

COMMENT ON GUNDERMAN

Steven Grosby

In “Giving and Human Excellence: The Paradigm of Liberal Philanthropy,” Dr. Richard Gunderman urges us to develop a more complete understanding of philanthropy. For the purpose of these brief comments, philanthropy is to be understood as voluntary gift-making and other activities intended to serve a public benefit that cannot be tied to the pursuit of either commercial advantage for its own sake or to a specific, politically partisan goal.

A call for clear thinking is always welcome. A call for a proper understanding of philanthropy is especially timely, given: (1) the marked increase in the size of the “independent sector” during the last twenty-five years, specifically, the growth of tax-exempt organizations (including religious institutions), the revenues of which now surpass 6 percent of U.S. national income; and (2) the currently “messy” condition of categories in the nonprofit sector, where different perspectives or, in Gunderman’s formulation, paradigms have emerged. These include “charity” of the sort long manifested in the tradition of the Roman Catholic Church; the “scientific philanthropy” that arose out of the tradition of progressivism with its increasing encroachment upon—or crowding out of—autonomous associations by the state; and the recent emergence of “venture philanthropy” which views its activities as a social investment with the attendant expectation of evaluating that investment through some kind of calculation of its return. In addition, there has increasingly taken place a blurring of the distinction between philanthropic activities and the pursuit of profit within the nonprofit sector, albeit the commercial activity is ostensibly subordinated to, and thereby in the service of, the mission of the nonprofit association.

These and other such developments have understandably given rise to confusion over and discontent with the role of philanthropic activity today. The proper scope and boundaries of the nonprofit sector are no longer clear; for example, universities hold patents and formulate policies that call into question their purpose as institutions for the discovery and propagation of truth, as when they place restrictions on the publication of scientific research

because of commercial relationships formed with businesses that may have funded the research. Government programs, designed to address what are rightly or wrongly viewed to be social problems that are, as such, assumed to be solvable, have failed (with the possible exception of Head Start, which has at times shown marginal benefits). Indeed, government programs have often not only failed but also have made what is sometimes ineluctable human misfortune worse; for example, the deinstitutionalization of the mentally ill has in turn contributed to the problem of homelessness.

In light of the many manifest failures of nonprofits to deliver expected services for public benefit, and the confusion over what should be the fundamental aim of philanthropy, donors are no longer content with the assertion that it is more blessed to give than to receive. Donors have come to expect that their philanthropic donations will be put to uses that they do not approve of, and they have come to expect that their contributions will be squandered. In response, donors increasingly do not simply seek to spread blessings (however understood) rather, they want accountability of a kind that is difficult to obtain from large, anonymous, and bureaucratic nonprofit organizations. It is certainly difficult to obtain, in any satisfactory way, accountability from the state. Donors also increasingly want clear, measurable results, which is likewise sometimes unrealistic.

To help us navigate through this confusion and discontent, Gunderman poses the problem of ascertaining what, fundamentally, philanthropy should aim to accomplish. He does so by asking us to think anthropologically, by which we are to understand that we should consider what it means to be human. He argues that a philanthropy that focuses exclusively on the attempt to ameliorate perceived social problems such as hunger, illness, or ignorance is, however well-intended, terribly misguided. Such an understanding of philanthropy is terribly misguided because to focus on ameliorating the problem of meeting bodily needs is to “sell human beings far too short.” Philanthropy fulfills its proper purpose, according to Gunderman, when its point of departure is the “development of character.”

Herein lies Gunderman’s objection to philanthropy understood as either charity or as a more “scientific” enterprise seeking to “systematically attack the etiologies of human deprivation.” These two paradigms of philanthropic activity, however well-intended, actually stunt the development of individual character. They do so by fostering dependency, both in the individual who relies on “handouts” and on

the aggregate level, where localities have come to see themselves as being helpless to address any number of problems, relying upon large nonprofit institutions and the state to address them. Clearly, Gunderman is right.

From the perspective of a philosophical anthropology that recognizes human initiative and social engagement (one that combines contribution with responsibility) as crucial for the character of the individual, both in principle and for a vibrant liberal democracy, these two philanthropic traditions not only stunt but also actually distort the character of both the recipient of the philanthropic initiative and the donor. Nothing need be added to the good things that Gunderman has written here about what this dependency means for the recipient. As far as the donor is concerned, the desire for accountability and measurable results is a good development, even if occasionally unrealistic. This desire should not be viewed merely as a corollary of either scientific philanthropy or “venture philanthropy,” with their sometimes spurious measurement of outcomes. This desire is in fact a consequence of accepting responsibility for one’s own affairs (in this case, one’s philanthropic contributions or, as Gunderman formulates it, sharing), specifically, taking one’s social engagement more seriously.

Gunderman has opened up for our consideration an important perspective in stating that if philanthropy is not to be self-defeating, it must move away from its current primary focus on social control or social problems and instead have as its central concern the “cultivation of the character” of both the recipient and the donor. The cultivation of character is to be understood as fostering the habits of individual initiative, civic engagement, and responsibility for one’s actions. The cultivation of these traits ought not to be equated with the conceptually vague idea of human excellence, however, for to do so will invite controversies that can only distract from a proper understanding of philanthropy in a liberal democracy, with the latter’s emphasis on the freedom of the individual and the freedom of association, both responsibly exercised.

Irrespective of its anthropological implications (of which I have not the slightest doubt), philanthropy is a practical activity. Moreover, it is an activity that faces the same restraints as do a number of other activities, not least of which is the mundane framework of the tax code. As such, one wants to know the concrete, programmatic consequences of the relation between giving and the cultivation of character. Gunderman’s paper offers little about what might be the concrete consequences of his argument. Clearly his effort was to

redirect and broaden our thinking about the aim of philanthropy, and he has succeeded in doing so. Nonetheless, it is possible to draw a few programmatic conclusions from his new paradigm, liberal philanthropy.

First, to give proper attention to the self-image of the recipient of philanthropic activity, aid recipients should be expected to contribute to the meeting of their own needs. This expectation should, whenever possible, be part of the program of the nonprofit organization. For example, families receiving homes from Habitat for Humanity are required to pay mortgages on those homes. This expectation satisfies two of Gunderman's concerns: (1) by decreasing an enervating dependency through fostering of self-reliance and responsibility, and (2) by having recipients contribute directly or indirectly to the acquiring or building of other homes, recipients participate in acts of sharing and giving, and, one hopes, develop them as habits.

Second, wherever possible, nonprofit organizations should engage in profitable activities to the extent that, in so doing, their mission is not compromised. This is, of course, a programmatic point fraught with numerous complications, ranging from potential violations of the mission of the nonprofit organization to problems with the flexibility, or lack thereof, of the tax code. As is well-known, various nonprofit institutions have been engaged in commercial activity for a long time; for example, the "resale shops" of Goodwill or the stores found in many museums. The wall between philanthropy and commerce should be made more permeable to allow for greater self-sufficiency of the nonprofit organization.

Third, it is likely that a more decentralized structure of philanthropy would promote greater civic engagement and accountability among the public. That it would likely do so has long been recognized, for reasons which need not be repeated here.

Finally, it is probable that these three programmatic characteristics of a new philanthropic paradigm would overlap and reinforce one another.

What philanthropy is or should be must be considered at this more concrete level. However, to do so properly requires an understanding of the fundamental aim of philanthropy that the numerous programmatic proposals for concrete activities should serve. It seems to me that Gunderman's paper has provided a significant step forward in contributing to our understanding of what that proper aim should be.