

CHARITABLE TAX CREDITS: A POOR EXCUSE FOR WELFARE CONCERNS

By

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
BACHELOR OF INTERDISCIPLINARY STUDIES

THOMPSON RIVERS  UNIVERSITY

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ABSTRACT

This paper examines charitable tax relief literature from a feminist standpoint, exposing flaws in the rationales put forward for the policy. I outline economic and behavioural facets of charitable relief, and evaluate standard justifications and criticisms. The assessment highlights ways in which charitable tax relief prioritizes wealthy or privileged populations, and burdens subordinated populations through democratic dilemmas caused by different populations' access to and benefit from charitable tax relief. I argue that charitable tax relief systems are not efficacious in producing equitable benefits across classes. It ought to be replaced with a system of taxation better suited to supply society with necessary welfare benefits.

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I. INTRODUCTION

Many structures in our society provide an upper hand to those who possess privilege, while at the same time, these same structures create barriers to those who lack social, economic or political advantages based on the color of their skin, gender, ability or sexual orientation. It can be seen all around us: physically in our urban landscapes; economically in our policies and regulations; and socially throughout the fabric of our society. Once we begin to analyze society that we live in, it can be seen that the world has been, predominately, shaped by patriarchal forces to serve people in power; charitable tax relief programs are no exception to this observation. Feminist critics attempt to dissect these structures so that they can be better understood and more easily dismantled. In recognition of the patriarchal roots of such central traditional ethical approaches as utilitarianism and deontology, feminists work to produce moral accounts that are more inclusive of female experience and values under the umbrella of feminist ethics.

This paper, then, uses feminist ethics to critique charitable tax relief from a feminist ethic perspective. It identifies the lack of merit for charitable tax credits and deductions; and highlights their contribution to the perpetuation of power imbalances and inequality. To make my case, I will begin with a literature review, exploring a spectrum of data pertaining to charitable tax relief. The literature covers economic and behavioural perspectives and trends. I have placed Hall's (2009) seminal work "Philanthropy, the Nonprofit Sector & the Democratic Dilemma" as the centerpiece of stage setting for the review. Hall's claim that legislative and taxation transitions in North America have entwined philanthropy and governance and that this, in turn, has diminished democratic ideals, is an integral component of my argument. I will then provide an explanation of feminist ethics and canvass alternate ethical perspectives, utilitarianism and deontology, as they are the standard ethical theories used in assessing business and policy decisions. I will demonstrate that charitable tax schemes do not adequately address welfarist concerns about equity and distributive justice and are therefore unethical from a feminist ethics perspective.

II. METHODOLOGY

This philosophical argument is based on both philosophical diagnoses and empirical data gleaned from a wealth of diverse literature on charitable giving and charitable tax policy. Hence, it is interdisciplinary in nature and it contains both quantitative economic and statistical data and qualitative philosophical material. I have chosen to explore literature pertaining to credits and deductions drawn from Canada, the United States and from France in an extensive study done by Fack and Landais (2010). Unless otherwise specified, charitable tax credit data pertains to Canada and charitable tax deduction data pertains to the US. I have chosen to explore all three systems not only because they provide corroboration by each exhibiting similar flaws, but also because opening up literature across countries furnishes additional resources, and enables a more elaborate and colorful understanding of charitable tax relief policy and charitable behaviour.

III. WHAT ARE CHARITABLE TAX CREDITS AND DEDUCTIONS?

The first step in assessing this policy is to explain how charitable credits and deductions work. Charitable tax relief allows taxpayers to claim qualifying charitable contributions in the form of credits in Canada or deductions in the United States. These policies essentially lower the amount owed in taxes through some form of government subsidization. I will begin by demonstrating how credits work in Canada and then give a short explanation on how deductions work in the United States as these two examples are representative of many developed countries' charitable tax relief policy for credit or deduction systems. Although the United States and Canada have very different governing bodies with unique policies and regulations, they both have tax structures in the form of credits and deductions that allow an income earner to receive income tax benefits for contributing to an array of charitable causes. Many developed countries provide some type of charitable income tax relief to promote giving. Both charitable tax credits and deductions have a similar intent: to incentivize giving or to promote "better" giving. The idea with credits and deductions is that by lowering the price of giving, the demand to participate will increase, causing more contributions. In essence, allowing tax credits and deductions

provides earners the ability to direct a portion of what would have been government revenue toward the organization of their choice. One of the primary differences between tax credits and deductions are the way that the benefit affects different income brackets. U.S. deductions provide systematically greater rewards as income brackets increase (Levmore, 1998), unlike the credit system in Canada where rates are simply determined based on the amount claimed in a tax year. Deduction systems are more common than credit systems according to Hossain and Lamb (2017) but Canada chose to switch to a credit system in 1988 (Hossain & Lamb, 2012). It is important to recognize that credits and deductions received through charitable contributions can also be viewed as foregone government revenue, diverted at its source. Benshalom (2009) points out that those who have little tax policy knowledge or insight may fail to see charitable tax credits for what they are “an indirect government subsidy to non-profit charitable organizations “(p. 1048).

According to the information retrieved from Canada Revenue Agency (2017) (CRA), for individuals in Canada, non-refundable charitable tax credits function with two-tier separate federal and provincial components that each have two levels of credits (Hossain and Lamb, 2012). The provincial component credit rates vary by jurisdiction (Charitable Donations Tax Credits Rates, 2017).

Federal Legislation (2016) from CRA documents:

15% on the first \$200 of total donations

33% on whichever of the following two amounts is less

- Amount of donation for the year above the first \$200
- Amount of taxable income over \$200,000

29% on total donations for the year above first \$200, which are not eligible for the 33%

Example:

A donor from Alberta with an income of \$230,000 donates a total of \$25,000 under the current proposed legislation of 2016.

Federal charitable donation tax credit calculation

15% on first \$200 = \$30

33% on the lesser of the following:

- Amount donation exceeds \$200 = \$24,800
- Amount their taxable income exceeds \$200,000 = \$30,000

33% of \$24,800 = \$8,184

29% on amount of total donations for year over \$200 and not eligible for 33% rate

29% of \$5,200 = \$1,508

Total federal tax credit = (\$30 + \$8,184 + \$1,508) = \$9,722

Provincial charitable donation tax credit calculation

10% on first 200 = \$20

21% on remaining \$24,800 = \$5,208

Total provincial tax credit = \$5,228

Total charitable donation tax credit (Federal + Provincial) = (\$9,722 + \$5,228) = \$14,930

Conversely, in the United States, earners are given an extensive list of criteria and limitations for their charitable contribution deductions to adhere to within their progressive tax system. Donations above \$250 must be itemized and qualify to receive deduction. Also, there are limits upon the amount earners can deduct. For example, generally speaking but with some exceptions, the deduction earners receive cannot surpass 50% of the earners adjusted yearly income (Publication 526, 2016). Once earners have confirmed the amount that qualifies for deduction, they subtract that dollar amount from their total income, as other deductions work. This essentially lowers their marginal tax rate and thus the total amount they will have to pay. In both cases, the credits and deductions are funded by the broader public and the donors jointly and donors are given the ability to allocate foregone government revenue. (Pevnick, 2013).

IV. ECONOMIC PERSPECTIVES

IV. 1. PRICE ELASTICITY

Price elasticity of a tax incentive measures the responsiveness of the amount donated to the change in the deduction or credit. The price elasticity of a tax credit or deduction provides a measurement of the responsiveness of tax itemizers to the tax incentive. For example, if the tax relief rate is increased by 10 percent, and giving increases by 30 percent, the incentive would be considered elastic because the responsiveness to the incentive is quite high relative to the change in the tax relief rate. However, if the tax relief rate is increased by 10 percent, and giving increases by only 3 percent, the incentive would be considered inelastic because the incentive induced very little effect. Sometimes in literature, assessments of charitable tax relief are treated as though responsiveness is unified across donation sectors. Part of what makes the effectiveness of price elasticity of charitable tax relief difficult to pinpoint are the broad categories of charitable causes. The broad categories make the array of influences over responsiveness quite expansive. This variability has been shown in Hossain and Lamb's (2012) study which evaluates tax incentive effectiveness on an individual's expenditures. The study also evaluates the effectiveness of the tax incentives across different charitable causes for potential policy implications, finding that determining and clearly identifying donor responsiveness to incentives allows policy makers to assess costs and benefits to society of any given charitable tax scheme.

Clearly, there are limitations to obtaining accurate price elasticity results for charitable relief. For example, data-sets are often lacking portions of information because of individuals who are non-itemizers who also tend to be the low income earners (Benshalom, 2009). Non-itemizers are those who donate to qualifying charitable organizations but do not choose to claim their credit or deduction when they do their taxes. Conversely, itemizers donate to qualifying organizations and do claim their credit or deduction. When speaking of the price elasticity of contributions "elasticity is not only likely to vary between different groups of taxpayers, but it is also likely to respond to government spending patterns." (Benshalom, 2009, p. 1060). High income earners tend to be the demographic who have a strong tax incentive effect. Yetman and Yetman's (2013) US data found price elasticities signalled that incentives

caused reallocation of contributions to different charitable sectors “creating relative winners and losers.” This polarization occurs because particular types of charities are more responsive to incentives than others, and overall donations roughly offset foregone revenue costs. Yetman and Yetman’s (2013) elasticity results suggest that if deductions in the US were decreased, it would result in a reduction of contributions specifically within the highest tax bracket. Those who have low incomes who donate less and do not itemize will have a weak tax incentive effect. For a non-itemizer, the price elasticity for tax incentives will be zero, a condition referred to as “perfectly inelastic”. This is perfect inelasticity because the amount donated does not change at all based on the amount one receives as a credit or deduction (Yetman & Yetman, 2013). A limitation suggested by Yetman and Yetman (2013) is with the ability to determine the price elasticity in some cases due to small sample sizes and older data sets.

An in-depth study was done by Fack and Landais (2010) to estimate the effect of charitable tax incentives by following the impact of the reforms done on tax relief policy in France. Fack and Landais found what you might expect: that an increase in incentives caused high income earners to change their giving habits. However, contrary to expectation, results displayed that low income earners did not change their giving habits substantially. Thus, this finding demonstrates the low price elasticity of tax incentives on low income earners. The price elasticity for low-income earners was perfectly inelastic to inelastic in nature, which implies that imposing tax relief and attempting to change the price of giving has little to no impact on certain demographics willingness to donate. In this particular scenario, Fack and Landais (2010) found that the incentive did not create the desired effect and that the foregone government revenue outweighed the increase in charitable donations.

The price elasticity for tax incentives on charitable donations will vary for different demographics and subsets of charitable causes. Responsiveness may vary based on differences in age, gender, education level, income level and so on. It could be beneficial to further break down these measurements to decide how best to determine what organizations should qualify for relief or what tax

relief rates should be given to different demographics. These calculations could also supplement justifications for or against charitable tax incentives.

IV. 2 EFFICIENCY

Studies suggest charitable tax schemes induce an increase in the dollar amount donated to charity that is greater than the revenue foregone by government, especially due the aggregate effect of the increase in charitable donations (Izzo, 1993). This outcome is known as “fiscal efficiency”. Benshalom (2009) summarizes some of the forms of efficiency related to charitable tax relief by identifying that generally, it is accepted as a way of promoting treasury, collecting, spending and informational efficiency. It works because of the assumption that the free market economy cannot efficiently provide some socially desirable goods and services. Treasury efficiency, then, can be seen as the increase in funds directed toward charitable outcomes both publicly and privately. Logically, the calculation must be representative of the increase specifically caused by charitable tax relief, while a) subtracting the amount that would have otherwise been spent without tax relief, and b) not forgetting to factor in revenue supplied to facilitate charitable relief. Therefore, treasury efficiency could be considered quite opaque in results. Additionally, the nature of deduction systems and marginal tax rates with rising benefit to donors further complicate treasury efficiency calculations, because, as we have seen, deduction systems provide larger incentives to those at the highest marginal tax bracket. Benshalom (2009) explains that “The inverse impact of the average marginal tax rates significantly complicates the analysis of whether the deduction meets the standard of treasury efficiency.” (p. 1059). According to Hossain and Lamb (2012), the tax credit in Canada appears to be fiscally efficient. In this case, they define fiscal efficiency as the circumstance where “the increase in donation expenditures is greater than the loss of tax revenue due to the tax incentive”, similar to treasury efficiency (p. 6). Some donation sectors, such as the religious sector, will not be fiscally efficient. The religious sector is one of these areas that may not be fiscally efficient because donors will likely donate regardless of the tax incentive. In other words, the religious sector’s charitable donations to charitable tax relief ratio is price

inelastic; there is in no significant increase in contributions while the government endures a loss in tax revenue (Hossain & Lamb, 2012).

Spending efficiency has to do with targeting taxpayers price elasticity of contributions based on government spending patterns. An example of spending efficiency could occur when a left leaning government introduces an abundance of spending initiatives intended to minimize homelessness. In response to these well advertised initiatives, tax-payers may have chosen to cut back on their contributions to charities that work to benefit the same homeless class because the need has decreased. Thus, the result of these government spending patterns could cause the price elasticity of contributions to change within that donation sector. The hypothesis behind this example is commonly referred to as “crowding out”, where government spending influences the donor choices. Substantial research has been done on this concept, exploring the effect of government spending on donation behaviour; for example, Pennerstorfer and Meumayr (2016) noted that studies have produced varying results for the crowding out hypothesis. In some studies government spending has shown no impact on the charitable sector at all, while other cases have produced results that suggest incomplete crowding out, “meaning that a dollar of public grants crowds -out donations by between 0.05 and 0.35 dollars” (Pennerstorfer & Meumayr, 2016, p. 535). As one might expect, results have been different across countries. These divergent results were noted by Wojciech Sokolowski (2012) as well, who found that depending on a complex range of external factors government support could either divert donations to other areas or increase donations expenditures (2013). Similarly, Andreoni (1990) suggests most research has displayed a small level of crowding out.

Collecting efficiency has to do with the ease of gathering taxes. For example, reducing the amount individuals’ pay in taxes as well as allowing them a voice in the direction of government funds can both increase tax-collection efficiency because taxes are a coerced transaction. Hence, most individuals will take part in methods of tax avoidance or minimization (Benshalom, 2009).

Benshalom's (2009) final category of efficiency, informational efficiency, pertains to achieving more appropriate spending through charitable relief. Under this premise, taxpayer's have superior ability over legislators to make spending decisions because they possess unique information about the community. Clearly, this form of efficiency could be very difficult to determine because assessments are subjective in nature and would vary based on the welfare concern. It is still the case that the argument for informational efficiency could be made strongly in some cases and not in others where government has significantly stronger expertise. "Hence, charitable relief relies on the synergy between public and private information to promote better provision of public goods."(Benshalom, 2009, p 1061).

V. DEMOGRAPHIC TRENDS AND MOTIVATIONS

Within the bracket of donor behaviour, and closely linked to the tax price elasticity, are categories of motivating factors in contributing. Many variables affect earners motives for contributing and these motives are an important aspect of determining the use of charitable tax incentives. Understanding what motivates individuals or households to donate can be a helpful tool in deciphering why and how policies should be implemented. Underlying motives can display the potential ethical ramifications of allowing individuals to influence government funds.

Breaking down populations into demographics can be a pragmatic way of assessing charitable tax relief outcomes. One of the most important demographics to examine are the wealthy is for the simple reason that those with more resources have the ability to donate more. Low income individuals, whose earnings are generally providing base-level needs, will not be donating large sums of money to charitable causes. The more money an individual makes, the more disposable income they have and the more they can donate. However, the rise in charitable giving does not increase proportionally with rise of income according to List (2011) and Hood, Martin and Osberg (1977). High and low income earners tend to contribute quite differently in the amount of contribution and in donor sectors. As one may assume, contributions from the wealthy make up a considerable portion of overall charitable donations.

Turcotte (2012) finds that in Canada the top donors who belong to the upper quartile donated roughly 83 percent of all donations collected by charitable or non-profit organizations. They also find that the top decile made up 63 percent of all donations. Turcotte (2012) found the statistics to be quite similar when analysing data from the 2007 to 2010 Canada Survey of Giving Volunteering and Participating (CSGVP).

The more aware donors are of community needs and of their own positive moral attributes, the more likely they are to contribute. In Turcotte's (2012) assessment of the CSGVP data they found that those with university educations and higher paying jobs give more. There is commonality between those demographics; often those with higher paying jobs have a university education and will be able to contribute more. It has also been well-documented that religiously active people donate more often and also donate large contributions (Turcotte, 2012). This is possibly related to the altruistic and pro-social values preached within religious activities. There is also the possibility that being religiously active brings one to places where there are additional solicitations, making it more likely one will give. According to the CSGVP data, Turcotte (2012) found that religious organizations received approximately 40 percent of the total annual donations in Canada. In the same study, it was noted that donations increased with an increase in age, however, this was not the case within the religious demographic in which donations stayed the same.

Hossain and Lamb's (2012) analysis on the effectiveness of charitable tax incentives found a positive relationships between high household income and religious, health, and social services donation expenditures. Another positive indicator they found for larger donations to the social services sector was marital status. Respondents in their study also showed a difference in donation habits between individuals born in Canada than those who had immigrated; they found Canadian born citizens donated more to health organizations while immigrants contributed more to international organizations. Hossain and Lamb (2012) noted differences in donating behaviour across Canadian provinces as well, indicating that attitudes and culture across geographies dictate donor behaviour.

List (2011) describes a commonly discussed trend that shows how giving as a percentage of household income is U-shaped. Noting that very low income households give roughly five percent of their income. As earnings rise to the middle class income range, households give roughly two percent with a gradual increase to three percent of their yearly income. Then, as income increases to the top earners, contributions again average roughly five percent or more of yearly earnings; top earners in this instance being those who have net worth of one to five million. Hence, a U-shaped curve is created when graphing percentage of yearly income that was donated against the increase of household income (List, 2011). This phenomena is well explained by Schervish & Havens (1995). They discern that the U-shaped curve is only visible when assessing the population consisting of contributors, while the results vary drastically when using the entire population due to the low level of people who actually donate. “The reason for the difference in the two curves, [between donors and the entire population], is the level of participation. Only 47 per cent of the lowest income category contribute to philanthropy, and less than 70 per cent contribute in income categories below \$20,000.” (Schervish & Havens, 1995). Unfortunately, data on individuals with high net worth is limited, impeding on the strength of these studies. There are a few different hypothesis for this phenomenon. It could in part be due to many low income earners contributing substantial percentages of their yearly income to religious organizations. Another demographic that List (2011) noted could be influencing this trend, are retirees who have high assets but low annual incomes. This population of contributors have the ability to donate large sums due to their accumulated wealth. Schervish and Havens (1995) break down the U-shaped curve into religious and non-religious causes that have been contributed to. They then demonstrate that the curvature is due to low income households contributing a disproportionately large percentage of their income in comparison to high income households (1995, p. 6). List (2011) suggests that another factor contributing to the U-shaped trend appears to be that younger donors are more generous in their giving habits because their financial stress is of minimal concern and they have the expectation their earnings will increase.

The composition of targets for charitable donations varies based on class and income as Hood Martin and Osberg (1977) point out in their paper on the economic determinants of individual charitable donations in Canada. Each age demographic or generation you are born in may be associated with a trend in charitable behaviour. Hood Martin and Osberg (1977) call this phenomenon a “time trend” demonstrating that the shared common experiences of society will change the choices of donors. Each generation may perceive societal needs differently, based on political culture at a given time.

Additionally, an assortment of research contributes to the psychology behind the allocation of charitable contributions. One of the trends that affects donor choices is name recognition. Benshalom (2009) as well as De Vita and Tombly (2005) noted that donors do not always think carefully about the allocation of their donations and donate to organizations that are well recognized; impulsiveness can lead to the majority of donations going to a few big-name charities. This trend could be from name recognition or the perceived ease of redeeming these contributions because well known organizations would likely meet governmental qualification criteria, because as Weeks McCormack indicates there is clear incentive to give to a charity that qualifies for deductions and credits (2010).

Self-perception is also found to be a powerful influence over an individual’s charitable behaviour. People generally desire a positive self-image, as well as external affirmation of that positive self-image. Individuals want others to like them and care to some degree that they are seen as successful and generous. Because the concept of good is relative and can be shaped by the community. The culture that individuals are surrounded by will have an influence over the way they donate. If others in a community donate in a particular way, individuals will want to mimic that behaviour (Kumru & Vesterlund, 2010). So, if families in ones neighbourhood openly participate in charitable events, donate large sums to charity, and tend to give to sectors with focus on health and science, one will be more likely to act similarly to avoid feeling as they have fallen behind in social status. Individuals do not want to have a lower status than their peers. Kumru and Vesterlund (2010) call this “the status leader effect”. Essentially, donors are likely to contribute when they are aware of other large donors’

contributions. Knowing others have taken part in altruistic or charitable behaviour creates a sense of embarrassment, shame, or guilt resulting in a social obligation to match others habits (Kumru & Vesterlund, 2010).

This idea of self perception and status influencing donor behaviour gives the opportunity to foster a culture of “do-gooders”. Young, Chakroft & Tom (2012) argue that maintaining self-perception is natural, so when individuals are pushed to perceive themselves as altruistic or as “do-gooders” they inherently want to achieve that same outcome going forward to reinforce a self concept rooted in morality.

Altruism is a sought after quality. Richard Kraut (2016), in “Altruism” defines altruism as deliberate behaviour that is motivated by benefit to someone other than the acting agent. Altruism is the contrapositive of egoism which concludes all individuals have one main motive: their own well being (Kraut, 2016). Similarly, Pevnick (2013) suggests that reinforcing positive moral behaviour within the non-profit sector creates additional altruistic behaviour. Hence, incentives given through tax schemes could create positive externalities by developing and stimulating positive social capital. In other words, social capital takes part in fostering beneficial relationships and networks that enable a more functional society. Charitable tax relief incentives advance a caring and giving culture, which in turn could spill over, benefiting more than the charitable sector (Pevnick, 2013). The practice of charitable giving arises as a social and cultural practice and these types of cultural exchanges are tied to reciprocity and given our propensity to engage in forms of social contracts, we have a mutual interest in equity and fairness, not only in material payoffs (Turcotte, 2012).

Riyanto and Zhang (2014) published a study that showed pro-social behaviour was stronger among those who were under egalitarian treatment rather than meritocratic treatment. Under egalitarian treatment, with income redistribution, individuals were each compensated equally, whereas, under meritocratic treatment, with capitalistic competition, individuals were compensated based on ability and performance with no taxation. This study presents valuable insight for policy choices because the

subsidization of low performers by high performers made low performers more generous (Riyanto & Zhang, 2014).

James Andreoni has contributed a breadth of research on charitable giving and altruistic behaviour. His work suggests that an aspect of donor motives are based on “impure altruism” which create what he refers to as “warm glow”. This warm glow is the result of the pleasant feeling associated with doing something beneficial for someone else. Therefore, producing impure altruism because giving produces both an altruistic and self-interested act due to dual motives. Contrary to the idea of crowding out –(see above), Andreoni (1989) finds that “[w]ith respect to charity, impure altruism indicates that progressive taxation may actually increase charitable giving rather than decrease it, as commonly believed.”(p. 449). The moderate findings on crowding out and strength of impure altruistic behaviour depicts the complexity of our moral aptitude and it speaks to the importance of value judgements and moral consideration in our economic models and policy choices.

Added to these complex behavioural matrices, positive perceptions of charitable organizations have received been dwindling. This negative public perception could be due to corruption or inefficient allocation of donor funds. It has been widely reported that many large non-profits and charities have CEO’s or executives earning significantly higher salaries than a middle-class North American. It is fair to assume that these wages could be seen as flagrant or excess and not within the spirit of charity. Hence, the growing public perception that donations will be used inefficiently is not surprising. Turcotte (2012) found that this perception is more common among men than women and also found that the skepticism increased with age in Canada.

Different groups of people have distinctive experiences. It is to be expected, therefore, that different demographics have unique views and will ultimately assess community needs differently. As feminist theorists such as Code (1981), Harding (1993) and Harstock (1983) have made clear, women are one of these demographics that have a unique view, so gender is a pragmatic avenue to discuss charitable giving. According to Themudo (2009) women are more likely than men to have made a

financial donation to a charitable cause and have also been found to volunteer more often. These findings were echoed by Turcotte (2012) assessment of CSGVP data. Pynes (2000) points out that despite their predominance in the volunteer sector, there are far fewer females than males in executive managerial roles in charitable organizations. So although the volunteer sector is overwhelmingly comprised of women, most major decisions within charitable organizations are being made by men in power.

Research in the social sciences have shown women are less selfish and more public spirited than men (Themudo, 2009). Additionally, Themudo (2009) found that women are more likely than men to work in the nonprofit sector and behave more generously when faced with economic hardship. In the same study, Themudo conversely found that globally, men are more likely to be members of non-profit organizations. However, it was pointed out that there was a direct relationship between non-profit sector strength and women's empowerment. It is probable that as women's relative share of resources and participation in the economy increases, the supply of private resources to the nonprofit sector should also increase. Their research also implies that as women develop a more equal standing socially and economically in society, the demand for public service provision will increase (Themudo, 2009). Young, Chakeroff and Tom (2012) confirm Themudo's (2009) assertion that single women tend to give more than single men, noting that when participants were asked hypothetically what they would donate, women chose to give more than men. Participants in their study were not however anchored to their claims. The finding that women tend to donate more was also reflected in Hossain and Lamb's article evaluating the effectiveness of charitable tax incentives and price elasticities across donation sectors. Their assessment found that "Female respondents are more likely to make larger total donations and health donations than males." (Hossain & Lamb, 2012, p. 5).

Some studies have produced outcomes that imply there is no difference in giving between men and women. However, Themudo (2009) points out that the difference may have resulted from the way data was formatted in the studies. For example, Andreoni and Vesterlund (2010) illustrated that the

altruism demand curves for men and women cross due to the difference in their response to price change, or in other words, level of incentive. In particular, Andreoni and Vesterlund (2010) found that men are more responsive to price changes. So, when it is relatively expensive to give, women are quite generous but when the price of giving decreases, men begin to give more (Andreoni & Vesterlund, 2010). Men and women's behaviours toward donating also vary in that women often favour equality and tend to distribute evenly when possible. However, men are found to be either perfectly selfless or selfish. Therefore, depending on how data is taken, prices for altruism that are "mid-ranged" tend to generate similar levels of results for both men and women (Andreoni & Vesterlund, 2010). Turcotte's (2012) assessment of the CSGVP data showed that women are more likely to donate to charities within the health and social services sector, whereas men are more likely to donate to sports and recreation. These statistics may display the different evaluation or awareness of needs and values that women have.

VI. 1. ETHICS

My concern with the present tax relief system lies in the value paradigm expressed through these rationales and their incomplete policy assessments. In brief, the classical rationales for conventional tax benefits for charitable donations lack a feminist ethical perspective and equity considerations, the lack of consideration for feminist perspectives by apologists of the status quo appear correlated to the patriarchal systems that are present in our society. I intend to illustrate that charitable tax relief is unethical when assessed from a feminist value set and that the arguments against such relief outweighs the rationales attempting to justify it. I will argue against the most prominent justifications for charitable tax relief, assessing criticisms found throughout literature and discussing two premises that support eliminating it. These premises focus on the perpetuation of power imbalances and inequalities, and the androcentric values inherent in the policy.

To set stage for my argument, I will first briefly outline Utilitarianism and Deontology, two other compelling philosophical approaches that can be brought to bear to address ethical considerations

for tax policy, before turning to a defense of Feminist Ethical approach to these issues. I now turn to exploring utilitarianism and deontology to reveal what these ethical perspectives entail, and why feminist ethics is a uniquely pragmatic alternative.

VI .1.1 UTILITARIANISM

Utilitarianism is a form of consequentialism, where choices are weighed based on the consequences of their outcomes. Essentially, utilitarianism states that the superior moral choice, is the one that which produces the most good. The way that “the most good” is determined however, can be ambiguous at times. Impartiality in weighing outcomes is one thread of utilitarian principles, where one agent’s welfare is worth the same amount as the welfare of another agent (Driver, 2014). Under this premise, the calculation would set out to determine which outcome increases welfare for the most people. At times, this way of decision making can be perceived as cold or inhumane. It also fails in so far that the outcomes of some decisions cannot be easily identified.

Were we to use utilitarianism to calculate the relative goodness of charitable tax relief we would quickly see the downfalls of the unethical framework because it can be challenging to grasp the gravity of the human rights concerns associated with the undemocratic flaws of charitable relief. In the case of charitable tax credits, inducing incentives could be seen as increasing the welfare of all itemizers, as well as increasing the welfare of all those who benefit from the variety of charitable causes that have received an increase in donations. All the while, at face value, the incentive would appear to make very little change from the status quo for those who choose not to itemize, or who have no connection with the benefiting organizations. So, if the number of individuals who receive an increase in welfare due to the charitable tax relief is higher than the number of individuals who do not, then under a utilitarian calculation, inducing the charitable tax relief may be the right choice. However, because utilitarianism insist upon impartiality, this calculation fails to address the disparity between the level of welfare increase to the larger group of individuals who gain from the policy, over the level of potential welfare hindrances to those who lack involvement in the policy implications. Data would

suggest that the larger constituent of individuals who gain from the tax incentive are those who have less monetary welfare concerns to begin with and consequently gain more fiscal benefits, while those who belong to the smaller group of individuals are likely those with fewer economic and social privileges, and do not have their primary needs being addressed. Thus, in this assessment, it could be said that the utilitarian calculations lack strength in its ability to address complex ethical concerns, and may be considered cold or inhumane; it is hard to act with impartiality when human rights at stake. This scenario nicely illustrates one of the flaws that utilitarianism possesses regarding the theory's capacity to permit actions no matter how harmful they are to some, as long as the act is more beneficial to others. The use of utilitarian calculation allows for tyranny of the majority, where the interests of the majority come at the expense of those in the minority. In addition, utilitarianism does not account for civil rights, which makes the account unacceptable from a moral standpoint. This is why a feminist moral approach, which assesses each particular situation uniquely with care and empathy is beneficial to this discussion, especially when we factor in consequentialist welfare concerns.

VI. 1.2. DEONTOLOGY

As a theory, deontology can be understood in opposition to utilitarianism. Instead of making choices based on the outcome that produces "the most good", choices are dictated by duties. Under deontological ethics, the morality of a choice is based on the rational integrity of the principle, not the following consequences that are produced. Because of the difference in structure from utilitarianism, deontology allows individuals a sense of rational autonomy (Alexander & Moore, 2016). Immanuel Kant, the philosopher most closely associated with this theory, coined the "categorical imperative" as a concept in rule or duty based ethics. Categorical imperatives can be considered a form of universal maxim, where an ethical decision is made based on its objective and rationally necessary quality (Alexander & Moore, 2016). In other words, the deontological subject will only act on maxims that one would will as universal law for everyone to follow. This theory can be appreciated for its intuitively understood moral characteristics. Additionally, deontology also provides room for supererogatory acts

and allows actors agency and the ability to give special care to endeavors they see fit such as family, unlike utilitarian premises (Alexander & Moore, 2016). Yet, deontological perspectives have been subject to significant criticism as there are many conditions and stipulations given to account for potential maxim conflicts or prioritization of imperatives, making the theory confusing at times. For example, the paradox of relative stringency presents itself in the assertion that maxims are law like categoricals that must be acted upon regardless of the consequence, while also suggesting that particular maxims are more stringent than others (Alexander & Moore, 2016).

If we were to approach the decision of implementing charitable tax relief from a deontological perspective, we would choose maxims that are pure and good and the actions would be judged based on the virtue of its aim. However, the results that follow may not be desirable. First, we must choose a set of maxims to assess the policy through, such as respect for human life and fairness. Depending on an individual's interpretation of what respect for a human life and fairness are, outcomes can vary substantially. One may view the implication of charitable tax credits as acts that give respect to human life and foster fairness because the policy allows individuals who have earned high incomes more autonomy in the ability to direct funds, which they may perceive as their right. On a surface level, this choice may seem objectively rational because if an individual works hard to earn wealth, they may believe they deserve more power. Similarly, if one is in a position of privilege, they may be keen on universalizing this notion as they do not fully realize the barriers that some face in accessing the benefit of charitable tax relief. This initial reading of the scenario lacks consequential reasoning to account for the perpetuation of undemocratic flaws. Alternately, charitable tax relief could be viewed as unfair due to its undemocratic nature and therefore considered an unethical policy decision on those terms. The conflicting assessment that may arise when following multiple maxims can be problematic. Again, Kant's theory of duty based ethics gives extensive outlines of how to deal with moral dilemmas that may occur but the process can become quite convoluted and at times can begin to mimic other ethical theories.

In summary, the problems that crop up when assessing charitable tax relief using utilitarianism is that it allows for tyranny of the majority, it cannot account for the importance of civil rights, and that so long as the majority are happy, the few can suffer. Deontology has a separate set of dilemmas that occur because universal rules do not apply in each situation to everyone and because a lack of consequential thought abandons the outcome of good will or intention.

Utilitarianism and deontology do provide useful frameworks for assessing ethical situations, but they fail to comprehensively and carefully prioritize situations in a way that gives actors some level of agency and consequential foresight. Assessing morality has a relative nature which philosophers have attempted to avoid through creating concise theories that account for all dilemmas. Feminist ethics can be viewed as a way to supplement these theories. Feminist ethics is less structured and aims to address problems on a circumstantial basis, taking care and empathy into consideration. Combining these forms of ethical frameworks arguably provides the most holistic and suitable outcomes: that individuals can feel good about for the integrity of the virtues that decisions are based off of, as well as its outcomes. Feminist ethics fills in the empty spaces where traditional ethical theories may leave actors feeling uneasy, because try as we may, attempting to keep decision-making simple by eliminating emotional and empathetic perspectives and following a formulaic set of rules, does not embody the complexity of human experience or our ethical abilities. The outcome of a feminist approach should produce a circumstance in which harm has been mitigated on a broad scale assessing all of the dilemmas and making the most well informed decision. The overarching aim is to expand the moral circle and have no one harmed in the outcome of a decision if it is possible. One way of ensuring that additional care and consideration is taken in our everyday lives, is by implementing the most democratic systems and infrastructure within our society. I will explore this in greater depth with a summary of Hall's (2013) *Philanthropy, the Nonprofit sector & the Democratic Dilemma*, in the section following Feminist ethics.

VI. 1.3. FEMINIST ETHICS

Looking at charitable tax relief from a feminist perspective solves some problems that are associated with some of the justifications that I will later outline. Utilitarianism fails, insofar, that it allows tyranny of the majority to prevail; so long as most are happier, the few can suffer. So, this outcome cannot account for important civil rights. I will further address why these accounts are important in two of my refutations titled: “Pluralism and Tyranny of the Majority”, and “The World without Charitable Giving”. The inadequacy of deontology as a framework for assessment stems from universal laws not applying everywhere and to everyone, and in the non-consequential approach that leaves no room for good intentions. Taking good intention and altruistic behaviour into account is crucial to developing a comprehensive ethical assessment of charitable tax relief.

In a Different Voice Carol Gilligan’s (1982) text, is one of the most important pieces of literature on feminist moral thought, bringing to light the different moral values and voices of women and men Gilligan’s (1982) work highlights the different lenses through which men and women see the world due to their differences in experience:

At a time when efforts are being made to eradicate discrimination between sexes in the search for social equality and justice, the differences between the sexes are being rediscovered in the social sciences. This discovery occurs when theories formerly considered to be sexually neutral in their scientific objectivity are found instead to reflect a consistent observational and evaluative bias. Then the presumed neutrality of science, like that of language itself gives way to the recognition that the categories of knowledge are human constructions. The fascination with point of view that has informed the fiction of the twentieth century and the corresponding recognition of the relativity of judgement infuse our scientific understanding as well when we begin to notice how accustomed we have become to seeing life through men’s eyes. (p. 6)

Gilligan’s work is often associated with a branch of philosophy called care ethics which asks how the needs of individuals involved in a particular situation be met. According to Stone (2007), care ethics could be summarized first by the focus on particular circumstantial situations and individuals; second with prioritizing and meeting needs; third by a focus on relationship maintenance; and finally, by the consideration of emotions being a critical element in moral thinking. There are, of course criticisms of Gilligan’s work that amount to attempts to reinforce traditional female roles rather than potentially challenging them, all of which contain significant biases toward middle-class white women or are

plagued by essentialist arguments. However, Gilligans work recognizes that women are undervalued and persistently lack recognition in economic and social systems designed by and for men. This same lack of recognition can be seen in the case of charitable tax relief policy choices. It is important to make clear, that feminist theory explores the experience of marginalized persons, not only the experience of women.

Broadly speaking, ethics is concerned with how we manage our actions and how we ought to live our lives. It attempts to classify actions based on different principles to determine whether they are right or wrong, good or bad (Singer, 1994). Ethics examines living morally through critical reflection and systematic examination (Racher, 2007). Morality and ethics can generally be used interchangeably within philosophical discourse. Utilitarianism and Deontology are traditional ethical theories to express why I have chosen feminist ethics as a lens. Feminist ethics attempts to rethink traditional ethics because those traditional perspectives are often missing female perspectives and at times even depreciate or undervalue female experience. Feminist authors have challenged traditional ethics on a number of fronts. Tong and Williams' (2016) summarizes Alison Jaggar's account on how traditional ethics lets women down in the following five ways by:

1. Demonstrating less concern for women's opposed to men's issues.
2. Trivializing the moral concerns that arise from the private real.
3. Suggesting that women are not as morally deep or mature as men.
4. Overrating traits that are considered culturally masculine such as intellect, domination, independence, autonomy, hierarchy, duty or asceticism, while underrating traits that are culturally feminine such as emotion, communication, community, connection, peace, joy, interdependence, lack of hierarchy and sharing
5. Favoring ways of moral reasoning that are considered "male" over "female". Male moral reasoning often focuses on rights, universality, or impartiality. On the other

hand, female moral reasoning favors partiality, particularity, relationships and responsibilities.

Needless to say, the point-of-view from which researchers assess and make judgements, in turn reflect the way their research is navigated and how their arguments are formed. Ultimately, these stances are reflected in the outside world through decisions on our policy, government allocation of funds and our cultural values.

Not only are charitable tax benefits ultimately unethical, from a feminist perspective, but the desired outcomes associated with incentivized giving could be achieved more appropriately through other means. My arguments rests on these outlined feminist ethic values:

- i) Prioritizing and meeting needs
- ii) Taking empathetic, caring or emotional thought into moral decision making
- iii) Prioritizing values that reflect community, equity, reciprocity and lack of hierarchy.

This argument is quite idealistic in its approach and aims, yet I would advocate, relevant and pragmatic as well. As Racher (2007) postulates “[f]eminist ethics draws attention to the distinguishing characteristics of relationships and the power within those relationships at individual, group, and community levels” (p. 70). Evaluating the structures and systems in place within our society that promote damaging power relationships allows us to dismantle them and make more well informed and ethical decisions in our everyday lives.

VII. HISTORICAL CONTEXT FOR PHILANTHROPY AND CHARITABLE RELIEF

Thus far, I have highlighted some of the most prominent and pragmatic literature on charitable relief, relating to economic perspectives and motivating factors of donation. Before diving into the justifications and criticisms, I will supplement and frame the discussion with a historical overview that illuminates some of the democratic flaws pervasive in charitable relief tax structures. A summary of Peter D. Hall’s article *Philanthropy, the Non-profit Sector & the Democratic Dilemma* is used for this purpose.

Hall's (2013) paper explains the current relationship between government and philanthropy emphasizing that a heavy component of charitable tax relief is centered on the prioritization of the wealthy. This article exposes the democratic dilemmas associated with charitable relief. The democratic issues are centrally related to the feminist values that have been outlined. North Americans, generally perceive their current governing structure as being democratic, but upon looking deeper at governing practice and structures, there seem to be accumulating functions that deteriorate the democratic ideal and, in turn, undermine equity goals. According to Hall (2013), democratic theory was at its most pure idealistic form during the eighteenth century when private involvement with elected government was quite negatively received. There was considerable skepticism regarding any instruments being used to further private interests or association. Over time the elite's wealth and their agendas have increasingly began to infiltrate the fabric of our society. This has been done largely through philanthropic avenues advancing education, health care, cultural enterprises and so on. Skepticism over the motivation of these philanthropic ventures have always been present and that skepticism has made the gradual transformation into the structure of governance now, where philanthropic ventures serve as conduit for political platforms, challenging at times. However, large monetary incentives were used and private interests now infiltrate our social and political systems, incrementally eroding away at the level of democratic purity step by step. These incremental changes in regulations altered society's attitudes toward foundations and philanthropy. In the 1880's many large charitable donations were attempted and initially refused, causing a series of collisions between elites and the government. These roadblocks caused conflicts and debates, as the refusal of enormous charitable donations and bequests upon government could at face value be viewed as a significant loss to a community, and perpetuated the growing disparity in wealth. Pevnick (2013) notes that in 1913 the United States implemented a deduction scheme intended to incentivize donations for the benefit of society at large: advancing science, environmental endeavours, arts culture or social welfare needs. Around the same time, the first income tax was implemented in the United States. (Benshalom, 2009). Following WWI, many

foundations became established and exerted influence within their areas of interest, affecting many aspects of American life. Increasingly, philanthropy was being used as a tax avoidance mechanism, much as it is today. For example, due to public concern, the government established the Cox and Reece committees in 1952 and 1954 to determine the motives of tax exempt foundations and charities. These committees criticized philanthropic tax exempt organizations for enabling donor power to control education, media, promoting internationalism and moral relativism, all of which degrade democratic governance (Hall, 2013).

It is interesting to note that; while at first philanthropic ventures were associated with the political left, and the right wing largely criticised the involvement of philanthropy or non profits in governance, this relationship gradually changed. In the 1960's political conservative intellectuals such as Lewis Powell and Irving Kristol, persuaded the right to use philanthropy in its institutional infrastructure – a model which had previously allowed liberals to dominate the political arena. The shift in attitude toward private involvement created the framework for the Republican revolution through right wing foundations. “Once the darlings of the left, foundations and other non-profits quickly became ubiquitous across the political spectrum as sources of policy and shapers of public opinion.” (Hall, 2013, p. 13)

Hall makes note of a series of US federal court decisions that dismantled regulations that had been previously put in place in the 1970's that were intended to protect the democratic process and create barriers against the wealthy attempting to exert their power over the social and political realm. Similar changes were made to tax exemption and deduction policies from 1960 through to the end of the century (Hall, 2013). Criteria set out for tax exemption status gradually softened to the point that it required that an organization's activities not “be illegal or impracticable, and that financial surpluses if any, not be distributed to organizational principals” (Hall, 2013, p. 14). With such vague sets of criteria, it seems almost any organization could apply. The list of activities that can be sponsored now by tax

deductible payments under the charitable umbrella has become quite vast, museums, zoos, university libraries, parks, to name a few of the qualifying avenues Benshalom (2009) noted.

The shift in regulations and policies allowing private entities to gain space within traditional governmental processes have gradually led to diminishing boundaries between both charitable organizations and business, and between nonprofits and government that the current structure has become riddled with democratic dilemmas.

Hall emphasizes that the transitions that have taken place have led to what Lester Salamon argues is the modern welfare state, created by the lack of distinction between nonprofit and for-profit organizations. Salomon refers to this as the marketization of welfare due to the take over of market type business relationships in the social welfare realm (p. 17, 1993). There has been a halt in the transition in recent years:

The fortuitous complementarities between private sector and the state described by Salamon three decades ago have largely disappeared and have been replaced by an extraordinary concentration of wealth and power in the hands of a few hundred individuals and corporations. Government no longer has either the resources, or the authority to compensate for the insufficiency of philanthropic resources (Hall, 2013, p. 15).

Unconstrained private philanthropy degrades democratic and political values. With the wealthy few and corporations in power, there will likely be little push for change as those in power are pleased with their privileges.

Charitable tax deductions are yet another facet of the democratic dilemma discussed by Hall and an outcome of private philanthropy unconstrained. The analysis and historical overview that Hall conducts brings to light some of the transitions in our cultural values and political environment that have led to the current policies and regulations influencing philanthropic endeavours and show some of the deeply embedded dilemmas within our governance that shape equity and democracy in every community. These transitions have reassembled our political structures in a way that normalize the use of charitable deduction relief, without major consideration of underlying moral dilemmas. A steady stream of academic and intellectual criticism continue, but such concerns are not often discussed by the

general public in any depth. These quiet changes that continue to modify our democracy and majority decision making process are at the heart of this discussion and should be thoroughly debated and considered if we are striving to create more equitable and just societies.

VIII. JUSTIFICATIONS OF CHARITABLE TAX RELIEF

VIII. 1. EFFICIENCY JUSTIFICATIONS

VIII. 1.1 TREASURY AND FISCAL EFFICIENCY

Benshalom's (2009) article "The dual subsidy theory of Charitable Deductions" is a thorough democratic justification of the tax relief. The author puts forward that there are two categories of justifications for charitable tax relief. One category of justifications is based on charitable tax relief encouraging additional or potentially more appropriate spending on public goods. The idea behind this rationale is that without these incentives or additional funding, goods will not be provided at a socially optimal level. One could also think of this justification as "a transfer of funds that efficiently promotes public spending." (Benshalom, 2009, p.1050). Some justifications outlined by Benshalom pertain to forms of efficiency; treasury or fiscal, allocation, collection and informational efficiency. The fiscal efficiency justification follows when the influx of donations exceeds the loss in tax revenue and government spending used to implement the policy. For treasury or fiscal efficiency justifications, monetary benefits that accrue from implementing charitable credits or deductions can be seen as a positive benefit to society.

An addition to the fiscal efficiency justification is the argument that there will always be a portion of society who contributes with the intent to itemize and claim their charitable tax relief, but for whatever reason, donate but do not claim. From personal experience, tax credits have acted as a giving incentive; however, at the end of the tax year I have been too careless to claim the relief. This would likely be the case particularly for small donations. These donations mean that society can benefit from the increase in donations and community welfare while the funds are not taken away from the

government. This opting out of the benefit system would be difficult to actually quantify but it seems reasonable to say that there is a small additional benefit to society produced by individuals who donate with the intent to itemize, but ultimately do not.

~VIII. 1.1 AGAINST TREASURY AND FISCAL EFFICIENCY

The implementation of tax relief prioritizes the privileged groups over the needs of the majority, and maintaining the distribution of wealth in a hierarchical structure perpetuates the oppression of the disenfranchised. In order to address the entirety of the issue and reach a more equitable society, each individual would require a fair and equal say over the way that resources are allocated. In the current system, top income earners are able to exert power engage in privatized social engineering through the distribution of forgone funds. The resulting moral implications are that those who dictate the distribution of funds are not fully aware of the needs of those to which the funding is directed and will therefore act out of personal rather than public interest. Thus, it is not reasonable to assess charitable tax relief solely based on individual monetary considerations. For example, if a philanthropist donates a large sum of money to a hospital, and that money goes to improving a surgical centre. That improvement, while generally benefitting the population of those who access those services may not help those who are most in need because while the donor and those in the donors socio-economic class may directly benefit from such a centre, the hospital has more significant needs in its emergency wing that treats the general public and the disadvantaged in much larger numbers than the surgical centre. As a result, the most oppressed members of society still face the barriers to oppression. A more ethically appropriate way to allocate forgone funds would be to give oppressed populations the tools that they need to increase their well being.

VIII. 1.2 COLLECTING AND ALLOCATION EFFICIENCY

Levmore (1998) puts forward several arguments that appeal to a variety of the literature, some apply to forms of efficiency that Benshalom (2009) has outlined, specifically, collecting and allocative efficiency. Levmore (1998) argues charitable relief is a way for taxpayers to express their preferences

while minimizing inefficient bureaucratic downfalls that “The tax deduction essentially casts the government as a financing partner, with taxpayer-donors servicing as intermediaries or agents who choose the providers of, or indeed the very existence of, certain services.” (p. 389). The bureaucratic downfalls associated with having government directly allocate all government funds argue on the side of charitable tax schemes. The process of allocating funds through legislation can be more costly, inefficient and tedious than simply allowing citizens to choose their own charity. Political representatives often hold polarized views on public needs, which can cause decision making to be much more difficult than allowing taxpayers to quickly make decisions on community welfare. Within the political structure, there could be legislators who possess power and may appreciate the ability to use their power to make decisions with regard to social welfare needs. However, there may also be less powerful legislators who prefer the tax relief as a tool to persuade their constituents because they know they lack influence in spending decisions (Levmore, 1998). Benshalom (2009) suggests the inefficiencies of costly bureaucratic tax collection can be circumvented slightly since donations substitute to some degree for government spending, but this is only the case if charitable organizations are more efficient than government spending processes. However, it is generally accepted that charitable organizations are less restricted by costly guidelines, more innovative, able to take more risks and are not constrained to the same bureaucratic systems. These markers logically point to much more efficient spending on the part of charitable organizations.

~VIII. 1.2 AGAINST COLLECTING AND ALLOCATION EFFICIENCY

The allocation of taxpayer’s money through individual donors is more efficient in the sense that it is not being allocated through the government structure, hindered by costly bureaucratic processes. But once again this perspective puts monetary concerns over the needs of citizenry and equity. Just because the government is saving money on bureaucratic costs by having money diverted directly to charities does not mean that money is not being lost as a result of the costs associated with welfare needs. Nor

does it ensure that the charities being selected actually meet public needs in an impartial and equitable manner.

Although collection efficiency may have some merit in that taxpayers are not keen on paying more than they have to, it seems unlikely that individuals are going to refrain from paying their taxes without the incentive of a charitable tax credit. In reality individuals only receive back a portion of their contribution.

VIII.1.3 INFORMATION EFFICIENCY

Finally, it could be argued that taxpayers have a more complex and diverse understanding of the needs of a community. Levmore(1998) implies that charitable relief can be a helpful tool in gathering information on preferences, as is the concept of collecting insight based off of “voter turnout”. These concepts reflect the same premise as informational efficiency. Levmore goes so far as to conjure the notion that taxpayers are more conscious of their allocation of government funds and donate with greater care and consideration than the government. For example, an individual may have more astute awareness of the need for a new piece of medical imaging equipment in their local community than does the provincial government. Implementing charitable tax relief lowers the price of giving and allows the individual to directly subsidize the medical imaging equipment on their own. This may be one of the circumstances that Levmore (1998) proposes community members have better information than legislation.

~ VIII.1.3 AGAINST INFORMATION EFFICIENCY

And yet, the idea that taxpayers have a superior ability to address community needs that the government tasked with overseeing the public trust is illogical as government representatives are elected by the population in a democratic manner in order to implement and manage social and economic issues. The concept that individuals can circumvent the systems that have intentionally been selected to create a just and fair society is immoral from a feminist values perspective. It also seems unlikely given the data reviewed that suggest individuals donate based on brand recognition and self

perception. These factors do not give strength to the notion that individuals will make better informed allocation decisions. Most importantly, governing agents are provided with tangible empirical data and substantial experience that give them the tools they need to make the most appropriate allocation decision

VIII.2. PLURALISM AND TYRANNY OF THE MAJORITY

The promotion of pluralism is echoed through literature as an argument in favor of charitable tax relief. Izzo (1993) defends this stance on the premise that deductions in the US encourage diverse assortments of social services. For example, government actors can not easily endorse funding for controversial art projects as, those representatives may have to answer to offended constituents. Therefore, opening up charitable relief for a wide variety of organizations that support these arts directives can produce a more diverse and fulfilling culture. The assumption is that allowing taxpayers to “vote” through charitable relief gives platforms for smaller groups and non-profit organizations to flourish. This argument bears similarity to the “tyranny of the majority” concerns, also asserted by Izzo (1993) which argue that minority interests will be ignored or pushed aside by the government in favor of pleasing the majority. Thus, promoting pluralism or diminishing “tyranny of the majority” are thought to protect minority interests. Weeks McCormack (2010) articulates that if government is left to allocate funds, the most popular interests will be addressed first, leaving minority interests or organizations with weak support bases ignored. Benshalom (2009) adds that in attempting to please as many people as possible through democratic majoritarian taxing-spending decision making processes, the allocation results can be crude and very few are truly pleased with spending decisions. Again, in this case, implementing some form of charitable tax relief gives individuals control, be it proportionately to their incomes (p. 1078).

~VIII.2. AGAINST PLURALISM AND TYRANNY OF THE MAJORITY

An aspect of the pluralism justification that is not often considered, though, are the negative externalities that can arise from opening up charitable tax relief. While it allows taxpayers to “vote” with their money, which can result in positive cultural assets, tax-payers also have the ability to donate to organizations that could be harmful. Hall’s (2013) article, draws on the vague limitations imposed upon qualifying organizations in the US, arguing that a level of moral consideration ought to be taken before allowing individuals to distribute foregone government revenue. With the vague guidelines for what constitutes, qualifying organizations, it would be easy for taxpayers to redeem credits or deductions that contribute to compromising enterprises. The feminist set of values outlined above might be a valuable tool in establishing a viable set of evaluation criteria. Regardless, it would still be very challenging to determine which organizations should warrant government support. Weeks McCormack (2010) draws attention to the broad set of criteria that has been set for qualifying organizations in the US for individuals to receive deductions on some similar ethical premises regarding harm reduction and negative externalities. The control that is granted through charitable tax relief results in undemocratic flaws that give control mainly to those with high incomes. Democracy, by its nature will leave some feeling dissatisfied, but this imperfection does not diminish the virtues it provides in terms of fairness and equity. Let us not ignore that allowing taxpayers to “vote” through charitable tax relief leaves low income earners feeling dissatisfied also. The sums they can donate would be meager and lack influence in comparison to high income earners. In either scenario there will be parties who are dissatisfied, making the point seem moot. When authors refer to charitable deduction as a way to “vote” we must remember that the word is being used as a metaphor. Technically, voting, infers equal access, where individuals are each given the same share of say, but this is not the case for charitable tax relief.

Benshalom (2009) points out that pluralism is not always a free-standing value that contributes to the democratic decision making process within mainstream democratic perspectives. It is important to remember that there is no direct relationship between pluralism and a more democratic society. Benshalom (2009) points out that pluralism can be a result of the democratic process but that

participation does not guarantee its integrity. Thus, pluralism is a possible externality of charitable relief, however, empirically, the result of charitable relief may or may not benefit pluralism. In fact, due to the most prominently affected demographic of donors, there could be less influence on pluralism as a whole and instead it could more likely promote pluralism of the elite segment of interests in society. This vision of pluralism is potentially not what one would envision promoting, when thinking of the charitable benefits from tax relief systems (Benshalom, 2009).

Imbalanced power within society is concern that gives rise to the pluralism argument in the first place. If individuals in society had equal access to resources and similar privileges across groups, there would be less concern for minority interests. In order to eliminate the depth of inequality that causes such economic disparities in the populace the structure that perpetuates the inequality needs to be dismantled. In some cases minority interests would be more aptly met by the government, who are required to address needs in an accountable manner, specifically relating to women and children, racial minorities, immigrant populations, LGBTQ+, or any other minority interest group who cannot advocate for themselves. The largest concerns with these charitable tax credits is that it perpetuates inequality by ensuring that top income earner priorities and values are given more social influence than those in lower socio-economic groups. If these issues are addressed, minority groups will rise to have a more equitable voice in the discussion. As a result, the tax incentives themselves become less relevant in relation to tyranny of the majority justifications.

This justification is also flawed based on price elasticity and impure altruism considerations, clearly the charitable sector will not wither away to nothing if charitable tax relief is eliminated. Hence, many will continue to contribute to small organizations and charitable endeavors, positively affecting pluralistic goals but without removing funds from the public revenue stream.

VIII.3. REDISTRIBUTION OF WEALTH

A simple justification for charitable tax relief is that it could be beneficial for redistribution of wealth. If it is true that a credit or deduction is fiscally efficient, and that large portions of donations

come from high income earners (Turcotte, 2012), then the policy will distribute wealth across a multitude of sectors. In terms of the aim of this paper, redistribution of wealth would promote dismantling hierarchical structures and barriers to equity.

~VIII.3. AGAINST REDISTRIBUTION OF WEALTH

Potentially, redistribution of wealth is a positive externality associated with charitable tax relief. However, there are likely more efficacious policy options that could be adopted to reduce the large disparities between rich and poor. While it is true that incentivising, and thus increasing the redirection of money to welfare endeavors could address some of the outlined feminist values, it falls short in fixing the actual problems, because in many ways, the current tax relief structure still contributes to and perpetuates the same issues of equity and hierarchy. The policy also fails to account for the free riders among high income earners, who chose not to contribute at all; the system is designed with the assumption that if taxation is lower on upper-classes and giving is incentivized then donations will help fill in the needs left unfilled by the government. By not giving at all, the upper classes take advantage of the lower taxation rates without offsetting the charitable giving that is expected of them. Hence, the rich continue to accumulate wealth with no unified recourse on the negative effects to society, as the money is kept out of both the welfare and charitable systems.

VIII.4. THE WORLD WITHOUT CHARITABLE INCENTIVES

Levmore (1998) asks readers to imagine the world without the charitable relief that supplies significant additional funds back into the community that tax collections, would have to increase in response. They admit, however, that this argument barely holds up, as the commensurate hike in taxes would likely be applied progressively to high-income earners, of which some would be contributing large sums anyhow. Imagining what the world might be like without charitable relief, Levmore (1998) speculates that the mere challenges faced with revoking tax relief policy should be taken into consideration, as the responsibility of administering welfare support currently taken care of through taxpayer process could cause initial turbulence. They suggest that in the United States, congress seems

to lack the desire to reclaim such welfare responsibilities delegated away through charitable relief (p. 430).

~VIII.4. AGAINST THE WORLD WITHOUT CHARITABLE INCENTIVES

This plea is somewhat hyperbolic given that a significant portion of data on charitable giving implies that charitable sectors will exist and thrive with or without incentives. For example some sectors display inelastic behaviour based on the price of giving, such as the religious sector. If the most responsive demographic of people are high income earners, a more appropriate form of taxation should be considered. Andreoni's (1989) work also supports the premise that the charitable sector will survive without tax incentives based on his theory of warm-glow and impure altruism.

To address the fear of turbulence that could be caused by revoking current policy, it may be also be helpful to consider path dependence. Path dependence is the idea that outcomes and decisions result from previously presented structures and understandings. In other words, the rationale for continued use of a product (in this case charitable credits or deductions), should not be that the product is already in place. This argument against inertia is especially pertinent when considering human rights and equity concerns. For example, while it was very challenging to rescind slavery, which resulted in the American Civil War, the challenge of this transition did not supersede the importance of its overall outcomes. A similar case could be made for the dismantling of a charitable tax policy that undermines democratic ideals, and in so doing grants disproportionate power to privileged groups. The notion that the US or Canadian legislators do not care for the added responsibility of welfare concerns is a very poor reason for ignoring the general welfare of its citizenry. It should also be pointed out that the degree of support for welfare concerns also depends upon which political party is in power and their respective values.

VIII.5. PROMOTES A CULTURE OF GIVING

In the section on charitable behaviour, I noted that Pevnick (2013) asserted that charitable tax incentives reinforce positive moral behaviour, which in turn may cause positive spillover effects by

stimulating good relationships and social capital. This theory could be considered a justification for charitable relief.

~VIII.5 AGAINST PROMOTES A CULTURE OF GIVING

The question at hand, though, is whether charitable tax incentives are the most appropriate way of reinforcing generosity or positive moral behaviour. Alternatively, Andreoni (1989) claims that this phenomenon of increased moral behaviour is better seen within societies that have introduced higher taxation for high income earners. This alternative to charitable tax benefits, of introducing higher taxes to compensate for the loss in donor contributions to charitable causes, could account for persistent free-rider issues and create a more democratic and thus equitable society, thereby addressing feminist values. Lack of documentation to support strength of crowding out theory, paired with the evidence that suggests a more egalitarian system which redistributes income induces moral behaviour and does not reduce generosity, minimizes the validity of using Pevnick's (2013) assertions as about fostering a culture of giving a good justification for charitable relief.

IX. CRITICISMS OF CHARITABLE TAX RELIEF

In addition to the critiques of arguments for charitable tax benefits based on arguments for pluralism and increased morale, the democratic downfalls of charitable tax credits have been identified. Concerns arise because of the disproportionate influence that particular demographics of people possess through the charitable tax relief system in that the system gives weighted privilege to the wealthy. Essentially, in the current system, the state is subsidizing charitable contributions. However, each individual does not receive an equal share in distributing the foregone government resources. Rather, those with higher incomes will be able to receive more kickback and have a larger voice in foregone government funds. Thus, metaphors suggesting that charitable donations constitute a "vote" for particular means and methods of social welfare, ignore the fundamental distinction between voting and spending: a single vote is allowed to every citizen ensuring equivalence in civic influence, while money offers disproportionate and distorting influence.

A representative democratic society is generally understood as an organized group of people in a community who are governed by a representative body constituted by individuals have been voted into power. With this rough understanding in mind, it seems reasonable to assume that government funds ought to be distributed through this platform with those representatives making decisions about how funds are best distributed. In the context of these charitable tax benefits, Reppetti (2008) asks us to question the goal of democracy, pointing out that that the aim of the democratic government is to create a just life for everyone. They suggest that democracies should strive for an equal opportunity for individual self-realization amongst its citizenry and that our governance and tax policies should promote and maximize this potential. Of course, the concept of a perfect democracy is idealistic in nature and can never be fully achieved, so clearly there are always limitations of how equitable any democratic society can be. However, the aspiration of a relatively fair or just political life for every individual should not be dismissed out of hand. Han and Dong (2006) present a pragmatic view of democracy as “a way to social compromise, whose aim is to guarantee a relatively fair political life” (p. 1).

The allocation of funds toward the promotion of general welfare is clearly a primary function of the governing body. Therefore, implementing charitable tax schemes that allow wealthy the ability to individually direct a disproportionate amount of foregone government revenue seems understandably problematic. Hall (2013) points to the slow demise of our democratic governance structures, highlighting the undemocratic flaw in charitable tax relief. Benshalom’s (2009) discussion on the theory of charitable deductions reflects the same criticism. He identifies that charitable tax relief contributes to the deterioration of the democratic ideal, due to the donor’s ability to allocate public funds based on personal values: “This allocation of public funds differs fundamentally from the canonic democratic way of reaching spending decisions through majority voting and coalition building.” (Benshalom, p. 1048, 2009).

The allocation of foregone government funds made largely by the wealthy raises the concern that the allocation of these funds may reflect a privileged assessment of community needs. It is a reasonable assumption that charitable organizations chosen by the wealthy will reflect the values and preferences of the wealthy, and may also ultimately benefit the wealthy more than others (Pevnick, 2013). Benshalom (2009) concurs, saying that “since rich taxpayers may exhibit different philanthropic preferences than other social groups. Charitable relief ends up skewing public funds to support elite institutions that primarily serve the upper classes.” (p. 1074). The way that these distortions play out in practice can be seen in studies that point to the way that high income earners contribute more to academic and cultural avenues than to charities that would have been selected by lower income individuals (Benshalom, 2009).

However, the degree to which these charitable tax schemes are undemocratic vary based on the structure. Charitable tax deduction structures are significantly less democratic than credit structures. Izzo (1993) points out that deduction systems can effectively magnify the disparity between chosen charities. The amplification is caused by high earners ability to donate more paired with their deduction increase as the marginal tax rate increases. Low income earners donate less and are also less likely to itemize. While high income earners have more to donate, they are more likely to itemize and are also entitled to deduct larger amounts based on their marginal tax rate. So due to their large subsidy based on their marginal tax rate, the wealthy can again be left with more funds to allocate, essentially allowing a disproportionate say in how government funds are distributed (Izzo,1993).

Some question the entire structure of our governance and tax system, and its collection and redistribution of income, arguing that income is individually deserved and therefore the government has no right to it. However, Pevnick (2013) disputes this notion, pointing out that this thinking is conceptually flawed. This is because all of the structures that enable income are facilitated by the infrastructural and legal systems that rely on the support from taxes. Most income earners rely on the infrastructure and systems facilitated by taxes, making incomes and taxes interconnected and dependant

on each other. Therefore, it seems reasonable to deny claims that incomes are an individuals and that taxation is a “theft” of personal value (Pevnick, 2013). Even if we were to grant the premise that governments have no right to individuals’ incomes, it does not follow that high-income earners should be entitled to a disproportionate say as to the allocation say as to the allocation of government revenue. Thus, a heavier tax burden for high-earners seems to be a requirement for justice.

Setting aside the macro arguments, credits and deductions have a way of altering the micro level of the charitable landscape itself. De Bitá and Twombly (2005) offer the criticism that incentivizing charitable relief could impact smaller organizations negatively in that if small charities do not formally qualify for charitable relief, individuals will be less likely to contribute to them. Individuals may choose to donate to larger organizations that qualify for tax credits rather than smaller charities (De Bitá & Twombly, 2005, p. 60). This argument against charitable relief is supplemented by data that illustrates brand recognition in donors. Which suggests that donors may choose to donate to these larger, recognized charities because they are more likely to qualify for tax relief resulting in less support for small organizations.

Additionally, there are some donation sectors in which the positive benefit on society is less clear. For example, it is tough to determine the externalities associated with contributions to arts and culture or religious services, especially from a third party perspective. Although it could be argued that everyone benefits from a thriving community with museums or art exhibits, it is tough to say exactly how it affects low income groups who may not have the money to attend many of the donor sponsored events. This is also the case for religious services which often bring about controversial values or polarized attitudes. Some negative externalities can be associated with funding charitable organizations, Weeks McCormack (2010) postulates that while some of these negative externalities present slight harms, some represent profound harms, such as exclusion policies “there should be a limit to the types of harm that a government can subsidize.”(p.1025) for example a recognized charitable religious organization that advocates anti-LGBTQ values or promotes anti-abortion laws. It seems reasonable to

question the subsidization of organizations that foster values that are in opposition with constitutional and human rights standards. Benshalom (2009) brings up another aspect of subsidization of religious non-profit organizations when he refers to the non-religious allocation of funds identifying that there are circumstances where charitable relief has been denied based on church involvement in partisan political activity (p. 1092, 2009). Despite the clear reasonability of such regulations, these injustices are a nuisance to enforce or even challenge. Rationally, in United States policy, the IRS posits that any contributions being channeled toward political campaigns do not qualify for charitable deductions (Benshalom, 2009). Under this logic, other charitable organizations indirectly channeling funds towards political activity should be kyboshed. This should be considered in terms of charitable relief policy decisions.

X. DISCUSSION

The literature reviewed, points to many of the positive externalities associated with charitable tax relief and these externalities seem to regularly outweigh any negative externalities in practice, which is why many developed countries employ charitable tax relief policies. However, these rationales are often tied to simple monetary equations and superficial illusions of goodwill. The government incentivises charitable giving and determines if the influx of donations outweighs government costs of facilitating the policy.

Now that some ethical foundations have been formed, I will continue by exploring the two premises that were articulated earlier. First that charitable tax relief perpetuates power imbalances and inequality. Second that predominately androcentric values are latent in charitable tax relief policy rationales.

X. 1. PERPETUATION OF POWER IMBALANCE

The literature reviewed on charitable relief makes clear that many benefits and positive externalities are associated with these tax schemes. It cannot be argued that charitable tax relief can bring some benefit to society. However the intent with this paper is to look a step beyond some of the simple

justifications and assess the schemes from a holistic basis. To summarize, forms of tax legislation depict our cultural values and priorities and this tax scheme seems to prioritize the wealthy and not the community as a whole. When one looks closer at the information gathered pertaining to price elasticity, treasury efficiency, the U-shaped curve phenomena, and donor statistics, it seems that an overwhelming portion of the discussion is shaped by fiscal concerns and by prioritizing the wealthiest taxpayers values. There is a growing body of research demonstrating that policy outcomes are generally dictated by the rich (Oh, 2017). For example, price elasticity demonstrates the responsiveness of the incentive across sectors and suggests that the demographic most responsive to charitable tax incentives are high income earners. The donation statistics explored by Turcotte (2012) express the dominant portion of contributions that are made up by the wealthiest percentages of the population. The U-shaped curve phenomena also represents the significant donor contributions made by wealthy donors and points to the lack of responsiveness the low income earners would likely have to charitable relief incentives due to the demographic that makes up the trend. Additionally, justifications based on treasury efficiency rely heavily on the wealthy to hold up their positive outcomes. All of these reviewed factors assessing charitable relief point to the wealthy as representing the group most influential in determining what exact benefit the community will receive. And of course it is the wealthy who receive the greatest benefit from tax relief. Prioritizing the privileged groups does not reflect the feminist values I have set out.

If the most influential and benefiting group in the distribution of government funds are the wealthy and high income earners, we ought to consider more about the effects these structures in governance have on our community. By allowing this demographic additional “votes” in foregone government resources, it may be fair to assume a disproportionate amount of power will be given to those who already have many privileges. Statistically women make less on each dollar than men do for their work (Moyser, 2017) (Data and Statistics. United States Department of Labour, 2017). They also hold fewer managerial, CEO, political, or lucrative positions of power in the work force (Brown, 2017).

These facts alters the distribution of wealth to favor men. These forms of subordination extend far beyond gender to discrimination on racial or sexual orientation lines. These forms of discrimination likely compound, causing certain demographics to endure financial disadvantages, leaving them with significantly less autonomy and power than those who can afford to take advantage of charitable tax benefits. Hence, the systematic injustice is not simply that those with high incomes are granted more say in forgone government funds which may give way to high income interests, but that the most vulnerable portions of society will be under-represented beneficiaries of those so-called charities. These groups that endure discrimination, require equal representation in the allocations of government revenue. This evaluation demonstrates the way in which an undemocratic tax scheme can perpetuate inequalities. As Gilligan suggests, men and women have different voices, values and perspectives which they use to navigate the world. It seems reasonable to conclude that when disproportionate portions of donor contributions are being guided by straight white males, the allocation will reflect these values. Charitable tax relief is yet another subtle way that subordinated populations voices are being undermined. It seems counterproductive for the government to reinforce the perpetuation of privileged value sets if its aim is for an equitable and just society.

It seems fair to point out the shortcomings associated with the wealthy directing donor expenditures. It is reasonable to assume those who have not experienced the hardships of some forms of subordination and oppression will be inept at assessing and prioritizing the most critical community needs in an empathetic way. Turcotte (2012) found that next to religious organizations, health and social services received the most donations. However, overall contributions are distributed across many charitable sectors. Arts and culture, sports and recreation, hospitals, and education also receive substantial subsidization through charitable tax relief. Contributions made by top income earners may be well-meaning and likely provide benefit to a broad group of people. Nonetheless, they do not accurately reflect the preferences of those who lack financial privileges and their unique respective insights. This disconnect makes the system fundamentally flawed in that maintaining the flow of

charitable transactions through top income earner preferences can maintain inequalities by keeping wealth and privilege limited to a certain bracket of the population. This outcome is undesirable from a feminist care ethic stance. For example, the subsidization of an art gallery or symphony orchestra may be arguably beneficial to society, from a cultural stance, however, it is hard to say if it accurately address the needs of those in lower socio-economic standing because that demographic is underrepresented. These cultural causes tend not to offer aid in such a way that oppressed groups such as women can overcome structural boundaries. We cannot expect the wealthy to look after subordinated populations and aptly understand their needs as the wealthy may have ulterior motives associated with dominance, power or greed that undermine their ability to act morally.

Similar concerns arise from the section devoted to the history of philanthropy and its invasion of the political sphere. There is the strong possibility that charitable tax relief fosters and indirectly subsidizes political involvement through non-profits, as can be seen most prominently in charitable organizations that bring in exorbitant dynastic wealth. We might assume that enormous donations collected from groups whose funds seem limitless could encourage corrupt or unethical behaviour. Though regulations are commonly implemented to diminish these negative externalities and partisan political activity, the government is limited in its ability to enforce unethical transactions from taking place. When powerful wealthy donors' desire control, and charitable organizations with political involvement are in need of funding, regulations may not stand in their way. With that in mind, charitable tax relief seems even less democratic than previously considered. According to Benshalom (2009) this element of political involvement makes charitable tax relief seem not only undemocratic but borderline anti-democratic. These concerns illustrate the deeply embedded barriers to equity.

One might forget when considering what forms of governance are most appropriate, while being faced with many positive externalities surrounding the charitable tax relief schemes, that there are often policy alternatives that could produce similar results while at the same time dismantling barriers to equity for those who face oppression. For example, consider the benefit that can be produced

when one thinks about a philanthropist donating large sums of money to an educational institution. One might think the philanthropist is noble and altruistic yet the mere need for these types of philanthropy point to a failed funding system; we ought not to rely on philanthropy to provide necessary services for the citizenry. Alternatively, if a more appropriate tax measures were implemented to create additional government funds, these philanthropic endeavors might not be necessary in the first place as the government, could use funds to distribute opportunity for underprivileged groups and minimize barriers to success instead of perpetuating power imbalances and maintaining wealth and privilege within a limited population.

X. 2. ANDROCENTRIC VALUE PARADIGM

If we look at tax relief from a broader ethical scale, more concerns arise than input-output and monetary computations. Even though a large portion of the reviewed literature focuses on fiscal equations as a major form of justification, the monetization and economic foci of the discussion do not reflect a feminist ethic which would advocate for emotional and value-laden considerations. The acceptance of charitable tax relief reflects a form of male biased set of values because the use of tax schemes that grant increased benefit to those with wealth suggests a comfortability with dominance, power, hierarchy, independence of choice and rights over capital that are not commonly reflected or advocated for under a feminist ethic. Although charitable tax relief might, on first assessment, be implemented for the needy, it seems fairly easy to demonstrate that in reality, the tax scheme lacks a level of care for those who are truly in need and primarily benefit privileged high-income earners.

If we recognize the male centric value systems prioritized in charitable tax relief, all of the previous justifications become quite weak in comparison from the feminist ethic. Thus, it is incumbent upon us to reject arguments that prioritize the bureaucratic, allocation, collection or informational efficiency that are often achieved through charitable relief schemes, and advocate for policies that work to break down barriers to equity and foster human rights and justice.

XI. FURTHER RESEARCH TOPICS

Another avenue of study to explore is the effects of charitable relief on corporations and their ethical ramifications from a feminist perspective. There are similar ethical concerns associated with the externalities and outcomes when corporations dictate the allocation of foregone government revenue. Corporations are essentially investment vehicles unlike individual taxpayers, making the outcomes substantially different and their behaviour at times even less desirable or moral. There are some clear similarities in outcomes regarding democratic or equity concerns that could be addressed.

The literature explored emphasizes that individuals often choose to give based on moral rather than monetary rationales. If this is true, additional research should be done into developing methods that harness charitable propensities and cultivate feminist ethic values of community, equity and care. It is possible that there are alternative methods for encouraging benevolent behaviour that alleviate some of the negative externalities associated with charitable tax relief.

Investigating the implications of taxing top income earners more by configuring progressive tax structures could provide more evidence either for or against the elimination of charitable tax relief. It may be beneficial to explore additional avenues on how restructuring the tax rates might effect social capital and community goals within the realm of feminist values.

XII. CONCLUSIONS

It seems apparent many outcomes that are supplemented by charitable relief are not being met and there is a current need for assistance in many cultural, health, recreational, social services endeavors. The literature that has been assessed points to a failed system that relies on the individuals who are not currently obligated to provide welfare services to fill in the gaps that government supposedly can not optimally supply. This paper brings attention to the poor rationales associated with justifications for charitable tax relief structures, as well as those in support of revoking them. The assessment points to the absence of female-centric values and that this absence has contributed to policy choices that have caused shortfalls associated with power imbalances and inequality. I have suggested addressing welfare concerns by restructuring marginal tax schemes. An increase in government revenue

from top income earners at a level that positions the government to adequately take on welfare concerns seems like a feasible option. This modification in how North American society deals with social needs can alleviate many of the ethical concerns that have been examined.

This exploration of charitable tax relief assessed from a feminist ethics view demonstrates how pervasive and ubiquitous structures are in our society that perpetuate and maintain particular disadvantages and power imbalances. Charitable tax relief is a prime example of a commonly used and widely accepted policy that prioritizes the wealthy and impedes the promotion of equity. Understanding this tax policy in a holistic way illustrates its strengths and weaknesses. This critique allows us to expose barriers that are built into our governance in an attempt to better understand systemic disadvantages certain populations have. It is the first step toward dismantling the barriers and creating a more idealistic society.

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