

Viewpoint

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Corporate Philanthropy in Difficult Times*

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During my business career I have developed one or two fairly strong opinions about the role and practice of philanthropy. One of those is a firm belief that the fundamental civility of our society, the caring and sharing which typify what we all hope is a humane society, is most called into question and placed under the most pressure during difficult economic times.

We are seeing some rather facile responses to this kind of pressure and to the economic times themselves. The first response is to rely upon government to do more, to pay more, to fund more programs, to solve more problems. I am not one of those who underestimate the capacity of thoughtful and well-executed government activity to be a positive force in the community. I *am* one of those who think that excessive demands on government in difficult economic times are at best naive, at worst insensitive and selfish.

Government spends no money of its own. In that sense, at least, we should think twice before advocating that more government money be spent. Money spent by government has either been collected by government, is yet to be collected by government, or worse, is yet to be borrowed.

Governments which run deficits so as to finance capital expansion are mortgaging future generations but are doing so for assets such as hospitals, schools and highways which will benefit future generations.

Governments which borrow to finance day-to-day operations, however noble the programs they support, are mortgaging future generations for benefits those generations will not receive and which will have to be paid for at inflated prices.

Thus, we have a collective responsibility to assure ourselves that we are doing all that we can, as effectively as we can, before looking to government to solve our problems.

I believe we make a mistake in this country when we institutionalize, through the public sector, the social and community concerns that define our relationships with each other as human beings. It may very well be that the volunteers who once staffed "church-basement-type" charitable organizations were not as efficient or as well-funded as our current institutionalized welfare programs. But there was

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genuine caring in those “church-basement” programs—caring that came from people who gave freely of their time to help those who were less fortunate. In those days charity was not a dirty word. We must not allow it to become one.

I think that we in this country have a sense of opportunity because in the past individual citizens have taken their responsibilities seriously. Without denigrating the importance of government, it is not my view that government, per se, is always the best institution to take on those responsibilities or to defend the values that have created our sense of opportunity. I believe we are far better off when those values are active and at work throughout our society. Then we should be able to rely on governments to reflect the values of the people they serve.

In a pluralistic society, private corporations obviously have a role to play in the exercise of social responsibility. Society provides corporations with the opportunity of generating wealth. Thus, corporations in their own self-interest should reinvest part of that wealth in society. In addition, the quality of life, and the physical and mental health of the work force have important economic consequences for business. Nevertheless, like individuals, corporations are experiencing difficulty rationalizing their donations decisions in the current economic climate.

I believe that our present economic and social climate requires new and tougher criteria in the granting process.

As national chairman of the *Diabetes Canada* campaign, I have found that even when donations budgets are declining I can make a convincing case for the support of diabetes research, because that research will bring us nearer to a cure for a disease that not only ranks third as a cause of death in Canada but is also responsible for a host of other problems from blindness to kidney and heart failure. These are problems which create a massive financial burden for the whole of society. With this case I have no difficulty approaching potential corporate donors all across the country because I can state with conviction my belief that dollars spent in support of our kind of research will someday produce substantial savings in health care which will benefit everyone. Every donation we receive brings that inevitable day closer.

Although diabetes research is my personal priority I think the principles I apply to my support of diabetes apply to corporate philanthropy in general.

I believe that whether we in business are funding community projects, health research, or even cultural institutions, we have a duty to shareholders, to our fellow citizens, to the recipients to assess whether or not the dollars that are being given or the services in kind that are being made available are likely to change anything. Are our contributions likely to produce better circumstances for recipients in the months and years ahead? What will be the long-term effects of our donations on society?

It is not surprising that some years ago corporate contributors became genuinely concerned about the wisdom of funding capital projects in either health care or post-secondary education because it became very clear that once those capital projects—those buildings, those new wings—were finished, the operational costs would have to be borne by taxpayers and at levels which might not be affordable.

Considerations like these are particularly relevant today. The corporate organization which I represent has made a very strong commitment to culture in this country, to the arts, and the support of a multitude of community and charitable projects. But we know that not all of the cultural institutions or other philanthropically based institutions in this country can survive. We are not certain, nor can anyone be, that they all should.

We do know, however, that the social and economic infrastructure of this country will not be sustained, or made healthier by our support of organizations that are limping along without addressing the basic issues which are central to their survival and their social mission.

These are difficult times and many organizations are under pressure. This is as true of those who receive charitable funds as it is of those who are trying to generate the profits which produce those charitable funds. But we must persevere in spite of our present difficulties.

I am confident that through continuing consultation and co-operation between grantors and recipients, through a consistent reappraisal by socially responsible corporations of their donations criteria and programs, corporations can continue to assist in the process of making this country a better place for more people.

Assisting and Working with Social Service Agencies in Difficult Times: The Role of the Private Sector*

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As background to this article readers should understand that what I have to say is essentially restricted to the policy and practices of Imasco and to my 10 years' experience as Chairman of the company's Corporate Donations Committee. The Committee reports to the Executive Committee and the Board of Directors of Imasco. It should also be stated that it is our belief that corporate donations are more justifiable than ever during hard times and that they should be more numerous and larger during economic difficulties, rather than, as is often the case, fewer and smaller.

The following facts should also be of interest:

a) Imasco's annual donations budget is related directly to its business success—the greater our profits, the greater the amount available to the Donations Committee. This budget excludes financial support given to marketing programs such as Imperial Tobacco's sports and cultural sponsorships or the Shoppers Drug Mart/Pharmaprix sponsorship of junior sports events. At the present time the corporate

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