

## POLITICS SYMPOSIUM

# Introduction to Advancing Philanthropic Scholarship: The Implications of Transformation

Kathryn E. Webb Farley, *Appalachian State University*

Kristin A. Goss, *Duke University*

Steven Rathgeb Smith, *American Political Science Association*

Philanthropy—the voluntary dispensing of private wealth for public purposes—is undergoing a profound transformation and, in the process, changing how we confront public problems. In the July 2016 issue of this journal, seven political scientists argued that we should take philanthropy seriously because it is inextricably bound to many of our discipline’s core questions, including inequality, power, accountability, and governance (Berry 2016; Goss 2016; Hertel-Fernandez 2016; Reckhow 2016; Reich 2016; Skocpol 2016; Teles 2016). The articles in this issue take the next step by spotlighting how new forms of philanthropy—broadly understood—are crisscrossing the boundaries of the market, state, and civil-society sectors to address public problems—and doing so with little scrutiny by political scientists or policy makers. Embedded in this new philanthropy are normative assumptions about the role of the state that deserve greater attention and policy dilemmas that demand resolution.

We often think of civil society, of which private philanthropy is a part, as a set of institutions that exist outside of the state or market and that offer a backstop against the failures of each. In reality, however, the boundaries among civil society, the state, and the market have been blurred, negotiated, and contested for most of American history (Hall 2006; Salamon 1987). The state both regulates civil society’s role in governance and depends on that sector as a partner in the delivery of state-funded services (Berry 2003; Salamon 1987; Smith and Lipsky 1993). Likewise, market capitalism generates the wealth that fuels large-scale philanthropy while also producing the negative externalities that philanthropic organizations often address. The sectors’ interdependence notwithstanding, it is tempting to see philanthropy as an independent force for

good—society’s “passing gear” (Ylvisaker 1987) on the road to a more perfect union. As *Forbes* magazine recently intoned, “Governments no longer seem capable of executing big ideas. Ditto for major corporations. It’s left to entrepreneurial capitalism to innovate. And modern-day philanthropy taps the same skills, substituting public good for profit” (Lane 2013, 10).

What is public good and how are we to produce it? As citizens and lawmakers grapple with these questions, philanthropists have stepped forward to answer them. In his famous essay *Wealth*, Andrew Carnegie (1899) argued that unfettered capitalism created a duty to distribute excess riches for the benefit of the community. The plutocrats of Carnegie’s generation built libraries, universities, and other engines of intellectual progress, and they pioneered “scientific philanthropy” to attack the root causes of poverty. Today’s billionaire plutocrats—more than 150 and counting—have issued a public “Giving Pledge” to distribute more than half of their wealth before they die (see [www.givingpledge.org](http://www.givingpledge.org)). The scientific philanthropy of yesteryear has given rise to today’s “philanthrocapitalism,” an engaged, metrics-driven approach that imagines philanthropy as risk capital in the public interest (Bishop and Green 2010; Edwards 2008; Freeland 2013). In an age of inequality, hyper-partisanship, and dysfunctional governance, philanthropic individuals and organizations are imagining and executing novel approaches to everything from gun violence prevention to alternative energy development to public school reform (Callahan 2017; Goss 2016; McGoey 2015; Reckhow 2016).

As Angela Eikenberry and Roseanne Mirabella argue in this issue, today’s philanthropy is couched in the benign discourse of “effectiveness.” However, in its practical manifestations, the drive for effectiveness raises questions of concern to political

science: What power and agency do “beneficiaries” have as subjects of donor metrics? Along these lines, Patricia Mooney Nickel (this issue) asks us to think deeply about the political assumptions embedded in philanthropy as a systemic approach

widespread interest in social innovation and social entrepreneurship, these new hybrid forms have attracted substantial interest from policy makers and practitioners. Policy makers have responded to this interest by encouraging

### *What is public good and how are we to produce it? As citizens and lawmakers grapple with these questions, philanthropists have stepped forward to answer them.*

to the promotion of well-being. What implications does the widespread embrace of philanthropy have for social rights and other claims against the state?

These normative questions are becoming even muddier as philanthropy transmogrifies. Given the inability of any one donor to provide the means to solve complex social challenges, Salamon (2014) argued that a philanthropic revolution has begun. To create social value, donors and social entrepreneurs are inventing creative financial mechanisms; developing hybrid organizations that blend nonprofit and for-profit functions; and repurposing corporate entities to attack problems through politics, policy advocacy, and charity. For example, Facebook founder Mark Zuckerberg and pediatrician Priscilla Chan recently announced that they would donate more than 99% of their wealth—estimated at \$45 billion—to public causes. Rather than working through a charitable foundation, which would be subject to federal transparency requirements and severe limitations on political activity, Zuckerberg and Chan are using a limited liability corporation structure that will allow for a wide range of change strategies to achieve programmatic impact.

Despite widespread attention in the popular press to these new and noteworthy initiatives, they remain significantly understudied by scholars. An important goal of this symposium is to highlight new developments in philanthropy that merit the attention of political scientists and build on relevant research. In particular, Kathryn Webb Farley (this issue) presents an overview of the peer-reviewed literature on philanthropy that has appeared in political science, public

the formation. However, attention to the accountability of these new entities generally has been lacking. Vaughan and Arsenault’s article addresses this lacuna in the literature. More generally, the growth of different types of hybrid organizations—including social enterprises mixing philanthropic and market norms—invigorates longstanding concerns about legitimacy, accountability, and transparency in decision making (Smith 2014). For example, certified B Corporations are required to publish their certification report; however, the report provides little information on the actual impact (Anner 2014).

The new philanthropy raises deep questions about the exercise of democratic voice. As wealthy donors become more engaged with their giving, Eikenberry and Mirabella (this issue) and Nickel (this issue) wonder how the nonprofit sector can continue to provide an unfettered space for advocacy and resistance. Instead, the strategic use of philanthropy to influence public policy may create opportunities for donors to influence public policy without sufficient public input. Should the details of gift agreements that stand to change an institution be publicized to make clear who was responsible for decision making? Given the growth of inequality and the number of large gifts, the potential for donor influence and control—even over major public institutions—has become a more urgent concern (Ostrander 2007).

This issue relates to the depoliticization of public decisions in favor of relying on the decisions of individuals and institutions with the means and inclination to give.

### *The new philanthropy raises deep questions about the exercise of democratic voice.*

administration, and nonprofit journals, with a particular focus on philanthropy’s nexus with governance and policy choices. In addition, Shannon Vaughan and Shelley Arsenault (this issue) describe the regulatory conundrums posed by new hybrid organization forms that mix nonprofit and for-profit features. In particular, they focus on for-profit forms with a social mission: benefit corporations and B Corporations. Both are for-profit entities that pursue a community and social mission while making profits—the former through a distinct legal status of incorporation and the latter through certification of adherence to a set of criteria that demonstrate their social purpose (Honeyman 2014). Given the

Increasingly, donors and foundations are concerned with the outcomes and performance of nonprofit grantees. Foundations are exhorted to act like investors and to focus on the measurable impact of their grants (or investments) on local communities (Bailin 2003). Yet Eikenberry and Mirabella suggest that the push to performance might have deleterious effects, including a focus on narrow metrics that do not capture the potentially positive roles of nonprofits as representatives of local citizens and their communities. Moreover, performance metrics tend to focus on easily quantified outputs, such as the number of people served. But a focus on quantifiable metrics may lead funders to undervalue other,

less easily measured but equally important functions of nonprofits, such as advocacy (Berry 2016).

We hope that these contributions spark a lively debate that helps shape the future of philanthropic endeavors. It is imperative that we better understand how individual and institutional donors, in their manifold and evolving forms, influence the various stages of the public policy process. ■

## REFERENCES

- Anner, John. 2014. "Jessica Alba and the Impact of Social Enterprise." *Stanford Social Innovation Review*, September 26. Available at [https://ssir.org/articles/entry/jessica\\_alba\\_and\\_the\\_impact\\_of\\_social\\_enterprise](https://ssir.org/articles/entry/jessica_alba_and_the_impact_of_social_enterprise).
- Bailin, Michael. 2003. "Questioning, Reimagining, and Retooling Philanthropy." *Nonprofit and Voluntary Sector Quarterly* 32 (4): 635–42.
- Berry, Jeffrey. 2003. *A Voice for Nonprofits*. Washington, DC: Brookings Institution Press.
- . 2016. "Negative Returns: The Impact of Impact Investing on Power and Advocacy." *PS: Political Science & Politics* 49 (3): 437–41.
- Bishop, Matthew, and Michael Greene. 2010. *Philanthrocapitalism: How Giving Can Save the World*. New York: Bloomsbury Press.
- Callahan, David. 2017. *The Givers: Wealth, Power, and Philanthropy in a New Gilded Age*. New York: Knopf.
- Carnegie, Andrew. 1899. "Wealth." *North American Review*, June. Available at [www.swarthmore.edu/SocSci/rbannis1/AIH19th/Carnegie.html](http://www.swarthmore.edu/SocSci/rbannis1/AIH19th/Carnegie.html).
- Edwards, Michael. 2008. *Just Another Emperor? The Myths and Realities of Philanthrocapitalism*. New York and London: Demos and the Young Foundation. Available at [www.futurepositive.org/edwards\\_WEB.pdf](http://www.futurepositive.org/edwards_WEB.pdf).
- Freeland, Chrystia. 2013. "Plutocrats vs. Populists." *New York Times*, November 3. Available at [www.nytimes.com/2013/11/03/opinion/sunday/plutocrats-vs-populists.html](http://www.nytimes.com/2013/11/03/opinion/sunday/plutocrats-vs-populists.html).
- Goss, Kristin A. 2016. "Policy Plutocrats: How America's Wealthy Seek to Influence Governance." *PS: Political Science & Politics* 49 (3): 442–8.
- Hall, Peter Dobkin. 2006. "A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600–2000." In *The Nonprofit Sector: A Research Handbook* (second edition), ed. W. W. Powell and R. Steinberg, 32–65. New Haven, CT: Yale University Press.
- Hertel-Fernandez, Alexander. 2016. "Explaining Liberal Policy Woes: The Role of Donors." *PS: Political Science & Politics* 49 (3): 461–5.
- Honeyman, Ryan. 2014. "Has the B Corp Movement Made a Difference?" *Stanford Social Innovation Review*, October 13. Available at [https://ssir.org/articles/entry/has\\_the\\_b\\_corp\\_movement\\_made\\_a\\_difference](https://ssir.org/articles/entry/has_the_b_corp_movement_made_a_difference).
- Lane, Randall. 2013. "A Golden Age of Philanthropy." *Forbes*, December 2, p. 10.
- McGoey, Linsey. 2015. *No Such Thing as a Free Gift: The Gates Foundation and the Price of Philanthropy*. Brooklyn, NY: Verso.
- Ostrander, Susan A. 2007. "The Growth of Donor Control: Revisiting the Social Relations of Philanthropy." *Nonprofit and Voluntary Sector Quarterly* 36 (2): 356–72.
- Reckhow, Sarah. 2016. "More than Patrons: How Foundations Fuel Policy Change and Backlash." *PS: Political Science & Politics* 49 (3): 449–54.
- Reich, Robert. 2016. "Repugnant to the Whole Idea of Democracy? On the Role of Foundations in Democratic Societies." *PS: Political Science & Politics* 49 (3): 466–72.
- Salamon, Lester M. 1987. "Of Market Failure, Voluntary Failure, and Third-Party Government: Toward a Theory of Government–Nonprofit Relations in the Modern Welfare State." *Nonprofit and Voluntary Sector Quarterly* 16: 29–49.
- . 2014. *Leverage for Good: An Introduction to the New Frontiers of Philanthropy*. New York: Oxford University Press.
- Skocpol, Theda. 2016. "Why Political Scientists Should Study Organized Philanthropy." *PS: Political Science & Politics* 49 (3): 449–54.
- Smith, Steven Rathgeb. 2014. "Hybridity and Nonprofit Organizations: The Research Agenda." *American Behavioral Scientist* 58 (11): 1494–508.
- Smith, Steven Rathgeb, and Michael Lipsky. 1993. *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge, MA: Harvard University Press.
- Teles, Steven. 2016. "Foundations, Organizational Maintenance, and Partisan Asymmetry." *PS: Political Science & Politics* 49 (3): 455–60.
- Ylvisaker, P. 1987. "Foundations and Nonprofit Organizations." In *The Nonprofit Sector: A Research Handbook*, ed. W. W. Powell, 360–79. New Haven, CT: Yale University Press.

## SYMPOSIUM CONTRIBUTORS

**Shelly Arsneault** is professor of political science and coordinator of the Master of Public Administration program at California State University, Fullerton. Her research interests include social policies including welfare, health, and education, nonprofit organizations, and intersectoral governance. She is a frequent coauthor with Shannon K. Vaughan. Their published works include *Managing Nonprofit Organizations in a Policy World* (*Congressional Quarterly Press*, 2014). She may be reached at [sarsneault@exchange.fullerton.edu](mailto:sarsneault@exchange.fullerton.edu).

**Angela M. Eikenberry** is David C. Scott Diamond Alumni professor of public affairs in the School of Public Administration at the University of Nebraska at Omaha. Research interests include the social, economic, and political roles of philanthropy, voluntary associations, social enterprise, and nonprofit organizations in democratic governance. She may be reached at [aeikenberry@unomaha.edu](mailto:aeikenberry@unomaha.edu).

**Kathryn E. Webb Farley** is assistant professor of public administration at Appalachian State University. Her research interests are broadly focused on public engagement, with a special focus

on philanthropy in hybrid organizations. Her work has appeared in *Administration & Society*, *Public Organization Review*, *Voluntas*, and the *Journal of Appalachian Studies*. She may be reached at [webbfarleyke@appstate.edu](mailto:webbfarleyke@appstate.edu).

**Kristin A. Goss** is Kevin D. Gorter Associate Professor of Public Policy and Political Science at the Sanford School of Public Policy at Duke University. Her research focuses on how people mobilize individually and collectively to influence the policy process. She is author of *Disarmed: The Missing Movement for Gun Control in America* (Princeton University Press, 2016), *The Paradox of Gender Equality: How American Women's Groups Gained and Lost Their Public Voice* (University of Michigan Press, 2013) and (with Philip J. Cook) *The Gun Debate: What Everyone Needs to Know* (Oxford University Press, 2014). She is convener of the American Political Science Association's related group on *Philanthropy, Politics, and Power*. She may be reached at [kgoss@duke.edu](mailto:kgoss@duke.edu).

**Roseanne Marie Mirabella** is professor of political science and public affairs and executive director of the Center for Community Research and Engagement

at Seton Hall University. Research interests include philanthropy and nonprofit-management education, international education for managers of NGOs, and critical perspectives on nonprofit-organization management. She can be reached at [Roseanne.Mirabella@shu.edu](mailto:Roseanne.Mirabella@shu.edu).

**Patricia Mooney Nickel** is associate professor in the School of Public and International Affairs at Virginia Tech. Her research includes critical theory, cultural politics, philanthropy and the voluntary sector, the sociology of health and governance, and knowledge production. She is the author of *Culture, Politics, and Governing: The Contemporary Ascetics of Knowledge Production* (Palgrave Macmillan 2015) and *Public Sociology: Governance, Politics and Power* (Paradigm 2012); and she is the editor of *North American Critical Theory after Postmodernism: Contemporary Dialogues* (Palgrave 2012). She can be reached at [nickel@vt.edu](mailto:nickel@vt.edu).

**Steven Rathgeb Smith** is executive director of the American Political Science Association. He taught for many years at the University of Washington, where he was the Nancy Bell Evans Professor at

---

## Politics Symposium: *Advancing Philanthropic Scholarship*

---

the Evans School of Public Affairs and director of the Nancy Bell Evans Center for Nonprofits & Philanthropy. He has written and edited several books including (with coeditors Robert Pekkanen and Yutaka Tsujinaka) *Nonprofits and Advocacy: Engaging Community and Government in an Era of Retrenchment* (The Johns Hopkins University

Press, 2014). He is president of the International Society for Third Sector Research. He may be reached at [ssmith@apsanet.org](mailto:ssmith@apsanet.org).

**Shannon K. Vaughan** is an associate professor in the department of political science at Western Kentucky University. Her research interests include

not-for-profit organizations and policy change, ethics in public and nonprofit organizations, and intersectoral governance. In addition to their book, her research with Shelly Arsneault includes publications in *Journal of Public Affairs Education* and *Review of Policy Research*. She can be reached at [shannon.vaughan@wku.edu](mailto:shannon.vaughan@wku.edu).