

Book Review

Philanthropy in Democratic Societies: History, Institutions, Values by Rob Reich, Chiara Cordelli, and Lucy Bernholz

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Reich, R., Cordelli, C., & Bernholz, L. (2016). *Philanthropy in Democratic Societies: History, Institutions, Values*. Chicago, IL: University of Chicago Press. \$30.00 (paperback), ISBN: 978-022633-564-3.

American philanthropy plays an integral role in public life. In 2015, individuals, estates, foundations, and corporations contributed a national record-setting \$373 billion (Indiana University Lilly Family School of Philanthropy, 2016) to scouting, education, theaters, libraries, parks, religious and medical institutions, and much more. This trend has largely been hailed as a sign of American's generosity and a boon for the nonprofits that benefit, but critical dialogue about the nature of philanthropy's public role has been limited. Despite philanthropy's continued growth, its role in public policy and administration remains a marginal aspect of nonprofit scholarship and public debate.

The stated purpose for developing this ambitious edited volume is to inspire and expand academic discourse about philanthropy. Questions about the public impact of private giving, public and private power, and democratic values are at the heart of this work. Those familiar with lead editor Rob Reich's public scholarship will not be surprised to find that the focus is not on the household contributions that comprise the majority of giving. Instead, the authors converge on a broad definition of philanthropy to explore its corporate institutions, processes, and influences, and implications for democracy. Of key interest are foundations as well as the professionalization of the nonprofit workforce and evolving hybrid forms of for-profit philanthropic institutions. "The second golden age of American philanthropy puts the U.S. at further risk of further becoming a plutocracy of the rich," Reich (2013) warned a few years ago. This book explores how.

The editors highlight the significance of the interdisciplinary, dynamic learning process that generated the volume, though political science and economic theory figure prominently. With the support of a few large foundations, a group of emerging and established scholars from various disciplines in a handful of prestigious universities convened over an 18-month period. The group discussed and debated drafts to create a well-integrated collection around the three themes that form the basis for the book's sections: "Origins," "Institutional Forms," and "Moral Grounds and Limits."

"Origins" begins with historian Jonathan Levy, who traces the history of philanthropy through corporate law, making connections across time, culture, economics, and ideas to explain the rise of corporate power and influence in the last 150 years. Rich in historical detail, the chapter weaves together the influential ideas of key political philosophers to hone in on the book's central and recurring argument. That is, since the permanent introduction of the federal income tax in 1913, tax exemption renders philanthropy inseparable from the public interest, yet neither scholars nor the public are asking critical questions about the relationship between private power and the public good. Social historian Oliver Zunz questions his discipline, including both

Stutts, N. B. (2017). Philanthropy in democratic societies: History, institutions, values by Rob Reich, Chiara Cordelli, and Lucy Bernholz. *Journal of Public and Nonprofit Affairs*, 3(2), 235-237. doi:10.20899/jpna.3.2.235-237

the lack of philanthropic historians and the omission of philanthropy in answering broader historical questions. Detailing the rich contribution of philanthropy in the telling of history until the mid-twentieth century, Zunz attributes the decline to historical scholarship's shift in focus to business, foreign policy, and policy history. Reich's contribution returns to the book's core argument, outlining critical, if not new, concerns regarding foundations' legal right to operate without regard to public oversight while at the same time existing based on public subsidies.

The second theme, "Institutional Forms," looks beyond traditional philanthropic organizational structures to examine the place of democracy amid emerging, cross-sector, and hybrid arrangements. Acknowledging that philanthropy's forms are cultural artifacts of societies at any given time, and that the market is the organizing principle today, the chapters raise questions about whether new forms can fulfill the basic assumption of philanthropy as private action for public benefit. Aaron Horvath and Walter Powell, both sociologists and nonprofit scholars, offer a novel comparison of philanthropic expansion in the gilded age and today, including the founders, forms, goods produced, relationships to government services, and the public's perception of philanthropists' legitimacy. The authors suggest that, either by design or as a consequence of their founders' notoriety, new forms of philanthropy disrupt public understanding of which social issues matter and why. Moreover, large-dollar donors make decisions that affect the public yet exclude public debate, including the perspectives of those affected by the problems the donors seek to address. Former foundation leader and legal and philanthropy scholar Paul Brest questions the moral limits of corporate responsibility from the perspective of the CEO, board of directors, and senior managers. Legal scholar Ray Madoff examines the time gap between when funds are set aside to benefit the donor in the form of a tax break and when they become available to fulfill their purpose of creating public good. Chiefly concerned with the lack of payout rules for donor-advised funds, community foundations and endowment funds, the author suggests that it is time for the public to revisit "the question of what the government is seeking to accomplish when it encourages charitable giving" (p. 177). The section closes with philanthropy scholar Lucy Bernholz's contribution, which stands apart in its hopefulness for philanthropy's potential. A case study of an emergent public-private effort parallels Shirky's (2008) theory of technology's power to enable collective action, which Bernholz points to as a form of civil society.

The book closes with a return to the normative tone of the first section through three well-conceived but less accessible contributions devoted to philanthropy's moral grounds and limits in light of democratic values. Political philosophy scholar Eric Beerbohm outlines the political price of passing along to philanthropy the responsibility to ensure the fundamental goods of a democratic society. Politics scholar Ryan Pevnick explores the tension between philanthropy and two core values of democracy: democratic equality and market philanthropy. Unlike others, Pevnick argues that philanthropic functions should be limited to the production of cultural goods, not social justice. Political theorist Chiara Cordelli's chapter closes the volume with another take on the philosophy of justice that should undergird philanthropy. The author questions the normative and practical implications of allowing donors, who gain through tax benefits, to further benefit by influencing the people, issues, or organizations that they alone decide are worthy.

Those who worked together to develop this volume succeeded where many edited volumes fall short. The book is a cohesive integration of consistently well-developed chapters that take different routes to varying conclusions. The questions explored are not new, but the approaches to answering them reflect the influential arguments of those who know the United States can do better as well as the fresh eyes of new and emerging scholars. Despite the weighty questions about U.S. philanthropy, each chapter concludes on a hopeful note, which left me wondering

why. The most ambiguous closing came from Reich, who states that he hopes, “to have shown that foundations are certainly democratically permissible, and that it is possible to defend a role for foundations, in something like the form they exist today, that makes them supportive, rather than injurious to democracy” (p. 81).

The work will be of great value in the classroom, as the basis for core readings in philanthropic studies and offers promise for achieving the editors’ purpose of engaging imaginations to advance future philanthropy scholarship. A key challenge is whether and how the book’s important conversations will move beyond academia to foster change. Even foundation leaders question their capacity to serve their public purpose; just 25% of foundation CEOs believe that overall “a lot of progress” has been made on their foundations’ goals (Center for Effective Philanthropy, 2013). Perhaps because rising academic stars contribute much of the book, on occasion the narrative becomes so dense, narrow, and subdisciplinary that it may be inaccessible to all but the most resolute readers. The questions here likely haunt many of those who spend their lives engaged with the nonprofit sector. Perhaps the takeaway for those who would like to advance the ideas explored here is the continuing call to write for broad audiences, speak up as we see opportunities to illustrate the points the book raises, look for opportunities to clarify those not covered, and bring related conversations to the people and places we frequent.

Disclosure Statement

The author declares that there are no conflicts of interest that relate to the research, authorship, or publication of this article.

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