
The Philanthropist Interview: Senator Ratna Omidvar

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The Philanthropist Journal *today begins a new occasional series – a series of interviews with a diverse range of Canadian thought-leaders, probing the challenges, risks and opportunities confronting the charitable/non-profit sector as it looks to rebuild and potentially re-position in response to the pandemic. The first instalment features Senator Ratna Omidvar, a veteran of the Canadian charitable sector. Prior to her appointment to the Red Chamber, Omidvar's career included leadership stints at Skills for Change and the Maytree Foundation.*

Senator Ratna Omidvar is a strong voice for strengthening Canada's charitable sector, advocating for equity, inclusion, and transparency.

She immigrated to Canada from Iran in 1981, an experience that drives her work. Omidvar sits on the World Refugee Council, serves as a director at the Samara Centre for Democracy, and is chair emerita for the Toronto Region Immigrant Employment Council. She has also served as deputy chair of the Special Senate Committee on the Charitable Sector.

Omidvar is a member of both the Order of Ontario and the Order of Canada; both honour her devotion to reducing inequality and working on behalf of immigrants and refugees.

What opportunities should we capitalize on in the post COVID-19 recovery?

Omidvar: One is the heightened awareness of the sector by the people of Canada. It's an opportunity to make the changes that should have been made decades ago.

Now is the time for social finance. [The recovery] presents an opportunity to the philanthropic sector to help service organizations ramp up their capacity to participate in the social finance

ecosystem. This is the big opportunity. The government has already put \$750 million towards it. It will hopefully double with the participation of private investment and institutional investment.

The philanthropic sector has a role to play in addressing racism, to ensure that they are not just funding racial-justice organizations, but they're looking at the equity of outcomes in all of their granting mechanisms.

Governance is the big issue. If there's one lesson that has come out of the WE controversy, it's that the governance of charities is a fertile field for capacity building and investment. I would want to see someone invest in the capacity of charities to improve that governance, so that they don't get into these convoluted arrangements.

It's time for the sector to disclose information on its own governance leadership. I have been calling for that. Let's start insisting the CRA amend its annual form to report on who sits on the boards of directors and who leads them. Let's see what that picture looks like.

What should the relationship between the sector and the federal government look like during recovery?

Foundations should propose to the government that the disbursement quota be raised. I think it is time for the philanthropic sector to say, 'We are part of the recovery and this is the way we will help it along.'

Second, it must join hands with the service sector in asking for a sector stabilization fund. Recovery has put the service sector and many charities under severe strain. We don't know if they will survive.

When you look at the \$80 billion dollars in assets held by private foundations, the question gets put into a sharper focus. What is its role in spending those tax-protected dollars at a time of massive need in Canada?

Private foundations have a lot of privilege. They have influence and connections. They need to use that power to make the point that Canada will only survive this crisis if the service sector survives. And it needs some federal funding to stabilize itself. That, in fact, can be part of the recovery.

I want to see the philanthropic sector put out a call for leadership on giving more than 3.5%. I understand it's voluntary, but there are many foundations doing much more.

Finally, I would hope that the philanthropic sector joins hands with all of us in calling for a home in government so that the sector has a voice at the table. Not on matters of tax, that's the purview of the CRA, but on legislation and policy.

Name a problem in the charitable sector that everyone knows about, but no one wants to tackle?

The sector has always had a hard time with human resources. [Non-profits] do not typically have HR officers or departments. I've worked in the sector; I know how it works: 'we need [to hire] someone. Who do we know who can start immediately?'

It's really, really important to have the right people working for you. Salaries are the biggest line item in any charity's budget. I think it is important for a renewal of the Human Resources Council portal. That whole idea needs to be put back on the table.

The sector needs help in managing and understanding trends in human resources. It needs a platform or a shared service that can help the sector navigate its talent needs. I think there is a role for government to fund such a platform or assign funding through a sector organization.

What big questions should those in the charitable sector ask themselves right now?

How does it contribute to the public good? And what is its role in times of disruption? There have been calls, for instance, for raising the disbursement quota. There have been calls for preserving assets for the future. But what is philanthropy's role? Is it to maintain the status quo? Or is it to disrupt the status quo? Disruption is a perfect time to innovate.

The question could well be asked, what is the role of philanthropy in ensuring equity? In these conversations about anti-racism, equity, and privilege, the philanthropic sector must ask itself if it is part of the problem or part of the solution? If it is part of the solution, then what should it be doing differently in order to make [itself] relevant?

What should be the federal government's top three policy fixes aimed at the charitable sector?

Review the Income Tax Act as it pertains to charities. That hasn't been reviewed for 50 years. The trends in giving are disturbing. Overall grant donations might be up, but the numbers of donors are down. The bulk of the money comes from wealthier Canadians who give to all the wealthier charities.

Then look at the definition of charity, which is grounded in Elizabethan concepts of what is charitable. Every other jurisdiction has moved on, but we are still stuck because we have not allowed the common law to evolve.

Change the language of the Income Tax Act as it pertains to [the direction and control of intermediaries], which is a constraint on charities working with civil society organizations. It defines the relationship between a charity and a non-charity as one that the charity must control in order to stay within the letter of the law.

Just imagine using those words in the context of partnering with Indigenous organizations. 'We'll give you money, but we're going to direct and control you.' There are some outmoded ideas that are not in keeping with how our sensibilities have evolved.

(The transcript has been edited for length.)