Philanthropy—love and money

It is good to be charitable? But to whom? 
—La Fontaine

The thought of a Cezanne having to earn his living is altogether too tragic.  
—Roger Fry

The man who dies rich dies disgraced.  
—Andrew Carnegie

In Mel Brooks’ ‘Young Frankenstein,’ Gene Wilder (above) is a new Baron Frankenstein supposedly free from the monstrous obsessions of his Grandfather. To fund his mad scheme he had planned to marry into money and in a scene with his fiancé Madeline Khan he accidentally calls her his financier, who, as it turns out falls for his monster. Philanthropy seems to bring together love and money in a type of desire to promote the welfare of others by the generous donation of money to good causes. But it can become an obsession and take weird forms. For Georg Simmel love is an utterly subjective force in its own right: there is a madness in love that leaves utilitarian aspects behind: “in love this life has transcended itself,” but love is not to be earned and is in conflict with market values.

Money, according to Simmel is an “especially sophisticated solution to the ongoing challenge of adjudicating concrete particulars to abstract universals” and a "triumph,” in fact: "One of the great accomplishments of the mind." But what have the minds of the rich decided to do with their ‘surplus wealth’? Philanthropy is not just giving away money—returning it to its source. As regards its history and its relationship to the arts and culture it can take the form of an attempt to shape society by elite figures, often in a utopian ways that arguably contained obsessions akin to the stereotype of the ‘Mad Scientist’.

Simmel challenged the traditional, rationalist idea of money as neutral and impersonal. With philanthropy the meaning of money and the way in which it is used is shaped by social and cultural contexts as different categories of money are differentially imbued with emotion (think of paying a fine or donating to charity). In discussing ‘Philanthropy, Pomp, and Patronage,’ Feingold (1987) tells us that philanthropy is as old as civilisation—some 6,000 years old or so. The Judeo-Christian tradition transformed it into a cornerstone of western society, yet the subject has not been given
What motives and ideologies animate philanthropy that make it different from Patronage? In one sense we can view the phenomenon as saying something very basic about human nature. If we define Philanthropy as love of one's fellow human then it becomes like charity: which means love in action, most likely support of those who are less fortunate. Patronage according to Feingold is more concerned with supporting high culture, art science and music, and each benefactor will have different attitudes towards what they are doing. Philanthropy is an indicator of very influential cultural status attesting to the personal identity of the wealthy, and as an alternative to taxation, it is an alternative form of social intervention. With Philanthropy the wealthy readily acknowledge their distinctive command of a disproportionate amount of resources: but this only fortifies their social mission. Philanthropy patronizes society.

In most centres of civilisation; ancient Athens and the growth of democracy or in ancient Jerusalem with the introduction of the Law, we see a philanthropic consideration of the poor: the Old Testament has the tithe and the jubilee (a redistribution of land after a set period). Doing good's motive was a love of one's neighbour connected to the belief that the pursuit of excessive riches only brought vanity, pride and covetousness (now the principle features of society taught to our children by TV). Millet’s gleaners are gathering wheat that was traditionally left by the farmers for the poor. The painting was received with open scorn from a French upper class that feared any glorifying of the lower ranks of society. Sharing as an alternative form of distribution challenges commodity exchange, it fosters community, but outside of the family we do little sharing. The social problem of poverty emerges in the presence of productive surpluses and does not go away when surplus expands and general scarcity diminishes.

Philanthropy is a ‘sacralized frame of giving’ in that your money does something sacred as it drops into the poor box and you go home feeling all generous and destined for Heaven. With the middle-ages we begin to see most money going from those with property to the church ostensibly to buy prayers for their souls—it is at this time that life after death re-emerges, first only for rich people then, for a price…others who can buy their way into paradise. So the Church started to receive massive endowments of land and money, that had a largely corrupting effect, that were used for all manner of purposes including supporting art. Monetary giving was conceptualized and institutionalised as a way to participate in the sacred.

Yet this culture of charity in early Christianity created the culture of ‘pauperism’ a vested dishonour inscribed in the Elizabethan Poor Laws and a Charity Act in 1601 which made philanthropic donations to poor relief, religion and education tax-deductible. If we go back to poverty, Simmel defined poverty as the need for assistance and as a result of social stratification: ordered inequality, a product of social change. Marx associated it with private property and its control over people and resources. According to Walter (1973) the typical western response to the presence of the poor has been to rationalize poverty, and in the Anglo-American experience it has taken the form
been to rationalize poverty, and in the Anglo-American experience it has taken the form of the pauper system. The structure of pauperism, besides systematic financial assistance, includes the following elements and processes:

1. Convictions about the moral inferiority of poverty.

2. Ambivalence about the poor which is partially resolved by dividing them into worthy and unworthy types.

3. Reducing the legitimate ways of living poor to passive-receptive positions.

4. Partial dissociation of the poor from the rest of society by exclusions, enclosures, and other processes.

5. Mediating relationships with the dissociated through technical staffs whose special responsibility is the care and regulation of the poor. These staffs scrutinize for eligibility and also administer benefits among the poor differentially.

6. Expressing concern about the spiritual, psychic, or cultural condition of the poor with intentions to change their life styles.

7. Providing, along with necessities of life, non-material help through specialized intermediaries who regularly interact with the poor.

No other civilization has developed this structure indigenously. The argument is further developed in that with the Reformation the rationality behind charity, its scope was altered as a result of the 'Protestant ethos'. The Calvinist ideal of the secular 'social conscience' was that it would be produced as people interpreted the bible in their own way but it meant that Calvinism treated poverty and unemployment once and for all as personal guilt, or as an impenetrable decree of God. With the emergence of science in the Enlightenment there is a more thorough-going desire to eliminate poverty and reform society; other social, political and cultural factors, other justifications, more materialistic aspects emerged—in the 1600s we see the emergence of poorhouses and hospitals—but the two (rational materialism and irrational spirituality) are difficult to separate off. State patronage became a necessity because private philanthropy was too risky to ensure continuance.

Philanthropic charity developed further because of joint stock companies and umbrella companies—the little people could put in small donations to the big charities. With the industrial revolution the new bourgeoisie brought new values and tastes and took a more intrusive attitude towards the art work they funded as part of 'philanthropic ventures': they remained shrewd businessmen and engaged in proprietary interference because they were concerned about the wisdom and risks and returns on their investment—they did not want Millet's 'Realism.' So numerous artists, tired of being idealistic, lowered their standards to suit these canons of taste: a polite culture was produced to suit upper-class buyers and styles adjusted: the subject was given more precedence than technique, morality and emotions put to the fore (sentimentality).

Cherubs abounded, trade flourished, distant genocide occurred and liberty and learning declined: but this alliance between art and money in the eighteenth and nineteenth-century redirected art into a scornful and/or frightened view of intellectual life and the development of the pauper system.
reflection that was the product of a psychology whereby the ‘self-made millionaire’ arms trader bought an old master to acquire dignity and kudos. As fortunes grew other utilitarian ‘rules’ on philanthropy developed in that the philanthropist’s wealth should not fund that which benefits only the few and somehow proportionally reward the pleasure art bestows on the public.

Somewhere in Philanthropy I think we can find art's disputed relationship with activism: art can be a utopian tool offering a critique of society that could be embodied in the work of an artist or architect in society, connected to the intention of effecting real social change. Thinkers like Charles Fourier or Robert Owen were visionaries who wanted to help humanity and who did not want to “serve the knavery of merchants” the exploitative civilization that capitalism was creating. Both were an influence on William Morris (1886) who said of Owen:

In the year 1800, when he was not yet thirty, he became the manager of the New Lanark Mills, and set to work on his first great experiment, which was briefly the conversion of a miserable, stupid, and vicious set of people into a happy, industrious, and orderly community, acting on the theory that man is the creature of his surroundings, and that by diligent attention to the development of his nature he can be brought to perfection. In this experiment he was entirely successful, but it was not in him to stop there, as the plain words he said of his success showed clearly enough: 'Yet these men were my slaves.'

Morris said this of Fourier:

His criticism of modern Society is most valuable as anticipating that of scientific Socialism; unlike his contemporaries he has an insight into the historical growth of Society: ‘He divides it into four periods of development, Savagery, Barbarism, Patriarchalism, and Civilization, meaning by the latter the Bourgeois Civilization.’ His saying, 'In civilization poverty is born even of superabundance', may well be noted in these days, and compared with Robert Owen's in 1816, 'Our best customer, the war, is dead'.

Many Victorians felt that free opinion and free work should not be subordinated to bureaucratic authority. In the nineteenth-century a client would request a patron (or a friend of a patron) to initiate a political action, and a deep pride in the private tradition emerged (and a lingering distrust of government). But we also see the emergence of views that a work of art as an object of aesthetic pleasure had immense and enduring ethical value thought not understandable by ordinary people. It was not Marx who first discovered the ‘proletariat’ as a revolutionary class. Robert Owen, because of his disappointment at the failure of his philanthropic bourgeois to become enthusiastic about the abolition of their class, turned for help to the early working-class and trade-union movements in England; he wanted to use them, not to shift power to the working-class, but as forces to push through his scheme in which a philanthropic elite would “do them good.” Marx’s war against humanitarian-philanthropic socialism was unremitting. Engels’ ‘The Condition of the Working Class in England,’ also attacked the charity system: “your self-complacent, Pharisaic philanthropy which gives the victim a hundredth part of what has been plundered from his labour.” In contrast the proletarian movement was envisaged as the “self-conscious, independent movement of the immense majority, in the interests of the immense majority” and appealed to action from below by the populace (Draper, 1971).

According to Victor Ginsburgh and David Throsby’s ‘Handbook of the Economics of Art and Culture,’ the great entrepreneurs of the era of the Robber Barons were amassing fortunes of unheard of sizes. These capitalists were all Christians, and their Protestant faith required them to steward their wealth, to use part of it for the benefit of others. Carnegie’s “Wealth” of 1889 is a remarkably pragmatic and secular document and the ‘Gospel of Wealth’ of 1906 starts with:
The problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship.

The critique of this view includes that such ‘giving’ is a register of status, more concerned with the establishment of a social structure and the control of others— is this correct?

In an essay on ‘The Poor,’ Simmel argued that the poor were not characterised by lack of material goods in an absolute sense, but by the assistance they receive or should receive because of their lack. The purpose of giving to the poor was to mitigate certain extreme manifestations of social differentiation: “so that the social structure may continue to be based on this differentiation,” and we can see this in Carnegie’s conclusion:

The best means of benefiting the community is to place within its reach the ladders upon which the aspiring can rise—parks, and means of recreation, by which men are helped in body and mind; works of art, certain to give pleasure and improve the public taste, and public institutions of various kinds, which will improve the general condition of the people;—in this manner returning their surplus wealth to the mass of their fellows in the forms best calculated to do them lasting good. (Carnegie, 1906)

The good thing about this for the rich is that, according to Carnegie the: “laws of accumulation will be left free; the laws of distribution free.” He wanted individualism to continue, but the “millionaire will be but a trustee for the poor; intrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself.”

A strike that began against Carnegie's Steel company in 1892 culminated in a battle between strikers and the Pinkerton private army he had hired. They were making steel for battleships and eventually the town was put under martial law. Ostensibly Carneigie (i.e. in public) was for unions, but in private he wanted them destroyed because getting rid of the union would make it easier to cut wages and increase hours, which could cut costs and increase production. The deaths in the strike are commemorated in this anonymous ‘A Man Named Carnegie,' from 1892:

Sing ho, for we know you, Carnegie;  
God help us and save us, we know you too well;  
You're crushing our wives and you're starving our babies;  
In our homes you have driven the shadow of hell.  
Then bow, bow down to Carnegie,  
Ye men who are slaves to his veriest whim;  
If he lowers your wages cheer, vassals, then cheer. Ye  
Are nothing but chattels and slaves under him.

Essentially Carnegie saw philanthropy as a way to stave off socialism. We are told (probably in his autobiography) that another Philanthropist, Rockefeller had tithed the first dollar he ever earned as a boy. But the difficulty for these captains of industry interested in social problems was that they were amassing liquid wealth more quickly than they were able to distribute charitably. We cannot be too quick to dismiss philanthropy as a one-dimensional thing—Marx obviously benefited from the philanthropy of factory owner Joseph Engels—but it is clearly part of what we would now call ‘public image’. Ida Tarbell's ground-breaking exposé of Rockefeller in her 1904 book, ‘The History of the Standard Oil Company,’ pushed the industrialist to consider his reputation by manipulating the press and public. Rockefeller didn't bother with apologies and instead he hired a public relations advisor who recommended philanthropy. This was Ivy Ledbetter Lee, considered by some to be the founder of modern public relations and inventor of the press release (so journalists don't find out what's going on). After a coal mining strike, Upton Sinclair called him "Poison Ivy"
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after Lee sent 'press releases' saying the dead were victims of a stove, when they had been shot by the Colorado militia. Lee did work in Nazi Germany on behalf of I.G. Farben.

Is it true that corporate philanthropy goes to the cultural sector because support of the arts appears an attractive, uncontroversial way for Big Business (with severe public relations problems) to present themselves in a positive light to the public?

The tobacco industry, particularly with Philip Morris seems to have taken the lead in convincing us towards a cynical appraisal of philanthropy. One of Edward Bernays’ quintessential campaigns was the 1929 ‘Torches of Freedom March’ in which he had ten carefully chosen women walk down New York’s Fifth Avenue smoking cigarettes. The women were supposedly advancing feminism (a term Fourier is supposed to have invented) while setting the stage for a surge in smoking by women. What the public and the press didn’t know was that Bernays was a consultant to the American Tobacco Company at the time, raising an ethical issue that still confronts the public relations profession today (Bates, 2002). In the early 1920s the ‘Lucky tobacco series by Stuart Davis, one of the big influences on Pop Art, represent one of the first successful adaptations of European modernism to a distinctively American idiom: sending cigarettes to soldiers had promoted smoking as patriotic with the notion that it was ‘manly’ (Zabel, 1991).

The emergence of the philanthropic foundation was the institutional embodiment of philanthropy. Rockefeller’s endowment of his Foundation with $100m to promote “the well-being of humankind throughout the world” prompted a public outcry in 1913. But in the 1920s and 1930s, by and large the private foundations had little interest in supporting the arts and cultural sector. At the end of WWII, government foundations were established to drive the rapidly growing private research establishment—this was influenced by federally supported military research, such as the Manhattan Project to develop atomic weapons.

So what was the impact of foundation philanthropy on art and culture? Changes in tax laws in the 1930s and 1940s did stimulate a second wave of large private foundation creation—the Ford Foundation for example. These institutions identified culture as a promising area for philanthropic investment. New types of trustees had new interests and new views of the arts and culture sector. The idea was that this was democratization in an era of rapidly expanding audiences, repertoires, and artists, and this made it easier for private foundations, always sensitive to allegations of elitism, to support it. By the 1960s and 1970s, the Rockefeller and the Ford Foundation initiated significant programs of cultural philanthropy. In the 1980s and 1990s, newer large foundations such as the Pew Charitable Trusts and the Wallace Funds entered the field. The US doesn't have a notion of cultural policy: James Smithsonian's Institution in Washington; the Andrew Mellon endowment that began the National Gallery of Art in Washington were not part of a strategy—the US Constitution never contemplated the possibility that the government would have responsibility for ‘culture’. Years of lobbying by arts and cultural organizations (and individuals such as Nancy Hanks) resulted in the creation of federal cultural grant making agencies in 1965; the National
resulted in the creation of federal cultural grant making agencies in 1965: the National Endowment for the Arts, and the National Endowment for the Humanities. The NEA provided philanthropic support both to individual artists and to leading performing arts organizations, the Endowments reached their highest appropriations levels in the very early 1980s, but neither ever broke the $200m mark. In context we should realise that in the US support on this scale compares badly to the annual total investments of private philanthropic foundations and individual donors, and even public funding at the state and local levels.

More recently the number of private philanthropic foundations continues to grow: the Bill and Melinda Gates Foundation was founded in 2000, and recently enhanced by a gift of more than $3bn by its founders; the Open Society Institute was established in 1993 by the hedge fund manager George Soros and the Hewlett and Packard Foundations are run by the richest people in the world, more or less along the lines of Carnegie.

Philanthropy may be a distinctly American phenomenon, but by the 1970s the attack on the welfare state in the UK, led by Margaret Thatcher focused the attention on privatization along with neo-liberal economics that was an Americanization of the political economy. What happens when you put people like Thatcher in charge of art? We can partially comprehend this by reference to a story from Jeff Nuttall's (1968) 'Bomb Culture'. Thatcher was the head of the Finchley Art Society (in her constituency) Nuttall was one of the interesting counter-culture figures and with his friend Bob Cobbing put on a show 'Group H'. All manner of controversial sixties protest was on the walls, but Thatcher stopped at one of the more innocuous paintings—an action painting with a white splash on black. "That must be removed," said Thatcher in that unmistakable tone. So they tried to get her to explain why and eventually discovered she was convinced it was pornographic. Here you have the origin of the opposite of philanthropy and the beginning of a systematic attack on culture deemed to be objectionable.

The management strategies of these big right wing Foundations has led to 'venture philanthropy'. Philanthropic foundations, from the very start, have always had investment strategies, venture philanthropy has been termed a ‘movement’ and is variously called or is related to ‘social entrepreneurship,’ ‘strategic philanthropy,’ ‘social venture philanthropy,’ ‘the new philanthropy,’ ‘social venturing’ or ‘e-philanthropy’ and other terms. Generally these moves claim to have adopted the techniques (and the influence of) the activities of venture capital firms in the 1990s. The argument is, mainly, that a deeper interaction between giver and recipient is engendered alongside an emphasis on measurable results—possibly back to the proprietorial influence that produced the infestation of cherubs. The terms mostly abound in today’s discussions, among professionals involved in the high-tech, venture capital and foundation worlds. Mark Kramer, founder of the Center for Effective Philanthropy characterizes venture philanthropy as a fad underwritten by venture capitalists that got rich in the stock bubble of the 1990s and blithely assumed that they could transfer their skills to a field in which they had no experience. The European Venture Philanthropy Association was set up in 2004 funded by private equity companies with Hill & Knowlton as ‘Communications Partner’: they do what Bernays and ‘Poison Ivy’ did in the 1920s. What problems do the adoption of these techniques pose?

Gan (2006) tells us that vulnerability to public scrutiny drives corporate philanthropy. Big businesses have to respond if the government wants to impose regulations and make them incur compliance costs, or if the public has formed interest groups to take legal or economic action, or if the media have negatively reported on the company's operations. Under conditions of such high public scrutiny, corporate philanthropy can come to the rescue. Donations can create goodwill and buy influence. Charitable contributions in the form of corporate political donations can arguably be classified as a form of political activity with the motivations behind such donations being very similar. Philanthropic donations make the company look responsible.

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Cynicism aside, in the US corporations donated $13.5bn that benefited education, health care and the arts. Gan urges us to highlight the possibility of persuading corporations to think beyond their conventional notions of the bottom line. Even if they operate strategically, they could still be convinced to make investments towards objectives on which they can not easily evaluate returns. **The question then is, how else would we like corporations to behave better?**

**So what should Philanthropists bother funding art?** Oscar Wilde said: “Art, even the art of fullest scope and widest vision, can never really show us the external world. All that it shows is our own soul, the one world of which we have any real cognizance... It is Art, and Art only, that reveals us to ourselves.” For Jackson (2010) art enrich our psyches. To do better as citizens and fellow human beings in our communities, we need to imagine with empathy the plight of others—how we are implicated in the whole situation. If our imaginations are exclusively taken up by fear, anxiety, anger and panic to the exclusion of feelings like compassion, friendship, trust, and love of the common good, **is there much hope for the fulfillment of human potential?**

Many arts organisations across the UK are feeling the squeeze as their public subsidies are cut. In 2009/10, individuals donated more than £350m to the arts in the UK. But 88% of that went to the top 4% of organizations (Youngs, 2011). **Can millionaire benefactors step in to fill the gap?**

**References**


