

RESEARCH ARTICLE

In reciprocity, we trust: Improving grantmaking through relational philanthropy

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Abstract

With a growing emphasis on empowering communities amongst the practices of philanthropic foundations, practitioners recognise the need for giving strategies grounded in communities of practice's contextual and contingent knowledge. This bringing of beneficiaries' lived experiences into grantmaking represents a wider recognition that sees gift-giving as a dialogical process that uses relationships with community beneficiaries as the point of departure for creating progressive forms of philanthropy, broadly referred to as 'relational philanthropy'. Foundations that declare themselves as relational funders typically take a more trusting approach by offering more unrestricted, longer-term funding, simplifying reporting requirements, and empowering grantees to use the resources provided more flexibly. In this paper, we argue that relational philanthropy expresses a form of 'relational work', as it possesses a trust-based character that speaks to the reciprocal power of gift-giving, whereby both benefactors and beneficiaries receive value from the co-created, context-driven gift exchange: beneficiaries receive philanthropic resources (time, treasure, talent, ties) with more control over spending, while the benefactors gain grassroots insights that can inform future funding policies and practices. In this paper, we show that such reciprocity between funders and their beneficiaries is an important step towards empowering communities for three reasons: (1) by strengthening trust in, and sharing power with, their grantees, foundations empower them to engage more thoroughly with their communities; (2) by grantees communicating their community-level lived experiences to foundations, foundations can develop more informed and relevant grantmaking decisions, and; (3) as reciprocal exchanges are built on trust, this relational philanthropy creates social capital that strengthens relationships and solidarity across civil society.

KEYWORDS

community empowerment, reciprocity, relational philanthropy, trust

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Practitioner Points

What is currently known about the subject matter

- Different bodies of knowledge and assumptions underpin approaches to grantmaking.
- One such approach has been known as philanthrocapitalism, which employs rationalist and positivist forms of knowledge to determine and evaluate what ‘successful’ grantmaking looks like.
- Philanthrocapitalism has faced critiques, from both scholars and practitioners, for not creating flexible nor trusting opportunities for grantees, ultimately keeping grantees in a state of dependency.
- Scholars and practitioners are challenging above problems of philanthrocapitalism through ‘relational philanthropy’, which democratises grantmaking via collaborative, context-driven relationships that empower grantees to have agency over spending.

What this paper adds

- Our paper extends knowledge on relational philanthropy by positing that it is a form of ‘relational work’—a type of organisational labour that uses context-driven, interpersonal, and reciprocal relationships to create successful work outcomes (and, by extension, successful grant programs).
- Our paper adds that relational philanthropy's ability to create trust-based, context-driven relationships establishes systems of reciprocity, where foundations and their grantees both give and receive in a gift economy.
- This reciprocity between grantors and grantees creates social capital that makes for a more collaborative, partnered, and trust-based civil society as a whole.
- While it steps philanthropy into a more equitable direction, relational philanthropy can obscure power in grantmaking that reaffirms inequality in less-clear ways.

The implications of this study findings for practitioners

- Relational philanthropy is not less rigorous nor less accountable because it trusts grantees to spend money how they see fit; rather, relational philanthropy uses equitable relationships with grantees as a form of accountability and values grantee knowledge in their approaches to policy.
- Trusting the lived experience of grantees means offering unrestricted funding schemes and using data collection or knowledge-gathering tools to better understand how they can be supported.
- Practicing relational philanthropy does not mean power problems in grantmaking are automatically fixed; rather, it provides an avenue for funders to be honest about and reflect on power problems.
- Because relational philanthropy is context-driven and trust-based, it does not solve uncertainty and mitigate risk in grantmaking; rather, relational philanthropy asks us to embrace uncertainty and risk as generative conduits for supporting grantees and trusting their experience.

1 | INTRODUCTION

Accompanying a wider interest in strategic change and meaningful impact, the last couple of decades have seen a renewed interest in community development by philanthropic actors and organisations (Giloth, 2019; Harrow and Jung 2016; Henderson and Vercseg 2010; Hodgson 2020). Geared towards reinventing philanthropy, this ‘new

philanthropy’ is strongly rooted in the ideas and ideals of new public management, neoliberalism and professionalisation (Maier et al. 2016; Olmedo 2014; Valentinov 2012). Particularly, it emphasises rationalist knowledge and high-levels of governance oversight as a means to accountably develop communities (Moody 2008; Porter and Kramer 1999; Salamon 2014). As part of this, grantmakers have increasingly stressed the importance of competitiveness, cost-effectiveness, scalability, and market-based financing alternatives in considering where

to allocate their resources. Broadly captured by the term philanthrocapitalism, 'the strategic application of market methods and motives for philanthropic purposes' (Haydon et al. 2021: 353), this development has been accompanied by increased reporting, evaluation, and performance measurements, reflecting the approach taken by highly engaged and embedded venture capitalist investors in the private sector (Letts et al. 1997; Moody 2008; Layton 2016; Marstein 2007). Examples include the use of Social Impact Bonds and 'Pay-For-Success Financing' by foundations (Glahn & Whistler, 2014), or the use of 'social investment capital aggregators' (Richter, 2014).

Notwithstanding the intention to make 'new philanthropy' a more viable and financially accountable way to be philanthropic, the organisational experiences of grantees operating within this philanthrocapitalist funding landscape has raised questions and sparked criticisms as to whether this approach actually improves grantmaking outcomes and helps to develop and strengthen the contexts within which it is applied. A central concern is that cost-effective, efficient, and low risk grant programs do not always account for the involved and complex task of addressing inequality and poverty, as demonstrated in the notion of the 'non-profit starvation cycle'. This highlights how an emphasis on funding the most cost-effective nonprofits has led to a competitive environment where organizations that seek funding underreport on overheads to appear more cost-effective, leaving their core costs and organisational capacity generally 'starved' for support (Lecy and Searing 2015; Gregory & Howard, 2009). Issues such as the non-profit starvation cycle has led scholars to argue that a 'risk colonization' is taking place, whereby grant recipients start to fixate on meeting measurable outcomes and targets, which negatively impacts activities across the communities they engage with (Valentinov 2012). Mirroring these concerns, Green and Sawyer (2008), for example, show that community-based organizations that adapt corporate risk management fail to meet the complexity of community care, while Smith and Lipsky (1993) find that nonprofits have moved from community-based sites for civic participation into 'vendors' that run the risk of bureaucratization. Arguably, a strong focus on cost-effective and quantifiable programs thus 'detracts from [non-profits] ability to be community problem-solvers' (Valentinov 2012: 363), and cements them in an environment that favours competing for funding rather than collaboration to find solutions (Lecy and Searing 2015). Questions thus arise as to whether philanthrocapitalism is actually a beneficial advancement for philanthropic practice and thinking, or an affirmation of traditional, one-directional, paternalism in philanthropic practices in a new guise (Amarante, 2018).

Recognising these issues and concerns, a number of grantmakers¹ have thus started to explore how the needs of community-based grantees can be addressed through more pragmatic funding policies and practices that cater to the complexity of demand in the communities they aim to serve. By extension, given that grantees often have the knowledge and expertise on how to deliver their services effectively and efficiently, some grantmakers increasingly realise that beneficiaries do not need to be professionally 'fixed' but that they need to be recognized as 'trusted' experts in their respective fields. The result has been the emergence of a more trust-based movement in parts of

anglophone philanthropy. This is illustrated by national foundations with major assets being involved in the 'trust-based philanthropy movement' in the US, or the 'Open and Trusting Funders' network of funders in the UK. The global reckoning of inequality and hardship, laid bare by COVID-19 and the Black Lives Matter movement, particularly catalyzed the shift towards trusting grantees, evident in a variety of pledges from funders around the world to make grant programs as easy to access as possible (London Funders 2020; Powell et al, 2023).

Within this shift towards a more trust-based approach to philanthropy, we find indicators of a 'new new philanthropy' (Philips and Jung 2016) as evidenced by the emerging practice of 'relational philanthropy'. This employs context-driven and interpretive forms of knowledge within grantmaking strategies and sees grant programmes' successes as a co-creation between grantors and grantees (ACF, 2020; Barman, 2017). The resulting relationships, based on solidarity, trust, and belief in beneficiaries' ability to spend grants successfully, suggest a shift in the knowledge base on what 'good', 'impactful', or 'valuable' philanthropy looks like.

As the knowledge-base on the impact of and experiences with relational philanthropy are still very emergent, this paper contributes to this discussion by theorizing how relational philanthropy can empower communities through grounding in the interpretive and context-driven knowledge of communities' lived experiences. To this end, we begin with a closer look at the theory of relational work to show how interpersonal or inter-organizational relationships, bound by the contextual needs of work at hand, use trust-based exchanges to co-create meaning, and how these relate to the expressions of relational philanthropy. Taking into account the learning to be done on how foundations interact with communities, we then argue that relational philanthropy suggests an important step towards empowering grassroots grantees because of its reciprocal, trust-based nature. This reciprocity has benefits for each side of the giving relationship, grantors and grantees: (1) it gives grantees more agency over spending, allowing them to embed in communities in the bespoke ways they see fit; (2) it enables grantmakers to receive context-driven knowledge, ultimately helping to inform their practice and policy decisions for the contexts within which they operate, and; (3) it scales social capital within the wider civil society community through more, and stronger, networked relationships. Ultimately, by seeing philanthropy as an exchange *between grantor and grantee*, as opposed to a top-down gift *from grantor to grantee*, we show how relational philanthropy can empower communities across diverse contexts, creeds, and contingencies. To this end, the next section explores the theoretical underpinnings and ideas of relational philanthropy; thereafter, we explore and critically reflect on wider empirical insights, before discussing opportunities and challenges that need to be taken into account.

2 | RELATIONAL PHILANTHROPY

Relational philanthropy emphasises the links between grantors and their grant recipients as the point of departure for creating successful

funding programs. In doing so, relational philanthropy can be seen as a more 'democratic' form of philanthropy that brings in 'recipients' voices into grantmaking decisions" (Barman, 2017: 22). Alongside being expressed in individual funders' own reflections on their journey towards taking more relational approaches (e.g. Hothi and Borgs 2022), relational philanthropy is put forward in the UK's Association of Charitable Foundations (ACF) *Stronger Foundations* initiative: "[r]elational funding takes the funder-funded organisation relationship beyond the confines of a financial transaction through closer engagement and understanding of the needs of the funded organisation" (ACF, 2020: 21).

As an instance of relational work, relational philanthropy shares its underpinning tenets (Bandelj, 2020; Zelizer, 2000). Moving away from a strict economic view whereby exchanges are built on rationalist choice, relational work sees work exchanges as co-constructive, where actors bring their personal selves to exchanges and negotiate the value of these exchanges together (Zelizer, 2000). Thereby, knowledge, understanding, and insights should be considered as relative and context-dependent: they do not occur outside of historical, legal, political, cultural, technological contexts (Bandelj, 2020). This also applies to the field of relational philanthropy, where knowledge used to determine successful grant programmes is relative, situated, and contingent. This does not make relational philanthropy less rigorous or less accountable than its counterparts that are portrayed in a more rationalist and positivist way. Rather, it is precisely the context-driven aspects of its relational work that makes it organisational 'work' in the first place, because it requires an interpretive agility from actors and organisations (Bandelj, 2020).

Notwithstanding its contingent, context-driven character, relational work still affirms that work is an economic exchange of resources, whereby different parties participate in a transaction that creates meaning. Extending this to relational philanthropy means understanding that philanthropy likewise pulls from economics whereby by a reciprocal exchange of resources between grantors and grantees creates meaningful grantmaking. Assuming that philanthropy is an exchange challenges the view that giftgiving is primarily an altruistic, one-directional act—an idea long explored in postmodern debates on whether gifts are truly 'free', (Derrida, 1992; Bourdieu, 1997; Adloff, 2006; Alvis, 2016; Olson, 2002; Sigaud, 2002) Mauss (1990 [1924]) laid the groundwork for this argument in his seminal ethnography *The Gift*. Seen as system of 'total prestation', reciprocity across networks of actors creates a community-based gift economy where actors are obliged to give resources and are entitled to receive them from other community members in good faith. What makes these gift exchanges obligatory is the fact that both parties on either end of this exchange depend on one another's commitment to receive some kind of benefit, making for mutually-assured success or destruction. In other words, through relational work, actors are obliged to trust one another around a common goal (in this case, the success of a gift) and act trustworthily themselves to meet a common goal, which can offer normative or utilitarian benefits (Offer 2012).

From the outset, using the principle of reciprocity to guide relational philanthropy means that grantmakers and grantees can move

beyond strict and evaluative oversight over the success of a grant program towards a more trust-based exchange of resources or in-kind benefits, making their success a symbiotic and interdependent obligation. Hunnik et al. (2021), for example, found a 'mutual dependency' between funders and their grant recipients, where the success of a grant program both improved the needs and experiences of grantees and the branding and reputation of the funders. Such a mutual dependency based around reciprocity can be scaled into wider gift giving networks. This has been shown with a variety of indigenous examples where philanthropy can be an informal, common, yet vital act where giftgiving becomes the bedrock of community living (Mottiar & Ngcoya, 2016). Wilkinson-Maposa (2005) has developed the idea of 'the poor philanthropist' which sees individual acts amalgamate into an intentional way of organizing that uses resources and voices to create community power and solidity as an act of 'horizontal philanthropy' as opposed to a paternalistic, top-down, 'vertical' form of philanthropy networks.

Though relational philanthropy challenges philanthrocapitalism's paternalism via a trust-based model of obligatory solidarity, this does not mean that power dynamics are removed altogether. Indeed, reciprocity can be a way to obfuscate power in exchanges. This is illustrated by Fridman and Luscombe (2017), who, looking at gifts and donations in the context of police stations, found that such gifts required 'purifying' mechanisms that ensured a perceived lack of subsequent reciprocity to donors while simultaneously encouraging a bond with them. Additional challenges include the extent to which grantees feel they can be open with their funders due to pressures associated with received funding (Buckley and Cairns 2012), spatial distances between funders and recipients making it difficult to build bonds, and funders' strong expectations of reciprocity from grantees (McGoey, 2015). Notwithstanding those points, for those aiming to strengthen philanthropy's democratic nature, reciprocity can challenge paternalistic power dynamics by enabling a mutual participation between grantors and grantees to work together to receive some kind of successful grant outcome. As relational work involves context-based 'distinctive interpersonal ties' that can be scaled up to organisational settings (Zelizer, 2000), relational philanthropy can similarly engender solidarity through embedded and close relationships at the community level where both grantors and grantees show up for one another. Here, grantmakers that are increasingly engaging with grantees to make reciprocal relationships possible, are presented with unique opportunities for receiving expert, contextually rooted, knowledge on, and detailed insights into the lived experience of, their beneficiaries. This, in turn, can enable grantmakers to strengthen their work and achievement of their charitable aims.

So far, we have argued how relational philanthropy is a form of relational work, as outlined in Table 1. Relational work means that work depends on the relationships between people or organisations at hand. These relationships, through their reciprocal work exchanges based on obligatory trust and solidarity, determine together how to meaningfully create successful forms of work. Applying this to relational philanthropy means understanding that meaningful philanthropy is co-constructed between grantor and grantee, built around

TABLE 1 Relational work's connection to relational philanthropy.

Relational work	Relational philanthropy
Move from a strictly rationalist view of exchanges (economics) to an interpretive view that exchanges are co-constructed with diverse forms of meaning (sociology)	Moves from the rationalism of philanthrocapitalist programs that value cost-effective spending and monitoring outcomes towards the interpretivism of relational programs that value unrestricted spending and more trust-based reporting.
Situated contexts enable conditions to create meaning	Rather than having a pre-set notion of how to develop communities, funders use unrestricted funding to follow the unique, bespoke needs of grantees to determine what successful outcomes look like.
Power dynamics can be challenged through mutual participation in the creation of successful work exchanges	Power dynamics are challenged in relational philanthropy by bringing more decision making into co-created grantmaking process between foundations and grantees
Power dynamics can be obfuscated through social processes of co-construction	Foundations that brand themselves as being aware of power dynamics might miss the sometimes hidden ways that power can manifest
Work exchanges are reciprocal	Grantors and grantees use reciprocity to engage in an obligatory social contract that creates trustworthy outcomes, give philanthropy and receive knowledge from beneficiaries
Trust underpins forms of exchange that creates normative obligations to follow through on work expectations	Instead of evaluation and oversight of beneficiaries to ensure that they spend grant money accountably, foundations use trust to let grantees get what they need out of spending and, by in turn, establish a moral obligation to spend the money in trustworthy ways.
Context-based 'distinctive interpersonal ties' that can be scaled up to organisational settings	Grantors and grantees are 'tied' to one another by working towards an outcome that benefits both parties (solidarity). These ties require foundations to engage in the lived experience of beneficiaries.

obligatory systems of exchange, where the value of a gift is co-produced. This suggests a more equitable form of grantmaking because grantees participate in how grantor's money should be spent, though it does not solve unequal power dynamics altogether: as we have shown, reciprocity can obfuscate power dynamics and force

grantees into a social contract where they are obliged to return favours. That said, because relational work and philanthropy do not prescribe a single body of rationalist knowledge from the outset of any grant, it arguably challenges the paternalistic, top-down nature that has taken hold of the field through philanthrocapitalism in favour of embracing and believing in the bespoke needs of communities. Grantmakers can critically reflect on the paternalistic history of the philanthropy field, trust the lived experience of the grant recipients, fund grant recipients based on the knowledge of this lived experience driven by community need, and by extension, receive and integrate grantees' local knowledge into wider policies that improve communities in the first place, as discussed further in the following section.

3 | EXPLORING RECIPROCITY IN RELATIONAL PHILANTHROPY

Having explored some of the theoretical premises of relational philanthropy, this section applies the potential of relational philanthropy within practice. Here we show how the reciprocal aspects of relational philanthropy can be used to improve grantmaking. Relational foundations use their meaningful relationships with grant recipients to give trust in their philanthropy, empowering grantees with the agency over grant programs. This enables grantees to potentially leave the challenges of top-down philanthropy and use recourses to engage in communities more effectively. Conversely, relational grantmakers could use their relationships with grantees to receive grassroots knowledge, enabling them to create more informed policy decisions. Finally, the reciprocal gift exchange embedded in gift relationships has the potential to create reflexive and obligatory social bonds across organisations in the third sector, ultimately strengthening civil society through social capital.

3.1 | Giving trust to beneficiaries

Relational philanthropy provides grantors and grantees the opportunity to reconsider, recast, and realise grantmaking through the process of co-creation of grant programs between grantors and grantees. Bettis and Peppin (2019) capture steps towards more participatory and co-created models with interviews with board members, executives, and front-line staff at non-profit organisations that show the importance of being responsive to community need and highlight the challenges in grantor-grantee relationships, ultimately offering four lessons: (1) build partnerships, (2) recognise and respond to grantee reimbursement models, (3) ease reporting burdens, and (4) leverage power to convene across actors in communities. Similarly, Bennett and Barkensjo's (2005: 83) exploration of how 100 UK-based charity beneficiaries felt about grantors that use 'relationship marketing', which aims to 'establish, develop, and maintain relationships with clients'. Their study found that relational marketing, consisting of acts such as two-way communications, face-to-face contact, listening, and database management enabled trusting relationships where

beneficiaries felt appreciated as clients. Other studies, such as Hunnik et al. (2021) found that ‘open communication’ between funders and grant recipients created trusting relationships—communication that was frequently informal but could also carry a business-like nature (Hunnik et al. 2021). Once a trust-based relationship is established, foundations tend to be more willing to take approaches that empower grassroots knowledge on managing a gift (Doan, 2017). This is important because actual gifts of relational philanthropy depend on the context that beneficiaries find themselves in. For some grant recipients, they could be looking for funding to keep their lights on; for others, they could be looking to build organisational capacity. Whatever the gift, the knowledge that underpins what makes a gift meaningful is co-produced, and largely based on the contextual needs of the grantee. Doing so sees grant recipients as ‘experts in their field’ (Hunnik et al 2021: 42; Baker and Constantine, 2019: 50).

To create philanthropy that accounts for the different contextual needs between and within communities, foundations are largely bringing in unrestricted funding, general core funding, long term funding, and limited reporting. Largely purported by Trust-Based Philanthropy, a US-based five-year initiative that provides funders with tools for trusting their grant recipients, unrestricted funding empowers grantees to use grants for their own communities of practice. With a diversity of grantees looking for funds, which might come from diverse community groups, the benefits of unrestricted funding differ between grantees (Wiepking and de Wit, 2020): For some, unrestricted funding improves how beneficiaries operate in communities because it solves the chronic problem of underfunding (Eckhart-Queenan et al., 2019); for others, it allows nonprofits to respond flexibly to opportunities and challenges that arise in communities (Altschuler & Tirona, 2019; Riemer et al., 2017). Therefore, as unrestricted funding empowers grantees to engage in communities in their own ways by trusting grantees as experts, foundations give over their power to grantees—in a literal sense, (em)powering them. That said, the social contract that exists with interpersonal relationships can create blurred boundaries, making ‘one might question whether power is actually being exercised in a more subtle, less visible, and maybe even unintentional way’ (Hunnik et al., 2021: 40). As DP (2012) similarly highlights, co-creating meaning from grant relationships can lead to questions about who has control over the project. Importantly, they also show the difficulty of embedding in the relationship, as involvement with grantees created a heavy-handedness ‘to the point of irritation’ (DP 2012: 64). Buckley and Cairns (2012) meanwhile found that closer relationships with grantees created problems of feeling like funders were meddling in their business and that grantees couldn’t say no when funders offered help, both of which led to ambiguous roles of the funder. But as relational work shows, actors can be made aware of power problems in work situations, even when power is blurred or obfuscated. Public reflections on relational philanthropy practices show evidence of this as grantmakers increasingly recognize power problems in philanthropy practices. Beer et al. (2021), for example, in a blog-post defending trust-based philanthropy, showed that ‘the sky did not fall in’ when foundations recognized and admitted to inequality in gift relationships during the

watershed year of 2020, containing the pandemic, the Black Lives Matter movement, climate catastrophes, and growing political social rifts—all of which sparked a movement towards funders critically reflecting on power problems in gift relationships. Such reflections argue that an awareness of power problems is how we begin to address them.

Altogether, the gift of relational philanthropy can empower grantees in their communities because it gives them more agency over their spending via trust. This does not mean that power dynamics disappear: the interpersonal engagement from gift relationships can create a heavy-handedness from funders that can exert control over grant recipients in an indirect manner. To improve their relationships with their grantees further, and their philanthropy policies in general, foundations depend on receiving knowledge from their grant recipients in order to have well-informed practices. This reflects the other end of the reciprocal giving relationship, where grantors receive grantee knowledge to improve their practices. Doing so ultimately improves communities of practice, because it helps foundations learn from the communities they aim to help, as explored in the following section.

3.2 | Reviewing knowledge from beneficiaries

Providing targeted grant funding to communities is a difficult task, with high levels of uncertainty, as understanding the needs of local places requires an eye for complexity, nuance, and pragmatic giving methodologies (Azevedo et al., 2021; Jarrett, 2013). To address the difficulty of embracing the involved, and context-driven nature of empowering communities, foundations can extract the valuable grassroots knowledge from the ground to inform their policies (Patrizi et al., 2013). We argue that this is made possible through the reciprocal gift relationship: once foundations give trust to beneficiaries and see them as experts in their field, foundations can, in exchange, receive such expert knowledge and insight from community-based beneficiaries.

Grantors can gather knowledge from the ground through different data collection and learning approaches. One way is through a formalized research process. Alaimo and Carman (2022) show that in the work of engaging with stakeholders, it involves a cycle between prioritization, learning and understanding, intention, action and impact of community-wellbeing. This leads the authors to conclude that community foundations that operate in small town environments with community familiarity allow for a ‘nimbleness of informality and less administrative bureaucracy’ (Alaimo & Carman, 2022: 233). Research from Major et al. (2022) similarly show the case of The Lincoln Vital Signs Community Foundation in Nebraska and how they engaged with localized knowledge. In 2012, when city and county officials asked for philanthropic organizations to offset federal and state city, the funders realized that ‘without data, it would be difficult to target resources strategically while simultaneously helping the community understand the changing needs of the city’ (Major et al., 2022: 3). By pulling from data from beneficiary community groups, Lincoln Vital

Signs were able to produce research that other funders to bring in to create more informed policy decisions.

While Lincoln Community Foundation shows that foundations can receive grassroots knowledge on a macro basis, foundations can take an approach that embeds with a specific theme of the community. Baker and Constantine (2019) illustrate this through the work of The Robert Wood Johnson Foundation, a place-based health legacy foundation. This foundation realized that they needed grassroots knowledge to advance health outcomes in their community, particularly around a racial and ethnic equity lens. They achieved this through fellowship programs, where they engaged community leaders in providing the foundation with strategic guidance. These community-based fellows, who conducted their own research process 'on the ground' recommended different approaches to grantmaking leading to more informed policies for The Robert Wood Johnson Foundation.

Receiving localized knowledge from beneficiary groups to inform policy can take a more casual approach. Edwards and Edwards (2019), commissioned to explore The Rank Foundations practice of relational philanthropy, explored how the foundation used an on-the-ground 'reconnaissance' process in local areas. Knocking on the doors of charities, having casual face-to-face conversations of local need in their focus cities of Dundee, Hull, and Plymouth, gave the foundation an understanding of needs in the local area. Eventually, they appointed a place-based associate in each city to serve as the intermediary between the foundation and local people. They also organized 'steering group' events, where local beneficiaries of Rank Foundation Funding could share the lived experience of working in their local communities and how The Rank Foundation might help (Edwards and Edwards, 2019).

When foundations receive knowledge from community-based grantees, they can create informed policies to approach the needs of communities and how to empower them. Relational philanthropy, with expression of interpersonal engagement, creates an avenue for gathering this knowledge, as we saw with foundations that use embedded, in-person relationships to learn from grantee needs. Likewise, grantors receiving knowledge from the ground speaks to the reciprocal gift exchange, recognising they have something both the give and gain from grantee relationships: they give philanthropy and gain knowledge from the ground. This reciprocal relationship between funders and their beneficiaries, built on trust, can be scaled up into a wider, reciprocal market of philanthropy, where civil society organisations can use mutual trust and solidarity to create a stronger sector, as discussed in the final section below.

3.3 | Scaling relational philanthropy in civil society moving beyond

The reciprocal gift relationship endowed in practices of relational philanthropy can empower communities of practice within wider civil society. Taking this view means stepping back from one-on-one relationships between grantors and grantees and understanding how relational philanthropy's interest in context-driven co-creation can

involve multiple stakeholders in civil society's gift economy. Recognizing the variety of definitions of civil society that range from descriptive to normative, and change depending on the national context, we follow the view of Henderson and Vercseg (2010) that civil society is an amalgam of relationships that exist under an umbrella of 'associations', containing NGOs, charities, trade unions, political parties, professional associations, faith groups, and social movements, connected by expressions of citizenship. As groups, organizations, and networks provide a community base for civil society (Henderson & Vercseg, 2010), we see civil society as a form of community that works around a gift economy. This means that empowering civil society, made up of such community associations, is an act of empowering the communities of practice that exist within it.

Relational philanthropy's use of relationships as the point of departure for creating successful grant programs and wider policies can strengthen civil society. This is because empowering communities through collaborative relationships creates social capital (Putnam, 2000; Brown & Ferris, 2007) — a form of value that emerges from social ties that can bond or bridge across communities (Putnam 2000). When communities of practice trust one another to work around a common goal, a shared sense of citizenship (or solidarity in general), cross-sector opportunities to exchange work emerge. Hwang and Young (2020) call this approach to philanthropy in communities a 'collective civic action', whereby consciousness-raising serves as a social tool for improving communities against challenges. In their study, which focused on how nonprofits aggregate resources to tackle environmental pollution in the US—a problem that afflicts black communities at a higher rate—they found that collective civic action bridged different racial groups, which ultimately mobilizes resources. Likewise, through relationships involving many grantors and grantees, 'community visioning' can occur whereby the group finds a way to identify core ideas together (Lachapelle, 2020: 96). Zakariás (2023) similarly used kinship-based relations to investigate the entanglements between foundations, the government, and beneficiaries and shows that it created a familial sense of identity that provided the important groundwork for community empowerment.

Altogether, the collaborative, reciprocal action across multiple organizations in civil society shifts the notion of how foundations conduct community development: rather than using one-directional philanthropy to develop communities, foundations participate in a web of community-based relationships, where the community becomes drivers of their own development (Bryan & Nguyen 2022). These self-directed relationships create connections across groups that bond or bridge successful, trust-based working relationships that generate social capital. In other words, networks of actors and organizations that work together themselves create value via relational forms of work that co-create successful and obligatory outcomes. Importantly, the collaborative, networked, reciprocal character of social capital (that fundamentally sees value in connecting organisations in working relationships) challenges philanthrocapitalism's negative penchant for individualism and competition: in terms of the former, it assumes individual organisations are better than others (and should be rewarded for being so). In terms of the latter, it assumes that that market-based

competition will provide them with even more success via market-based financing. However, it is important to recognize that the relational associations involved in civil society can still create avenues of contention, especially if different groups have different ideas of community empowerment. Staeheli (2008: 7) argues here that the concept of citizenship actually makes a geographic community a battleground, where contenting ideas face one another, making it not something 'swathed in soothing feelings' but 'where contests are waged over membership and the political subjects and subjectivities that "belong" in a political community'.

Despite the potential difficulties, the reflexivity that actors bring to situations enables the associations within civil society to face any community acrimony by envisioning mutually desired communities of practice, tied to the concept of critical community practice (Butcher et al., 2007). Misviletz (1999, quoted in Henderson & Vercseg 2010) illustratively captures this, saying, 'Civil society is ... a public zone, a sphere of solidarity where various interests are articulated and confront each other, where conflicts take place between individuals, groups and organisations.... It is the natural interaction that is important, that is what generates a force field in which civil society comes into being'. In other words, the unfolding and unfinished interactions that perennially take place between actors become the nodes of reciprocal action. Such nodes build reflective, contingent, and critical working relationships across civil society.

Taking these insights together, relational philanthropy's use of reciprocating resources and knowledge—both of which can improve communities of practice—can empower wider civil society through trust-based, reciprocal exchanges that are scaled across multiple partnerships. Doing so creates a stronger community identity, with common interests, goals, and solidarity, enabled by trust-based relationships that crosscut associational groups to mobilize forms of capital. This is no easy task: as we have shown, measuring the success of this social capital can be difficult, and bridging groups with different visions for the community can create contentious moments. But these challenges play into the deliberative, relational work of determining a shared sense of meaning, and keeping them at the forefront of grantors' practices can enable a nuanced and critical approach to community empowerment.

4 | CONCLUDING COMMENTS

With a wider desire to equalise the gift relationship and empower communities, relational philanthropy enables a reciprocal exchange between grantor and grantee, with the former receiving valuable grassroots knowledge that can inform policy, and the latter receiving valuable, trust-based philanthropy that can empower grantees with more agency. Reciprocity challenges problems caused by the long-standing and governing knowledge base of philanthrocapitalism—namely, performance-based funding, the nonprofit starvation cycle, and donor expectations for quantifiable results, and overall, and imbalanced giving relationship—by trusting grantees to be in charge of their own funding and learning from their lived experience. The solidarity

of these trust-based exchanges can be fed into wider communities of practice, where relationships across the sector can amalgamate into a space where civil society empowers its community through bridging social capital. By drawing on the theory of relational work, we show that these reciprocal exchanges are built around interpersonal or interorganisational relationships that co-create meaningful and trust-worthy work together depending on the context at hand.

Altogether, this shows a departure from philanthrocapitalist knowledge, tied to pre-determined rationalism, towards relational and interpretative knowledge, tied instead to an open-ended contingency. Under relational philanthropy, using knowledge to inform good grantmaking practices from the 'bottom' (local communities lived experience) as opposed to the 'top' (the board room's interest in rational, objective strategy), enables foundations to empower local people and organisations in a participatory or self-directed way. Though relational philanthropy departs from professionalised and rational practices from the turn of the 21st century, it still echoes professionalism's remit to improve practice and use thoughtful engagement between grantors and grantees. This suggests that while expressions of relational philanthropy, such as unrestricted funding, may feel foreign to funders that are tied to ideas of accountability through financial efficiency, relational philanthropy revisits the importance of accountability, but through the eyes of beneficiaries.

Like any approach to grantmaking, relational philanthropy does not have a clear road to empowerment. As we've seen, trusting grantees can come with uncertainty, high engagement with grantees can obfuscate power dynamics, and bringing multiple associations across civil society can create points of contention. However, these issues can be addressed through grantor and grantee reflexivity, where 'open eyes' (Patrizi et al., 2013) towards the complex, hidden aspects of power enable the difficult conversations on how it can be addressed. To empower, therefore, requires grantors to reflect critically on how to give their power away via high-trust work with grant recipients.

Ironically, we argue here that giving away power means moving from a 'free', one-directional gift relationship to a reciprocal one. Though this might imply that gifts come with a proverbial price tag, trust-based exchanges that are grounded in mutual forms of meaning creates a wider system of give and take, where power is shared across civil society. This suggests that grantor altruism, while well-intentioned, can be revisited with grantor solidarity—an act that lifts up and fights for the communities of practice they fund.

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DATA AVAILABILITY STATEMENT

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

ENDNOTE

¹ As this paper explores the gift relationship between grantors and grantees, it does not assign a single organisational label to define

grantors (such as 'foundations' or 'trusts'), nor does it assign a single organisational label for grantees (such as 'charities' or 'aid recipients). Instead, it broadly looks at philanthropic organisations that give money away (grantors) and those that aim to fundraise (grantees)—both of which fall under a variety of organisational terminologies that vary depending on the context at hand.

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