

# How to Think Legitimacy: Considerations in the Growing Field of European Philanthropy<sup>1</sup>

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## Abstract

Should European society hold institutional philanthropy to standards of accountability? Are certain standards more helpful or necessary to informed public discourse in democracies? These questions are being asked as greater scrutiny is applied to the authority which philanthropies possess and exercise within and between societies. These challenges may be characterized as tests of legitimacy. This paper takes stock of three areas where philanthropy's "license to operate" is questioned: 1) its authority as a non-state actor to influence norms and outcomes in society; 2) matters related to its financial capital; and 3) the composition of its governance and staffing. The paper suggests that academic research might probe themes of competitive performance, useful scope and unique contribution to help shape a clearer understanding of philanthropy's value in Europe, in relation to government and the private sector. The paper concludes with a caution that research studies will be especially meaningful when developed with careful consideration of the complex taxonomy of philanthropic institutions, whose variations in size, style and mandate defy easy comparisons or one-size-fits-all prescriptions.

## Introduction

In an unequal world, the expansion of institutional philanthropy in recent decades has been welcomed and criticized. Some praise the flexible resources, boldness and vision of grantmaking foundations as much-needed complements to what markets, states and citizens themselves can do to improve outcomes for people, society and planet. Critics and critical friends question fundamental aspects of philanthropic formation, operation and influence and call for more pronounced scrutiny.

Both sides are concerned, broadly speaking, with philanthropic legitimacy. That is to say that beyond issues of legal identity or regulatory compliance, institutional philanthropy requires a social consensus to exercise the authority it holds. This paper will explore the place of philanthropy in society relative to other sources of recognized authority, for example, vis-à-vis the private sector and government. Do we have a shared understanding of philanthropy's *license to operate* and where it adds value? What are reasonable *challenges to that license*? Are there self-evident standards that when applied would make transparent the legitimate or questionable behaviours of a philanthropic institution?

For the purposes of this paper, institutional philanthropy is defined as self-financed charitable-, social change-, or strategic foundations distributing grants and donations primarily to third sector groups to advance public benefit. The institutions included in this definition operate as non-profit entities chartered to distribute financial capital that originates from an individual, family or private sector source such as a corporation. Excluded from consideration under this definition are foundations or charitable endeavours that either 1) deploy capital derived from national lotteries; 2) depend upon on capital replenishments through fundraising; 3) exist to strengthen the viability of social enterprises; or 4) are structured as Donor Advised Funds (DAFs). In the view of the author, these four categories of institutions require separate treatment and consideration based on their relationship to the state and in relation to a social contract.<sup>2</sup> Contextual discussions of specific countries or jurisdictions in Europe are also beyond the scope of this paper.

The importance of legitimacy challenges cannot be overlooked. Philanthropic institutions are essentially *public trusts*, made possible by a decision of the state to exempt from taxation private

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<sup>2</sup> This topic alone could deserve a separate paper. The analogy of philanthropy as an eco-park containing flora and fauna was presented by the author in June 2021 in an online webinar.

wealth that has been either accumulated, generated or earned.<sup>3</sup> Under this arrangement, the state agrees to forego the collection of tax and therefore 1) the possibility for the public treasury to redistribute that tax revenue at its direction and 2) with the presumed consent of citizens (voters). In exchange, the state permits the establishment of private non-profit charitable entities through an “irrevocable allocation of financial resources to a public benefit cause.”<sup>4</sup> This basic construct has led to the characterization of institutional philanthropy as publicly subsidized (Barkan, 2013), and thereby restricted to certain allowable activities (Reich, 2018).

Positive and negative attention around philanthropy has been concentrated in the United States, under the presumption that US foundations dominate the global landscape of spending and influence. Certainly the rise in elite fortunes and the evolving formats of giving in the US have amplified scrutiny and critique (Maclean et al 2021). Some philanthropic leaders attract outsized media attention as public figures, where appraisals of their character, intellect, motivations or personal quirks make their way into the larger public debate on philanthropic legitimacy. It is important there and elsewhere to distinguish between writings offering an academic critique, insider critique and populist critique (Breeze 2021). Conversely, writings that attribute positive outcomes in society to philanthropy should be framed along similar lines of distinction.

European social democracies may well hold different expectations around the rationale for and usefulness of standards. There is vast potential to bring new insights to the ways the philanthropic sector is discussed and understood under a research agenda. The research community up to now has given greater emphasis to descriptive and comparative research on the philanthropic sector in Europe and is considering where it might develop further. Analytical studies would be timely, especially on legitimacy issues. Such questions have not been subject to robust analytical research for a variety of reasons. These begin with the lack of consistent and comparable data from philanthropic institutions themselves, which vary in size, character, composition and mandate. A comprehensive understanding of the scope, capacities and research questions taken up by the academic community studying philanthropy is being formulated (Bekkers 2022), which will aid the community seeking to establish a full range of research design methods as a collaborative research agenda forms.

This paper offers a modest starting point for academics interested in exploring legitimacy challenges to philanthropic endeavour. Three dimensions merit further attention in the view of the author when considering legitimacy: non-state actor influence, capital, and composition. The first asks whether societies should hold philanthropic institutions to standards of accountability based on the authority they assert as non-state actors. The second probes common concerns on the origins, management and expenditure of financial capital by philanthropies. The third asks what useful standards or benchmarks might apply to the internal governance and staffing in philanthropies. In today’s public discussions around diversity, equity and inclusion (DEI), this last set of challenges may well be the most provocative, shaping normative as well as positive future trends in the other two.

Research findings carry value for the philanthropic sector, practitioners of public policy and society writ large. Studies may help put into perspective the 1) *competitive performance*, 2) *useful scope*, and 3) *unique contribution* of institutional philanthropy in Europe. On the first, fundamental

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<sup>3</sup> Three terms are used throughout the paper to describe financial assets and are defined by the author as: 1) Accumulated wealth, which refers to historic trusts, endowments and inheritances and put in service of a philanthropic mission; 2) Generated wealth, which comes mainly from present day profits of private corporate entities that are assigned to philanthropic purpose; and 3) Earned wealth, which refers to the returns from invested financial capital. This differs from the labels used to characterize the financial assets of a foundation based on whether it possesses an endowment (Schuyt et al 2017).

<sup>4</sup> [Philanthropy in Europe april 2015.pdf\(fondationdefrance.org\)](#), p29.

questions exploring the opportunity-cost, efficiency, or social return on initiatives led by philanthropy may strengthen or mute concerns over the legitimate value added by philanthropic institutions when compared to similar initiatives carried out by counterparts in the public or private sectors. As to the second, investigations may have practical dispositive impact in regard to the treatment and regulation of cross-border philanthropic activity on the continent (Breen 2020), an area of enduring and unresolved friction. On the third, research that is mindful of the deep cultural and historical differentiations that underpin philanthropies' identities and self-perceptions (Milner 2017) in Europe could illustrate whether and where philanthropy enhances social cohesion within and between societies.

## I Non-state actor influence

When a philanthropy is perceived as *authoritative*, it is generally a positive affirmation of a reputation built over years of investing in strategy; recruiting and nurturing expertise; communicating with clarity; and making credible funding decisions that establish its bona fides as a trusted voice on a specific issue or range of issues affecting community, societal or individual well-being. Having a reputation as authoritative lends to a philanthropy's credibility and is seldom problematic on its own. It can even embellish the authority that a philanthropy carries when it weighs in on any number of publicly debated topics, such as prison sentencing, privacy rights, the regulation of pesticides, or the ethical applications of artificial intelligence.

The question at hand is to what extent philanthropy should exert its authority. Philanthropic institutions, whether acting individually or collectively, represent a form of non-state power. As such, questions arise over the legitimate use of that power from political as well as ethical perspectives.

- Political challenges form around a fundamental recognition that philanthropies are undemocratic institutions exercising power in the public sphere; possibly replacing government with plutocracy (McGoey, Callahan, Reich); advancing social agendas by virtue of their clout and in the absence of an explicit mandate from the public to act on its behalf (Barkan 2013); and, in the most cynical interpretations, perpetuating falsehoods about pursuing systems change whilst preserving an inequitable system from which they benefit (Giridharadas).

Concerns over the exercise of political authority by philanthropies have a long history (Anheier and Leat, 2022). It is one that is understandably bound in citizens' discomfort over events where wealth evinces greater influence in decision-making than rule of law or democratic process. Whereas industry actors are criticized for distorting democratic decision-making through lobbying practices, the amounts spent and the persons involved in lobbying are generally disclosed and the activity itself is conducted with the explicit objective to secure *private benefit*. Whereas the objective of philanthropy is to secure *public benefit*, the execution of philanthropic spending can appear opaque and diffused through multiple grantees and programs. The question is not whether, but how, presumptions of public benefit are tested and disclosed.

- The moral legitimacy of non-state actor influence by philanthropy becomes blurry when philanthropies' ability to move in either fast and/or financially substantial ways occurs in a vacuum of unchecked authority and accountability. For example, experiences during the global Covid-19 pandemic sharpened viewpoints both on the virtues (Tarasov 2020) and vices (Fuentenebro 2020, Sklair et al 2022) of philanthropic influence in the face of a crisis

requiring urgent solutions. Only time and further analysis will reveal whether actions led to higher risk or higher reward.

Short-term crisis interventions are not the only realm where ethical challenges surface. Institutional philanthropy has yet to face intense scrutiny over the ethical dimensions of its past involvement in ambitious experiments, where the full impact of patient capital over policy shifts and changes to development priorities took quite some years to be known.<sup>5</sup> How might research shed light on accountability over long-term results? Could studies bring objective and empirical rigor to assessing outcomes, whether they were beneficially transformative or unintentionally adverse? Further, would longitudinal analysis of the results of historical investments contribute to debates over transparency requirements by the philanthropic sector concerning large scale, ambitious endeavours in the present day?

Against a rising chorus of challenges is a symphony of affirmations attesting to the qualitative value that philanthropy confers upon society. These even extend to affirmations that philanthropy's influence as a non-state actor is essential to and needed for well-functioning democracies (Heintz, 2020). Prime examples include initiatives to preserve civic space or counteract encroaching state authority; to amplify the voice and rights of consumers relative to the private sector, which often exerts outsized influence and control itself over public decision-making either through opaque (lobbying as noted above) or vaguely concealed (paid media, public relations campaigns) activity in markets; or to bring underrepresented groups and issues into public view. Defenders would argue that by supporting causes and cultivating leadership among those unequally represented in democratic decision-making, philanthropic institutions effectively cede power to the forgotten and make democracy itself more robust.

#### Further areas for research?

Several points of uncertainty fall between challenges and counterarguments over philanthropy's legitimate use of non-state actor influence. Using lenses of competitive performance, useful scope, or unique contribution, analytical studies could help inform the purpose standards might serve and the best suited form of disclosure.

- **Rightsizing accountability:** If the quantum of influence correlates to the size of philanthropic investment, then is it reasonable to hold the entire philanthropic sector to the same standards or levels of accountability? What types of research studies might produce insights on the opportunity-costs associated with the largest individual funders or funding alliances, i.e., those that are presumed to exert the greatest influence on matters of social, political or economic consequence? An analytic framework on accountability for non-state actor influence by the philanthropic sector in Europe that takes size into account could be a positive first step.
- **Attribution of influence:** The presumption that philanthropy is influencing policy and development agendas often supersedes defined ways to measure and document it empirically. Foundations that invest in primary research, public policy development, and public interest advocacy often struggle themselves to build robust evidence to illustrate the impact their granting decisions have had on the trajectory of an issue or policy (Collado et al 2017). Evaluations commissioned by foundations themselves tend to focus on the achieved or failed impact of a single grant or partner, rather than a constellation of investments under a strategy or portfolio. Although a research effort of this nature will involve lengthy

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<sup>5</sup> Evaluation scholar Michael Quinn Patton is among experts raising questions on methodologies needed to appraise the long-term consequences of grand experiments, such as the Green Revolution in India and the Alliance for the Green Revolution in Africa (AGRA).

investigation and not shed timely light on decision-making inside European foundations, findings could set important precedents for the sector, on the nature and level of both short-term and long-term influence.

- **Beneficial alignment:** How would accountability standards be framed (differently) in cases where European philanthropic and government priorities align? This question coincides with the interest of EU policymakers (Hoolwerf 2018) and the establishment of new protocols under the OECD to share information and possibly coordinate action. Non-state actor influence is less likely to be contested in the face of evidence that the delivery, cost or impact of initiatives in the public interest were positively enhanced through alignment. Researchers might also review where philanthropic investment helped correct or avoid fundamental flaws in the design of public policies. Were there lapses or improvements either in structure, reach, treatment or inclusion in a government initiative resulting from philanthropic intervention that might otherwise not have occurred?

The last suggestion above stems from notions that philanthropy in Europe take on a statutory role as bridgebuilder between society and state, especially in cases where issues require a European legal form and cross-border cooperation (Ferrell-Schweppenstedde 2020). Research studies could elucidate where institutional philanthropy adds value as a *critical enabler* to state success. As the EU itself embarks on society wide energy transitions this decade, there are multiple opportunities to analyse efficiency gains or gaps in implementation of public policies; to validate the efficacy of checks and balances against other sources of non-state actor influence, such as independent media and private sector enterprise; and to assess contributions towards closing inequality gaps for energy-poor households.

## II Capital

Present day challenges to philanthropic capital transcend matters of statutory compliance. Instead, there is a desire to exact accountability over the ethical dimensions of past, present and future financial assets in order for philanthropies to retain their *irrevocable allocation of financial resources to a public benefit cause*.<sup>6</sup> Three sweeping concerns underpin demands regarding the disposition and use of financial capital by philanthropies, relating to the 1) origin or source of accumulated or generated wealth; 2) alignment between strategies to manage wealth and philanthropic mission; and 3) character of expenditures on operations and grantmaking.

### Origin or source of wealth

“Tainted money” arguments are longstanding (Davies, 2020), and highlight the ethical contradictions between the stated values of a philanthropy and the source or origin of its wealth. Given the age and specific histories of European philanthropies, it is unsurprising that wealth origin would be contested, especially in cases where its accumulation benefited from exploitative practices in centuries or decades past. Historians, political scientists and legal scholars also remind us of the unreconciled tensions between historical memory (Rousso, 2016), social identity and praise-seeking benefactors who fail to acknowledge their ancestors’ legacies.

Donor intentions, some argue, will always be deemed inauthentic until remedy, compensation or disclosure is forthcoming. Consequently, resistance by philanthropic boards or CEOs to examine source and origin questions further fuels impressions that elites are unwilling to confront their own

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<sup>6</sup> An Overview of Philanthropy in Europe, Observatoire de la Fondation de France / CERPhi – April 2015.

power (Giridharadas, 2018). The unresolved nature of these challenges leaves societies and philanthropic institutions at a distinctly uncomfortable impasse.

#### Management of financial capital

Asset management has become a pronounced pain point in legitimacy discourse. Investment directors' longstanding contention is that their fiduciary responsibility is to maximize financial returns, and thus enlarge the original tax-exempt capital base for future giving. This view draws sharp criticism when capital is invested in commercial activities that potentially harm society now or in the future, or when asset selection in sectors or enterprises ends up contributing to the very problems which foundations are hoping to solve (Villanueva, 2018). A reasonably valid alternative path for investment stewards is to adopt the tools of active ownership to influence company, sector or regulatory practice consistent with their values and philanthropic mission (Tomson, 2020).

How an institution's beliefs and investment strategies align is a lens through which to view the authenticity of public purpose or even the genuine desire for systems change, a point made clear by experts addressing the climate crisis, racism and inequality. Demands to disclose, and thereafter alter investment strategies seem well justified in cases where long-term cause and effect is foreseeable. It is puzzling then why relatively few foundations set policies and publicly disclose their decisions around mission-aligned investing or active engagement. It is equally inspiring when investment managers explicate why they adopted mission-aligned investment, and realized positive financial returns in areas of social value where private capital markets are not naturally moving. One might argue that philanthropy legitimizes its unique contribution to public benefit when investment managers share publicly the insights and trends emerging in mission-aligned investment portfolios, both positive and negative.

#### Expenditure decisions

How funds are spent by an institutional philanthropy is the third and arguably most contentious area surrounding capital and the social license to operate, because it calls into question the essence of decision-making by frontline philanthropy professionals.

Foundations' spending decisions on its *operations* can contribute to perceptions that the sector is elite and out of touch with the societies they serve. Pointed critiques take aim at executive salary levels, consultant fees, norms around travel and hospitality, or the failure to set examples on everything from pension investing to office supplies.

The realm of spending in *grantmaking* is more complex and controversial. Legitimacy challenges fall into at least three categorical concerns over the 1) grant length, size and form; 2) participation in and representativeness of decision-making; and 3) boundaries or imperatives to observe in relation to the private sector, government and democracy itself.

- **Grant length, size and form** debates the virtues of restricted amounts and issues in grantmaking (Wiepking, 2021) and criticizes the tendency to base the size or length of a grant on a philanthropy's own organizational needs rather than what is required to achieve the desired outcomes (Anheier & Leat, 2022).
- **Participation and representative decision-making** faults foundations that wish to reduce power asymmetries and address inequality, but then award grants to organizations in high-income countries (McGoey, 2012), or overlooks leaders with lived experience (Dorsey et al, 2020), instead of moving money to where the trauma is deepest (Villanueva, 2019) and embarking on participatory budget processes (Makenzie, 2020) to enrich process as well as outcomes.



- **Boundaries and imperatives** exert challenges that either demarcate where philanthropies should not act or prescribe areas where they must act. These challenges are varied and sometimes contradictory. Legitimacy for some rests on philanthropy playing specific roles to support the function of democracy (Mookim et al, 2021) or acting with generic generosity to boost intellectual and organizing capacity (Harris, 2020). In terms of philanthropy's relationship to the private sector, there is a surprising degree of consensus in the literature on the legitimate role of philanthropic capital to de-risk private sector investment, especially in urgent response to public health (Sklair & Gilbert, 2020) and climate (McKinsey, 2021).

Essentially, challenges are multiple and growing because the philanthropic sector is not bound to disclose how it deploys either its operating or grantmaking capital (Siebert, 2020), as long as it conforms to categorical definitions set forth by the tax authority. Government spending, by comparison, is bound by rules, procedures and controlling authorities, which in some cases go to explicit lengths to set ceilings on certain types of financial expenditure.<sup>7</sup>

Philanthropic spending practices come closer to those of private sector companies, which tend to be self-regulating. Companies exert controls through governance structures, values/philosophies of the founders, internal and external audits. One key difference is that private sector companies have a more direct relationship to clients and customers affording them feedback loops. Results in the marketplace influence revenue and profit, and therefore future spending decisions. A second key difference is the role of competition; best practice within the same industry tends to set benchmarks on the levels and forms of capital outlay. The operating models of foundations are highly varied.

It is reasonable for philanthropies in Europe to adopt standards of practice in at least two areas of their operations spending in the opinion of this author. The first would be to share publicly program, project and strategy evaluations, with clear exceptions when named individuals or organizations would be placed in jeopardy. Sharing reports in a common language (or investing in translations) would help disseminate learning, reduce secrecy, improve trust and decrease the likelihood of wasted spending on failed approaches. The second is an aspirational standard based on the ability of philanthropic professionals to lead with their values and take some risk to show the way forward. By collectively signalling the intention to move pension assets into bona fide sustainable funds, institutional philanthropies could shift much needed long-term capital into industries, sectors and regions essential to energy transition.<sup>8</sup>

#### Further areas for research?

Research could add value to a wide range of questions concerning philanthropic capital. Below are several that may help elucidate where standards may be useful or justified.

- Comparative returns: How does wealth managed in mission-aligned investment portfolios perform over time compared to performance in non-aligned investment portfolios? Do rates of return change after factoring in a monetized cost of downstream risk or benefit to society?<sup>9</sup>
- Investment grey areas: If a valid litmus test for legitimate capital management is foreseeable impact, then how might we wrestle with legitimacy when investment managers 1) take a principled decision to shift investments in response to political events, or 2) back new

<sup>7</sup> An example comes from The Netherlands and the application of the "Balkenende norms".

<sup>8</sup> The idea is not new and would require collective action behaviour among independent institutions. It contains risk that must be studied and consent of participants which would need to be explained and some alternative accommodation for unwilling participants. This alone could be an entire area of research.

<sup>9</sup> This could be applied to endowments generally or to the question outlined previously on pension funds.



technologies whose impacts on society may not be fully understood? Either instance could yield unforeseen adverse consequences for those least prepared to survive them.<sup>10</sup>

- Optimization and unrestricted funding: How might we better understand the medium and long-term organizational health and performance of grantee organizations at different levels of unrestricted funding as a percentage of total revenue?
- De-risking private sector investment: What are the comparative advantages versus the moral hazards of de-risking using institutional philanthropy when compared to public subsidy? Are there commensurate legitimacy challenges to public sector involvement?

### III Composition of governance and staffing

The principles of diversity, equity and inclusion (DEI) are becoming firmly embedded in standards and practice by government, the private sector and civil society. Institutional philanthropy should welcome the principles, along with the pressures, which advocates have applied to accelerate the adoption of practice. Perhaps even with gratitude, recognizing in this phenomenon the cumulative effect of the sector's decades of investment to address asymmetric power structures, create more level playing fields in public discourse, increase representativeness and elevate the voices of overlooked or marginalized communities, including women, BIPOC, LGBTQI and the differently abled.

It may therefore seem counterintuitive that philanthropies find themselves struggling when challenged on their internal composition (ACEVO, 2018). Some professionals privately profess that this particular facet of legitimacy challenge leaves them feeling accused of being *unfit for purpose*. Foundations have come to assume that they have special competencies to address social problems. And yet because they operate largely free from direct external control (Anheier and Leat, 2022), many philanthropy professionals must first overcome their unconscious bias that their governance, advisory structures and staffing often mirror the demographics of historical privilege and entitlement.

Data transparency has begun to highlight the breadth of changes undertaken and still needed among philanthropic institutions in Europe. A 2017 survey of members of the European Foundation Centre (now Philea), showed that 58% were making inroads on diversity with only 11% having policies covering all areas of their work and 13% either having no policy or no intentions to develop one.<sup>11</sup> While an informative starting point, these figures represent a sub-par response rate of 30%.

Various guides<sup>12</sup> and peer-led essays<sup>13</sup> acknowledge DEI as a shared problem, and encourage voluntary initiatives and sector-driven best practice to raise the bar from within as a preferred course of action. Early signs show that DEI practices are improving more quickly at the staff level than among foundation trustees, who face no public voting or formal requirements for eligibility.

Taking more conscious and purposeful action on DEI will likely confer multiple benefits to institutional philanthropy in Europe, indeed helping to address other areas of legitimacy described in

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<sup>10</sup> The 2022 invasion of Ukraine is an example of the first premise and has surfaced multiple challenges for investors and philanthropies concerned with energy and food security worldwide. Illustrations of the second premise run the gamut from precious metals and minerals used in technology hardware to climate altering technologies.

<sup>11</sup> Infographic, [Diversity and Philanthropy \(issuelab.org\)](https://issuelab.org)

<sup>12</sup> [How Board Members Can Advance Diversity, Equity, and Inclusion in Foundations Winter2017.pdf \(philanthropynetwork.org\)](#) and [Diversity, Inclusion and Effective Philanthropy - Rockefeller Philanthropy Advisors \(rockpa.org\)](#)

<sup>13</sup> [How a Diversity Focus Changed One Foundation's Board - Exponent Philanthropy](#) and [To Advance Racial Equity, Foundation Boards Need to Take an Active Role \(philanthropy.com\)](#)

this paper, such as capital and authority. The self-conscious discomfort awakened by this area of legitimacy challenge suggests that multiple forms of research are needed to motivate constructive response, including descriptive studies, surveys and case studies that will engage the philanthropic community and elevate awareness on various nuances between reducing harm versus achieving structural transformation (Villarosa, 2020).

#### Further areas for research?

The lenses of competitive performance, useful scope and unique contribution could be applicable in exploring questions in the European context. Many rely on the cooperative data sharing of foundations themselves.

- Comparing progress: Multiple economic studies link diversity to growth, improved performance and reduced inequality, which in part explains why government bodies and private sector companies have responded definitively to DEI mandates. Are there ways to benchmark comparative DEI adoption by public, private and philanthropic sectors in Europe?
- Internal equity: Governments and private sector companies in Europe also trend towards prioritizing internal equity in terms of compensation in pay, keying off empirical data showing its contribution towards cohesion, retention and internal mobility. How do internal equity policies and practice compare in philanthropy across Europe?

Landing this area of research will require a good deal more iteration with the research community itself.

#### Conclusion

The objective of this paper is to initiate a conversation among researchers attending the AGAPE conference on September 22-23, 2022 in Turin. It attempts to wrestle with the complex and sometimes visceral challenges to philanthropy's license to operate. Certainly, the ideas put forth here barely scratch the surface in summarizing or characterizing the numerous and profound intellectual contributions of the sector, its role and contributions to democratic process and society writ large. Hopefully readers will find some of the topics outlined here to merit further discussion, and benefit from investigation and empiricism.

To the extent that the paper is lacking, kindly remember that it comes from a practitioner rather than an academic (and not even a European!). One who carries a deep and sincere belief in the unique value, contributions and importance of philanthropic institutions – and is also committed to their constant improvement.

In the course of writing the paper, a colleague offered a straightforward answer when asked whether philanthropies should exist in their current form. Paraphrasing, he said the ultimate test of the value and thus the legitimacy of institutional philanthropy is whether it is at least as efficient and effective (or more so) at reaching its objectives than equivalent public or private sector institutions chartered with the same task. It is a compelling and clear idea. There is, however, an inherent problem with asking the question in this way: philanthropic institutions vary in size, style and mandate. They defy easy comparisons or one-size-fits-all prescriptions. As researchers move forward to define agendas, their findings in the view of the author will be well and warmly received when studies are designed in ways that are mindful of the taxonomy of institutions.

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