

## **Philanthropy and its Discontents**

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*Philanthropy: Voluntary Action for the Public Good*

Do all that you can to seem good, for that can  
be infinitely useful. But since false opinions  
do not last, it will be difficult to seem good  
for very long, if you are really not.

*Francesco Guicciardini*

Maxims and Reflections

The best philanthropy, the help that does the most good and the least harm, the help that nourishes civilization at its very root, that most widely disseminates health, righteousness, and happiness, is not what is usually called charity. It is, in my judgment, the investment of effort or time or money, carefully considered with relation to *the power of employing people at a remunerative wage*, to expand and develop the resources at hand, and to give opportunity for progress and healthful labor where it did not exist before. *No mere money-giving is comparable to this in its lasting and beneficial results.*

If, as I am accustomed to think, that statement is a correct one, how vast indeed is the philanthropic field! It may be urged that the daily vocation of life is one thing, and the work of philanthropy quite another. I have no sympathy with this notion. The man who plans to do all his giving on Sunday is a poor prop for the institutions of the country.

The excuse for referring so often to the busy man of affairs is that his help is most needed. I know of men who have followed out this large plan of developing work, not as a temporary matter, but as a matter of permanent principle. These men have taken up doubtful enterprises and carried them through to success often at great risk, and in the face of great skepticism, *not as a matter only of personal profit*, but in the larger spirit of general uplift. (John D. Rockefeller, *Random Reminiscences of Men and Events*, p. 93. Emphasis added.)

Rockefeller's little book is filled with such advice, expressed with simple clarity. If, as Maimonides said and as most people seem to believe, the highest and finest form of charity is to take another man into your business, to give him honest work so that he can sustain himself, one might agree that "The man will be most successful who confers the greatest service on the world."

I stood (until February 1987) in some broken line relationship to John D. Rockefeller. The Standard Oil Company he created was divided into 34 parts in 1911, one of which was Standard Oil Company of New Jersey, the company that became known as Exxon Corporation in 1972 and that provides the funds for the work of the Exxon Education Foundation.

"If the people of the world can be educated to help themselves," he wrote, "we strike at the root of many of the evils of the world" (p. 98). By 1908, when Rockefeller wrote those words, he had contributed most of the \$35 million that helped to establish the University of Chicago.

It is my belief that the principal cause for the economic differences between people is their difference in personality,

and that *it is only as we can assist in the wider distribution of those qualities which go to make up a strong personality* that we can assist in the wider distribution of wealth. Under normal conditions the man who is strong in body, in mind, in character, and in will need never suffer want. But these qualities can never be developed in a man unless by his own efforts, and *the most that any other can do for him is, as I have said, to help him to help himself.* (P. 100. Emphasis added.)

Many have believed that education is the means by which such qualities of "personality" are developed. Others have argued for the tenets of religion, for the nurturing support of the family, for the character-building qualities of competitive sports. Others speak of "cultural values"; the British economist P. T. Bauer argues that the uneven development of Third World countries is more than anything else the result of the different weight and importance put on economic achievement and efficiency. No amount of central planning, says Bauer, will overcome those profound cultural differences.

I think Bauer and Rockefeller would agree: What is most needed in poor countries is a change in their character, in their "personality" as Rockefeller put it, in the value they put on economic performance.

Neither of the major political parties in the United States would disagree with the premise that the most important thing any society can do is to have a strong private-sector economy that will provide work for substantially everyone. The emphasis is different, and exaggerated in the rhetoric of a presidential campaign year, but the basic premises are accepted by both parties.

It is not simply a matter of the distribution of goods: It does matter how they are produced as well as distributed. As Rockefeller said, "The only thing which is of lasting benefit to a man is that which he does for himself. *Money which comes to him without effort on his part is seldom a benefit and often a curse*" (P. 98. Emphasis added.). If self-worth is a value of fundamental importance, self-help is essential. "If we can help people to help themselves, then there is a permanent blessing conferred."

The discontent of modern philanthropy is revealed in what appears to be a widespread uncertainty about, perhaps even dissatisfaction with, ideas such as those expressed by Rockefeller. It is heresy to some to put a high value on the search for gain and profits. Economic work is less noble than intellectual or creative effort, for one thing, and capitalism is destructive of the finer values.

We are concerned, wrote Herbert Marcuse,

with sensitivity and sensibility, creative imagination and play, becoming forces of transformation. As such they would guide, for example, the total reconstruction of our cities and the countryside; the restoration of nature after the elimination of the violence and the destructiveness of capitalist industrialization; the creation of internal and external spaces for privacy, individual autonomy, tranquillity; the elimination of noise, of captive audiences, of enforced togetherness, of pollution, of ugliness. These are not—and I cannot emphasize this strongly enough—snobbish and romantic demands. Biologists today have emphasized that these are organic needs for the human organism, and that their arrest, their perversion and destruction by capitalist

society, actually mutilates the human organism, not only in a figurative way, but in a very real and literal sense.

I believe that it is only in such a universe that man can be truly freed, and human relationships between free beings established. I believe that such a universe guided also Marx's concept of socialism, and that these aesthetic needs and goals must from the beginning be present in the reconstruction of society, and not only in the end or in the far future....

Quite apart from the work itself and who provides it Rockefeller believed that there must be strong individual motivation and involvement or that the person's very character and integrity would suffer. To speak of a job as a right means that employment will be provided regardless of the person's "will" to sustain her- or himself.

Two conclusions, in passing:

1. Socialist societies by definition are organized in such a way that the state assumes primary responsibility for the well-being of individuals and for the well-being of the culture as well. Socialism seems to be a form of political organization that claims to obviate the need for voluntary philanthropy.
2. A socialist society changes the terms of how self-worth and individual dignity are achieved. They are not *earned* by the work of individuals, as Rockefeller assumed was necessary; they are a blessing of the state.

I have belabored this point because I believe that it is the principal point of contention among us. Those who believe that even private philanthropy undercuts the will to work and vitiates the necessity for each person to

stand on his or her own feet are, I expect, largely absent from the deliberations of Independent Sector.

The tension that might exist is between those who see voluntary philanthropy as the means to an end in which the state assumes far greater responsibility for meeting individual needs—toward what I have called "socialism" earlier—and those who believe that voluntary philanthropy is a social value worth preserving in its own right; that neither compassion nor community will ever be adequately served either by the marketplace or by government.

I adapted the title of this essay from Sigmund Freud's *Civilization and Its Discontents*. I might have borrowed another title from him: *The Future of an Illusion*. Some believe that human nature at its core makes philanthropy illusory, as Freud believed religion to be; philanthropy is an example of what in Marxist terms is called "false consciousness," an ideological sleight-of-hand that tries to put a benevolent face on an exploitative system.

One very serious charge that is levied against the philanthropic tradition from within is the charge that it has abandoned its original role of helping the poor and turned its resources toward subsidizing the pleasures and diversions of the rich.\* Others argue that the shift away from "welfare" in philanthropy has simply reflected the vast increase of government programs in that field.

\*One would not think so, given the relatively small proportion of gifts to the arts, but it raises another interesting question: How do the purposes of giving differ between giving by the rich and giving by the poor? Research indicates that the poor put religion and health before art; is that true of the rich? Or do the rich also give to art because they have more money to give?

There has also been a different sort of emphasis shift: the expansion of public policy activities in the independent sector. One strategy sees the primary work of philanthropy as influencing the ideas that will ultimately take form in legislation. Whether the legislation addresses the problems of the poor or the support of the arts, it is legislation and the government funding that comes with it that is at stake.

Another change in strategy is vividly reflected in the membership of Independent Sector: the proliferation of single-issue organizations, some of which tend to be very closely attached to partisan political activity.

As practitioners, most of our energies are engaged in improving our knowledge of how to perform our particular jobs. What is at issue in philanthropy, however, are the most important issues facing our society and the world. Behind what we do are assumptions about what is good for individuals and how their interests can best be balanced with those of society.

We don't often talk about it, partly because we're preoccupied with other things and partly because it sounds dangerously presumptuous, but we *are engaged in the struggle for man's soul*.

That is one reason I find the reminiscences of John D. Rockefeller so engaging: There wasn't any question in his mind that *that* is what human effort is supposed to be about, whether in economic activity or in the support of education.

## Values in Conflict

It is in this context that one should reflect on the statements of the Organizing Committee Report that shaped the role and work of Independent Sector when it came into being almost five years ago. It wasn't the Organizing Committee's goal to stir discussion and controversy; its goal was to express common purpose:

Without denying the endless diversity and pluralism of the sector, the Committee felt strongly impelled to identify and state certain values which any such organization should seek to foster including:

- Commitment beyond self
- Worth and dignity of the individual
- Individual responsibility
- Tolerance
- Freedom
- Justice
- Responsibilities of citizenship

To "enhance" these values, the Committee said, Independent Sector might "expand the diversity of personal options"; it would most certainly reflect the tradition of voluntary association, and it would be "a seedbed for new ideas, new art forms, etc.," and a setting for experimentation. Collectively, the sector produces alternatives to government action; it also "reduces powerlessness and helps promote empowerment" and gives people generally a greater voice in public affairs. Functioning well, the sector makes for more "enlightened" voters, who will in turn be more demanding of government performance and more responsible about allocating scarce resources.

The result combines the views of John D. Rockefeller and Herbert Marcuse; that is, it combines values that are often incompatible and always difficult to balance.

There are a couple of possibilities for the future of Independent Sector that come to mind under the circumstances: Leave things as they are, with profound differences of philosophy glossed over in a spirit of cooperation, and let Independent Sector as an organization concentrate on specific tasks of research or public education; or, make Independent Sector a continuing seminar on the issues that arise out of values that often conflict. Some will argue that doing the second will prevent us from doing the first, and that we will bog down in debate while someone else decides the future of philanthropy. Some will argue that focusing on the first and ignoring the second almost guarantees the wasting away of the real values of philanthropy and their replacement by values as expressed by tax policy.

My bias is clearly in favor of organized inquiry into the values, principles, and purposes of philanthropy, as well as efforts to better understand how our system works. The future of philanthropy depends on its self-renewal, in John Gardner's sense of that term. Self-renewal does not come about by rote repetition of past practice; it comes about by giving new life to ideas gone stale or ideas never really quite understood in the first place. It accepts that the good things in life are often the source of distress and confusion:

Conflict of goods is the heart of our problems. Love clashes with honor, order with freedom, art with friendship, justice with prudence, kindness with honesty—and not just in the rare, melodramatic cases of major decisions, but in the constant, quiet grind of everyday living. Somehow we

manage to balance their claims by bargain, compromise, sublimation, partial combination, and sacrifice. (Mary Midgley, *Beast and Man*, p. 191)

For example, the Organizing Committee applauds innovation and experimentation in the arts. At what cost? How does one reconcile the conflict between a commitment to the music of Mozart and a commitment to the music of John Cage? We choose between them, of course, but we can also solve such problems by allocating money for both.

"We must always remember," wrote Rockefeller, "that there is not enough money for the work of human uplift and that there never can be. How vitally important it is, therefore, that the expenditure should go as far as possible and be used with the greatest intelligence!" (P. 100). Yet earlier in the same chapter, Rockefeller said that "we can well afford to ask the ablest men to devote more of their time, thought, and money to the public well-being. I am not so presumptuous as to define exactly what this betterment work should consist of" (p. 90).

*The philanthropic tradition is pluralistic.* In this sense, philanthropy shares the character of the marketplace. It is assumed that not only does no single source have all the answers, no single source is even interested in all the questions.

It is a commonplace to speak of the United States as "a pluralistic society," but what we mean by it is different from the way it is used by others. A Polish writer's recent discussion of pluralism dealt only in terms of the decentralization of government; the positive contributions of the private and nonprofit sectors don't seem to occur to him as expressions of a healthy plurality of competing and cooperating values and interests.

Some who advocate our kind of pluralism see virtue in alternatives to almost everything. Our conception of politics is broader than government.

The main postulates of pluralism are these: (a) Society consists, essentially of a variety of groups organized around what they perceive to be their particular "interests." (b) In order to promote and defend their interests, groups use their resources to influence public officials and politicians, hoping thereby to shape public laws, decisions, and policies. (c) Conflict and competition among groups is restrained by a tacit consensus among the groups that they will observe the "rules of the game" as embodied in the relevant constitutional and public laws. (d) If group politics is to be kept within socially desirable limits, public officials and group leaders must accept a "politics of negotiation" in which bargaining and compromise are the primary forms of political action and the substantive determinants of public policies. (Sheldon S. Wolin, "The American Pluralist Conception of Politics," p. 227)

The author goes on to say that "toleration is the value that seems more appropriate [than compromise] as the primary value" of pluralism. Pluralism in the modern world grew first out of a claim for religious toleration, but John Locke "lumped conscience and property under the same rubric" and gave rights to economic association that were originally sought for spiritual association. Adam Smith then argued that competition among small churches would have the same benefits as competition among small businesses: "The unseen hand could be made to work for the cause of political order as well as for economic well-being."

Wolin is not at all sanguine about the future of an American society dominated by political pluralism.

If the society as a whole faces a future of lessening expectations, scarcer resources, and painful decisions, it will be no easy task to persuade highly organized groups to accept the so-called "hard choices." Why should they, when for over 200 years they have been encouraged to practice a politics based on each group seeking its own advantage and, above all, to do so while mindful of the cynical knowledge that all hard choices are not equally hard for all groups or classes, that unequal power of some groups makes it inevitable that the choices will be framed to reflect that power? (P. 258)

Wolin cites political scientists who formerly advanced the pluralist tradition who now believe that "we need ... an authority above the selfish squabbles of interest groups ..."—powerful enough to keep the most powerful interest groups in line.

Pluralism has also discredited the idea that, except for national defense, there are no common values that, as a collectivity, we can develop and share. There are only common means we can use to further individual, group, organizational, and class ends.

Two comments: First, the philanthropic tradition offers common values that we can and do develop and share. Second, the common means we can call upon make it possible to develop the common values.

American pluralism also seems to me to be more complex than Wolin describes it. His main emphasis is on economic interest groups contending for political influence. The pluralism of the independent sector is not simply the innocuous and marginal sibling of a powerful system of interest groups. Some of the most effective interest groups seem to represent no economic interest at all, at least in the usual sense. When they are most convincing, their persuasive power derives from a position that seems to rise above narrow economic self-interest. The independent sector is more important in its influence, because of the persuasiveness of its moral position, than the discussions and analyses of political scientists and economists would lead us to believe.

The independent sector provides abundant illustration of the indirect economic and political power of not-for-profit organizations. The "powerless" in our society prove to have power, influence, and effectiveness greater than our stereotyped conceptions of them permit.

### **Insiders and Outsiders**

It is worth concluding this chapter with comment on the protocols of admission to the places of influence in the independent sector.

For Independent Sector itself, I understand, some of the most sensitive issues are those of membership. The question of membership raises questions of sectoral balance—how many donors and how many donees—but it also raises all those difficult questions of what constitutes the public interest. The admission of one organization will nullify the possibility of another organization seeking membership. The independent sector organizations that are most strongly ideological are at times like the discordant membership of international organizations. They devote great

energy to trying to exclude their opponents from the hall. In more parochial terms, it is like the informal organization of ethnic rivalry: "I wouldn't be caught dead being a member of anything *he* belongs to" (or any of the variations on that theme).

Apart from the formalities of membership in this particular organization, I wish I knew more about how new ideas emerge and new voices are heard. My impression is that we need to know much more about the processes of social reform: who first perceives a need, who begins to articulate the problem, how organizations form and gain support, how alliances are made, how influence begins to be commanded—or how it is pre-empted or co-opted by other leaders, already established.

Some minority leaders, for example, now take the position, as I understand it, that it is government that is most responsive to their needs. The philanthropic community has itself become an Establishment, locked into dominant organizations that have no interest in sharing their power, influence, or resources.

Other critics argue that the Establishment has abandoned the historic commitment to the poor for an indulgent emphasis on the avocational interests of the rich. There has been a shift from assistance to the poor (a responsibility abandoned to the government) to support for the arts and other cultural interest that are beyond the enjoyment of the poor.

How do the outsiders gain acceptance? Which outsiders?

The process today is probably not different in principle from the past. The dramatic changes are found in the sophistication of the means used to gain attention and influence. "Consciousness raising" is a way of life in a pluralistic democracy like ours. (There is, however, a law of emotional

gravity that works here, too: What goes up must come down. Raising consciousness is not the same as keeping it there.) Each new agenda item tends to diminish or even to eliminate an item that had won a place on the earlier agenda.

Who decides who will be replaced? Which insiders must go?

It is in the independent sector that the voices that shape social policy are first heard. That has long been the case—it was clergymen and female volunteers and "people of means and influence" who led the fight against slavery and child labor and for decent treatment of the mentally ill and lepers. More recently, it has been in the independent sector that the conservation movement was transformed into the environmental movement. The environmental movement has had enormous economic impact, often on precisely those economic interest groups within business and labor who saw their interests affected adversely. Ask the tobacco industry about the power of the independent sector; ask the liquor industry.

My personal inference from all this is that not-for-profit organizations have begun to form coalitions around shared values that are beginning to replace the traditional political parties. Independent Sector as a "trans-ideological" organization will soon find itself confronted by ideological competitors. The independent sector may in fact become a competition between two powerful sets of ideas such as those exemplified by the Moral Majority and People for the American Way. The power of the appeal around social philosophies may well prove to be more powerful than that of "interests" as political scientists have defined them in the past. Democrats and Republicans are scattered along with independents and the adherents of minor parties all across those two organizations. People are more likely to vote their single-issue ideological coalition than their political affiliation.

One of the fundamental institutions within the independent sector is the church, and lively debate has recently emerged about the proper demarcation between the jurisdictions of the church and of the state.

Few if any among the single-issue organizations are likely to yield their claims to priority because their priorities threaten the philanthropic system as a whole. It is not in the character of single-issue organizations to accept martyrdom for their ideas in behalf of a common good: Martyrdom is fine, but only in behalf of the idea that they believe to be central.

The most serious threat to the independent sector may, then, prove to be not its weakness, but its strength; not its irrelevance, but its centrality; not its prudent compromise and toleration, but its diffuse but fearful force of conviction.