ethic of care.

[i] APEC Research Report (2020) *The State of the Nonprofit Sector in Nova Scotia*, accessed at <https://www.csc-ns.ca/state-of-the-sector-report/>

[ii] Community Sector Council of Nova Scotia, *Initial Impact of COVID-19 On Nova Scotia’s Nonprofit and Voluntary Sector Report*, April 2020 <https://www.csc-ns.ca/wp-content/uploads/2020/04/CSCNS-COVID-19-IMACT-REPORT.pdf>