



## A difficult year for education philanthropists

Donors, schools and profs disagreed on big gifts

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Billionaire philanthropist Seymour Schulich is a man of maxims — one of which stands out after a bruising year of donor controversies in Canadian academia.

“Giving away money intelligently is truly more difficult than earning it,” Schulich, 73, likes to say.

Donors, university administrators and professors are looking for a smoother path forward in 2013.

Schulich, Canada’s most generous education benefactor, rolled out a new set of \$60,000 scholarships this year that he hopes will rival the Rhodes.

Yet he’s sounding concerns that a donor chill might follow all the bad press that has surrounded benefactions amid concerns over academic freedom and integrity.

The Canadian Association of University Teachers, or CAUT, has been threatening sanctions against schools over donor deals that give benefactors influence on the curriculum, hiring practices and academic management of the sponsored program.

“I can’t see that it would encourage donors,” Schulich said in an interview. “Why would you be inclined to expose yourself to criticism?”

Two major disputes, both in Ontario, clouded academic philanthropy this year.

One, involving Jim Balsillie’s Centre for International Governance Innovation and the universities of Waterloo and Wilfrid Laurier, was fully resolved last month.

Another — embroiling Carleton University, former Reform leader Preston Manning’s conservative think tank and Calgary benefactor Clayton Riddell — has moved off the news pages and into private negotiations in an effort to find an accommodation with the CAUT that fully addresses a problematic deal.

Riddell, who made his fortune in the oilpatch, co-owns the Calgary Flames and has given to universities and hospitals, sounds warily philosophical about his Carleton experience.

“There’s a mountain of causes that are looking for funding, whether it’s universities or hospitals or the United Ways or poverty people. There are just a myriad of places,” Riddell said in an interview.

The controversies, he said, “will probably cause philanthropists to be a little more choosy in where the money is directed.”

That, in a nutshell, is why it is so vital for cash-strapped universities to get it right.

The Council of Ontario Universities has set up a working group of administrators to discuss the issue,

although they say they won't likely be issuing guidelines.

There must be a better way, says Thomas Homer-Dixon, the CIGI chair of global systems at the Balsillie School of International Affairs, who spent countless hours revisiting the donor arrangement that bedevilled the University of Waterloo.

Homer-Dixon has sharp words for the Canadian Association of University Teachers, suggesting academic freedom exists more in theory than practice because all funding models tend to reward some areas of research and starve others.

Nonetheless, he says donor arrangements need a common set of parameters.

"The constructive thing is for a group of smart people to get together and draft up a list of principles that's fairly specific about what is appropriate and what isn't appropriate — and then revisit it every five or 10 years just to make sure it keeps up with changing times," Homer-Dixon said.

"Within that envelope, allow all kinds of different public-private partnerships to flourish, because we need them."

Everyone seems to agree the days of secret donor agreements are over.

Both Carleton and the University of Calgary fought lengthy battles against provincial freedom of information laws over the past two years before ultimately losing — and revealing damaging documents to the public.

"We now recognize that they're all going to be public, so that's the way it's going to be," Riddell said matter-of-factly.

"I don't have any objection ... I think it's actually the law that all of these documents have to be public."

Schulich sounds less than happy about the situation.

"It's great to be academically free if there's no consequences to your credo, your stance. If there's no cost, you can stand on principle and jump up and down about any number of things," he said of concerns by university faculties.

"I think the donor has a broad right to say, 'I want my money to go to scholarships; I want to empower the dean' — as mine do; 'I want to support chairs ....' But I don't think (the donor) has a right to get involved and dictate the management."

And there's the rub. Schulich's university donor agreements — two of which were obtained by The Canadian Press under access laws — contain identical provisions explicitly stating the donor and his foundation "shall not participate actively in or be employed in the actual operations" of the recipient schools.

They are models of propriety.

That's what the association representing university professors is seeking.

"The donor has every right that his money or her money is going to the project that they've agreed upon ... as opposed to some pet project of the university president, or a dorm, or whatever," said Jim Turk, the executive director of CAUT.

"But it's at that point that the donor should have no say over how the university carries out its academic

mandate.”

Good will, open communication and honourable intentions appear to be the keys to successful partnerships. Secrecy breeds suspicion.

In a neat piece of symmetry, this fall Carleton offered Canada’s first graduate degree program in philanthropy and non-profit leadership.

The director of the university’s School of Public Policy and Administration noted in a release that “philanthropy has become much more complex.”

“For example, many philanthropists are taking a ‘do-it-yourself’ approach, creating their own foundations rather than simply making donations,” said Susan Phillips.

“Other investors are seeking opportunities that blend the value of social and economic returns.”

That’s where vigilance will be especially necessary, when universities team with commercially interested benefactors on joint programs.

But for wealthy patrons like Schulich and Riddell, giving back to the community and establishing a personal legacy appear to be the driving motivations.

“Universities at the end of the day do a hell of a lot more good than harm,” Schulich explained, in typically direct fashion.

“So, fine, 50 per cent of my professors were no bloody good. So why do I support them? Because I don’t think I could have accomplished in life what I did without the university degrees and learning I got in university. I think it was a key component.”

—Bruce Cheadle



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