

ETHICS AND ECONOMICS

Philanthropy in America: A History

Olivier Zunz

Princeton, New Jersey: Princeton University Press, 2012 (381 pages)

The recent flap over the Susan G. Komen Foundation and funding for Planned Parenthood thrust the role and function of the ubiquitous nonprofit institution back into the public spotlight. While the debate raged over whether or not the organization should be involved in making politically loaded decisions, it soon became evident that the whole discussion lacked a sense of context, both in the history and in the role of nonprofits in social issues. Olivier Zunz's *Philanthropy in America: A History* provides that needed context, tracing the developments of the American philanthropic movement along with the social and governmental issues that have arisen with it.

Zunz begins the story by looking at the rise of US industrial giants at the end of the nineteenth and beginning of the twentieth centuries. The concentration of immense amounts of wealth and power in the hands of individuals raised new questions about the ethical responsibilities that came with the wealth. Many of this new wealthy class took it upon themselves to use their resources to solve basic social problems. Despite the irony that their wealth had been created on the basis of many of these ills, they began using capitalistic and managerial models for the disbursement of funds, separating the idea of philanthropy from its historical link to religious charity and moving it further into the realm of business and, eventually, of government.

The subsequent chapters of Zunz's work concentrate on the evolving relationship between government and this new concept of philanthropy. He details how the current nonprofit sector as understood by many Americans is the result of years of compromises, conflicts, and implicit and explicit agreements by government leaders and wealthy business

interests. While the work tackles this concept in an overall chronological scheme, Zunz tells the story in a thematic manner, highlighting people and events that represent major changes during historical eras of the twentieth century. Despite the challenges of working with a diverse cast of characters, ranging from Herbert Hoover to Margaret Sanger to Henry Ford II, Zunz masterfully shows how each one has contributed to the current concept of American philanthropy.

Zunz also shows how movements swayed the course of philanthropy. While many associate such work with peaceful causes, much of the foundational work of shaping a collective philanthropic sense came from wartime activities. He particularly highlights the First World War, which brought about the idea that giving to the country through programs such as bond drives was a greater means of saving and a higher expression of the virtues of thrift. The collective giving became a tangible way of showing solidarity and patriotism while helping develop a breed of professional fund-raisers and civic organizers. Yet the challenges of the Depression and the Second World War proved too much for the still relatively young philanthropic movement as well as the smaller traditional charities. Increasingly, the federal government took on the responsibilities of providing a social safety net, and the large philanthropies dedicated themselves to the support of other charitable, educational, scientific, and, at times, quasi-political causes.

Subsequent chapters cover philanthropy's involvement in the creation of the state of Israel, the Cold War and anticommunism, the US Civil Rights Movement, and the renewal of the conservative political movement. Each of these causes found not only wealthy donors but also average citizens who were willing to give to advance those causes. During these years, some were increasingly uneasy with the expanding role of government in providing social services. As a result, the nonprofit sector began to develop, built on money from both political and private sources. However, these compromises did not completely satisfy all interested parties, and conservative groups began to develop a robust network of nonprofits and think tanks dedicated to opposing the influence of more liberal social policies and those donors who funded them.

Through this work, Zunz has accomplished an impressive feat, weaving together the bits and pieces of information on wealthy industrialists, the charitable deduction for income taxes, and political advocacy laws into a coherent, contextually robust history. He succeeds in making the stories of drably named organizations such as the Pew Charitable Trust, the United Way, and the Carnegie Corporation come alive by not only delving into the motivations of their founders but also by showing how they were both a product of and an agent of change in their respective eras.

Zunz also provides a comprehensive framework for understanding how philanthropy has been shaped by developments in the legislative and judicial arenas. He boils down the complex legal actions and ramifications of philanthropy, giving the reader a thorough but not overly detailed understanding of the issues. He highlights the continuing tension over determining the exact boundary between educating the public and engaging in political advocacy, thus showing how the involvement of monied interests in the current political season is not a new phenomenon but simply the next chapter in a continuing saga.

Readers looking for a work that details the involvement of the average citizen in charitable causes and social work should look elsewhere. While the importance of the ordinary American to the philanthropic movement is frequently emphasized, the story as told by Zunz focuses on the interaction of the wealthy and the government. This fact is not a negative reflection on the book but simply an observation that his material and the story of philanthropic foundations have their own naturally imposed limits. However, those wanting to know how modern philanthropy has shaped the lives of American citizens will want to start with Zunz's work before pursuing more detailed study of particular movements and causes.

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The Ethics of Trade and Aid: Development, Charity or Waste?

Christopher D. Wraight

London, United Kingdom: Continuum, 2011 (178 pages)

This is a very well-written book, which will be helpful for anybody interested in the philosophy and economics of foreign aid and trade. Through no fault of the author, the presentation from a publishing point of view is not very exciting, but this should not stop the interested reader from purchasing the book, especially given that the paperback is a very reasonable price.

The author, a philosopher who teaches at the Royal Institute of Philosophy, starts by looking at why the world is so unequal. The style is engaging, with anecdotes such as the difficulty of domesticating zebras being used to illustrate the point that chance has had much to do with whether countries become rich or poor. Colonization is also blamed for the problems of poor countries. Arguably, too much weight is given to this as well as to luck and not enough to good policy when discussing the determinants of economic success. The author does not ask, for example, why Singapore is much richer than Kenya (both colonies). He does not ask why Ethiopia is much poorer than Canada (the former was not a colony except for a very short period, the latter was). Poverty does not just afflict countries that have been colonies together with countries afflicted by bad luck. Poor policy and human error have a large part to play. As such, I would argue that far too little attention is given to the institutions of property rights, the rule of law, and so on, in promoting prosperity. Never does the author give the impression of being anything other than dispassionate in his discussion, and he is generous to all authors of all points of view.

Wraight then looks in detail at different philosophical perspectives that might justify development aid. The discussion of philosophy is very effective and well illustrated with analogies. Oddly, the author does not examine perspectives grounded in a Christian morality based on intrinsic human rights and the dignity of the human person. This is particularly