



PhiLab



Philanthropy and Rurality

Executive summary

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PhiLab Network Description

The Canadian network of partnership-oriented research on philanthropy (PhiLab), previously called the Montreal Research Laboratory on Canadian philanthropy, was thought up in 2014 as part of the conception of a funding request by the SSHRC partnership development project called “Social innovation, social change, and Canadian Grantmaking Foundations”. From its beginning, the Network was a place for research, information exchange and mobilization of Canadian foundations’ knowledge. Research conducted in partnership allows for the co-production of new knowledge dedicated to a diversity of actors: government representatives, university researchers, representatives of the philanthropic sector and their affiliate organizations or partners.

The project’s headquarters are located in downtown Montreal, on the Université du Québec à Montréal (UQAM) campus.

The Network brings together researchers, decision-makers and members of the philanthropic community from around the world in order to share information, resources, and ideas.

Quebec Hub

The Quebec Hub plays a distinct role within the larger PhiLab ecosystem. Not only are we the largest of the regional Hubs, but we are also unique in that our work is embedded within Quebec’s francophone and anglophone context. Our research projects, initiatives, and partnerships foreground the diversity of culture, experience, and strategy within Quebec’s philanthropic sector. We have a series of long-term established relationships with private, public, and community foundations of various sizes within the province, and we support collaboration between funders, grantees, and communities. PhiLab Quebec projects engage with issues related to social, economic, and ecological injustice, as well as the role that the philanthropic sector can—and should—play in creating a fairer and more equitable Canada. From concrete research around best practices to more critical theoretical work on philanthropy and power, our Hub is part of the movement to build a more democratic, just, and collaborative philanthropic and charitable sector.

Abstract

This three-part research report is the result of a collaboration between the Ateliers des savoirs partagés (ASP) initiative and a team of researchers from the Canadian Research Partnership Network on Philanthropy (PhiLab). The purpose of this collaboration is to carry out exploratory partnership research on the relationship between Quebec's «grant-making philanthropic sector and the rural world». The first part of the project involves a survey of the scientific and organizational literature, establishing a theoretical and definitional work. The results of a recent query of the Canada Revenue Agency database are then used to paint a portrait of rural philanthropy in Quebec. The second section offers a summary of interviews conducted with ASP respondents and foundations. Finally, the third section offers a reflection on financing options and the contribution of philanthropy to ASP sustainability.

Key words

philanthropy • rurality • ASP • sustainability • foundation • local development • social economy

Résumé

Ce rapport de recherche à trois volets est issu d'une collaboration entre l'initiative les Ateliers des savoirs partagés (ASP) et une équipe de chercheurs du Réseau canadien de recherche partenariale sur la philanthropie (PhiLab). L'objet de cette collaboration porte sur la réalisation d'une recherche partenariale exploratoire sur le rapport qui existe entre « secteur philanthropique subventionnaire & monde rural » québécois. Le premier volet se penche sur un recensement d'écrits en provenance de la littérature scientifique et d'organisations afin d'effectuer un travail théorique et définitionnel. Les résultats d'une requête récente réalisée auprès de la base de données de l'Agence de revenus du Canada nous permettent ensuite de broser un portrait de la philanthropie rurale québécoise. Le deuxième volet propose une synthèse des entrevues effectuées auprès de répondant·e·s ASP et de fondations. Finalement le troisième volet offre une réflexion sur les options de financement et l'apport de la philanthropie quant à la pérennisation des ASP.

Mots-clés

Philanthropie • ruralité • ASP • pérennisation • fondation • développement local • économie sociale



Philanthropy and rurality study

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Executive summary

This summary outlines the research report resulting from a collaboration between the Ateliers des savoirs partagés (ASP) initiative and a team of researchers from the Canadian Philanthropy Partnership Research Network (PhiLab). The purpose of this collaboration is to carry out exploratory partnership research on the relationship between Quebec’s “grant-making philanthropic sector and the rural world”.

ASP

The Ateliers des Savoirs Partagés (ASP) experiment is based on a cross-fertilization methodology combining reflection and action. It was initiated through a partnership and collaboration based on the development of egalitarian and creative relationships between researchers from several Quebec universities and rural field actors involved in rural citizen mobilization actions.

In the ASPs, the heterogeneity of the players represents a richness linked to the diversification of abilities, ideas and experiences shared within each of the experiments that have taken place since 2012. This collaborative formula has paved the way for the success of an approach that not only promotes the dissemination and transfer of learning, but also the vitality, attractiveness and emergence of the next generation in rural communities.

The process of territorial revitalization in the community of Saint-Camille, initiator of the first ASP delivery, led to the formulation of :

- two major questions:
 - how can we increase the attractiveness and vitality of rural communities?
 - how can we mobilize and mobilize the contribution of various local, regional and national resources to achieve our objectives? And to,
- the identification of four core values:
 - knowledge sharing;
 - trust;
 - the right to make mistakes (managing risk, doubt and the unexpected); and,
 - caring, mutual aid and concern.

Research component 1: Literature review and data analysis

The first section looks at the theoretical and definitional aspects of rurality. It compares institutional and cultural approaches, while interpreting the existing duality between urban and rural, as well as the representations of the people living there. Based on a survey of scientific and organizational literature, a two-pronged definition of rurality was selected.

- A definition of identity and holism, where rurality is presented in relation to the notion of landscape, where nature and culture meet: the rural appears as a living environment close to nature. Rural space is defined by its physical and social facets, allowing us to project ourselves into the future: “What do we want this landscape to look like?”

- An operational definition providing a quantitative framework for census purposes, where rurality is represented as a non-metropolitan reality. In Quebec, rurality would therefore consist of territories outside the six metropolitan areas of Montreal, Quebec City, Sherbrooke, Trois-Rivières (including Drummondville), Ottawa-Gatineau and Saguenay.

Following the definitional work, a brief history of Quebec’s public policies on rurality is presented, and how social innovation represents a promising strategy for local development in rural areas. The report continues with a presentation on philanthropy, where this “social technology” is directly linked to disinterested (unconditional) or interested (conditional) giving. Self-interested giving has a contractual and utilitarian dimension. According to the Canadian political framework responsible for philanthropic action, philanthropy is called charity. This philanthropy - organized around giving - takes three concrete forms: charitable organizations (NPOs recognized as “charitable organizations”), public foundations (Centraide, for example) and private foundations (Fondation Chagnon or Fondation de l’UQAM). A foundation is a charitable organization with funds to be used in the public interest.

“Philanthropy and rurality” data presentation

The results of a recent query to the Canada Revenue Agency database provide a portrait of Quebec’s rural philanthropy. In order to identify the flow of philanthropic donations made to or destined for rural areas, we decided to collate and group the following data:

- Private, public or community foundations having made at least one donation in Quebec in 2020;
- Donations made by foundations located in metropolitan areas and directed to organizations or projects located in non-metropolitan areas;
- Donations made by foundations located in non-metropolitan areas and directed to organizations or projects located in non-metropolitan areas.

Based on data collected for the year 2020, there were 1,985 foundations in Quebec. Of these, 1,108 made at least one donation in 2020, and 877 made no donations in Quebec. Of the 1,108 Quebec foundations, these allocated almost \$1 billion to Agency-recognized donees.

Of these, 945 were located in one of the 6 metropolitan areas of Quebec. They allocated \$933 million to metropolitan (\$907 million) and non-metropolitan (\$25 million) donees.

There are also 163 foundations located in non-metropolitan areas. They allocated \$39 million to non-metropolitan (\$27 million) and metropolitan (\$12 million) donees.

We also looked at the distribution of donations according to an indicator dividing donations of \$2,500 or more and under \$2,500. The following table summarizes the data analyzed.

Table 1: Breakdown of Quebec foundations by location, place of donation and \$2,500 demarcation indicator for 2020

Location of foundations	Donations under 2 500\$			Donations of 2 500\$ and more		
	Donations allocated to metropolitan areas	Donations allocated to non-metropolitan areas	Total	Donations allocated to metropolitan areas	Donations allocated to non-metropolitan areas	Total
Metropolitan areas	404 Foundations 3.6 M\$ (91%)	117 Foundations 376 K\$ (9%)	418 Foundations 3.7 M\$ (100%)	861 Foundations 907 M\$ (97%)	163 Foundations 25 M\$ (3%)	874 Foundations 933 M\$ (100%)
Non-Metropolitan areas	27 Foundations 103 K\$ (37%)	54 Foundations 172 K\$ (63%)	62 Foundations 276 K\$ (100%)	48 Foundations 12 M\$ (30%)	122 Foundations 27 M\$ (70%)	142 Foundations 39 M\$ (100%)
Total	431 Foundations 3.7 M\$ (95%)	171 Foundations 548 K\$ (5%)	602 Foundations 3.9 M\$ (100%)	909 Foundations 919 M\$ (95%)	285 Foundations 53 M\$ (5%)	1016 Foundations 972 M\$ (100%)

Comments

- The foundations are mainly located in metropolitan areas, and more specifically in the Greater Montreal region.
- The vast majority of their financial resources are allocated to donees located in metropolitan areas.
- Foundations located in non-metropolitan areas make more gifts to donees in metropolitan areas than metropolitan foundations make to non-metropolitan donees.
- All in all, despite the wealth represented by donations allocated to Quebec donees - almost \$1 billion - this represents a drop in the bucket compared to the financial resources available to governments, particularly the provincial government.

The potential role of philanthropy in rural development processes

Philanthropy can generate capacity for action where public policies are absent or lack the required flexibility. Developing a network of philanthropic organizations in rural areas could help fill the gap and ensure a better distribution of donations for the benefit of rural communities. Philanthropy could play several roles in territorial development: as a financier, partner, complement or support for public policy, and advocate greater social and environmental justice.

Research component 2: Interviews with ASP respondents and foundations

This section summarizes answers to the questions we posed to individuals representing the viewpoint of their philanthropic organization or ASP group. The themes addressed in the interviews are as follows:

- Their representation(s) of rurality.
- Representations of the philanthropic community by members of the ASP.
- The difficulties, challenges and obstacles of rural philanthropy.
- The benefits of philanthropy in rural areas.
- Working conditions with granting foundations.
- The challenge of creating an endowment fund or ASP foundation.
- Openness to dialogue between funding foundations and ASPs.

Representations of rurality

The representations that emerge from the interviews, taking all players into account, are similar to those presented in the literature review. The rural environment is fundamentally defined in relation to the urban environment, which has become the cultural reference for living in national spaces. From then on, the rural environment appears as a dilution of the urban, as a reality that is culturally (differentiated rhythms, consumer habits, leisure activities, relational proximity, etc.) and geographically different from the urban, but presenting a variety of situations in line with the characteristics that distinguish the rural from the urban and the singular particularities differentiated between rural territories (remote regions [deep rurality] versus peri-urban rurality in metropolitan areas [invisibilized rurality] and rurality between the two). On the one hand, Rural characteristics are strongly linked to the relationship of proximity with natural ecosystems and the presence of large spaces where the density of occupation by human communities is relatively low and, on the other hand, to modalities of economic exploitation defined fundamentally in support / complementarity to economic activities strongly localized in metropolitan areas.

All in all, issues, problems, needs and aspirations converge and diverge between the urban and rural worlds. The study did not allow us to be exhaustive about this fact, except to say that the points of divergence need to be treated differently from the points of convergence. It is clear that converging elements are mainly dealt with or worked on by urban players. However, this does not mean that for foundations specific adaptations to their intervention model could be made to take into account the differences that will persist between these two worlds. To sum up, in terms of both divergence and convergence, special attention and specific resources will need to be devised for rural environments.

Knowledge and representations of collaborations with the philanthropic community

The main elements of the summary on representations of the philanthropic milieu were drawn up by ASP respondents. The first observation, which comes as no surprise, is that knowledge of Quebec's grant-making philanthropic sector is minimal. In concrete terms, ASP players do little business with foundations, and when they do it's with a limited number of foundations. As a result, representation of the philanthropic milieu is divided between the following:

- A perceived generalist:
 - They do exist, but are not very common in rural areas;
 - They intervene where the government should;
 - Respondents had little contact with them;
 - Respondents say they don't know much about foundations...
- a perceived supported by direct or indirect relational experience:
 - Positive: we worked with one or more foundations and the experience was a good one; we were able to define the conditions for operationalizing the collaboration, which was fruitful for the various parties involved;
 - Negative: projects in our community or on our territory have been financed in whole or in part by one or more foundations; the evaluation of people who have participated in these projects has been negative...
- a perceived realist:
 - Whether they like the world of grant-making foundations or not, they have resources of various kinds that can make a difference to rural projects, communities and territories;
 - One has to take advantage of this financing opportunity, but not under just any conditions...

For the representatives of the philanthropic community we met, one of the most striking aspects of their assessments of collaborations with rural players was the comments they received about the administrative burden of philanthropic grant-making and the quality of the relationship. These comments suggest that it is easier and more humane than experiences with ministries or public agencies.

Difficulties, challenges and obstacles of philanthropy in rural areas

The theme of difficulties, challenges and obstacles was mainly expressed by foundation representatives. The summary also points to specificities that are inherent to whether the foundation participating in the study is metropolitan or rural.

For metropolitan foundations, the main difficulty lies in their knowledge of rural areas. They claim to be unfamiliar with, and lack access to, information via existing philanthropic networks, to facilitate their contact with rural projects and stakeholders.

For rural foundations, the main difficulty lies in the lack of financial resources, which are concentrated in and towards metropolitan areas. Rural foundations experience an isolation effect within the philanthropic sector. Both at the level of the government, which itself has limited knowledge of this sector and of civil society organizations rooted in a metropolitan culture, rural foundations sometimes find it difficult to gain recognition for their particularities, and therefore those of their communities.

Advantages and benefits of rural philanthropy

If there is a lack of understanding of the rural world on the part of the foundations, and of the foundation sector on the part of the ASPs, it is clear from the interviews that working together enables

joint learning. This learning process is made possible when foundations base their funding strategy for rural projects on a relationship of proximity and dialogue. This working method and pedagogy is instructive for both worlds.

It's therefore important to establish this relationship on the basis of the "rural factor", where, on the foundation side, it's important to be open to the specific nature of needs, problems, issues and aspirations that are not, little or less well known. And, on the other, to insist on territorial specificities (local or regional) to ensure that the framework for collaboration is built on respectful foundations.

Terms of cooperation with granting foundations

The majority of respondents made it clear that any recourse to philanthropic funding should be based on the principles and values supported by the project, community or territory. This collaboration should involve simple, non-binding administrative requirements and, of course, non-interference by the funder in the project's realization.

The challenge of creating an endowment fund or ASP foundation

The summary on this point is relatively straightforward. Few respondents are comfortable with this working hypothesis. We observed a lack of knowledge about what the creation of such a fund would entail, and the main comments concerned the disadvantages in terms of the workload involved in carrying out such a project, in the first instance, and managing it, in the second.

Linked to this issue was the idea that such a fund could not only finance the current ASP model, but also fund projects to be developed in future ASP communities.

There were very few comments on this prospect. For some, it is not ASPs' mission to finance projects that would be carried out by the communities involved. For others, it would be an interesting avenue to explore.

Openness to dialogue between grant-making foundations and ASPs

The answer to this last question was agreed by all respondents. Yes, a dialogue between ASP and foundation representatives would be relevant. Finally, the respondents were in favor of information-sharing arrangements that would enable them to gain a better understanding of the rural environment for foundations and the philanthropic sector, as well as for ASP members.

Research component 3: Reflection on financing options and the contribution of philanthropy to ASP sustainability

The objective of this research was to explore the relevance and feasibility of mobilizing resources from Quebec's grant-making philanthropy to support the future deployment of ASPs.

At the end of this study, it is clear that the challenge of sustaining ASPs lies on at least five elements: (1) systematization and evaluation of the ASP approach; (2) mobilization of internal and external resources throughout the life cycle of an ASP edition; (3) further reflection on the endogenous capacity of ASPs to generate wealth that is socially produced and communally appropriated; (4) financing options; (5) a short-term action plan and a long-term vision of the approach.

At this stage, at least five work options are available for the continuation of ASP activities. These are presented in schematic form in the following figure.

I. The self-managed financing option

This option is based on the assumption that ASPs can be financed from resources mobilized at local community level. This was at the heart of the endogenous development approach. While it limits the interference of foreign logics or interests that are not in line with those of local communities, history shows that it does not allow for significant mobilization of resources, at least not to the extent of the needs encountered.

Figure 1: Financing options



II. The public financing option

This way of working is in line with the historical relationship between the rural world and paramunicipal levels of public legislation. Logically, the government should be able to provide rural communities with the resources and delegation of responsibility required to ensure their development. Whether it's a question of funding initiatives such as ASPs, or supporting the projects that result from them, the government should normally be the first point of contact for obtaining the support and resources required. In fact, both the provincial and federal governments have to deal with a range of obligations, interests and realities, which mean that the sharing of resources and responsibilities does not necessarily meet the expectations expressed by rural communities.

Clearly, the municipal and regional levels of public governance are closest to the reality of rural communities. However, the bulk of resources and powers are located at provincial and federal levels. In fact, all communities receive public funding on a project-by-project basis, in line with major government programs. This reality makes certain types of financing possible, while others are more difficult, notably those linked to community networking, as demonstrated by the ASP experience.

Various forms of public funding are available to rural communities, but they are not necessarily adapted to rural realities. They are designed according to requirements defined by major socio-economic orientations and political issues that do not necessarily correspond to the priorities established by the rural world. Such funding can be highly restrictive, demanding both in terms of time and resources (from the production of the application to the management follow-up required by public funding bodies).

III. The social financing option

This third option is part of the process of developing social financialization. This approach mirrors the previous one. In the sense that the government collects revenues through taxation and fiscal mechanisms. In return, it must cover societal needs. Similarly, the market generates wealth through its activities, much of which is privately appropriated through dispossession. It is therefore important to demand a return to communities, to demand repossession. This repossession can be achieved in a number of ways: through the social responsibility of companies and organizations, through more aggressive taxation of companies by the government, and through the opportunities offered by grant-making philanthropy.

On grant-making philanthropy, our study showed that rural communities had fewer resources allocated by Quebec foundations to philanthropic causes, and that rural philanthropy was a weak constituent of the Quebec philanthropic ecosystem. There is therefore an opportunity to establish a fairer and more adequate balance of philanthropic resources. For this funding option, we explored two avenues.

The first is based on development:

- mutual agreements between the ASP initiative (and possibly the 4.0 initiative) and one or more foundations to finance workshop operations; or
- funding of ASP community projects by a foundation or group of foundations working together.

A second form of social financing is inspired by existing projects. These are based on collaboration developed between foundations around projects either conceived by them (the example of the first phase of the CIP) or proposed by communities (the case of the other two examples cited):

- To support the development of projects designed to sustain urban communities, as in the case of the Collective Impact Project ([CIP](#)) in Montreal: *The Collective Impact Project (CIP) contributes to reducing poverty and social exclusion in Montreal through community-driven initiatives. The CIP gives neighbourhoods the tools and support they need to make real progress in dealing with serious issues.*
- Projects conceived and managed by identity-based communities; the cases of two endowments that were financed by philanthropic funds that became owned and managed by representatives of the said communities:
 - [Indigenous Peoples Resilient Fund](#) : *The Indigenous Peoples Resilience Fund is an Indigenous led organization governed by Indigenous values and teachings, accountable to Indigenous peoples. It is non-hierarchical. It works by consensus. It demands accountability of itself to the highest standards; recognizing the sacredness of the gift of trust extended to us by the communities we serve.*
 - [Foundation for Black Communities](#) : *We invest in change-making, working alongside Canadian community, philanthropic, political, and business organizations to ensure that Black-led, Black-serving, and Black-focused non-profit, charitable, and grassroots organizations have the sustained resources and infrastructures they need to make a meaningful impact.*

Setting up a community foundation dedicated to ASPs (basic or extended formula) would make it possible to raise capital from existing philanthropic funds or from fund-raising activities.

This would require an extension of the work to be carried out by the professional team and would call for the creation of a governance structure adapted to the reality of ASPs. Such a mechanism would ensure long-term stability:

- **for a more in-depth deployment of the action model; or**
- **its extension to a wider range of communities and projects.**

However, some of our energies, and therefore human resources, would have to be devoted to managing such a self-financing scheme for ASPs.

IV. The private financing option

This option is based on the assumption that the liberal business community (private companies) or organizations in the social economy sector (cooperatives, mutual societies, socioeconomic associations, etc.)¹ could benefit from knowledge sharing at the heart of ASPs, or from the need for financial resources or “entrepreneurial” projects led by rural communities to support their development.

¹ We are aware that the liberal business community and social economy organizations benefit from two distinct ecosystems, which are interconnected.

Let's not forget that ASPs originated in a mobilization process that predates the idea of knowledge sharing, where individuals - Le Groupe du Coin - mobilized around the development of assets (buildings). The ASPs are part of a process in which reflexivity and action coexisted.

In general, both the liberal economy (to a greater extent because of the limits inherent in this entrepreneurial model) and the social and solidarity economy (closer to communities and territories) must meet societal requirements in terms of: 1) “corporate or organizational social responsibility” (CSR & OSR) and 2) compliance with the Sustainable Development Goals (SDGs).

V. The option based on a modulated combination of the four preceding options

A winning strategy would be to consider the above four options from the angle of a financial toolbox to be mobilized according to the needs of ASPs and projects developed in different communities or by different partner organizations.

Conclusion and opening: Short-term action plan and long-term vision

Over the past 10 years, ASP has evolved from a local initiative to support the development of the Saint-Camille community through knowledge sharing to a model of rural vitalization spread across 7 administrative regions² of Quebec, inspired by the same desire to share knowledge and practices in a diversified way.

- Is it in the DNA of this model to continue expanding into other administrative regions, and to increase the number of communities or projects in each region?
- Is it a matter of reaching a threshold of percolation, the one achieved by ASP 3.0 and deepening work capabilities in line, for example, with a posture of social and ecological transition?
- Or is it possible to consider an intermediate scenario in which the percolation threshold is raised while transitional capacities are deepened?

Answering these questions requires a forward-looking reflexivity on the part of ASP 3.0 partners. This collective reflexive approach is essential for framing the content of a short-term action plan and, above all, for setting out a long-term vision.

² Bas-Saint-Laurent; Capitale-Nationale; Chaudière-Appalaches; Centre-du-Québec ; Estrie ; Mauricie; Saguenay-Lac-Saint-Jean.

Figure 2: ASP 3.0 mapping

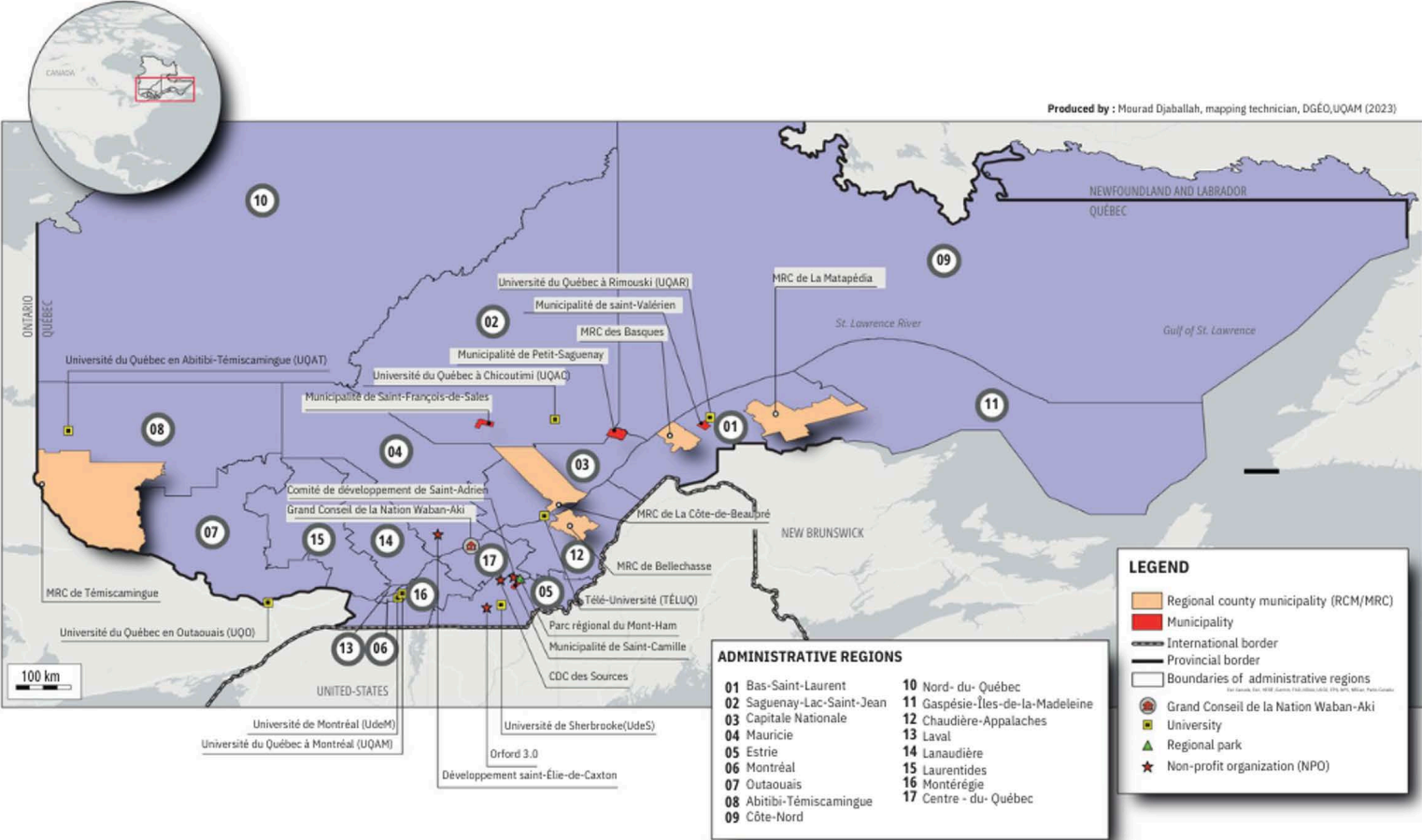


Figure 3: How ASP 3.0 works

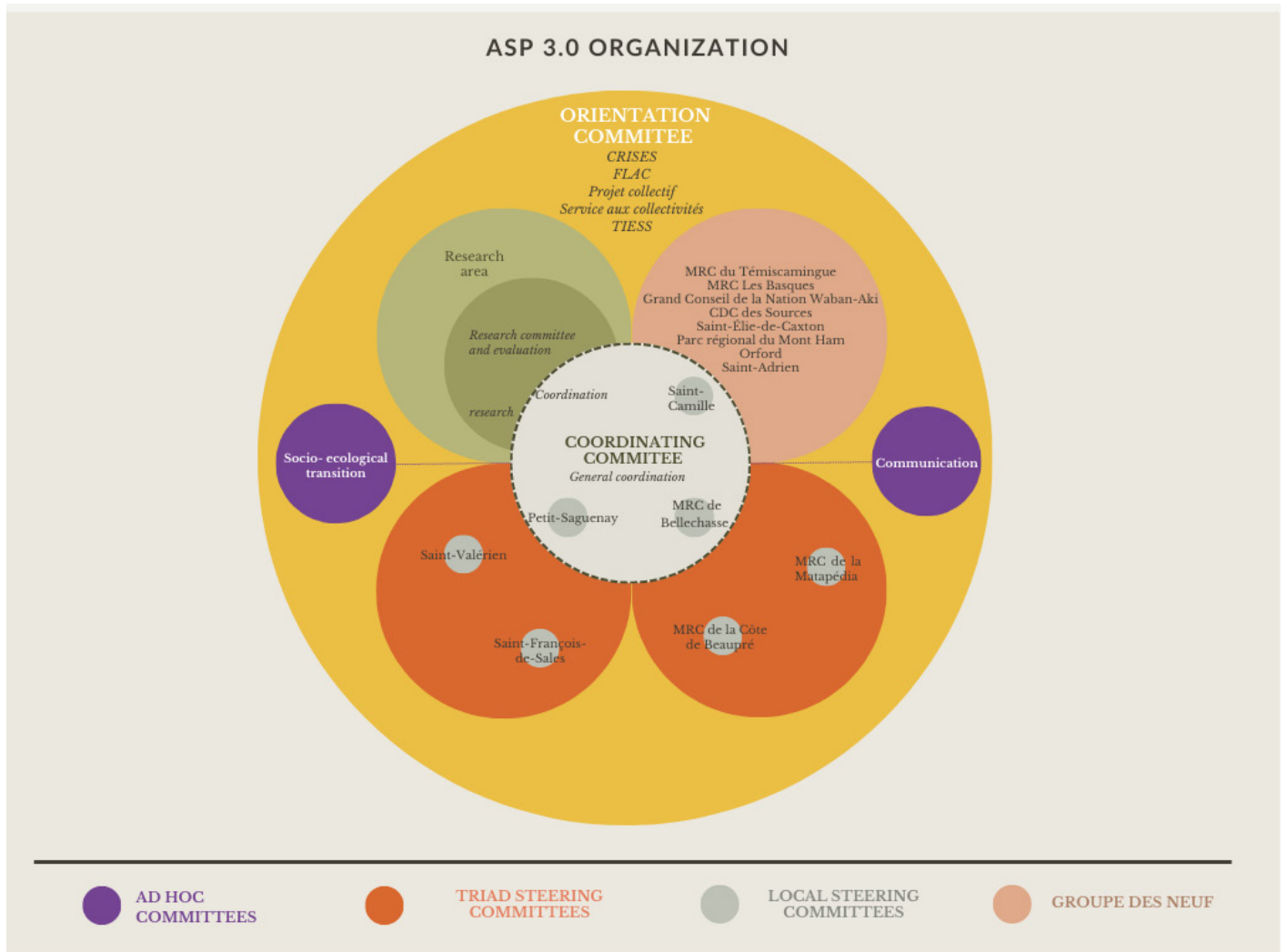


Table 2: ASP action levels and potential sources of funding

Sources	Levels	ASP : the basics	ASP : projects and activities	Rurality	Questions - Challenges - Conditions and Issues
◇ Partners, « in kind » contributions					
◇ Philanthropy ▪ Over-the-counter agreement with certain foundations ▪ Foundation groups ▪ Community foundation (funded)					<ul style="list-style-type: none"> ○ Which foundations? ○ On what conditions? ○ For how long? ○ Governance arrangements
◇ Public funding ▪ Québec: MÉI, MAM or others ▪ Federal ▪ Local authorities (municipalities, RCM...)					<ul style="list-style-type: none"> ○ Identify the program(s) and take the necessary steps. Alliances needed ○ Heaviness ○ Do not undermine potential alliances between ASP and MRC and Municipalities
◇ SSE financing tools					<ul style="list-style-type: none"> ○ Alliance with social economy network
◇ Private funding					<ul style="list-style-type: none"> ○ Where to start?
◇ Public fundraising					<ul style="list-style-type: none"> ○ Ex: Community bonds ○ Energy required
◇ Mixed strategy					<ul style="list-style-type: none"> ○ Have a clear strategy for the short, medium and long term

