COMMENTS

Frederick Turner

These two fine essays, although as different in style and approach as they could be, address a shared issue. And despite their apparent contradictions, they do not basically disagree, and can be seen as different parts of a common solution.

The fundamental issue that both authors grapple with is the apparent absence, in philanthropic activity, of an Invisible Hand—of a self-organizing, polycentric, calculative process that transcends the limitations of its participants and points them all to the real needs and opportunities in the field. The price mechanism is the classic example in economics. Other areas of human activity are known as well for their marvelous ability to generate robust and subtle signals out of the local interactions of a multitude of actors even though individually such actors may be blinkered by selfishness, weakness, myopia, and unawareness of the big picture.

The scientist and philosopher Michael Polanyi would cite the process of normal science, in which the system of learned journals, testable hypotheses, repeatable experiments, peer review, and a currency of professional esteem combine with the rivalrous and ambitious selfishness of individual scientists to create robust knowledge. Likewise the system of legal review, in which *stare decisis* and precedent combine with appellate court discipline, constitutional principle, and legislative innovation to produce a modicum of justice, even when advocacy is, on the individual level, often unscrupulous and self-interested. Similarly, the system of separation of powers, democratic elections, free press, and limited government that the framers of the U.S. Constitution devised is a fairly successful example of an artificial Invisible Hand whereby contentious and shortsighted voters can produce coherent and sensible policy.

Flaws of Top-Down Planning

Clearly there are fields where central direction is essential—the classic examples are a ship's need for a single captain or an army's need for a commander-in-chief. The flaws of top-down planning, however, have become all too clear in recent decades—not only in government, where they are glaring, but in corporate business culture as well. The challenge facing the philanthropic voluntary sector today is that the process of giving has become essentially a top-down and arbitrary affair. The very virtues of philanthropy—the unselfishness of its central activity of giving, the benevolence of donors, the frequent universality and spirituality of its motivation—remove the nasty incentives of self-interest, competition, and myopia that, paradoxically, drive the Invisible Hand. We do not look gift horses in the mouth, for it is churlish to criticize the generous impulse of a giver who puts his money into some wasteful and ineffective but benevolent project, and in any case he is free to give his money where he pleases.

Emily Chamlee-Wright and Heather Wood Ion approach this tension and the resulting challenges in two different ways.

Chamlee-Wright finds in microfinance a way for philanthropy to piggyback, so to speak, upon the virtues of free-market economics. Using powerful economic ideas such as the establishment of legal property rights and lenders' risk assessment, she advocates the improvement and streamlining of existing systems of banking for the poor by imposing the kinds of discipline that effective conventional banks use to compete successfully with each other. She seeks ways in which philanthropic interventions in the economy need not compete with and drive out the nascent vitality of local free markets. She encourages creators of microfinance programs to put in place the feedback systems and communicative signals that ignite spontaneous nonlinearity in a system and cause it to begin to govern itself irrespective of the flaws of its individual participants.

Most important of all, Chamlee-Wright retargets the aim of conventional philanthropy, which since the Progressive period has been to hand over to government the beneficial social policy pioneered by the charitable foundation, thus supposedly assuring its sustainability. This she accurately diagnoses as the kiss of death for any program, however well-intentioned. Instead, she seeks to pass over into the arms of the free market the processes and ideas initiated and tested by charitable seed capital, which will provide a much sounder basis of sustainability.

Ion tackles the problem at a more fundamental philosophic level, looking at our basic vocabulary of philanthropic and economic concepts. What really counts, she asks, and what are we counting when we try to evaluate philanthropic or, in general, economic benefit? How do we measure benefit, and what is our measure when we do so? If we have a hammer, everything looks like a nail; if our goals are replicability and scalability—the goals of marketing, scientific theory-formation, legal principle, and democratic government alike—are we not in danger of ignoring precisely the problems and needs that charity alone is capable of addressing, which are almost always exceptional, individual, personal, unreplicable, and unscalable? In attempting to create systems that do not need human love and insight and generosity, are we not risking the loss of those self-validating values in human life? Can truly nonlinear systems be measured? Can true transformation in a society and a culture, which is required if the age-old enemies of human life are to be defeated, be easily counted or accounted for, when such transformation is by nature irreversible and unpredictable, and when it changes its own parameters and basic questions? We should be seeking not just to improve the curve on the graph but to alter the axes and the metric of it.

Ion proposes that the artistic sense of the word measure be brought in to supplement the scientific or economic meaning of it—the measures of dance, music, and poetic meter. In so doing she is by implication invoking another nonlinear system that we have not yet mentioned: the process of genre-making, reception, appreciation, and canon-formation in the arts. Though much slower and messier than the market, legal review, science, and even democratic government, it does nevertheless ensure that great works of art get created, recognized, preserved, and set up as guides and examples for future artists.

Ion cites the example of WORTH, a women's empowerment program operating in Nepal, Kenya, and other places, which combines a savings program for very low-income people, with basic literacy, health, and business education and an appreciative inquiry system in which opportunities and initiatives are proposed and tested. Certainly the program is practical, but it is also strongly imbued with human values and based on local traditions: it does not talk down to its beneficiaries, but instead charges them a small fee for their participation, so that the outside experts are in the position of having been hired by them as partners and helpers. Above all, Ion maintains, people's sense of their own life-narratives, their own stories, is all-important. Change must take place in such a way that the artistic construction of one's life through narrative coherence is encouraged rather than suppressed or replaced.

Lessons for Other Charitable Activities

Both essays are valuable in pointing the way to a sounder philanthropy. While both address microfinance, and therefore do not directly critique other areas of philanthropy such as scientific and medical research, arts patronage, higher education, disaster relief, and epidemic emergency management, they may have indirect lessons for other charitable activities. The weaknesses of Chamlee-Wright's "market" model are implicit in Ion's critique of conventional accounting measures—their failure to deal with the "tails" of the probability curve of human vicissitude, the life story of the individual, a person's unique historical or cultural double-bind, and the value commitments and developments that make human life human. The flaws of Ion's more aesthetic model are its messiness, its slowness, the difficulty in developing useful accounting approaches, and the potential for destructive competition with budding markets and other local, spontaneous movements that might have taken place instead. In addition, the arbitrariness that comes with the inequality of economic and informational power when the very rich attempt to help the very poor will always tend to distort the process, despite the most sedulous moral effort to counteract it.

These objections, however, are not fatal. For this writer the most startling effect of these two important pieces was to make me reevaluate my own field of action, which is chiefly in literature and the arts. Perhaps there is already a nascent Invisible Hand in the way that a civilization assesses its accumulating stock of poems, plays, paintings, musical compositions, architecture, and the like. Chamlee-Wright helps me to see the importance of competition in the emergence of the best work. Though in the arts such competition is usually called emulation or influence, it bears a real resemblance to the way firms try to beat each other's value for money, scientists try to disprove each other's hypotheses, lawyers try to win on appeal, and political parties campaign. Yet art is itself basically a culture of gift—the artist is very happy to prosper or at least make a living by his art, but would, driven by the love of it, make his art anyway and be glad if anyone accepted his gift. All the same, though he will usually not admit it, he is trying, however hopelessly, to outdo Shakespeare, Beethoven, and Michelangelo, and to win an audience that is presently listening to or viewing the work of his contemporaries.

Thus something akin to competition is still at work, even when the motives are not self-interested, as they are in the market or the political arena. Since it is competition that lowers prices, improves service, refines the law, and solidifies scientific theory, it can also serve the world of the arts. And if Ion is right in extending the aesthetic model to philanthropy, perhaps a competitive Invisible Hand can emerge even in the generous and morally demanding work of charity.

The implications here are quite interesting. Perhaps we need to think about instituting in philanthropy mechanisms analogous to those that make the arts work: critical reviews, exhibitions, public performances, literary and aesthetic education, historical and biographical accounts, periodicals, prizes, commissions, and so on. What would such institutions be like? How would they match the donative spirit of philanthropy as artistic institutions match the aesthetic spirit of the arts?