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PHILANTHROPY AND HUMAN ACTION

Steven Grosby

The Problem

It is not as if profound complications in our understanding of human action have not been long recognized; we surely understand that human motivations are so complicated that our pursuits appear at times to be contradictory. Adam Smith in *The Theory of Moral Sentiments* drew attention to one such complication:

There is many an honest Englishman, who, in his private station, would be more seriously disturbed by the loss of a single guinea, than by the national loss of Minorca, who yet, had it been in his power to defend that fortress, would have sacrificed his life a thousand times rather than, through his fault, have let it fall into the hands of the enemy (1982 [1759], 192).

The complication raised here by Smith is twofold: (1) how to account for the coexistence of two contradictory orientations, self-interest and self-sacrifice; and (2) with regard to this particular example of self-sacrifice, how to understand the apparent transcendence of self-interest that is characteristic of patriotism (see Grosby 2005). One can, of course, attempt to account for the willing sacrifice of one's life by understanding it as an act of self-interest, for otherwise the individual would not have chosen to lay down his or her life for the sake of their country. However, this accounting is little more than a tautology that obscures the problem at hand: *action for the benefit of others*.

To recognize that "the ultimate end of action is always the satisfaction of some desires of the acting man" (Mises 1949, 19) likewise does not address the problem Smith posed. Whatever the satisfaction derived by the individual in sacrificing his or her life, the benefit or return of this action accrues not to that individual but to the nation. One can obviously respond by noting that the individual has an interest in or attains satisfaction from the well-being of the nation to which he or she is attached. Still, two pressing problems remain: (1) how to understand the character of the attachments of the individual to

collectivities, above all when the latter appear “existential” (such as to family and nation), that at times elicit self-sacrifice; and (2) how to reconcile the individual’s choice with the fact that the desired end in this instance will not be to the advantage of the individual because he or she will no longer be living.

These observations about the above example are not intended to dismiss established understandings of economic behavior or what is known as the theory of rational choice. Much of human behavior is about solving problems to address the “uneasiness,” as von Mises put it, that is an unavoidable consequence of the openness of the human mind to the world. In this account, human behavior is rationally purposive in the sense of the individual determining means to achieve a chosen end. The idea of economic behavior stipulates that when an individual acts, the person does so as if choosing the means to maximize his or her own satisfaction or realize the maximum quantity of some end. Similarly, in the theory of rational choice the individual is assumed to be capable of calculating the costs and benefits of different situations and then arranging his or her actions so that the benefits to the individual are maximized while minimizing the costs. (For more on the theory of rational choice, see Coleman 1990. Regarding economic behavior, Knight contains numerous penetrating insights into the complications and limitations of economic analysis as an explanation for human behavior [1956]).

These explanations of human behavior and those related to them, such as F. A. Hayek’s analysis of the extended order of the market (1988), are obviously heuristically powerful. However, the example raised by Smith points to actions undertaken by the individual for the benefit of others, hence philanthropy—actions that do not invalidate an economic or rational choice theory of action but do require an additional, different explanation.

To recognize the specific complication posed by action for the benefit of others is to confront, and thereby expose, the ambiguity of the term “return,” because the gift of philanthropic activity may be freely given with no guarantee of return to the giver; for if the term “gift” has a distinctive meaning, it is because it refers to a voluntary and apparently “disinterested” act (Godbout 1998, 20, 54, 66). If so, the ideal of economic behavior and the theory of rational choice must be supplemented. To act for the benefit of others further points to attachments formed by individuals different from those of the extended order of the market, constituting varying kinds of a “we” that imply an expansion of the

individual's conception of the self. It appears that the attachments or social relations constitutive of some groups indicate an orientation of human action beyond that of the interest of the individual (in this sense, transcending the self) as the term "interest" is usually understood in the theories of economic behavior and rational choice.

To be sure, the existence of many different kinds of groups does not abrogate the fact that the choices and actions in question are those of individuals, and thus should be examined through what is known as the principle of methodological individualism. However, to recognize the existence of a plurality of groups to which individuals may become attached complicates (or ought to complicate!) our understanding of human action. As Frank Knight rightly observed, "it is a fundamental error to take the individual as the exclusive datum because some sort of family life, and far beyond that, some kind of wider group into which the individual is also born and develops and to which he or she is, in varying degrees, loyal are also data for our understanding of human action" (1982 [1947], 84-6). We will return to the problem of "group life" later.

Of course, the possibility of "disinterested" action has also long been recognized, perhaps most famously by Adam Smith in his analysis of the "impartial spectator" in *The Theory of Moral Sentiments*. Implicit in that analysis was Smith's view of the mind, its capacity for disinterestedness indicating an imaginative ability through which considerations of what is right or of a common good can coexist with individual self-interest. Detailed examination of the sometimes acute problem of that coexistence—for example, the nature of "regret" or the relation between the individual and the group—would take us into directions too far from the subject of this paper. And I shall put aside for the time being consideration of the character of those attachments to others—specifically, sympathy, expressed through philanthropy—that are seemingly made possible by this expansive, imaginative capacity. More relevant to the bearing of this imaginative capacity on the problem philanthropy poses to an understanding of the complex motivations of human action is the following series of questions raised not so long ago by Edward Shils (2006, 197-200): "Why (according to the theory of rational choice and the ideal of economic behavior) does the individual think only of his own gratification as the right end of his or her actions? Why does he or she not think of the gratification of the ends of others? Is it possible for an acting subject to attribute intrinsic value to the

realization by others of their own interests?” If it is possible, as would seem to be the case in philanthropic activity, then a conception of “interest” or “return” different from that of economic theory and rational choice is entailed, because an individual can indeed act “disinterestedly” with regard to the realization (or frustration) of his or her own interests.

If there is merit to this idea of disinterested action, then as Shils further observed (2006, 213), what would be required is a different, more expansive conception of the mind that recognizes its imaginative capacities, a conception that accounts for instances of disinterested or “selfless” action, of works of charity, of works on behalf of an ideal (as in the example raised by Adam Smith), of works on behalf of others whom one knows or does not know, which impose costs on the individual while conferring benefits to others. In contrast to Shils’ observations, the explanations of economic theory and rational choice for human behavior, despite their wide applicability, must nonetheless be judged to treat the mind of the individual as if it were hermetically sealed by the individual’s pursuit of only his or her own advantage and, as such, considered unproblematic because it is homogeneous in its orientation. But does human experience confirm this homogeneity, where different ends are comparable in a calculus of preference? In other words, are there or aren’t there moral dilemmas? Is not “regret” something different from the “accident” that could have been avoided if only we had sufficient information? Do we not sometimes take into account what is right and not merely efficacious or self-serving when confronted with a difficult choice? Here again the individual may very well achieve satisfaction from acting in accord with what he or she perceives to be the right thing to do, hence a return, but he or she may do so at considerable cost while the benefit of the action accrues to another. Moreover, our problem is brought into even sharper focus when what is implicit in acting in accord with what is right is made explicit: human action is influenced by ideas—ideas (note well) that may be in tension with one another.

The Burden of an Analytical Tradition

Now, there is nothing new in the recognition of distinctive purposes of human action (see, for example, Grosby 2002). It is certainly implicit in Wilhelm von Humboldt’s *The Limits of State Action*, where he insisted that the “variety of situations” was characteristic of humanity (1993 [1792], 10-12). One should

not understand the phrase “variety of situations” as merely referring to the dispersion or decentralization of knowledge of different, i.e. specialized, human activities arising from the division of labor as impressively noted by Hayek in his analysis of the extended order of the market as an information-gathering process (1988, 14, 77, 122-23). While there is likely an overlap between what Humboldt and Hayek meant, Humboldt’s argument turns on the “manifold diversity” of distinct and separately exercised faculties of human nature; his understanding of freedom appears to imply a qualitative diversity of human experience and not only a division of labor. In the conclusion of this paper we shall return to both Humboldt’s and Hayek’s arguments as they bear on the actions of the philanthropist.

Perhaps the most influential analysis of distinctive orientations of human action is Ferdinand Tönnies’ *Gemeinschaft und Gesellschaft*. As we shall see, one can observe its influence, even if unacknowledged, on works such as Hayek’s *The Fatal Conceit*. The influence of this analytical tradition has been an obstacle to the development of a full understanding of human action.

Tönnies’ well-known contrast between the categories of “community” and “society” is not our primary concern here; more to the point for understanding philanthropy was Tönnies’ analysis of two distinctive forms of action corresponding to the social relations of community and society: respectively, *wesenwille* (natural or essential will) and *kürwille* (rational or arbitrary will) (1940 [1887], 119-73). This distinction turns on the character of deliberation, between, on the one hand, where the action (or the will) unavoidably includes thinking, and, on the other, where thinking directs action (or the will). The former, *wesenwille*, is characteristic of impulsive action (such as courage) or habit. Thinking is by no means absent in such action, but it is infused with the intimacy of the social relation: intensively so as with courage, or moderately so as with habit. And it is with this form of action that, according to Tönnies, one finds sympathy. The prototypical social relation of this form of action is an example of what was referred to above as an “existential” collectivity: the family, where one’s actions are bound up with the thought of gratifying or promoting the ends of other members of the group, with little or no calculation of the costs incurred to oneself. In contrast, *kürwille* is a form of action motivated by the thought (thus, prior to the action) of satisfying one’s own need, hence, the prototypical social relation is that of exchange. Characteristic of *kürwille* is the

individual's orientation toward the attainment of what is desired by that individual, and as such it does not, according to Tönnies, encompass a "positive" (or for the purpose of this paper, philanthropic) attitude towards one's fellow human beings.

Clearly, as has often been acknowledged by Hayek and many others, few institutions throughout history have been more positive for humanity than the market, where the producer must adjust his activity in response to the wants of the consumer. Yet the producer does so in expectation of a return to him or her—a motivation different from what Tönnies meant by the sympathy with or positive attitude to one's fellow human beings of the *wesenwille*, where one may sacrifice one's advantage for the benefit of others. The merit of Tönnies' analysis is that it recognizes this sympathetic form of action.

Despite this merit, Tönnies' analysis suffers from two flaws. First, the sympathetic relations of intense and often highly integrative attachments that were characteristic of Tönnies' *wesenwille* are observed not only in the family and the tradition-bound village. They are also found, for example, in the enthusiasm of the religious sect, manifestations of the world religions that are sometimes referred to as "fundamentalism," the patriotism of the nation, and true friendship. In all of these examples it appears that the individual often acts for the benefit of others, and often with considerable costs borne by the acting subject. Given this diversity of the ends of "selfless orientation," if it may be provisionally put this way—ranging from family, friendship, and nation, to God—one wonders whether too much about human action is obscured by subsuming it under the category of *wesenwille* or "self-transcendence." One should, for the sake of conceptual clarity, distinguish the love between a man and woman from the loyalty between friends, and both of these from the bond between mother and child.

Be that as it may, the fact of this diversity allows us to see a second, widely accepted flaw in Tönnies' analysis: it is clearly inaccurate to segregate out *wesenwille* as being in some way "residual" in the life of what is fashionably called "modernity." The anthropological expression of such segregation is when this kind of action is described as characteristic of the "primitive mentality" of the tribe, as indicated, for example, in the gift (see the discussion in Godbout 1998, chapters 7-9). It is thus to the credit of scholars such as Jacques Godbout when he rightly remarks, "the gift is just as typical of modern and contemporary societies as it is typical of ancient ones" (11). In fact, we come right up against

the limitations of Tönnies' analytical dichotomy when the gift is made not to those with whom one has face-to-face relations, as within the family or village, but to strangers. Likewise, one ought to reject as too facile the historical expression of this segregation; for example, Henry Sumner Maine's argument in *Ancient Law* that the history of human relations is a movement from status to contract. Such a historicist dichotomy only obscures the complexity of human action, both today and in the past. This is not the place to show at any length how Maine's dichotomy not only misrepresents modern relations but also those of antiquity. Suffice it to observe that membership in the modern national state is largely based on status, i.e. birth, and in antiquity contractual relations and commerce were by no means unknown, as indicated by, for example, the Assyrian evidence from as early as 1800 B.C.E. (see Veenhof 1997).

Hayek's *The Fatal Conceit* is an interesting example of some of the problems that arise from the influence of Tönnies' developmental dichotomy. At times Hayek recognizes an incommensurable diversity of the orientation of action; he observes, for example, "part of our present difficulty is that we must constantly adjust our lives, our thoughts and our emotions, in order to live simultaneously with *different kinds of orders according to different rules*" (my emphasis) (1988, 18). Here Hayek is referring to the difference between, on the one hand, actions of solidarity and altruism (which we can extend to philanthropic activity) that he, in the tradition of Tönnies, associates with the family or a small band or troop (*Gemeinschaft*), and, on the other, the competitive cooperation of the extended order of the market (*Gesellschaft*). Similarly, Hayek again recognizes this "pluralism," if you will, of the orientations of the mind when he remarks, "men may find some previously unfulfilled wishes satisfied, but only at the price of disappointing others" (74). Thus it appears that one can find (albeit submerged) in Hayek's analysis a place not only for self-interest but also for sympathy and the moral dilemmas that are at the basis of regret.

However, one discovers the influence of Tönnies' historicized dichotomy on Hayek's thought when he appears to characterize an orientation to solidarity and altruism as evolutionary residues: "the feelings that press against the restraints of civilization are anachronistic, adapted to the size and conditions of groups in the distant past" (1988, 20). Others of his comments about the existence of these feelings of different orders of "worlds" of experience are perhaps more nuanced, as when he writes, "nor is it suggested that developed morals (of the extended

order of the market) that restrain and suppress certain innate feelings should wholly displace these feelings. Our inborn instincts (one presumes, for example, the biological propensity to altruism to further the ‘interest’ of genetic transmission of the kin-group, which must be variously understood, indicating that we are never dealing merely with instincts) are still important in our relations to our immediate neighbors, and in certain other situations as well” (131).

One gets the sense from only these few excerpts from Hayek’s *The Fatal Conceit* that there is a problem with his understanding of human action and that, further, he was aware of it. Perhaps his problem of wavering between recognizing a fundamental pluralism of human affairs (that, for our purposes, acknowledges the generosity of philanthropic activity as one among a number of diverse orientations of action) and subordinating that diversity to a developmental and evolutionary schema is emblematic of the complications before us in understanding human action. Be that as it may, despite the obvious merits of Hayek’s powerful analysis, it does not help us very much in understanding what I have called “disinterested action.” The latter factually cannot be confined to the family or to the face-to-face relations of Tönnies’ *wesenwille*-infused *Gemeinschaft* or to Maine’s social relation of status. It does not help us to understand the freely given, modern gift to strangers that is often given without thought of return, as that latter term is usually understood.

Generosity and the Paradox of Disinterested Interest

It may very well be that if we extend the definition of return beyond the circulation of goods and services, then there is always a return and this return is considered important to the donors of philanthropy (Godbout 1998, 93). Nevertheless, there is, as noted, an unsatisfactory ambiguity here in this use of the conception of return because, however valid its reference may be to the philanthropist’s achieved satisfaction, the gift or the philanthropic act in general is not given or done with the expectation of reciprocation, at least not to the direct benefit of the benefactor. This is not in any way to deny that the philanthropist may or even should want his or her donation to be spent well, and in this sense may expect a return in the form of expected outcomes, irrespective of how difficult it may be to ascertain them with any degree of precision. Instead, the complication, once again, for understanding human action consists in the fact that philanthropic activity, especially today, is

undertaken to address a perceived deficiency of a state of affairs of others, and as such it is done in accord with an image of some ideal or an understanding of what is right. It is in this sense that I describe such action as being “disinterested.” Thus our understanding of *homo economicus* as an explanation for human behavior must be supplemented by factors that can account for the act of generosity undertaken in the service of an ideal in the absence of external compulsion. Despite the apparent paradox in the following phrase, don’t those facts of human action, expressed in generosity, entitle us to acknowledge the possibility of a disinterested interest?

Just how should generosity be accounted for in our understanding of human action? As I have briefly pointed out, the theoretical dichotomies, irrespective of their heuristic value, are obstacles to an attempt to account for generosity. It cannot be adequately accounted for as an evolutionary residue or characteristic of the status relation of the past. A preliminary response to the problem of how to understand generosity has been to draw attention to what it likely indicates about both the imaginative capacities of the mind and the diverse orientations of action. Let us see if we can push a bit further.

In *The Gift*, Marcel Mauss in his discussion of the Maori custom of gift-giving remarked, “to give something is to give part of oneself” (1967 [1925], 10). One need not understand this interpretation of the Maori gift as indicative of what Lévy-Bruhl called “primitive mentality,” where persons and things are confused because the latter is thought to contain the spirit of the giver. To do so wrongly prejudices the phenomenon as being in some way not modern (as Lévy-Bruhl came to understand near the end of his life). After all, there are numerous instances in modern behavior where a similar conceptual conflation between animate and inanimate can be observed—for example, in our distinction between “house” and “home.” Clearly, whenever one creates something, one puts a part of oneself into an object. Thus one can extend Mauss’s observation about the Maori custom of gift-giving by noting that in modern philanthropy the philanthropist gives a part of him- or herself, and in so doing, a particular kind of relationship is formed between the donor and the recipient, as Godbout noted (1998, 7,13, 20).

But what kind of relationship is it? Its motivation, as Tönnies saw, certainly appears different from the return of economic exchange, even though the donor expects an improvement as a result of his or her philanthropic action. To seek improvement of a state of affairs of others, however, indicates that the social

relationship formed when the philanthropist gives part of him- or herself is done for the sake of bringing a modicum of balance to bear on a relationship that was initially perceived to be in some way deficient (see Godbout 1998, 142-43). How are we to understand the philanthropist's motivation to improve a situation perceived to be deficient?

Can it be that the relation initiated by the act of the generosity of the philanthropist may be motivated by sympathy? There is a danger in such a proposal, that it will be judged as lacking in conceptual rigor, that it is "softheaded." Perhaps it is, but even so it may be accurate. The perceived deficiency in comparison with what the philanthropist views as a proper or right state of affairs arouses the sympathy of the philanthropist. If so and if there is merit to Humboldt's observation that "there is something degrading to human nature in the idea of refusing to any man the right to be human" (1993 [1792], 68), then human beings can sympathetically respond to such degradation. That they often do so is clear enough from the known facts of the extraordinary amount of philanthropic giving today, at least when the tradition of gifting is not undermined by having been "crowded out" by the state.

In this brief discussion of human action, attention so far has been concentrated on the character of the action per se, meaning whether it is self-interested or selfless. However, because the action is usually directed toward another person, the possibility arises that the character of our action may vary according to how we view the other person. At some level we know this to be true, for actions between members of a family are different from those with whom one has entered into a contract, for example. What is at stake here for understanding human action will become clearer by reformulating this possibility in more familiar terms. Ideally, the economic relationship of the exchange of goods and services in the modern, spatially extensive market is one in which there is an impersonality between the contracting individuals. In the temporally episodic, contractual relationship, both parties either suspend or ignore altogether many of the qualities they perceive in each other as both pursue their own advantage within the agreed-upon terms of the contract. And as has long been noted, one consequence of this irrelevance of personal qualities as evaluative criteria for entering into a contractual relation has been to foster a degree of toleration. However, there are actions today where the actor does take into account as significant perceived personal properties of the other. This is so

not only with the family or with those with whom one has face-to-face relations, for many are also inclined to have greater sympathy for their fellow nationals even if they have never met them.

One can account for this sympathy and the generosity it often implies as resulting from “birth establish[ing] a state of indebtedness” as Godbout has done (1998, 40). But there is more to it than that; there is a perennial tendency to form temporally enduring, binding relationships based on the criterion of nativity, what I referred to above as “existential” relations and have in the past referred to as “primordial” relations. This orientation of the mind elicits a peculiar form of interest because of the perception of evaluative properties of the self, having to do with nativity (both familial and territorial), being shared by others. One often behaves preferentially to these others, so much so that one may act on their behalf, as in the example posed by Adam Smith. I have, in a conceptually clumsy fashion, attempted to capture the distinctive peculiarity of this interest by describing it as “selfless” or “disinterested.” Deserving of further attention about this one orientation of the mind to the significance attributed to nativity is the fact that other, more instrumental and temporally episodic activities (for example, the time spent obtaining a higher education) can be infused with aspects of this relationship such that the university becomes “my university”; it becomes part of the understanding of the self, and the person is loyal to it. And of particular relevance for our understanding of philanthropy, “your” university becomes an object of your generosity.

The importance for philanthropy of these observations about the relevance to the acting subject of evaluative, personal criteria of the other is that those criteria often limit the scope of our sympathy, thus influencing the objects of our generosity. There is nothing surprising about this, nor do I think such a limitation should be regretted as being in some way antithetical to philanthropy. In fact, given this peculiar form of interest, the individual’s sympathy is more likely to be aroused, as it involves an expression of the individual’s understanding of the self; that is, the individual’s disinterested interest is heightened because the perceived deficiency is understood as bearing on one’s self-conception. Thus individuals are more likely to act generously on their own initiative, and by so doing will increase their own personal development, especially when the philanthropic gift is not compelled but instead springs from free choice (see Humboldt 1993 [1792], 23, 36). What is particularly intriguing

about this development of the character of the philanthropist is that it indicates an *expansion of the understanding of the self* such that the generosity is for the benefit of others to whom one understands oneself as being in some way related (for example, future attendees of “your” university).

Furthermore, it is likely that the interest or goal served by the philanthropic activity within such a delimited but potentially expansive sphere of sympathy will most likely be more efficacious precisely because it is undertaken by the individual within his or her own local situation, where, as Hayek noted, “the information which only the individual possesses will be used only to the extent to which he himself can use it in his own decisions as he works upon the particular task he has undertaken in the conditions in which he finds himself” (1988, 77). Hayek’s observation here about the nature of the information provided by the extended order of the market applies equally to the disinterested interest of philanthropic activity whenever these actions are not warped by a centralized authority controlling the development of information. It is thus not the least bit surprising that there is a great deal of evidence showing that philanthropy achieves greater success when it is able to draw upon the active engagement of the philanthropist and his or her immediate environs, specifically the generosity of neighborliness, the latter subject to variation (see Godbout 1998, 73, 58-61).

Conclusion

Much is at stake here, far beyond the concerns of Hayek, requiring a broader appreciation of what philanthropy indicates about the capacity of the human mind. Insofar as civility—the virtue of the citizen—requires disinterested interest in what is right not for the direct benefit of the individual but for the country, the generosity of philanthropy achieves significance far beyond that of charity. After all, to allow freedom of speech and freedom of association is to be extraordinarily philanthropic, because to do so is in principle to tolerate what one may not approve of out of fidelity to the appreciation and cultivation of what it means to be human. Given this significance, one cannot be indifferent to the cultivation of a generous character.

In this context, Hayek’s observation about the necessity of decentralized and local knowledge (and the spontaneous activity that it implies) for the development of the information of an efficient market must be broadened beyond consideration of the threat that centralized planning poses to such

efficiency. As Humboldt noted, “as each individual abandons himself to the solicitous aid of the state, so, and still more, he abandons to it the fate of his fellow-citizens. This weakens sympathy and renders mutual assistance inactive” (1993 [1792], 21), thereby undermining not only civil engagement but also important aspects of what it means to be human.

All well and good, as the sphere for our sympathy and its attendant generosity is cultivated and expanded beyond family and neighborhood to encompass one’s own nation; still, it is your country. Thus a further conundrum of modern philanthropy remains to be addressed: generosity to strangers. Clearly the sympathy shown to strangers is less than that shown to those encompassed, however tenuously and variously, by one’s understanding of the self, irrespective of how expansive the latter can become. And yet gifts are made to strangers. No doubt the generosity to strangers has been fostered by the monotheistic religions, but let us turn this obvious observation upside down by assuming that the imaginative capacity of the mind to transcend the interest of the self is what makes this limitless sympathy possible. We can then conclude that it is possible to have an interest in acting disinterestedly.

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COMMENT

GENEROSITY, VULNERABILITY, AND IMMORTALITY

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Steven Grosby has carefully argued for his idea about the significance of “disinterested interest” as one basis for understanding the motivation to be philanthropic. Motivation itself is one tough nut to crack, and it reminds me that the better part of all judgment that we have of others is by necessity—that is, through experience—rooted in our observations of their actions rather than the reasons they may give for them. Economic thinking, however much it is extended into other fields by the theory of rational choice, elides the difference between motivation and action, settling instead on judging results or outcomes as the principal measure of success. Such thinking has about it an air of triumphalism; after all, whatever counts as failure indicts motivation as a causal ingredient in a formula for action that would count generosity, for example, as “rational” only insofar as the provider does not give away so much that he or she becomes the one requiring provision.

Of course, to be generous is not a characteristic determined by any single aspect of identity, such as one’s social class. The possession of wealth is no guarantee of generosity, and poverty by no means precludes it. In the tradition of social exchange theory, the act of giving is predicated on mutual understandings of reciprocity. I give, and you acknowledge that I gave. These types of understandings go beyond the prerequisites of a market economy, where assumptions such as “I pay, you deliver” or “I prefer, you accommodate” work only insofar as reciprocity and reputation mutually reinforce one another. The act of charity is for most purposes not all that different, except that the motivation to give, as Grosby rightly recognizes, is more than natural, though it may be that too. To say that it is supernatural, that is, beyond the testing alone that observation of action may provide, is to say that we see a purpose to it that transcends acknowledgment from others as the required proof of its importance or significance.

Philanthropic Greatness

The problem with what I have outlined thus far is that the history of mainstream philanthropy has always been tied to the existence of great wealth, great persons, great institutions, and great notice to that wealth and to those persons and institutions. This is not all that shapes this history, but it is part of the canonical patterns of all kinds of progress that such notice is given and recorded for posterity. If you travel to Freeport, Maine, you will see that the building that used to be the public library there still bears the name of Andrew Carnegie even though the structure now houses a clothing store. Carnegie's name is engraved in stone, and despite the commercial dissonance that mixing his name and the store's name may cause, it was retained either as a reminder of his beneficence or, more likely, as a testament to a simple cost/benefit calculation that its removal would either look like a defacement or would not be worth the cost required. The name Carnegie, chiseled in stone, will endure no doubt much longer than a line of clothing. This might be considered as exemplifying the difference between the pursuit of long-term and short-term gains.

The long term is not the same as immortality, but inscriptions in granite, whether on a library or tombstone, are also more than displays of affluence. Why anyone is motivated to pay anything for the sake of honoring another person, beyond the good impression it may provide to others, is hardly a mystery. Our vanity depends on others. To be thanked and to expect to be thanked are primordial elements in what motivates us to act on our own or another's behalf. In the recent book *On Kindness*, by psychoanalyst Adam Phillips and historian Barbara Taylor, this primordial assumption is updated by the observation that to be kind and generous is also an act of consummate risk-taking, opening the one who exhibits kindness to the vulnerability of rejection by others. The psychoanalytic lesson is molded with the historical judgment that our current era is less encouraging of kindness because a therapeutic or narcissistic age guards especially against allowing one to be vulnerable to others. Adam Smith viewed this from another perspective when he wrote, in *The Theory of the Moral Sentiments*, "To oblige [someone] by force to perform what in gratitude he ought to perform, and what every impartial spectator would approve of him for performing, would, if possible, be still more improper than his neglecting to perform it" ([1759] 1982 II, ii. 1.3). Generosity and gratitude for it, if demanded or coerced, lose their meaning as virtues. Smith assumed nothing about vulnerability as a kind of cost attributed

to a loss of self-esteem. Instead, in his time, unlike our own, shaming someone to be grateful was simply viewed as a morally inferior way of inducing the virtue of gratitude.

The choice to be generous and to be grateful for generosity, however such generosity is conceived, is not grounded in an appreciation of mortality (“you can’t take it with you”) but rather in a much more mundane appreciation of the possession of things themselves. The moral superiority of choice—not rational choice—depends on the value of things not only in sentimental terms but also in terms of their ascribed importance in the preservation of collective memory. Among the greatest philanthropists are often found the greatest “collectors” of art, books, and other possessions of economic value but not of economic value alone (such as gold and silver). To acquire certain things, to collect them together, often in one place, and to organize their presentation to others, are all actions that serve to create a collective memory. The inspiration to do this is what often gives greatness to wealth.

But this kind of greatness is only for the few, and even those few face difficulties in imagining how to shape that collective memory. Who defines for the wealthy the purposes to which wealth can and should be put? In addresses about the dangers of riches, such figures as John Henry Cardinal Newman and John Wesley argued that those with wealth had a responsibility to use it constructively. Newman was nevertheless suspicious of this purpose: “Even when his conduct is most disinterested and amiable, as in spending for the comfort of those who depend on him, still this indulgence of self, of pride and worldliness insinuates itself. Very unlikely therefore is it that he should be liberal towards God, for religious offerings are an expenditure without sensible return and that upon objects for which the very pursuit of wealth has indisposed his mind” (1898, 358). Both Newman and Wesley reproached those who acquired money for its own sake, with Wesley referring specifically to *pleonexia*, the condition of a desire to have more, in particular from others and at their expense. To covet, of course, is not the same as to collect, but whatever shape the amassing of things may take, the achievement invariably is at the expense of some other effort toward some other purpose.

Traditions of Purpose

Government acquires wealth at the expense of others in the form of all manner of taxation, which is given up voluntarily as the law representing the people's will requires. That wealth is redistributed in all manner of ways, including the great forging of collective memory, for example, in the form of public monuments. However they have come about, these are monuments to what Americans at least historically aspired to view as greatness in the spirit of service to the nation. Philanthropy has long complemented such memorializing by helping to build institutions that revere and promote national purposes, education being the most conspicuous among those purposes. These kinds of purposes answer the question raised above about who defines for the wealthy the purposes to which wealth can and should be put. Such purpose has already been established in traditions that antedate the role that government has come to play in the last several centuries. What is at stake is how vast, private wealth can emulate the state not only in its welfare functions but also in its commemorative ones. That is, the forging of collective memory has never been exclusively a public function (i.e., the responsibility of government), but there is a *Kulturkampf* in place that makes all philanthropic action problematic in terms of the definition of that memory. The struggle itself has understandably been most intense within our educational institutions because they have most immediate access to impressing future generations.

Philanthropic activity typically takes place at levels of local, rather than national notice. The thousands of names associated with rooms and buildings in our colleges and universities, for example, are literally unknown to both faculty and students, even at the time the gifts are made. Within a few years, the names associated with these acts of giving are familiar to everyone, even though no one knows in any personal sense to whom the names refer. Here is one paradox of collective memory: the Lincoln Memorial melds person and history together in a collective act of national purpose. Beneath that level of purpose, the actions of particular persons melt away and disappear, leaving their acts of generosity fully embedded in the traditions of purpose already described. So it is with most acts of generosity. The gratitude is for an opportunity assured for others rather than exclusively a debt incurred to be paid by others. Giving back to one's school after graduation is best understood as a traditional act of generosity. The "larger donors," as they have come to be

called, may imagine that the appreciation for their acts of generosity is in some manner more special than the lists of donor names by graduating class that appear in every alumnae magazine across the country. Joseph Epstein suggests that these feelings of self-importance are just that, and that they arise in our narcissistic age as a consequence of the loss of religious meaning in the lives of so many, especially among the wealthy. Like the admonitions of Newman and Wesley, Epstein's humor at these wealthy donors' expense is proof enough that the required puffing up to get the big givers to give is the therapeutic complement to what Smith decried as the morally inferior expectation that one might be shamed into being grateful.

Moses Maimonides, the twelfth-century philosopher-physician devised a ladder of charitable giving (*Tzedakah*) that was intended to provide moral judgment about different ways in which such generosity could be understood. The least morally approved act of giving is one done reluctantly or unwillingly. The most morally commendable act is one in which the donor forms some type of partnership with a person in need, enabling them to become self-supporting. The next most commendable act is when neither donor nor recipient is known to the other. And the next least commendable act is charity given willingly but less than one should. Maimonides elaborated eight levels of such charitable generosity.

The significance of this sort of moral calculus is to make clear the distinction between motive and action. Giving is good; not giving enough is not good enough. Anonymous giving is next to the highest form of giving, but there is one step higher where the donor is known to the recipient and helps in such a way as to enable the recipient to become self-sufficient. Maimonides assumed a world in which individual actors were moral agents unto themselves, with no such thing as welfare states and their bureaucratic agents of generosity. He assumed a world entirely constituted by localities of action. That world has certainly not disappeared, but the kind of wealth that is currently extant regularly creates a fusion between personality and purpose that literally thousands of others live off of day to day. The same is true for institutions and their purposes. The rise of explanatory models that herald ideas such as rational choice is consistent with the bureaucratization of both public and private wealth.

I have for many years played a game with students and friends about what one might do if by chance he or she won a hundred million dollars in a state

lottery, as happens not frequently but often enough to be the subject of both academic study and occasional national attention. Imagine, I propose, buying a ticket for one dollar and discovering that it contains a sequence of numbers that can be exchanged for one hundred million dollars after taxes. What would you do the next day? Would you drop out of school or quit your job? Would you buy whatever you think you have always wanted? Would you take care of friends and family? How would you decide what to do? Do you think your relationships with others would be more vulnerable to change? Why would they change? And so on. I would ask them to entertain not the impossible but certainly the improbable, and thereby consider the blessings of circumstances that do not change dramatically in any particular direction, worse or better. No one, it seems, today can tell others what to do with their time and money, but without an anchoring in the traditional notion that all acts of true generosity are blessings conferred upon the giver as much as the receiver and are derived from a belief in an immortality that is precisely not our own, why we give will appear to matter more than it should and less than it does.

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COMMENT

“THE GOSPEL OF WEALTH” AND TRUE PHILANTHROPY

James R. Otteson

Professor Steven Grosby’s interesting essay does not raise a new problem, but it does suggest a new—and provocative—way to address it. The problem, at bottom, is how to explain philanthropic behavior within the theory that human beings are self-interested, rational, utility maximizers. Grosby rightly indicates that, whatever else is true, human beings surely are not *only* rational utility maximizers. They frequently, indeed routinely, sacrifice their own interests to serve the interests of others, and they also frequently “achieve satisfaction from acting in accord with what [they perceive] to be the right thing to do” even “at considerable cost [to themselves] while the benefit of the action accrues to another” (2009, 3). An example Grosby raises to illustrate his point is patriotism, especially in its ultimate expression: “Whatever the satisfaction derived by the individual in sacrificing his or her life, the benefit or return of this action accrues not to that individual but to the nation.”(2)

Hence Grosby concludes that natural human motivation is more complex than the *homo economicus* model allows. But the new and provocative direction in which Grosby takes this insight is to suggest that we might actually have “an interest in acting disinterestedly.”(13)

Exactly what this means and how Grosby gets there are somewhat complicated, and I shall not attempt to reproduce it all. Grosby’s argument stands on its own and requires no help from me. Instead, in this short comment I propose to raise an issue related to Grosby’s discussion, which I hope will illuminate an important implication of his position.

Consider the case of Andrew Carnegie (1835–1919). Carnegie was one of the wealthiest men in the world during his lifetime, and indeed one of the wealthiest men in the history of the world, in inflation-adjusted terms. One

estimate suggests that his peak wealth would be roughly equivalent to \$300 billion today, which would make him the world's wealthiest person on earth by nearly a tenfold margin. In 1901 Carnegie sold his interest in U.S. Steel to J. P. Morgan for \$480,000,000, the equivalent of more than \$10 billion today, of which approximately \$250 million (some \$5 billion today) went directly to Carnegie himself. But Carnegie was not only a single-minded businessman. He also reflected deeply on the obligations people of wealth have toward their needier brethren.

Indiscriminate Almsgiving as an Evil

In 1889 Carnegie wrote an essay, "The Gospel of Wealth," in which he argued against what he called "indiscriminate almsgiving." He began with the claim that there is a legitimate and important distinction between deserving and non-deserving poor. Some people, Carnegie argued, are poor through no fault of their own: sometimes circumstances conspire against one, making it difficult to get ahead despite one's best efforts. Such people, Carnegie said, deserve our help. On the other hand, some people are poor because of decisions they made that led to bad consequences. These, Carnegie thought, do not deserve our help. But because indiscriminate almsgiving does not heed this distinction, it rewards not only behavior that should be rewarded—such as effort, industry, and persistence—but also behavior that should not be rewarded—such as imprudence, irresponsibility, and idleness. Carnegie minces no words about this: "It were better for mankind that the millions of the rich were thrown into the sea than so spent as to encourage the slothful, the drunken, the unworthy" (2006, 11).

According to Carnegie, the wealthy person who gives to those asking for money without first determining whether the proposed recipient is deserving actually causes not one but two kinds of bad consequences. First, he encourages the undeserving to continue in their wayward behavior, by decreasing the costs of indulgence, and second, he discourages the deserving from continuing their industry and effort, by showing them that it is pointless. If they receive reward regardless of whether they put forth effort, why, all else being equal, would people want to continue putting forth effort? Thus in addition to enabling the idle and irresponsible poor to remain idle and irresponsible, the indiscriminate almsgiver works to increase their numbers by spreading a "moral infection" that slowly but inexorably converts their industrious brethren to consider the less noble but "easier path" of dependence

(11). These facts, Carnegie thought, licensed calling indiscriminate almsgiving a “cancer” on society and indeed characterizing its effects as “evil” (47).

Carnegie was well aware that his position faces the practical problem of how to know whether a person asking for money is deserving. Even more difficult is to know whether a representative of the poor who is asking for money intends to, and in fact will, give the money only to those who deserve it. It is precisely this difficulty of gathering crucial information that Carnegie thought made effective giving such a daunting prospect: “Unless the individual giver knows the person or family in misfortune, their habits, conduct, and cause of distress, and knows that help given will aid them to help themselves, he cannot act properly” (46). However, because he believed that the “man of wealth” should become a “trustee and agent for his poorer brethren” (10) and “he who dies rich dies disgraced” (30), the moral imperative becomes urgent: find those who deserve help, find ways of giving that actually help them, and do it now.

Carnegie’s suggested avenues of help included founding museums, concert halls, libraries, and even universities—things that ministered not to people’s immediate material or physical needs but instead to the higher aspects of their humanity. Critics derided his suggestions for just this reason: what need has a hungry man for a library? He cannot, after all, eat the books. But Carnegie’s aim was to address not what merely kept people alive but rather, as Grosby puts it, “what it means to be human” (2009, 13). Grosby quotes Wilhelm von Humboldt as saying that “there is something degrading to human nature in the idea of refusing to any man the right to be human” (11). One way to refuse another the “right to be human” is by treating him like an animal. Here we must proceed with some delicacy, because the argument is easily misunderstood. When we offer someone a meal or money without asking how he got to his sorry state or offering to work together on strategies to rise out of it, we may stave off his hunger for a while, but our obligations to him are not yet fulfilled. We intend to refrain from judging him or embarrassing him, but by not engaging him in these serious conversations we treat him as if bodily needs are all there is to him. Asking him to give an account of himself and his actions, by contrast, displays our understanding that he is a reasoning and accountable creature; it manifests our belief that, whatever difficulties he may face, he is capable of taking steps to address them. It shows that we understand that his life is his own; it treats him like an adult; it treats him like a human being.

True Help

No-questions-asked “indiscriminate almsgiving” may provide a temporary abatement of a poor person’s desires, and it may save both the giver and the recipient the discomfort or awkwardness that often accompanies a difficult conversation that involves examining one’s life. But the Carnegiean argument, which is consistent with von Humboldt’s and I think Grosby’s as well, is that the personal moral obligation each of us has to needy others requires far more than a check. Giving money is easy—all too easy. Far more difficult, if far more important, is to treat others like human beings who are free and accountable adults. Thus the Carnegiean philosophy is not a mere pretense or rationalization to avoid helping others—that is the easy misinterpretation to which I referred earlier. The Carnegiean philosophy does not avoid responsibility. Instead, it *insists* on a responsibility to give, but it adds the substantially more difficult, correlated obligation of careful, personal investigation into who actually deserves help and what would actually constitute help.

Carnegie’s enormous and generous philanthropy later in his life is typically seen as a transparent attempt to atone for his alleged sins of greedy capitalist exploitation. Because he insisted on not helping those who did not deserve help, he has sometimes, moreover, received the unpleasant epithet “social Darwinist.” These are intemperate criticisms, usually based on little attention to what Carnegie actually did and what he actually wrote. Carnegie was one of the principal creators of a distinctively American tradition and expectation that once one had achieved a certain level of wealth one’s moral responsibility to one’s fellow citizens was to become their “trustee,” not in small but in great and expansive ways. The thousands of libraries he created, the performing halls he built, the churches to which he supplied pipe organs, the universities he founded: all are monuments to the seriousness with which he took his responsibilities as a trustee. The charge that in doing so Carnegie was acting only out of crass self-interest, perhaps to assuage his guilt, is refuted by his own words and deeds. He repeatedly stated that he acted out of duty, out of a notion that what he was doing was right, and out of a profound sense of service—true, not feigned or pretended service—to his fellow man.

Here, then, I suggest, is an instructive test case of Grosby’s analysis. Can we account for Carnegie’s behavior, the behavior of this quintessential “robber baron,” by assuming only rational self-interest? No. Even while fully engaged

in making his fortune, Carnegie did not believe his actions were solely self-interested. As he would later write, “Consider the millionaire who continues to use his capital actively in enterprises which give employment and develop the resources of the world. He who manages the ships, the mines, the factories, cannot withdraw his capital, for this is the tool with which he works such beneficent wonders; nor can he restrict his operations, for the cessation of growth and improvement in any industrial undertaking marks the beginning of decay” (2006, 50). Carnegie no doubt saw himself as one such person, which contradicts the common perception that wealthy businessmen are in it only for the money. However we come, then, in the final analysis, to describe the motives that drove Carnegie to do what he did, it seems that it is a more complicated story than “self-interested utility maximization.” On this, it seems to me, Grosby’s analysis is correct.

Grosby concludes his essay with the provocative suggestion that “the imaginative capacity of the mind to transcend the interest of the self is what makes this limitless sympathy [which accounts for generosity even to strangers] possible. We can then conclude that it is possible to have an interest in acting disinterestedly” (2009, 13). What I think Grosby means there, and what I believe Carnegie exemplified, is that the philanthropic impulse is a natural part of human social relations (and any sane economic or political doctrine must account for it, not explain it away). Moreover, this impulse is not explicable solely by reference to self-interest, and it simultaneously both produces and assumes a fullness of human nature that exceeds the scope of, and is indeed nobler than, the impulses to self-preservation and to serving one’s own immediate interests. True philanthropy is undertaken by free and accountable beings in the service of other free and accountable beings, and the demands it places on both parties unite them in a joint project of making human life better. When Grosby recommends developing a desire to pursue “an interest in acting disinterestedly,” I believe he is suggesting that we are made better by acting philanthropically to help others realize their own ends. My extension of his argument is to suggest that we also, at the same time, make those others’ lives better not only by helping them realize their ends but also by helping them realize, and thus strengthening their ability to live up to, what it means to be truly human.

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COMMENT

“DAS STEVEN GROSBY PROBLEM”

Gordon Lloyd

Scholars, particularly German ones, have written about an ages-old puzzle they call “Das Adam Smith Problem,” namely, how could the same person over several decades write *The Wealth of Nations* and *The Theory of Moral Sentiments* and revise them here and there, yet never reconcile “the contradiction”? Today, scholars no longer wrestle with how the same person could provide a strong case for self-interested action in one book and make an equally compelling case for other-regarding conduct in another book. Instead, we have a new Das Adam Smith Problem: *how* does the reconciliation take place? That debate continues, with obvious consequences for the future study of philanthropy.

It seems to me that Steven Grosby would welcome an equivalent Das Friedrich Hayek Problem in either an old form or a new one. Das Problem, or “complication,” for Grosby, however, is that there is no old or new problem of reconciliation to work with. Grosby shows, with great respect for the Austrian tradition, that while there are books on self-interest, there is no “other book” dealing with moral sentiments, even from Hayek himself. Grosby does his best to help by showing that Hayek might have “been aware” of the need for a book “that accounts for instances of disinterested or ‘selfless’ action.”

In the end, however, what we have from Hayek and other Austrian-based rational-choice economists, according to Grosby—and I agree totally with his analysis—is the “extended order of the market” explanation. This *Gesellschaft* (“the competitive cooperation of the extended order of the market) reduces helping others to a matter of helping oneself, and helping oneself in this “hermetically sealed” fashion fails to acknowledge “a more expansive conception of the mind that recognizes its imaginative capacities.” This more open-minded approach recognizes the phenomenon of “regret,” and it remembers that “human action is influenced by ideas—ideas (note well) that may be in tension with one

another.” This expanded approach recognizes that human conduct involves benefiting others at some cost to oneself.

But, alas, Grosby tells us, the only other-regarding alternative to the narrow model of self-interest that “the analytical tradition” has generated to *Gesellschaft* is *Gemeinschaft* (attachment to a small group). This alternative falls short of explaining the role of “disinterested action” and sympathy toward others beyond the small group of family and friends. It fails to address helping (1) a larger group of people with whom one has some affinity, and (2) complete and utter strangers with whom one has no connection whatsoever.

I sympathize with Professor Grosby. If only we had the tension between self-interest and disinterested interest in Hayekian and Austrian reality—that is, if this tension actually existed in the actual, published work of Hayek and the Austrians—then we could talk about Das Friedrich Hayek Problem and address the need for reconciliation.

To Grosby’s credit, he knows that common sense tells us that human reality—that is, actual human action in the world—exhibits generous human conduct without compulsion. However, he wants to show that such conduct is explainable and defensible without undermining the work of Hayek and the school of rational choice. But here is the rub, in two parts: one, he wants “an additional, different explanation” to the Austrian-based rational choice model to explain other-regarding conduct, and two, this further explanation must not “invalidate an economic or rational choice theory of action.” I shall include these elements in exploring Das Steven Grosby Problem.

Reconciliation of Das Steven Grosby Problem

Is there a way out of this dilemma? Yes, and the answer lies in pursuing the second of the two examples of generous conduct Grosby leaves us with. Both invite us to seek reconciliation between self-interest and disinterested interest.

One example is what I shall call “the complete stranger” test. Grosby leaves open the possibility that the true test of “the imaginative capacity of the mind to transcend interest of the self” is the capacity of humans to show “limitless sympathy” and make gifts to complete strangers. In my opinion, this pushes the solution to the problem of self-interest and disinterested interest away from a reconciliation of the two approaches. I think that the “complete stranger” test is actually a capitulation of self-interest to disinterested interest. Doesn’t this test

require that unless I demonstrate that an act is knowingly done toward an unknown person totally separated from *Gemeinschaft*, it does not pass the reconciliation test?

The second example involves a prudent expansion of the meaning of *Gemeinschaft* from a smallish band, where sympathy between individuals is shaped by attachment to the neighborhood, to a larger country, where the sense of self has been expanded along with the expansion of the orbit of living. Thus we can envision an expansion of the mind to help the stranger not *qua* stranger, but the stranger who is a fellow member of “my” country.

This raises the question of the relationship of generosity and philanthropy to patriotism and citizenship. If philanthropy involves, as Grosby has clearly argued, (1) “a perceived deficiency of a state of affairs of others,” (2) “an image of some ideal or an understanding of what is right,” and (3) generous conduct “for the benefit of others to whom one understands oneself as being in some way related,” then philanthropy is not merely an exercise in analytical philosophy but also an activity of political prudence in the founding of institutions. Put differently, is there Das American Founders Problem?

Philanthropy as “the Deliberate Sense of the Community”

In *Federalist* 10, Madison (2001, 42-48, 268-272, 327-328) informs us that “the latent causes of faction are thus sown in the nature of man.” Furthermore, “the most common and durable source of factions,” is the quarrel over the variety and “unequal distribution of property.” The solution does not lie in eliminating the cause of faction, because that is improbable and unwise, but in controlling its effects. This is best done by “expanding the sphere” within which factions operate. This expansion of the sphere of the competitive market makes it more difficult to discover and act upon the inclination to engage in factious conduct. Philanthropy is unlikely to occur where a Hobbesian war of all against all takes place.

Madison’s “extension of the orbit” of the political market sounds very close to Hayek’s “extend the order of the (economic) market” approach and Smith’s *Wealth of Nations* argument that a nation’s well-being depends on the wealth of the nation, which depends on the productivity of labor, which depends on the division of labor, which depends on “the extent of the (economic) market.” For Madison, the control of faction depends on the division of interests, which depends on the extent of the orbit within which political activity operates. But the

three ideas are compatible: the competition between self-interested individuals and groups in a society should produce an outcome consistent with liberty and order. Yet there is no philanthropy taking place.

There is another important observation in Madison's *Federalist* 51. "If all men were angels, no government would be necessary." Accordingly, the very existence of government itself is "a reflection on human nature." Thus "the great difficulty of founding" is to create institutional structures that encourage (1) individuals to govern themselves responsibly instead of engaging in shortsighted and intemperate conduct and (2) the central government to control itself and not pass laws that endanger liberty and justice. To this end Madison encourages extended competition between the separate branches of government, where the "ambition" of Congress combats the "ambition" of the President.

But does Madison mean that (1) no men are angels? (2) few men are angels? or (3) most men are angels? Having both liberty and philanthropy in a democratic republic is impossible if Madison intends the first supposition, because there is no "sympathy" or angelic inclinations toward others, and liberty is replaced by coercion. Likewise, philanthropy is unnecessary if he means for us to accept the third supposition, because there is such a natural outpouring of sympathetic feelings for the well-being of others that we don't even need to talk about the problem of philanthropy.

Thus we are left with the second supposition, that few men are angels but there are a sufficient number of angels, or philanthropists, to warrant the *possibility* that a sufficient amount of angelic, or patriotic, conduct exists. More importantly, such behavior must be sustained and fostered by sufficiently angelic, or sympathetic, individuals. The reason some sort of minimum angelic conduct—or philanthropy—is *needed* is that in a democratic republic the opinion of the people prevails, and their opinion is a reflection of their character. Hence we need a few philanthropists who understand the problem and grasp the opportunity to engage, for example, in civic education.

If we combine the two essays, we get the following: if all men were angels, no government would be needed, no factions would exist, and perfect harmony would prevail. And no philanthropy would be either possible or needed. But we know better than to buy into this utopian narrative. The very possibility of philanthropy in a democratic republic requires the control of faction, the defense of liberty, and the control of government, as a necessary condition.

And that is where *Federalist* 63 enters. What if the extension of the orbit (*Federalist* 10) and the separation of powers (*Federalist* 51) are insufficient to control “the violence of faction” and secure “the permanent and aggregate interests” of the community? We need an institution that has the capacity to generate “the deliberate sense of the community.” And that institution, the Senate, encourages “the enlargement of the mind.” Here is the sufficient condition for reconciliation.

Senators serve for an “extended term” of six years, are older than House members, and have “extensive power” to check and balance the temporary delusions and intemperate inclinations of the people and their representatives. The Senate is designed to discourage the worst features of self-interested behavior—doing deliberate harm to others and the community—and also, more importantly, to encourage an interest in disinterestedness. The goal is to produce an outcome that the next generation, indeed the generations of “remote futurity,” will look back on and give thanks for and be inspired to do the right thing, in order to, following the language of the Preamble to the Constitution, “secure the blessings of liberty to ourselves and our posterity.”

I don’t mean to suggest that these three essays are all one needs to read in *The Federalist*, nor that *The Federalist* alone provides all one needs to know about the American Founding. But what I do mean is that these essays contain “the opportunity” and “the responsibility” facing philanthropy in a democratic republic. The philanthropic opportunity is the establishment of an infrastructure of giving: one has the liberty to give or not give, without the presence of coercion. The philanthropic responsibility is to exercise the freedom to give in a manner that increases the well-being of posterity.

The lesson from the American Founding is that individuals may be born free, but they are not born totally decent, self-restrained, and other-regarding, never mind born with an instinctive propensity to be generous and philanthropic. But disinterested conduct can be—nay, must be—taught and reinforced by an enlargement of the orbit of living and an enlargement of the mind, the necessary conditions for philanthropy. As Madison indicates in *Federalist* 55: “As there is a degree of depravity in mankind...so there are other qualities in human nature, which justify a certain portion of trust and confidence” (2001, 291). Both democratic republicanism and philanthropic activity require that these sentiments be sufficiently nurtured. There is no Das Founders Problem.

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COMMENT

BEYOND SELF-INTEREST AND ALTRUISM: CARE AS MUTUAL NOURISHMENT

Paul G. Schervish

In “Philanthropy and Human Action,” Steven Grosby succeeds in his effort to explain the coexistence of “self-interest and self-sacrifice” within the theory of rational choice. My question is whether his case for “an interest in acting disinterestedly” (what I will call an *interested disinterestedness*), as an amendment to the theory of rational choice, contributes substantially enough to our understanding of what mobilizes our care for others. Grosby clearly recognizes the shortcomings of rational choice theory in explaining what many self-conscious, sensitive, and discerning individuals describe as sacrificial, generous, or philanthropic human behavior. In order to capture such beneficent orientations of individuals, Grosby tends to speak of these orientations as “disinterestedness” and of the individuals and behaviors reflecting such orientations as “disinterested.” These terms work just fine for his purposes, which are (1) to contrast disinterestedness with self-interest, (2) to reconcile rational choice with his belief that altruistic orientations truly exist, and (3) to do this without abandoning the initial principle of rational choice theory, namely that self-interest remains the ultimate impetus for all behavior.

It is also apposite that Grosby frames the central question of his essay by citing a duality in Adam Smith. Smith emphasizes how market relations guided by individual self-interest will accrue to the benefit of all. This dispensation, Smith recognized, provides society with a lower bound of welfare and civility. But Grosby also points to Smith’s high regard for beneficence and fellow-feeling as the source of a more pleasant and salutary society well above that provided by self-regard.

My favorite sections in which Smith frames the duality of rational choice and choice from affection are in his *Theory of Moral Sentiments*. On the one hand, Smith sees relations based on a sense of utility as the fundamental glue of society:

Society may subsist among different men, as among different merchants, from a sense of its utility, without any mutual love or affection; and though no man in it should owe any obligation, or be bound in gratitude to any other, it may still be upheld by a mercenary exchange of good offices according to an agreed valuation (2000 [1759], 124).

The dilemma is that Smith, the seeming champion of rational choice, goes on to say, “Society may subsist, though not in the most comfortable state, without beneficence”:

All the members of human society stand in need of each other’s assistance, and are likewise exposed to mutual injuries. Where necessary assistance is reciprocally afforded from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection, and are, as it were, drawn to one common centre of mutual good offices (125).

The question is how to reconcile Smith’s thinking about society resting on reciprocal “bonds of love” deriving from gratitude and friendship with his position that society is held together by choices derived from a “sense of . . . utility.”

Grosby does not view Smith’s notions of beneficence as naïve or misguided. But his own response to the Smith conundrum leads him to incorporate theories of beneficence into rational choice theory rather than vice versa. As he says, the actions that Smith points to as benefiting others “do not invalidate an economic or rational choice theory of action but do require an additional, different explanation” (2009, 2)

Grosby’s carefully argued “additional, different explanation” to complement rational choice theory is as good a job as I have seen. Few economic theorists countenance any intrusion by today’s more culturally based behavioral economics. But for those who do, such as Grosby, it is not easy to reconcile rational choice theory with what religions, spiritualities, and humanisms present as motivations for care that run far deeper than even a modified notion of self-interest. Grosby’s wrestling with the issues is instructive. But in the end his efforts leave us with less value than if he had tried a different tack: either abandon rational choice altogether, or embed rational choice theory into theories of care, affinity, love, gratitude, and empathy—those deeply seated motivations of affection that Smith recognizes as animating moral sentiments.

Several years ago I went through a parallel mental conversation with Gary Becker who likewise seeks to account for “altruism” within the rational choice model. Becker’s case against altruism is that it is a merely apparent epiphenomenon that can be “explained away” by a deeper understanding of rational choice theory. What first appears as a preference for non-self-interested altruism is actually a more complex or composite preference, one in which the self-interest of individuals is to meet the needs of others. What may appear to be selflessness is better understood as “multiperson altruism” carried out as a rational choice. For Becker, even sociobiological “models of group selection are unnecessary since altruistic behavior can be selected as a consequence of individual rationality” (1976, 284).

Imperialistic Theory

So where does all this leave me? In the debate between self-interested choice and selfless altruism, I judge rational self-interested choice the easy winner. Rational choice theory is imperialistic—it can devour any counterargument by saying that if somebody does something it must entail a self-interested utility. For instance, a mother dives into a frozen pond to save her child who has broken through the ice. She may have been brave; she may not have stopped to think about her action. But did she do it without being coerced? Did she choose to do it? Yes. Well then, by definition it was self-interested. And this holds true even if she makes mistakes and does not do what is objectively effective, such as lying on the ice and casting her jacket forward so that her child can clutch it. Rational choice theory explains her actions as self-interested, or at best, as interested disinterestedness.

Dante’s “Abandon hope, all ye who enter here” (*Inferno*, Canto III, line 9) should be heeded by anyone who dares to enter the cave going down to the Inferno of a reductionist theory. Head to head, there is no vanquishing rational choice theory. As I will explain, this surrender to rational choice theory does not mean that I agree with it. It is simply that I will offer a wholly different approach, one that neither accepts nor directly disputes rational choice theory on its own turf. My point is that once we pit the theory of self-interested rational choice against theories of selflessness or altruism, rational choice theory always wins. As an ultimately reductionist argument, rational choice theory will always prevail simply (as we have seen) by taking one step back and crafting an amendment to rational choice theory that sees care for others as a self-interested utility. Generating such a hybrid conception is as close as it is possible to come to “saving” caring behavior within rational choice explanations of care.

Even though rational choice theory can defeat altruism in its many terminological manifestations (selflessness, disinterestedness, other-directedness, etc.) if they go head to head, it is important to take a moment to explore altruism in its own right as an alternative explanation of caring behavior. For the moment let us circumvent the insurmountable regime of self-interest and examine the modern conception of altruism as selflessness. It appears that the first use of the term altruism was by Auguste Comte, defining the term as the impetus “to live for others” (1973 [1851], 565). He used the term as the opposite of egoism, which he understood as the baser impetus to pursue self-interest for survival. Altruism was the natural outgrowth of human development, he argued. Teaching and even imposing it was necessary to overcome self-interest in order to institute “the religion of humanity,” where religion is “that state of complete harmony peculiar to human life” (Comte 2009 [1852], 8). The notion of altruistic selflessness suggested by Comte comes down to self-interest subordinated to altruism instead of altruism subordinated to self-interest. But just how is it possible to explain activities in which a person is thoroughly engaged as selfless? As I will explain in the next section, altruism as an antidote to self-interest is theologically, spiritually, philosophically, and phenomenologically inadequate. Selflessness simply is not what people experience when they engage in caring behavior, and a theory of selflessness is thus no more convincing than rational choice theory.

Dialectical Approach

I do not agree that we must accept either the elegant framework of rational choice theory or the civilized framework of altruism. I suggest a third option. This *tertium quid* is not a middle, gray position seeking a balance between rational choice theory and altruism theory. I do not seek to bring together as closely as possible some version of interested disinterestedness or its kissing cousin, disinterested interestedness. Just as it is inadequate to understand care as mobilized by a calculating rational self, it is also inadequate to understand it as mobilized by the absence of self-regard. My alternative approach results from a dialectical synthesis of rational choice and altruism. From rational choice theory I garner the presence of self; from altruism theory I acquire the reality of authentic care that regards others as worthy of my efforts. My *tertium quid* is not a gray middle ground, but, if you will, a new pink or chartreuse alternative. Consider the affirmation to be the existence of a self rationally calculating one’s interest, as the utilitarians would have it. The negation of the affirmation is the absence of self as

a prerequisite for heartfelt care of others, as the altruists would have it. My synthetic negation of the negation points to the existence of a certain *kind* of self. It is not the absence of a self but the quality of a self that mobilizes care. This quality is one of identification, mutual nourishment, and connectedness—in other words, love in action. I call the framework surrounding my approach, the “identification theory.”

Now, I am well aware that people may understand and describe their orientations within the framework of self-interest, altruism, or some hybrid of the two. However, I do not believe that their choice of language does justice to their actual experiences. In fact my interview research and interaction with participants at workshops have taught me that when given the opportunity for deeper reflection, individuals invariably narrate a version of an identified self. They experience and come to enunciate how their philanthropy as well as the personal assistance they provide family, friends, and others is an inseparable unity of love of neighbor and love of self. They explain that empathy with the fate of others is what motivates them to care for others. It is identification with the fortunes of others, even strangers in distant lands, as if those others were themselves, their parents, children, friends, or other loved ones. As one progressive respondent said, “Liberals do things in order to help someone else; radicals do things in order to help others and themselves at the same time.” When it comes to care, I believe we are all “radicals” who get to the root of things in this way.

I draw on several sources in elaborating the meaning and practice of the identification theory. The theory derives from the Western philosophical and religious tradition as formulated by Thomas Aquinas and Aristotle as well as contemporary thinkers who seek to locate identification as the generative disposition for care and philanthropy. Aquinas views people’s truer self as extending to others rather than curtailing their love of self. Clearly Aquinas did not anticipate our modern notion of identity as a social-psychological aspect of an individuated personality. He did, however, advance the notion of *identification* as an experience and an ideal. Aquinas writes, “by the fact that love transforms the lover into the beloved, it makes the lover enter inside the beloved, and conversely, so that there is nothing of the beloved that is not united to the lover” (cited in Gilleman 1959, 126). Aquinas recognizes and even extols this seemingly paradoxical unity of self-orientation and other-orientation. As Gerard Gilleman writes, “For St. Thomas there is no place in a morally good act of will for an absolute disjunction between love referred to self and love referred to another. The

proper effect of love is to associate self with the other” (125). Indeed, for Aquinas there is no place for disjunction not only between love of self and love of neighbor, but also between them and love of God. So, in the end, Aquinas essentially asks, Which is most important, love of self, love of neighbor, or love of God? Aquinas goes to lengths to emphasize that these three pillars of love are a unity and that the absence of any one undercuts the fulfillment of the remaining two.

Although he uses the phrase “self-interest properly understood,” Alexis de Tocqueville’s cultural analysis of Americans’ mutual care is more akin to Aquinas and (as we will see) Aristotle than to Grosby’s “interested disinterestedness.” For Tocqueville the regular confluence of love of self and love of neighbor that he finds in the United States is not the priority of self-interest but the simultaneity of love of self and love of neighbor. Americans, he writes, “enjoy explaining almost every act of their lives on the principle of self-interest properly understood. It gives them great pleasure to point out how an enlightened self-love continually leads them to help one another and disposes them freely to give part of their time and wealth for the good of the state” (1966 [1835], 526).

Our identification model, while independently developed, does not stand alone in the theoretical and empirical research on giving. The most nearly congruent theoretical statement is provided by Mike Martin in his truly insightful exposition of the fundamental motivations for caring expressed in the form of philanthropic giving and voluntary service. “At its best,” writes Martin, “philanthropy unites individuals in caring relationships that enrich giver and receiver alike” (1994, 1). As a relationship, philanthropy, while “uncoerced,” is not “morally optional or nonobligatory” (2-3). It entails entering into a relationship of responsibility in which the prototype is face-to-face interactions with family, friends, and others (24). Finally, as a relationship, philanthropy is generated most saliently by participation in a community, which Martin defines as “any group of people joined by shared caring” (26). In addition, Jackson, Bachmeier, Wood, and Craft cite various researchers (such as Piliavin, Dovidio, Gaertner, and Clark 1981; Jencks 1990; Coleman 1990; Hornstein 1972, 1976; and Staub 1978) who have incorporated the notion of identification, or a sense of “we-ness,” as the specific mobilizing impetus that spurs the caring orientation of which Martin speaks. They argue that this we-ness, “the sense of being connected with another or categorizing another as a member of one’s own group,” is a central determinant of helping and results from the combination of personal beliefs and associational ties that bring the needs of others into one’s purview (Jackson et al. 1995, 74).

The Moral Biography of Wealth

The framework undergirding the identification theory is *moral biography*. The moral calling for all people is to advance their own moral biography and that of others at the same time. The term *moral biography* refers to the way individuals conscientiously combine in daily life two elements: personal capacity and moral compass. It is the way individuals combine their resources with moral purpose to implement a practice of care. All capacities—spiritual, material, associational, intellectual, and physical—are latent. They remain so until activated by purposes, values, aspirations, desires, or moral bearings. The question now becomes how to define the way we human beings experience and carry out the disposition to care, without resorting to the polar positions of self-interest and altruism, and in a way that is more authentically representative of human experience and intent than even the hybrid of interested disinterestedness.

Love, Care, and Friendship

Care as the Implementation of Love. There are several ways to deepen our understanding of identification theory as the explanation for caring behavior. One approach is to consider care as an expression of love. According to the Jesuit philosopher Jules Toner (1968), love is the regard of another as an unconditional end, as someone categorically valuable and never to be abused as a means to an unworthy end. Care, in turn, is the implemental or instrumental aspect of love. Toner says that care is that activity directed toward attending to others as unconditional ends in their true needs. Care means loving others through practical actions that meet their true needs. Figuring out the true needs of others is never simple, but it is always the right question. From this important philosophical truth, we all need to learn and enunciate the many ways we carry out care in our daily lives: care for family, care for friends, care for others across the globe, and, yes, care for ourselves—all at the same time, as Aquinas insists. Importantly, in this model care is not to be equated only with formal philanthropy. Care is broader; it includes all the ways people implement love in ordinary and extraordinary personal relationships. As such, formal philanthropy is one expression of care, not its only or necessarily major expression.

Friendship Love as Mutual Nourishment. In addition to Toner's philosophy of care, there is another path to the deeper meaning of the identification theory. This second approach focuses on the mutuality of care as described by Aristotle in his *Nicomachean Ethics*. The root meaning of philanthropy comes from the Greek

philia and *anthropos*. *Philanthropeia* existed as a beneficial relationship long before the world had any notion that doing good or being financially virtuous was tied to what today we call the nonprofit sector. The two terms in combination are almost always translated simply as love of humankind. No special attention is given to the particular kind of love connoted by *philia*, although we get a hint of the root meaning when we call Philadelphia the City of Brotherly Love. According to Aristotle, *philia*, or friendship love, extends out in concentric circles from the family to the entire species. *Philia* originates in the parent-child bond and becomes expanded to the species in *philanthropeia*. Friendship love is a relation of mutual nourishment that leads to the virtuous flourishing of both parties, without priority to either. Because *philia* is connected in origin to the term *species*, this friendship love implies that this mutual nourishment extends, as people mature, to mutual nourishment for the entire species.

“A friend is another self.” “Friends share one soul in two bodies.” “One friend loves the other for the other’s own sake.” Aristotle coined these well-known phrases when speaking of the kind of friendship that brings individuals together for mutual benefit. The best friendship is the friendship that inspires us and our friends to develop all our virtues and by doing so become, both together, more fully our true selves through the mutual nourishment of friendship love.

Philia and Philanthropy

Once we have rooted philanthropy in care and friendship love (*philia*), we can see that *philia* is more fundamental than formal philanthropy. The latter is nested in the former. Recognizing the deeper roots of philanthropy guides us past the conventional notion that formal philanthropy is the major expression of generosity and financial care. This latter, prevailing view tends to equate generosity and care with tax-deductible philanthropic donations made to those organizations that meet the tax code’s definition of a charitable entity. In addition, philanthropic volunteering does not include the myriad acts of personal assistance that people carry out in their daily round. Researchers and those commenting on the dearth of mutual care in our society limit their idea of volunteering to the donation of time and effort in or through legally defined charitable organizations.

Although these conventional understandings have their place, I advocate a more accurate, more profound, and more compelling understanding of philanthropy as an expression of *philia*. This is to understand philanthropy as

including all relations in which individuals turn their attention to allocating their resources for the care of others. Formal giving and volunteering are included in this broader definition, but they remain just one way people act with generous care by providing financial or physical assistance for others. Going further, our financial and physical assistance is but one part of the myriad ways we put love into practice, for those both close at hand and at a distance. We need to recognize explicitly that formal charitable giving is the sectoral, institutional, and legal expression of forms of care (including financial care) that individuals carry out daily. Philanthropy is nested in financial care, and financial care is nested in care. Generosity, care, and friendship love are biographical virtues, ways of being and acting in every sphere, not just in formal philanthropy.

Conclusion

Grosby and Becker both correctly locate the elements of human preferences that most strain the theory of rational choice. They both endeavor to incorporate those apparent aspects of altruism into rational choice theory in order to rescue it. The problem is that their syntheses are not as robust in capturing the reality of human experience as identification theory is. If one's preference is rational choice theory, there is nothing that cannot be explained as self-interest—even altruism and disinterestedness. I believe that we need a different starting point, one that is also empirically founded and philosophically coherent. Identification theory is in my view a better account than rational choice theory for two reasons: it can explain what rational choice theory tries to explain, and it can explain additional factors that rational choice theory cannot explain.

First, by emphasizing the inherent mutuality of care and friendship love, identification theory leaves room for—and indeed requires—the notions of self and self-interest. As noted earlier, identification theory does not remove the self. It does not posit the absence of self but instead the inherent connectedness of self. Under identification theory, it isn't the rational calculation of self-interest that defines relationships of care. Instead it is a self-interest of a different quality, one attentive to how by the very nature of things self-regard and self-love always and necessarily accompany care of others. In identification theory, care does not lose its moral and phenomenological equality with self-interest. Care does not get subordinated by dint of a theoretical stranglehold, as in the phrase “self-interested disinterestedness.” Identification theory recognizes that identification with the fate

of another, not self-interested rational choice, is the objectively observable and theoretically meaningful way to explain care. Thus care is not something to be fit into a grander theory of rational choice. It is to be examined and understood for what it is: an act of mutual nourishment, of friendship love (*philia*) in practice. Likewise, pro-social care is not based on an absence of self but on the presence of a quality of self. And that quality of self is one of identification with the condition of others as if they were myself or others I cherish. Care meets my and another's true needs simultaneously; it is an engagement of *philia's* mutual nourishment, and it is the ontologically natural generation of happiness for myself and others at the same time.

Second, identification theory can incorporate other affective and cognitive factors that rational choice theory does not and cannot include. These factors are the mobilizing foundations of care that rational choice theory considers to be aspects of a selfless "altruism" and then easily and correctly debunks. If altruism is viewed not as a selfless activity but as the disposition of a self toward mutual nourishment and identification with others, then we can seek to identify the positive elements that altruism elevates. One such factor is gratitude. I hope to be enlightened if I am wrong, but I do not see how rational choice theory can handle gratitude as a mobilizing force for care. Within identification theory, gratitude is the cousin of identification. Gratitude derives from blessings, luck, grace, or breaks we recognize as coming from those who in the past identified with and cared for us. Such gratitude leads us to care for others with whom we identify in order to provide the blessings or opportunities they do not yet enjoy. When I locate the source of my gratitude, I also locate those with whom I identify and for whom I wish to provide a blessing in the form of nourishing care.

Similarly, it is difficult to understand how rational choice theory could explain the experience of indissoluble bonds of friendship love between a mother and child. The mutual nourishment that occurs is not selfless on behalf of the mother. She would die for her child not because she is selfless, but because her self is connected to another. The child is she; the child is bone of her bone, flesh of her flesh, and blood of her blood. If ever necessary, the mother would dive into a fast-moving fire to save her babe, but neither because she is self-interested nor because she is without a self. She goes after her babe because the babe is she and she is the babe. They are connected. It is the nature, source, and practice of *self-identification*, rather than of rationally chosen *self-interest* or morally advocated *selflessness*, that leads to the most robust understanding of why we care for others.

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