The new philanthropy and its significance for international institutions: the case of education

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The meeting was organised by Melissa Lane of the Centre for History and Economics (CHE), in conjunction with Lincoln Chen (Harvard University) and Emma Rothschild (Centre for History and Economics). It was held under the rubric of the programme on ‘Challenges to Democratic Politics’ which is part of the Common Security Forum (CSF) and based at CHE in collaboration with Harvard University. Rosie Vaughan provided research and administration for the meeting.

Introduction

Two years ago the Common Security Forum organised a meeting on the same topic with respect to the case of health. At that meeting, it was remarked that in contrast to the tendency of US-based global philanthropists and foundations to fund health initiatives, Indian philanthropists both living in India and in the diaspora have tended largely to support education. Basic education features among the Millennium Goals of the United Nations and as a right in the constitutions of some countries (including India), yet remains something which many states are either neglecting or struggling to provide. Efforts to provide education are even in developed countries increasingly involving corporations and foundations in the funding and provision of education, whether in terms of infrastructure, textbooks, school management, or curriculum content.

But the externalisation of responsibility from states to international initiatives, which the health meeting explored, is even more problematic in the case of education with its close ties to the formation of civic identity and political culture. Research conducted by Rosie Vaughan in preparation for the meeting underlined the extent to which national control of education was seen as crucial in the early days of postcolonial state formation. The questions of legitimacy and accountability which formed the theoretical skeleton of the health meeting, thus were naturally raised also in the case of philanthropic involvement in education.

Emma Rothschild welcomed participants by observing that the meeting marked a convergence between two strands of CHE activity: the programme on Challenges to Democratic Politics, and the collaboration between CHE and UNICEF offering historical and ethical perspectives on UNICEF’s work. This collaboration had begun before the Millennium Development Goals (MDGs) attempted to create a global legitimacy for a certain set of development objectives, and before the popularity of public-private partnerships which had been considered at the health meeting. Education has especially since the MDGs, but also long before, been considered a universal panacea, but the resources for this universal project have remained hazy. The ‘double privatisation’ of economic development in the last decade, turning away from official governmental development cooperation towards private actors in both North and South, and within the ‘private sector’ from nonprofit to for-profit
involvement, has important implications for the way in which the MDGs might be pursued.

Melissa Lane offered opening comments on three themes: the comparison between health and education; the meaning of democracy, accountability, and legitimacy; and the relationship between public and private. She began by noting that whereas the health meeting had focused on global public-private partnerships (GPPPs), in the case of education philanthropic initiatives take the form of more traditional bilateral, multilateral or private interventions. The question of accountability for such educational initiatives rests in part on the extent of their articulation with national educational programmes and policies. It is also governed by the extent of their articulation with international educational programmes and policies, in particular with the goals of Education for All as stated at the 1990 Jomtien conference, and as partially incorporated into the Millennium Development Goals. This explicit framework of global educational commitment alters the questions that we might ask about philanthropic accountability in ways that the meeting needed to explore. In particular, it may seem to legitimate certain donor initiatives, and to encourage donors to support recurrent expenditure as opposed to particular projects. The question of what kinds of educational expenditure philanthropists might best support needs further exploration.

With respect to public and private, Lane invoked the point recently made by Raymond Geuss, that the distinction between public and private has neither a fixed boundary nor a fixed content (Geuss, Public Goods, Private Goods, Princeton, 2001.) The question to be asked rather is why and how such a distinction is drawn in particular historical and contemporary contexts. Lane laid out four ways in which the distinction might be conceived in relation to philanthropy and education: with respect to the realm of operation; the origin of authorisation; the source of policy goals; or the mode of operation. Historically, education has moved from being a private good to something like a national and now international public good, but private provision is increasingly playing a role in providing that public good. ‘Private’ provision also encompasses a spectrum ranging from corporate for-profit, through non-profit, to different types of philanthropic provision; the distinctiveness of philanthropy on this spectrum needs justification.

I. Changing Patterns of Educational Philanthropy
Chair: Melissa Lane

Background Paper – introduced by Lincoln Chen and Roy Carr-Hill as commentators:
Paula Johnson, Achieving universal primary education: preliminary observations on the role of US philanthropy

In his presentation, Lincoln Chen drew out some of the salient facts from Johnson’s paper: that very little of American foundations’ money goes overseas, and very little of that goes on education. He proposed a new set of ‘PPPs’ to discuss: philanthropic preferences (for one cause over another) and power (which is not sufficient to address the scale and range of educational problems, but has the flexibility, and ability to withstand pressures to promote innovation). The real issue of legitimacy, for Chen, is not that of the social activities of philanthropists, but of how they generated their wealth, including the tax regimes which direct some of it towards philanthropy. The
real issue for education is that of how national elites think about education, and of the local, state-level and national capacity to provide it without perverse results (such as teachers becoming local moneylenders).

Roy Carr-Hill, in his presentation, reviewed the Education for All (EfA) goals; their rationale in terms of rights, human capabilities, and development benefits; and the problem of their attainment without undue ‘frictional costs’ of corruption. He also reviewed the constantly shifting projection of a timeline by which something like EfA was to be achieved, from ‘1988’ in the mid-1960s to ‘2015’ in 1990, the latter goal requiring something like $10 billion per year to be achieved; at Dakar in 2000, UNESCO, UNDP, UNICEF and the World Bank guaranteed full funding for EfA for any state which can present an adequate plan. He was therefore sceptical about the role for philanthropy and NGOs and he found the ‘enclaves of excellence’ approach misguided. He also noted two trends relevant to the evaluation of the role of philanthropy: the pressure toward decentralisation in the control of budgets and the state apparatus; and the tendency to support infrastructure rather than specific projects, most marked in the case of the Japanese government which will not support education abroad except in terms of infrastructure, on the grounds that education is a crucial part of national ideological formation and so must be controlled wholly by national governments.

Discussion

The discussion focused on the contrast between education and health in relation to global philanthropy, and as public goods in their own right. Sarah Hodges asked whether there was or could be an educational ‘silver bullet’ comparable to antibiotics, although others in discussion noted that health too has a certain ‘muddiness’ about it: health ‘silver bullets’ don’t work well without infrastructure, and material interests can be more distorting in the case of health than education (there is no real educational equivalent to the pharmaceutical companies, though it is striking that communist countries have provided basic education much more cheaply than international donors provide it now).

Several participants suggested inherent tensions in the perceived value of education: value for the individual vs. value to the community, or individual right vs. public good; intrinsic vs instrumental good; education as liberating vs. education as reinforcing the status quo; education in the broader sense vs. schooling. On the intrinsic/instrumental point, Gareth Stedman Jones pointed out that different groups may value education for their own purposes, rather than as and for a common value. Sunil Amrith observed that the content of education is essential, but that discussions of its value in development circles often focus instead on the value of the process of education, ignoring the question of content, while Emma Rothschild pointed out that the goal of universal literacy and numeracy had been thought simplistic in postcolonial discourse in the 1940s and 50s. She also raised the issues of new technologies, and of indicators of success: the latter seem to be inherently more problematic for education than for health. Paula Johnson concluded the discussion by reiterating one question from her paper: why do US foundations support education so generously domestically, but so niggardly compared to health in their international giving? Why, that is, in Chen’s terms, are their ‘preferences’ so different domestically and internationally? She would find a tentative answer in the course of
the discussion in Session III: that they tacitly perceive themselves to have more legitimacy in addressing domestic education than in addressing education abroad, precisely because of the ideological and social functions which education embodies.

II. Philanthropy, Politics and Education: Contemporary India
Chair: Emma Rothschild
Background Paper – introduced by Sunil Amrith and Shaila Fennell as commentators:
Pratap Mehta, *From public good to private control: philanthropy and higher education in India*

Shaila Fennell’s commentary explored the meaning of the ‘privatisation of philanthropy’ discussed in Mehta’s paper, in light of the history of ‘Indian philanthropy’, which emerged in a new space provided by new forms of Indian capitalism, regionalism and diaspora. Merchant capitalism and charity has given way to professional, public, and ‘disembodied’ middle-class philanthropy, and now to the win-win business case as well as the ‘adopt-a-child’ approach to philanthropy: is this progress? Meanwhile, the state is in many villages perceived as distant or absent; NGOs step in and are perceived as philanthropic, although it is not their own money that they give. But Mehta stresses that rather than compensating for state failures, these new forms of philanthropy mirror the lack of legitimacy in the state.

Sunil Amrith also highlighted the historical dimension of Mehta’s paper, which identifies an Indian philanthropy that predates Indian democracy and was intimately bound up with *nationalism*, as opposed to the *internationalism* which is the context for many discussions of philanthropy today (including the programme for this meeting). He went on to make two points. First, the legitimacy of higher education as a priority in its own terms affects philanthropic commitment to it: is the current denigration of universities in India linked to the growth of the high-tech sector? The 1993 Umnikrishnan judgment discussed by Mehta stressed the equality of access to education, versus more recent judgments assuming that state education is inferior in motivation and accountability to that provided out of charity. Second, issues of trust and accountability, and the ethical imperatives governing philanthropy, transcend the public/private and global/local divides. A recent campaign by Indian activists in the US to hold American corporations accountable for donating matching funds to Hindutva organisations illustrates the latter point.

Pratap Mehta responded by stressing the interaction between strong states and good philanthropy: we know that we only get market investment in strong states, but haven’t taken this lesson seriously in the social sector. The private can’t substitute for the public in framing background public conditions, so we can’t think of the private as simply filling in state gaps. Furthermore, the delegitimation of the public comes from a certain view of political economy, such as that state incentives are perverse.

Discussion

Discussion began by exploring further historical issues. Participants were struck by the fact that there were *no* philanthropic institutions associated with British, as opposed to Indian, companies in the colonial period, although Roy Carr-Hill
considered British imperialism to have spread schooling for its own instrumental reasons. The Nehruvian impulse to improve the nation to which Tata and others contributed (and the complex motives of what Ananya Kabir called ‘flamboyant renunciation’ in Indian ideas of asceticism), raised the question as to when the public/private distinction even became a useful demarcation in India. It was suggested that a similar alignment between philanthropy and national interests occurred in 19th century America, and that exploring philanthropy as a vector of nation-building could be done more broadly, since many nationalisms are post-imperial. Today in India, the diaspora raises a lot of money for the Indian Institutes of Technology which remain flagships of this kind of nationalism, while foreign NGOs in contrast work with the poorest and most disadvantaged in the urban slums, creating a multilayering of education and privileging access over content and quality. The nature of the subjectivity created by philanthropic involvement and by different kinds of education was proposed as a rubric for analysis.

Unexpected features of different forms of philanthropy and state funding were noted: for example, that even radical NGOs prefer foreign individual donations to Indian corporate donations, because the former bring with them more freedom of ownership and operation. Likewise, it is easier to get a grant from a big international foundation than from the Indian government, more democratically accountable though the latter is. Indian trusts have shifted towards proprietary control of their own activities and away from grantmaking. The realities of Indian politics were also recalled: the significance of caste, and the control of the state by elite groups. Nevertheless, other participants challenged Mehta’s stress in his paper on the invidiousness of new technology institutes set up by philanthropic loans or grants then charging fees: is charging fees really the problem, since private universities everywhere do so as well? Mehta replied that the insistence on control gained by what may be no more than an initial loan was problematic, and evidenced an ideology more appropriate to for-profit than non-profit institutions.

Emma Rothschild concluded the day’s discussions by raising certain questions for the morrow. A taxonomy with many dimensions was needed to account for the varieties of ‘public’ and ‘private’ entities (including intentions, source of income, and so on). Also, the question of philanthropic role and accountability needs to be placed in the context of liberal democracy: philanthropy may be justified as a source of alternative funds and ideas if the state should change its priorities, as well as in terms of freedom for individuals to use their wealth as they wish. Legitimacy can also derive from international institutions, yet states retain an essential role in framing the regulatory environment in which charities operate. Finally, in keeping with the discussion of history, she observed that the teaching of history is itself a vital and contested part of education.

III. Philanthropy, Politics and Education: Contemporary India
Chair: Pratap Mehta
Background Paper – with Sarah Hodges and Gareth Stedman Jones as commentators: Joe Bord, *Philanthropy and education in nineteenth-century England*

Joe Bord gave a short presentation of the themes of his paper based on a diagram contrasting two successive models of the public and the private. In the older ‘pre-
sectoral’ model, spheres were distinguished by address and audience, such that the ‘private’ consisted of informal and face-to-face interactions contrasted with the ‘publicities’ in voluntary, commercial and political organisation. In the newer ‘sectoral’ model, spheres are distinguished by ownership of assets, such that the ‘private’ embraces both the corporate for-profit and the voluntary non-profit sectors, whereas the ‘public’ is paradigmatically restricted to the state, though contractual and regulatory hybrids also exist. Bord argued that the invention of new forms of ‘publicity’ within English philanthropy in the mid-nineteenth-century itself provided the impetus for the state to take on new roles, and so led to the replacement of the older model by the newer and still current one. This ‘encroachment of publicity’ was typically a two-stage process, in which an ideological core of people are driven to make claims to public legitimacy in order to, and as part of, mobilizing a wider set of networks and resources. Drivers of this process included economic development, legal changes (in particular the spread of incorporation), and ideological factors, especially the contrast between evangelical theories of character reformation and establishment theories of state reform.

As commentator, Gareth Stedman Jones was sceptical of the underlying Habermasian framework of Bord’s argument, arguing that the public/private distinction is a misleading way of thinking about eighteenth- and nineteenth-century Britain. In particular, in the case of English philanthropy, such an account overlooks the fact that local vicars were paid out of church rates (mandatory until the 1830s) and organised much philanthropic activity. Much of the massive philanthropy in this period – charitable expenditure in London exceeding the Naval Estimates in 1851 – was focused on the need to teach people to read the Bible. It also reflected a perceived Whig duty to extend outwards to embrace dissenters. Only with the repeal of the Test and Corporation Acts which emancipated the Catholics did the comprehensive Whig approach to religion, charity and education break down into demarcated sectors distinguishing between the state and ‘voluntary’ initiatives.

Sarah Hodges, as the second commentator, turned her attention to the early twentieth century and the emergence of anthropology as a discipline, in order to put the question of philanthropy and education into a longer perspective of the history of subjectivity (thus picking up Joe Bord and Pratap Mehta’s comments from the previous session). In fact, anthropology and philanthropy were professionalized in tandem, with a new breed of ‘philanthropoids’ in the 1920s (comparable to and contrasting with Bord’s ‘moral adventurers’) who were reform-minded foundation bureaucrats. The anthropological perspective on who gives/who takes, and who calls/who responds, helps us to see that philanthropy is always affective, involving not just who gives the endowment but also ongoing networks of relationships.

Discussion

Picking up the question of affective relations from Hodges, Emma Rothschild recalled the extent to which personal face-to-face relations were felt to be oppressive and ‘vexatious’ in the late eighteenth century. She also picked up on Stedman Jones’ point about the Bible, comparing it to current views of education as a kind of secular religion; Roy Carr-Hill observed that reading the Bible remains the principal motivation for illiterates to learn to read in Africa today. Ananya Kabir generalized this point to the imperial dimensions of the evangelical trust in education and the
changing approaches to educating colonial subjects, and Shaila Fennell illustrated the latter question by recounting Malthus’ insistence that Sanskrit be compulsory for colonial officers to be sent to India. Fennell also suggested that the direction of movement between models in Bord’s paper was reversed in China in the eighteenth century, where private educational foundations came to proliferate as the result of the imperial state losing control and local states having to negotiate with local elites.

Pratap Mehta suggested that both certain Protestant approaches to education, and the Habermasian account linking education to citizenship, involve a respect for citizens as people you reason with, but that this is always counterposed with an approach to populations as needing to be governed. Gareth Stedman Jones developed this point by contrasting the ‘rational dissent’ emphasis on rational autonomy, with Anglican emphasis on authority, while Andrea Sangiovanni observed that the debates over extending the franchise in the same period made questions of education and moral reform acute (Emma Rothschild pointed to the debates in the Frankfurt Parliament in 1848 about education in the same vein). Lincoln Chen asked whether we are now moving into a third model, in the context of globalisation, with contractual models and corporate lobbying becoming dominant, and market price signals coming to supplant the ‘market failure’ of philanthropy where there is limited supply, unlimited demand, and no price signal. What are the new animating forces of philanthropy in relation to the state in this new era?

Sarah Hodges seized on the metaphor of ‘animating forces’ and linked it to the question of the ‘production of knowledge’, and in colonial India of the nexus between the ‘command of language’ and the ‘language of command’. One such metaphor in use in nineteenth-century English Whig discussions, according to Joe Bord, was that of the agricultural ‘cultivation of minds’ as opposed to the industrial ‘production of knowledge’. The political and ideological uses of education were encapsulated in a Ghanaian anecdote offered by Roy Carr-Hill: the symbol of Jerry Rawlings’ party was used to instruct people in the method of voting. Joe Bord concluded the discussion by returning to Sarah Hodges’ focus on the self-transformation of the philanthropist in the process of philanthropy, and questioning the extent of knowingness and self-consciousness in the ‘moral adventurers’ his paper discusses. Such adventures are risky, and philanthropists have to manage that risk in the process of producing and constructing their identities.

IV. International Philanthropy and Democratic Legitimacy
Chair: Lincoln Chen
Background Note -- introduced by Pratap Mehta and Emma Rothschild as commentators:
Melissa Lane, The legitimacy attending philanthropic involvement in education

Melissa Lane began by setting her note in the context of the discussion so far. Her note had focused on two sources of legitimacy: authorization or ‘input’ legitimacy, and consequences or ‘output’ legitimacy. The discussion had identified three further sources: from the mode of operation (e.g. being an honest broker, or being governed by popular subscription); from the inclusivity of the target audience (e.g. the Aga Khan’s giving to both Muslims and Hindus, an example offered by Lincoln Chen);
and from the ‘legitimacy of reception’, or the extent to which a philanthropic practice or policy is more widely adopted. She also observed that her own note, and the discussion so far, had tended to assume that the ‘public’ was the paradigmatic source of legitimacy. Yet at points, the fact had emerged that the ‘private’ can be considered a source of legitimacy in its own right: for example, as an expression of liberalism or pluralism. Finally, she suggested that the ‘new era’ of philanthropy which various participants had alluded to could be characterized as a shift from a ‘culture of gifts’ to a ‘culture of investment’, a shift manifest in the developed world (in which New York City is touting for philanthropic involvement in city public schools) as well as in international philanthropy directed towards the South.

As a commentator, Pratap Mehta argued that an empirical theory of accountability is needed, supplementing formal structures with concrete knowledge of institutional incentives and actions. The hypothesis that international philanthropy poses a more acute threat of subversion of indigenous democratic processes – which underlies Lane’s note and the meeting’s premise -- is not always true. For example, in India, international philanthropy is far more carefully scrutinized than any other activity, which may lead to its relative transparency and probity compared to certain domestic activities. He concluded that the assessment of philanthropic accountability also requires a more complicated notion of freedom. It is often held to be an advantage of philanthropy that it need not legitimize itself through the normal coercive demands of creating consent. But the question is whether its effect is to empower individuals (as in the nineteenth-century ideal of creating citizenship by means of rational autonomy) or to frame individuals as members of populations to be acted upon.

Emma Rothschild began by noting that the possibility of transformation applied to this meeting and to CHE activities generally: our individual disciplinary practice is affected by considering these questions. She moved on to the influence of philanthropic activities on policies for education and educational institutions. Foundations measure their own legitimacy in part by what Lane had called the ‘reception’ of their policies by other institutions including states. Meanwhile, the privatization of state functions is now being accompanied by deregulation, leaving private provision without standards. Here as in the nineteenth century, attention to legal history and changes is crucial: tax policy has created the US philanthropic culture, but the recent legislation may impose conditions so onerous as to reduce substantially American international philanthropy.

Rothschild then sketched out how different forms of philanthropy, voluntary initiatives, corporate practice and state policy interact in the case of education. A rich individual in the North may give directly to schools; or give to a charity to give to schools; or give to a charity to give to an NGO to give to schools. They may exert influence via public opinion (and press); NGOs; other individuals and charities; international institutions; national and local governments in the South; national governments in the North. She also noted that philanthropists have material and personal interests, including intellectual commitments: for example, Malthus had accepted the idea of universal education and urged that his principle of population be taught.

**Discussion**
Discussion appealed to the classic theories of liberalism, in which checks and balances, and competition of different interests and sects, were expected to provide an alternative to a pure (and impossible) Archimedean point of disinterestedness. In this context, different questions to do with the legitimacy of philanthropy were distinguished: that of private involvement in education, and of international involvement in education abroad; that of the validity of philanthropic action in its own terms, and of its effect in the systematic reordering of social priorities; and that of the philanthropist him- or herself and of the existence of foundations as such. Paula Johnson explained that research had shown that of the four factors purporting to legitimize the foundation sector in the US – redistribution, efficiency, social change, and the idea of pluralism – only the last was empirically shown to occur.

The remark in Lane’s paper that certain activities could be ‘legitimate but wrong’ was subjected to scrutiny: Sunil Amrith gave the example of major US foundations in the 1950s funding population control in India and Sri Lanka at the invitation of those states, so promoting policies abroad which at the time lacked political support and legitimation at home. If public opinion is the ultimate arbiter of legitimacy, what happens when philanthropists start to shape that opinion through education and the media, especially if the idealized picture of the public sphere as rational discourse is affected by new technologies and means of public persuasion? In this connection Shaila Fennell observed that NGOs promoting education in India often have two different websites, one directed to Indians and the other to Westerners funding the work, thus raising the problem of transparency. But Lincoln Chen challenged the view that public opinion is the arbiter of philanthropic legitimacy: with the exception of fraud, the major foundations use their annual reports for public relations rather than for public accountability, and view their legitimacy as residing precisely in their immunity to the pressures of immediate public opinion so as to promote innovation.

Martha Chen and Amartya Sen joined the discussion after Lane’s presentation. Chen was concerned that philanthropy in India will simply reinforce state tendencies to serve the dominant classes and ignore unheard voices. Sen shared that concern, but stressed the value of competition in the domain of philanthropy as in other domains. He also introduced a strand of discussion on the meaning of democracy, arguing that democracy is not to be equated with voting but essentially involves the existence of a public domain, the opportunity to criticize, and openness. This argument was debated among the historians present: the consensus seemed to be that although critics of democracy had feared that it could lead to or embody despotism, adherents of democracy had always understood it to include more than suffrage alone, and implicitly or explicitly to include the freedoms to which Sen referred. Indeed some late eighteenth-century debates about democracy had had the distinction between education and instruction at their heart.

Another approach to the definition of democracy was introduced by Emma Rothschild, distinguishing between informal (public opinion pre- and post-election); formal (elections) and very formal (constitution and courts) constituents of democracy. The categorisation was welcomed but also questioned: in the view of some, including Sen, an electoral system without open public discussion does not formally constitute a democracy. Be that as it may, the only one of these elements to carry over directly into the international arena was the ‘informal’ set.
Concluding Comments

The question of the relationship between philanthropy and democracy was put on the table again by Sarah Hodges: is philanthropy a challenge to democratic politics, or does the relationship between philanthropy and education provide a way of addressing challenges which democratic polities face? One way to construe the meeting is that both can be true: philanthropy can challenge democratic politics both at home and abroad, but a) this ‘challenge’ may be provocation and stimulus rather than necessarily subversion; b) the challenges will take different forms in different areas, education being unlikely to attract the very large flows which characterize some international philanthropic health initiatives, and which do reshape public priorities both domestically and internationally (eg the WHO). The remaking of Iraq and the Middle East is an example of such a complex set of challenges: corporate and non-profit involvement in Iraqi education will be part of making the ‘new citizen’ required by the idyll of Iraqi liberal democracy, as is already happening with the Philanthropic Roundtable’s support for new textbooks in Afghanistan.

Participants were each asked for a concluding thought: these are woven together here. Most focused on the relationship between liberalism, education, and democracy. These may not all go together as cosily as we might have imagined; the legitimacy of both democracy and philanthropy is contingently dependent on particular contexts; the role played by electoral politics in development is still contested; the systemic lack of education is a real threat to Indian democracy, and the answers philanthropy might give to this may be piecemeal and end up reinforcing the systemic problems; social perspectives on power, class, and interest are needed to understand how philanthropists understand themselves and their projects. The relationship between education and health were also considered: education had seemed more complex, but it is also cheaper to fund; part of the complexity had been discussed in terms of ideology, but that choice of terms itself needs to be questioned – what would change if ‘culture’ were invoked instead? It was proposed that philanthropy should aim to help people overcome necessity (including the necessity of dependence on philanthropy) by giving them the education and the means to make real choice possible. And it was concluded that ultimately, our judgements of legitimacy, including the legitimacy of philanthropy, cannot be detached from substantive moral judgments.