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# Book Review: Philanthropy in Democratic Societies: History, Institutions, and Values

By Juniper Glass

*Philanthropy in Democratic Societies: History, Institutions, Values*, Edited by Rob Reich, Chiara Cordelli and Lucy Bernholz, Chicago, University of Chicago Press, 2016, ISBN: 978-0-226-33550-6

Philanthropy is a “hybrid and ever-changing form of public and private power” (p.7). This is the central image of philanthropy – in flux, contested, and always in relationship to market and state – that emerges from *Philanthropy in Democratic Societies*, an edited volume of 10 highly diverse articles by historians, philosophers, legal scholars, and social scientists.

The title of the book is somewhat of a misnomer. “Philanthropy in American Society” would have been more apt, as all examples come from a US context. Nevertheless, there are enough parallels between the development of US and Canadian philanthropic concepts, laws, and practices to make the volume relevant for students, researchers, and practitioners in this country.

The book was my companion during what I dubbed “philanthropy season in Canada,” spring 2017, when the sector hosted three national conferences within as many weeks (respectively by [PhiLab](#), [The Circle on Philanthropy and Aboriginal Peoples](#), and [Community Foundations of Canada](#)). The scholarly approaches taken by the authors of *Philanthropy in Democratic Societies* added dimension to the practitioner perspectives – both foundations and non-profits/community partners –, which were the focus of the conferences.

A key conversation emerged during the PhiLab event, in which participants repeatedly questioned the role of grant making foundations because of their lack of “democracy.” It was the first time I had heard the term used this way in Canada as opposed to more common critiques related to foundations’ impact, accountability, or transparency. At the same event, participants developed a shared understanding that foundations never act alone (even though it may seem like it) but always in relation to other system actors, recognizing that a foundation’s role in the wider ecosystem will lead to better analysis and practice. The book echoes these observations. Indeed, a central point made in the text is that philanthropy is embedded in webs of interaction with various powers, policies, organizations, and cultural norms:

“What philanthropy is, whether a friend or foe of a democracy, an act of benevolence or a duty of

justice, depends on how it relates to other institutions within the broader structure of society. It also depends on whether or not a fair distribution of wealth and power has been already secured in society” (p.205).

The first section of the book, “Origins,” contains historical accounts of US philanthropy as well as an overview by Reich of the main arguments for and against foundations having an active role in society. He concludes that philanthropy is not necessarily incompatible with democracy and that foundations can, in fact, contribute to it if they increase the diversity of provision of public goods (the pluralism argument) or support innovation (the discovery argument). Although this chapter does not cover new ground, it is useful in its brevity and provides good orientation material for new students or practitioners of philanthropy.

In the middle section, “Institutional Forms,” I found the chapter by Horvath and Powell particularly exciting. They again trace the evolution of US philanthropy, but this time examining how different forms either contribute to or disrupt democracy. “Disruption” has come to be used in recent years as a normatively positive term, particularly in social innovation discourse, to mean something that shifts the status quo and makes people look at an issue in a new way. The authors are leery of the growing tendency of wealthy donors and foundations “to alter the public conversation about which social issues matter, to set an agenda . . . and to specify the preferred provider of services to address these issues without any engagement in the deliberative processes of civil society” (p.119).

Chapter 5, “When is Philanthropy?” investigates a particular institutional form, the donor-advised fund (DAF). Although discussed in terms of US regulations and practices, the questions raised about tax treatment and payout rules are timely in the Canadian context, in light of the federal government’s recent commitment to modernize the regulatory framework governing non-profits and charities. DAFs have been experiencing a huge boom over the last decade, and [concerns about them](#) are not new. Instead of examining the common criticism that they involve too much donor control, the author takes issue with timelines, asking, “what happens when dollars have been set aside for charitable use, but not yet put to use?” (p.158). He proposes a new category of philanthropic form, the “charitable checking account” that sets out payout rules to ensure that charitable gifts do not just provide immediate tax benefits to donors but also ensure they get used for public benefit in a timely manner.

The last section of the book, “Moral Grounds and Limits,” makes a strong contribution to the field, presenting three unique philosophical responses to the question of what role philanthropy should play in contributing to a just society. As the authors point out, the legitimate scope of both the state and the market have been widely debated, and these chapters help to advance a much less treated subject, the moral limits of philanthropy “as both a form of private power and as a funding mechanism for public services” (p.203). This section, like the entire book, is marked by a patient attention to detail and careful building of arguments, refreshing in this rapid-fire era of blogs and tweets about the next big idea about philanthropy.

The volume lacks a conclusion, which is surprising given the manner in which the book was developed – through a series of dialogues among the authors to advance their individual and collective thinking. I would like to know what this group of scholars thinks are the next big questions for research and theorizing on philanthropy. Since the key takeaways of each chapter range widely, a summary of the main convergent and divergent points that arise from this interdisciplinary work would not only bring the book together but also offer conceptual guideposts for readers attempting to apply insights in their

own work in the field.

Finally, and of most interest to me as someone compelled to build bridges between financial and social capital and community-led change, the book does not explore the mechanisms by which dominant forms of philanthropy could become more democratic. Horvath and Powell conclude their critique by stating that, “if philanthropists genuinely want their gifts to have lasting, contributory effects on society, they need to move beyond their embrace of disruption and think more systematically about the involvement of those whose lives are affected by their efforts” (p.122). Neither they nor the other authors discuss how to bring about such community involvement.

Luckily, as I witnessed during my spring conference tour, Canada has a growing body of knowledge and wisdom about how we can practice philanthropy in support of democratic ideals and power sharing with communities. For example, [Itoah Scott-Enns' presentation](#) at The Circle conference, published recently in *The Philanthropist*, provides clear analysis and ways forward to “ensure the Indigenous perspective is co-leading reconciliation in philanthropy.” Scholarly work such as *Philanthropy in Democratic Societies* urges us to deepen our thinking about the purpose and place of philanthropy while thought leadership by practitioners offers action strategies to make their field and practice more inclusive and democratic.