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# Exploring the Philanthropic Landscape

## *Introduction*

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LENORE T. EALY

In *Reclaiming the American Dream* ([1965] 1993), Richard Cornuelle argued that the “quality of life in the U.S. now depends largely on a revival of a lively competition between . . . two natural contenders for public responsibility” (66): government and the independent sector. Cornuelle’s analysis suggested that in waging the twentieth-century contest between market and state, theorists and politicians alike had mislaid an entire sector of human action embedded in a space he called the independent sector. Cornuelle sought to turn our attention to the quiet but persistent actions of private individuals and voluntary associations seeking to lubricate social relations, ameliorate social problems, and co-create more livable communities.

Taking up Alexis de Tocqueville’s challenge to reflect upon the “science of association,” Cornuelle sought to expand our understanding of what it means to “promote the general welfare” and challenged the failure of analysts to realize that markets and states were not the only means available for advancing the general welfare. Having been a student of the Austrian economist Ludwig von Mises, Cornuelle was neither surprised nor dismayed when the socialist economies of the Soviet bloc collapsed in the early 1990s (Cornuelle 1991). Nor was he triumphalist. Cornuelle thought that libertarians had little time for celebration because although they were prepared to offer advice on planting market economies in the nations of the Eastern bloc, they were largely unprepared to offer much insight on how to

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reconstitute civil societies—that space of voluntary action in which people work quietly toward the cultivation and preservation of the social norms and institutions, the rule of law, and mutual civic respect that form the fertile soil that feeds healthy economies and polities.

One appeal of communism, Cornuelle proposed, had been “the powerful echo of its original promises to protect ordinary people from the hazards of life in capitalist society” (1991). It was thus problematic that “there is no very distinct libertarian vision of community—of social as opposed to economic process—outside the state: the alluring libertarian contention that society would probably work better if the state could somehow be limited to keeping the peace and enforcing contracts has to be taken largely on faith” (1991).

The Independent Institute and the pages of *The Independent Review* have long brought the insights of research in political economy to many of the problems that Cornuelle knew would not disappear overnight without deeper analytical understanding (see, for example Holcombe 2000). Recent issues of the journal have explored topics such as the persistent contest between socialism and democracy, economic inequality, and basic-income proposals. Nevertheless, *The Independent Review* has paid comparatively less attention to promoting rigorous exploration of the nature of civil society and until now has largely neglected analysis of the role of philanthropic giving and charitable activity in the social process.

Our interdisciplinary symposium in this issue, “Exploring the Philanthropic Landscape,” seeks to widen the space for consideration of the roles of philanthropy and civil society in a free society. We asked our contributors to help bring analytical frames to current debates that affect the independent sector as well as to consider the prospects for charitable activity in the future. How will charitable organizations adapt their missions, programs, and services to changing demographics and changing problems? Will more centrally planned efforts such as government programs and big-dollar alliances of foundations increasingly shape the provision of social assistance and other goods and services traditionally provided through nonprofit organizations? Or will other social trends, from technology to a resurgent populism, enable more distributed, personal philanthropy to increasingly shape the types of programs that charitable organizations undertake? Can we make progress in addressing the intellectual crisis in philanthropy (see Ealy 2014)?

Jacqueline Pfeffer Merrill opens our discussion by considering the persistent tensions between philanthropy and government and by outlining three prevailing attitudes: (1) government should *constrain* private philanthropy; (2) government should *protect* private philanthropy; and (3) government should *promote* private philanthropy. She traces the roots of each approach in modern political philosophy, and the challenge she has in easily assigning many contemporary theorists completely to one approach reveals much about the philosophical work that remains to be done in framing coherent understandings of the relationship of civil society to markets and government and the scope that should be allowed to private philanthropy.

Michael Munger takes a different tack, considering the persistent tensions between markets and civil society through the lens of the political economist. He takes to task those market advocates who see “the price mechanism as the exclusive means by which diverse, decentralized groups can be organized.” He argues instead that we need to broaden the scope of analysis of institutions that promote freedom by exploring the dynamics of all

forms of *voluntary private cooperation*. Munger invites us to consider more seriously how “nonmarket types of exchange, where we cooperate to achieve ends that we all agree are mutually beneficial, may be even more important than commodity exchanges.” Such analysis is essential unless we are content to leave a much larger role for states in providing a wide variety of public goods and for fostering important feelings of social solidarity.

In contrast to Munger’s call for freedom theorists to make more analytical room for institutions that promote voluntary private cooperation in forms that do not rely primarily on monetary exchange, Samuel Hammond presents a challenging argument that leaves a much broader scope for activity by the state in the provision of welfare. Taking economic security as a primary social goal, Hammond believes that a combination of market growth and state-provided welfare programs is optimal for a flourishing society. Asking critical questions about the coevolution of social institutions, he argues that the classical liberal romance with a charity-based model of social welfare is incapable of dealing with problems of the industrial and postindustrial age. The development of sophisticated actuarial techniques, for instance, paved the way for the replacement of older mutual-aid societies with various forms of social insurance, many of which he argues can be efficiently provided through larger insurance pools managed by state entities. Although Hammond suggests that we should largely free charity from the burden of providing social welfare, he does not think this means there is no role for philanthropic activity in modern life. He suggests instead that “the joint success of the market and welfare state at producing wealth and insuring against hardship has not so much destroyed the need for philanthropy as shifted its role.”

Many readers of this journal may find Hammond’s discussion thin in taking account of both classic public-choice analysis of state bureaucracies and the knowledge problem. Anthony Gill offers a more robust analysis of both in his discussion of how religious communities have long solved collective-action problems and successfully provided goods and services that promote public welfare. Making a case for the comparative advantage of faith communities in the provision of social welfare, Gill explores how these groups have provided mutual aid without state assistance or coercion and have been able to do so in many cases without engendering moral-hazard problems that often accompany social assistance provided through welfare-state agencies and secular charities.

Our symposium concludes with a consideration of how the expectations and habits of the millennial generation may dramatically affect charitable activity. The marketing professor Elizabeth Crisp Crawford and the economist Jeremy Jackson team up to probe the generational traits of millennials, the largest generational cohort on record, poised to possess more spending power than other living generations. Millennials are also the first generation of “digital natives,” comfortable in the cybercommons but also eagerly seeking rich “local” experiences. Crawford and Jackson suggest that although millennials are prone at present to engage in thinner forms of “social media activism,” they are also likely to readily embrace more polycentric social arrangements. The most successful charities in coming decades, suggest Crawford and Jackson, will be those that can engage millennials with “high-quality and personalized experiences that emerge from their local environment and communities.”

These essays do not exhaust the ways in which we need to examine more carefully the landscape of voluntary social cooperation, association, and philanthropy in their own right and in their relationships with both market and state institutions. Generosity, philanthropy, and charity are part of the warp and woof of a free society and as complements to the market process are critically important social processes. Cornuelle argued more than two decades ago that “[w]e need now to understand voluntary social process as completely as we understand market process” (1991). We are overdue for an explosion of research on these topics. Our hope is that the essays in this issue will challenge you to participate in this research and these conversations.

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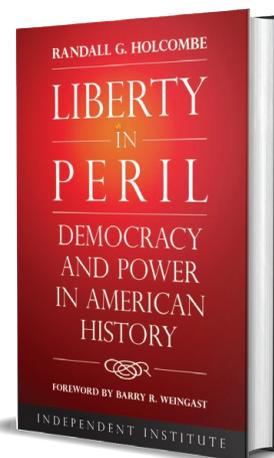
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