

## **Giving Gifts:**

### Philanthropy in France and the United States

Pauline PERETZ

**There is a long-standing tradition of contrasting the French and American models of philanthropy. According to four scholars invited to discuss the matter for *Books and Ideas*, this contrast, which is too quickly reduced to a difference between market and the state-based approaches, is no longer valid.**

There is a long-standing tradition of contrasting the French and American models of philanthropy. According to four scholars invited to discuss the matter for *Books and Ideas*, this contrast, which is too quickly reduced to a difference between market and the state-based approaches, is no longer valid. France has, like the United States, albeit at a later date and for different reasons, encouraged private philanthropy, in the form of gifts, “volunteering” (*volontariat*), and “benevolent” activity (*bénévolat*).<sup>1</sup> Today, the state no longer has a monopoly of the public interest, while the distinctions between philanthropic, entrepreneurial, and governmental outlooks have become blurred.

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<sup>1</sup> French law distinguishes between two kinds of volunteer work: *volontariat* and *bénévolat*. Both refer to work that is not remunerated. *Bénévolat*, however, refers to volunteer work of brief (if regular) duration that lacks a legal status (i.e., volunteering once a month at a soup kitchen). *Volontariat* refers to volunteer work covering a longer period that is often more specialized and enjoys a formal legal status (i.e., a doctor volunteering several months of her time for a humanitarian organization).

Nicolas Guilhot is a researcher at the CNRS. He has taught at the London School of Economics and Columbia University. His degree is from the European University Institute in Florence. He has published: *The Invention of International Relations Theory: Realism, the Rockefeller Foundation, and the 1954 Conference on Theory* (New York, Columbia University Press, 2011), *The Democracy Makers: Human Rights and the Politics of Global Order* (New York, Columbia University Press, 2005), and *Financiers, Philanthropes: Sociologie de Wall Street (Financiers and Philanthropists: A Sociology of Wall Street)* (Paris, Editions Raisons d'Agir, 2004).

Sabine Rozier is associate professor of political science at the University of Paris-Dauphine and a researcher at the IRISSO. She is the author of: "Les générosités obligées. Mutations des politiques sociales et mécénat des entreprises dans la France des années 1990," ("Obligatory Generosity: Changes in Social Policy and Corporate Patronage in France in the 1990s") in Matthieu Hély and Maud Simonet, eds., *Les mondes du travail associatif*, Presses universitaires de Paris Ouest, forthcoming; "Mécènes et pouvoirs publics: des relations ambivalentes," ("Patrons and Public Authorities: An Ambivalent Relationship") in Philippe Poirrier, ed. *Politiques et pratiques de la culture*, Paris, La Documentation française, 2010; and "La participation des citoyens à des projets d'intérêt public. Enquête sur le programme culturel d'une fondation," ("Citizen Participation in Projects of Public Interest: Investigating the Cultural Program of a Foundation") in Thomas Fromentin and Stéphanie Wojcikm eds., *Le profane en politique. Compétences et engagements du citoyen*, L'Harmattan, 2008.

Olivier Zunz is professor of modern history at the University of Virginia. He is the author of: *The Changing Face of Inequality: Urbanization, Industrial Development, and Immigrants in Detroit, 1880-1920* (University of Chicago Press, 1982); *Making America Corporate, 1870-1920* (University of Chicago Press, 1990); *Why the American Century?* (University of Chicago Press, 1998). His last book, *Philanthropy in America: A History* (Princeton University Press, 2011) will appear in French in the fall under the title: *Argent privé, affaires d'État. La philanthropie en Amérique* (Fayard, 2012). He recently published the correspondence and the American travel diaries of Tocqueville and Beaumont: *Alexis de Tocqueville and Gustave de Beaumont in America: Their Friendship and Their Travels* (University of Virginia Press, 2010).

### **Different Discourses, Not Models**

**Books & Ideas:** Is it right to contrast the American philanthropic model to a French historical choice in favor of national solidarity and social justice?

**Sabine Rozier:** Yes, to a certain degree, even if this contrast is not quite as sharp as it would appear. On the one hand, in the United States, the idea prevails that the individual's pursuit of his or her enlightened self-interest can only benefit the common good, and that the state must strive to enable the flourishing of these private initiatives, including altruistic ones, by promoting its citizens' voluntary commitments. The market—and philanthropy, its counterpart—is considered the best way to allocate and distribute collective resources. Even so, the federal government's intervention is not confined to offering health and social services

(i.e., aid to the poor, the deserving, or the elderly). The state intervenes through an array of tools that allow it to act from afar. Through various fiscal tools, particularly section article 501(c) of the Tax Code, the nation supports private not-for-profit initiatives, via tax deductions and exemptions. This support, spread across the Tax Code's inner crevices, is often invisible. For instance, it does not stand out in international comparisons, which tend to focus on the share of GDP devoted to gross public expenditures on social services.

On the other hand, France, the heir to revolutionary and republican ideals, has made a “choice,” not for charity, but for solidarity, on the assumption that each person belongs to a community of free and equal individuals. The idea that the public interest must transcend particular interests gradually prevailed. It fell to the state, as the repository of the public interest, to play a critical role in the allocation of collective resources, notably by equalizing standards of living. Yet has France actually succeeded in realizing the universalistic ideals that it professes? Not really, as the history of its educational policies, as well as its social policies, attest. The model of the welfare state that it has constructed—which at present is confronting its limits with mass unemployment—has, far from benefiting everyone, primarily served the interests of workers benefiting from a specific status and certain salaried categories. The young, the least qualified, women, and elderly employees are the big losers of the inter-generational contract—to such a degree that social assistance, believed to be the prerogative of more market-orientated societies, is on the rise.

**Olivier Zunz:** It is absolutely correct to emphasize, as Sabine Rozier has done, that the American government makes social expenditures at all levels. This commitment is not only fiscal or indirect; it can also be seen in major direct government subsidies (at the federal, state, or municipal level). The federal government invested enormously under the presidency of Lyndon Johnson and has not reduced its role since then, despite numerous attempts. Since the mid-1970s, the state is, on its own, the source of more than half of the donations to the not-for-profit sector, which makes up for the remainder with its own revenue, stemming either from fees or from interest on capital investments.

I should add that philanthropy in the United States is not limited to the rich. It is, in the first place, the fruit of an alliance between the rich and social reformers. This partnership began in the late nineteenth century. Its goal was to transform large fortunes into public goods mobilized for “human progress,” to use the catch-phrase that became popular at the time. But

if philanthropy acquired a central place in modern American life, it is also thanks to the simultaneous birth of mass philanthropy, a popular movement that managed to mobilize the middle and working classes for their own social protection.

The concept of enlightened self-interest (*“intérêt bien entendu”*), which we owe to Tocqueville, is less the result of an historic choice than of a project under perpetual construction, as the proper balance between private interests and the public interest is never self-evident. Hence the wide variety of efforts that exist in a system that encourages collaboration between state and civil society.

**Anne Bory:** If for many years the state in France presented itself as the guarantor of the public interest, this monopoly, as Sabine Rozier indicated, has been largely called into question since the 1980s, with the approval of consecutive governments. An analysis of parliamentary debates, which resulted in the approval of the laws of 1987, 1990, and 2003 on corporate patronage, suggests the extent to which references to the American philanthropic model and to Tocqueville as its enlightened observer abound, not only in the speeches of right-wing MPs, but also in those of socialists and even the occasional communist. There thus exists today a consensus around the idea that public authorities no longer have a monopoly over the public interest. Individuals as well as corporations are seen as capable, through their financial or benevolent commitments, to make efficient contributions to it.

The very principle of tax deductions for gifts to civic associations—whether by individuals or corporations—recognizes that it is legitimate for the state to renounce its claim to tax revenue in order to encourage private philanthropic investment. The assumption here is that both the state and private interests can serve the public interest with equal efficiency. Tax deductions are used on either side of the Atlantic, but do not reflect the full extent of the United States government’s support for philanthropy.

Olivier Zunz mentions public donations to the American not-for-profit sector. In this respect, the National Endowment for the Arts (NEA) is a particularly interesting institution. Established by the Johnson administration in 1969, this public fund was designed to promote private investment in the cultural realm (remember that American museums are, among others, not-for-profit organizations) through the principle of what will later become known as “matching funds”: a first donor promises a donation to a project—of a cultural, social,

ecological, etc., nature—initiated by an organization or an individual, under the condition that additional donors agree to make subsequent donations. In the NEA’s case, the public label serves as a guarantee to private philanthropic investors. In France, I’ve observed that certain public organizations follow the opposite principle: applications for funding by associations are considered less “risky” if they have obtained the support of one or more private patrons—either foundations or corporate patrons.

Consequently, in both countries, public authorities have encouraged the development of private philanthropy, following different timelines (since the mid-1930s and particularly the 1960s, in the United States; since the 1960s and especially since the 1980s, in France), but taking similar approaches (tax incentives, but also, for example, the promotion of volunteering programs, particularly among the young). Yet philanthropy’s social status and moral justification differ in each society. While the rationale of “giving back to the community” tends to dominate American discourse, in France, the emphasis is on social utility and solidarity.

### **Distinct Practices of Gift-Giving**

**Nicolas Guilhot:** Like all sharp contrasts between abstract models, the one we are dealing with—private philanthropy on one side, solidarity and social justice guaranteed by the state on the other—is simultaneously broadly accurate and partially misleading. One can certainly contrast the idea of a philanthropic—i.e., contingent and subjective—allocation of resources to the idea of social justice. Social justice is essentially distributive justice, occurring through taxation and social transfers. Consequently, it implies a norm of justice that is applicable to society as a whole (in addition to sovereign arbitrating institutions when there is a conflict between norms and specific rights). In the philanthropic model, norms of justice are considered a private matter.

In the United States, the question of solidarity is posed differently. In this respect, Olivier Zunz is absolutely right when, in his remarks and his writings, he insists upon the massive, capillary, and popular character of American philanthropy. There are currently hundreds of thousands of foundations and the practice of gift-giving is deeply rooted. This proves that philanthropy is constitutive of the social bond and is perfectly compatible with a high degree of social solidarity. But the diffuse character of American philanthropy should make us aware of the diversity of its forms and functions and lead us to question the

opposition between the American and French “models,” which are too hastily conflated with an opposition between the market and the state.

Indeed, in speaking of “philanthropy,” we place under a single rubric practices, traditions, and institutions that are very different, perhaps even incommensurable. What do neighborhood charitable organizations, small local foundations, national organizations devoted to ideological causes, and institutions with an international scope like the Ford Foundation have in common? We must further distinguish between different operating procedures that exist within a single philanthropic institution at different stages of its historical development. For instance, to take the preceding example, it is important to distinguish between the Ford Foundation at its origins, when it was very directly subject to the decisions of Henry Ford II and his trustees, and the institution that survived its founders and became an enormous bureaucracy dedicated to the public interest, which cannot be easily reduced to well defined vested interests. We must, finally and most importantly, emphasize the porous boundaries between major philanthropic institutions and the American state, which explains why their personnel flow relatively easily from one to the other. Dean Rusk, for instance, was consecutively an Assistance Secretary of State under Dean Acheson, then president of the Rockefeller Foundation, before being named Secretary of State by Kennedy. This suggests a situation that is far closer to what the French call “*pantouflage*” than it indicates a sharp contrast between two mutually exclusive realms.

In other words, the debates that are currently underway in France on the ideal dividing line between philanthropy and public administration are poor indicators of the historical and sociological reality of philanthropy in the United States. In the current public debate, references to the American philanthropic “tradition,” with the obligatory references to Tocqueville, the proverbial “community chest,” and to alternative forms of solidarity strike me as essentially ideological justifications which mask, under an imaginary continuity, a major shift in philanthropy’s form. The “philanthropy” whose merits are being vaunted in France—and that Anne Bory has analyzed so well—has very little to do with this historical tradition. It is on the contrary the result of an upheaval in the philanthropic world that goes back twenty years at the most: a transformation of its social structures, a displacement of its center of gravity (notably from the East to the West Coast), and a shift in its social technologies and *modus operandi*, which are now mainly borrowed from the world of finance (whereas older foundations took as their model the large corporation and its technostucture).

Moreover, this new philanthropy established itself through a critique of the philanthropic tradition—notably on the ground of its efficiency—and has promoted new forms of intervention that participate in a new governmental rationality, far more open to risk and highly critical of the social mutualization of risk.

### **Government Intervention and Private Initiative: A Complementary Relationship**

**Books & Ideas:** In France, the relationship between the state and philanthropy is often seen as based on suspicion and conflict. Yet isn't it more accurate to speak of a partnership or complementary relationship between state and private initiatives? Can't philanthropy promote social experimentation that the state could later generalize, or support the state in the implementation of its political and social goals?

**Sabine Rozier:** Indeed, the relationship between public authorities and philanthropic actors has been characterized for a very long time by suspicion—because of the ancient hostility of royal legists towards the dead-hand control of property, republican fears about the reconstitution of clerical property, the defiance of workers' organizations towards industrial paternalism, and, more generally, the desire to free the poor from the bonds of charitable dependency. But the history of the French philanthropic movement—to the extent that one can subsume such a variety of actors under a single term—demonstrates that these relations have more often been characterized by close collaboration, even if the state, as it gradually became a welfare state benefitting workers and their families, played its part in discrediting earlier charitable practices. As examples, one could mention the Pasteur Institute, the Rothschild Foundation—which contributes to public health—and the Auteuil Orphans Foundation. They share in common the fact (a trait of all the oldest foundations) that they act directly—through the administration of an institution or a network of organizations. One could also mention the case of foundations—like Royaumont or Maeght—that have assigned themselves the mission of promoting France's cultural heritage or contemporary art at a moment when the state began to consider such endeavors as worthy of public support. Foundations are even occasionally created for the opportunistic purpose of promoting the goals of political figures, like the Foundation of France, established in 1969, which André Malraux (France's culture minister) hoped to transform into a scheme for raising funds for his financially strapped ministry's ambitious projects. But these philanthropic organizations are not necessarily the state's voluntary or obligatory partners. They can also be weapons leveled against public institutions that are deemed to have become sclerotic: recall the circumstances

that gave birth in 1963 to the Maison des Sciences de l'Homme (The House of Human Sciences), opportunistically supported by the Ford Foundation.

What of the relationship between the state and philanthropic actors? The situation changed in the 1980s. The wealthy families of yesteryear, belonging to the aristocracy or the upper bourgeoisie, gave way to a new kind of donor, whose wealth generally derived from success in the business world or took the more impersonal form of a company name. Government encouragement, highly attractive tax incentives (since 2003), the creation of new ways to combine capital (i.e., through endowments, since 2008) as well as the emergence specialists in benevolent investments (notaries, foundation managers, etc.) have favored the eruption of a multitude of actors on the philanthropic scene. Older causes—fighting poverty, helping children, supporting medical research, social integration, and humanitarian assistance—are still favored by donors and drain most of the public's generosity. But the newcomers to what increasingly resembles a “market”—with its rationalized techniques, its middlemen, its threats to one's reputation—intend to make philanthropic acts a profitable investment. The creation of institutions once dedicated to specialized causes has given way to financing multidimensional projects, concerned with pragmatism and efficiency. In this context, the state sees itself less as a conductor, coordinating efforts undertaken jointly by public and private actors, than as a regulator of private initiatives, steering generosity towards spheres of activity that are considered particularly important, such as research, or financially challenged, such as art or culture.

**Anne Bory:** If one confines oneself to corporate philanthropy, it would seem that public authorities consider patronage as a complement to, rather than a competitor for public funds. At times, corporate patronage can even play the role of a guinea pig for new projects. Some promoters of corporate patronage are very blunt in their refusal to be confined to a complementary role or to being seen as an alternative to public funds, insisting rather on the innovative character of philanthropic investments. Corporate foundations have thus supported artists who were later consecrated by the Culture Ministry, like Angelin Preljocaj and the BNP Paribas Foundation. This claim to innovation can also be seen in the realm of social and educational policies: many corporate patrons finance tutoring, boarders, and scholarships, which they present as innovative remedies, essential for overcoming the Education Ministry's shortfalls. These programs are at times even made in partnership with the ministry itself. In such circumstances, “partnership” between public authorities and patrons is often ambiguous:



while it is presented as evidence of the modernity of state action, it also becomes an occasion to emphasize the shortcomings of public education. Public-private partnerships in the social and cultural realm are often defended by their promoters and their initiators as means for renovating and improving the framework of public action. In a political and ideological context dominated by the idea of “small government,” the line between complementarity and competition is often very fine indeed.

### **A Change in Governmentality**

**Nicolas Guilhot:** It strikes me that the question of the relationship between public and philanthropic action must be posed in new terms, and not merely in terms of the public-private opposition. When Sabine Rozier says that the state now presents itself as the “regulator of private initiatives,” she calls attention to a major change in the way we are governed. Neoliberalism (I use the term as it is understood by Philip Mirowski<sup>2</sup> or, in France, by Pierre Dardot and Christian Laval,<sup>3</sup> without any polemical intent) is above all a change in governmentality. The “social” is no longer governed from the center, from where it would be possible to master reality in all its complexity and to produce desired effects. Instead, the state defines the parameters in relation to which social agents orient themselves and define their interests. In other words, to use a concrete example, tax incentives are now less a measure aimed at rewarding political clients than an instrument of government. In this context, the major role that philanthropy is expected to play becomes clear, as it participates in a realm in which government intervention is increasingly in competition with, even replaced by, a myriad of “projects,” entailing the mobilization of the beneficiaries, relying on practices such as benchmarking, performance evaluation, continuous monitoring, and inherently rooted in a profit-sharing rationale. From this perspective, business rationales and government rationales tend to blur together. Nowhere is this trend clearer than in the realm of research, where the allocation of public funds, in France as well as at the European level, has endorsed the dominance of the “project” model, which is entirely based on procedures that were first used by philanthropic foundations.

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<sup>2</sup> Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: the Making of the Neoliberal Thought Collective*, Harvard University Press, Cambridge, MA, 2009.

<sup>3</sup> Pierre Dardot and Christian Laval, *La Nouvelle raison du monde; essai sur la société néolibérale*, La Découverte, Paris, 2010. See the review published in *La Vie des idées* par Arnault Skornicki : “Généalogie de la morale néolibérale,” September 16, 2009, <http://www.laviedesidees.fr/Genealogie-de-la-morale.html>

In the end, what is disqualified is less the state itself, which is perfectly capable not only of functioning within, but even promoting this new context, as the idea of managed intervention aimed at achieving politically determined goals. This is done in the name of a conception of innovation in which it is the great “marketplace of ideas”—an information processor that is, if not infallible, at least vastly superior to any centralized organism (whether it be the state or the human brain)—that selects the best projects and generates the best solutions. That said, philanthropy cannot be explained solely in terms of this crisis of traditional modes of regulation, any more than the state’s social intervention should be retrospectively idealized. Nor can one underestimate the capacity of certain projects to open up, here and there, new spaces for reclaiming the social or political experimentation. One only has to look closely at the trajectories of some of the new philanthropy’s leading figures to see that it is not always tied to neoliberalism or the market, but that it can, at times, be a realm in which former radicals and dissidents reinvent themselves, granted with all the ambiguity that such a reinvention implies in an increasingly “professional” market.

**Olivier Zunz:** In the United States over the course of the twentieth century, the relationship between state and civil society has changed dramatically several times. For Herbert Hoover, who was elected president in 1928, the institutions of the not-for-profit sector were to become full-fledged components of what the Father of the Constitution, James Madison, called the “compound republic”: in other words, they were to be connected to the federal government as well as to local authorities. But his effort to integrate civil society to the federal system proved incapable of handling the challenge of mass unemployment and poverty. His successor, Franklin Delano Roosevelt, tried, to the contrary, to strengthen the role of the state in social and economic affairs, first by increasing federal authority at every level of government, and second, by establishing a strict separation between public institutions and private associations. By undoing Hoover’s work, the New Deal slammed the breaks on partnerships between the state and philanthropy. Public accounting and private management were henceforth clearly separated. Tax exemption continued, but administrative collaboration between state and civil society were no longer encouraged and mixed funding became rare.

Neither president fully achieved his goal. While the New Deal approach proved more lasting, the Great Society, in the 1960s, sought to modernize the alliance that Hoover had tried to create between the state and philanthropy, by fine-tuning, this time in a lasting way, the principle of a mixed economy founded on state-civil society collaboration. Once this fusion

occurred, the United States Supreme Court began, over the next thirty years, to considerably expand the scope for political and ideological action of civil society institutions receiving public funds. It encouraged not-for-profit association to get involved in politics, from which they had long been banned. The artificial barrier between awareness campaigns and political activism is not longer difficult to surmount. Moreover, state and philanthropic dimensions now have a religious character, where previously they were strictly secular. Churches can now engage in social work, as can religious missions, through the use of federal subsidies. The Supreme Court wanted to make the point that commitment, be it political or religious, was necessary for a strong democracy. It thus softened the regulations that, on the ground of tax exemptions, limited the access of political organizations to the not-for-profit sector.

### **Philanthropy and the Democratic Process**

**Books & Ideas:** Can American philanthropy be seen as a way of projecting American democracy throughout the world?

**Nicolas Guilhot:** It is difficult to establish any relationship between philanthropy and democratization at such a general level. First, the few foundations that have as their explicit goals the promotion of American democracy abroad—such as the National Endowment for Democracy, created in the 1980s—disburse public funds allocated for this purpose by Congress and must be regarded as quasi-state organization rather than private philanthropic institutions. There is of course the relatively exceptional case of the Soros foundations. Even if the assistance that these foundations bring to an array of opposition movements in many relatively undemocratic countries is undeniable, there is no clear relationship between this activity and democratic transition or regime change. On the other hand, when this assistance is decisive—as with the massive but discrete support for the election of the Serbian president Kostunica in 2000—it is simply traditional campaign financing. Moreover, though Soros himself is an American citizen, his foundations are relatively autonomous and subject to local dynamics. It would thus be impossible to consider them as examples of “American” philanthropy.

Secondly, the few serious works that have analyzed philanthropic projects seeking to project democratic institutions abroad, like those of David Hammack and Steven

Heydemann,<sup>4</sup> show that behind the argument of institutional projection, multiple agendas are at play. The beneficiaries of these projects have been perfectly capable of appropriating on their own terms the donors' language to pursue their own goals, which are grounded in local concerns that are often far removed from the latter's expectations. There is no question that international philanthropy produces effects, but it is often quite difficult to know if these were the effects intended or if, compared to the unintended and unpredicted effects, the latter are negligible.

Finally, it strikes me as problematic that democratization has significantly changed in nature and locus in the United States. It was primarily related to the idea of "civil society," which dominated the scene after the collapse of the East European communist regimes in 1989, making philanthropic institutions a privileged tool of intervention. Since 9/11, this framework has shifted. It was, in the first place, "militarized" by the Bush administration. The failure of this new kind of interventionism resulted in the (re)discovery of the strategic and security virtues of social and economic "development," as opposed to regime change (but also in greater integration of humanitarian intervention into the military apparatus, as seen in Afghanistan, which has led to the current reorganization of US forces on the basis of the doctrine of counter-insurgency). In this new context, the role of foundations is becoming less and less important. Now, it is development that shapes thinking about institutional projection.

**Olivier Zunz:** In 1994, Lester Salamon predicted a "global associational revolution" in the journal *Foreign Affairs*. This was, in fact, a fragile transformation and remains under threat. In 2000, in a heavily covered speech, "We the Peoples: The Role of the United Nations in the Twenty-First Century," Kofi Annan launched the Millennium Goals. The UN Secretary General challenged member states to work with the "vibrant constellation of new non-state actors" to eradicate together extreme poverty, epidemics, and ecological disasters.

American philanthropy now often bypasses states to deal directly with local communities. Its goal is to promote capitalism and civil society, which it considers to be democracy's two main pillars. American philanthropic institutions help NGOs in wealthy

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<sup>4</sup> David C. Hammack and Steven Heydemann, *Globalization, Philanthropy and Civil Society: Projecting Institutional Logics Abroad*, Bloomington: Indiana University Press, 2009.

countries to reach populations in need. They also encourage the emergence of local NGOs in the developing world.

Their goal is to create real connections between available funds in international organizations, nation states, and global finance and the many local communities in need, which are often out of the economic loop. For the United Nations, the major American foundations operating overseas are not ordinary international NGOs. They play a crucial role in establishing and implementing global philanthropy. The Bill and Melinda Gates Foundation, created in 2000 thanks to the Microsoft fortune and supported by the billionaire investor Warren Buffet's donation of a major share of his own fortune, is today the wealthiest philanthropic organization in the world, the equivalent of the Rockefeller Foundation in the 1920s or the Ford Foundation in the 1960s. It has proved particularly skilled at bypassing states when doing so is necessary to assist communities in need.

The technological revolution of the turn of the century has allowed mass philanthropy to participate fully in this trend. The primary beneficiaries of this mass, instantaneous philanthropy are major humanitarian organizations, which have the know-how to intervene quickly where help is needed. But a strong civil society cannot exist without stable states. Where states have blocked economic development or, in some instances, have even collapsed, bringing them back to their legitimate and necessary role remains a challenge that global philanthropy in the new century cannot ignore.

### **The Myth of French Reticence**

**Books & Ideas:** What do you think of the thesis that the French are somewhat reticent towards philanthropy?

**Anne Bory:** I am not certain that one can still speak of a “French reticence to philanthropy.” It is true that the share of households that donate to associations is considerably smaller in France (around one in seven) than in the United States (more than six in ten). But the figures for volunteering are about the same in both countries. Above all, while gift-giving is less frequent in France, it is growing and enjoys a positive image.

In the early 1990s, Pierre Bourdieu addressed—and rejoiced in—this reticence in the cultural realm, explaining that it was a consequence of the extreme concentration of the state's

cultural monopoly.<sup>5</sup> For at least twenty years, in the “social” realm broadly construed, public authorities have, to the contrary, tried to encourage private initiatives in the domains of solidarity, education, and health. The 1901 law on the right to associate clearly intended that private initiatives be placed under state control. Today, the state’s conception of philanthropy seems to have undergone a profound change. This affects individual and corporate philanthropic practices. Thus individual as well as corporate donations to the associational sector have increased regularly since the 1980s.<sup>6</sup> Projects like the Telethon demonstrate the popularity of philanthropic initiatives in France. It is true that the ARC affair<sup>7</sup> revived suspicions about gift-giving, but the creation of the Comité de la Charte<sup>8</sup> and greater efforts to achieve financial transparency on the part of the associational sector have re-stimulated individual and corporate commitment. The rapid development of corporate patronage through the allocation of financial, material, and human resources has also tended to marginalize the idea of a French reticence.

There is a paradox that needs to be emphasized. Many associations, particularly large NGOs, advertise the fact that they refuse excessive dependence on public funding and prefer donations from individuals and, secondarily, corporations. This assertion of independence—which can be understood as a refusal to be exploited or to be financially dependent on elections, which potential contributors might frown upon—is not without ambiguity. Indeed, the tax provisions for making donations to associations in France are among the most favorable in Europe and have nothing to envy their American counterparts, either at the individual or corporate level. I have already stressed the fact that the parliamentary debates on these measures referred systematically to American tax provisions. In the end, they highlighted the fact, when debating the 2003 law on corporate patronage, that France adopted tax legislation equivalent to the United States’. Sylvain Lefèvre has shown,<sup>9</sup> building on

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<sup>5</sup> Pierre Bourdieu, *Sur l’État. Cours au Collège de France (1989-1992)*, Le Seuil, 2012, lecture of March 7, 1991.

<sup>6</sup> See notably the figures mentioned in the report by CerPhi, entitled “État de la générosité 2007-2011,” available at: <http://www.cerphi.org/wp-content/uploads/2011/05/État-de-la-generosite-cerphi.pdf>

<sup>7</sup> A financial mismanagement scandal in the early 1990s, in which it was found that less than a third of the donations to a major cancer research foundation (the Association pour la recherche sur le cancer, or ARC) actually went to cancer research.

<sup>8</sup> An independent organization created in 1989 to monitor donations to charitable foundations.

<sup>9</sup> Sylvain Lefèvre, “Un nouveau ‘cens caché’”, in Didier Chabanet, Pascale Dufour, Frédéric Royall, eds., *Les mobilisations sociales à l’heure du précaire*, Presses de l’EHESS, 2011. See the review published in *La Vie des idées*: <http://www.laviedesidees.fr/Precaires-mobilisations.html>

Jacques Malet's conclusions<sup>10</sup>, that individual donations to associations that assist people in difficulty have risen continuously since 1990 and by 75% between 2000 and 2005, with 95% of the increase in new funding for these associations during this same period corresponding to the increase in the size of tax-deductible gifts. The non-deductible portion of donations, which are covered entirely by donors, remained stable, if one corrects for inflation. This tends to mitigate the idea that, thanks to private financing, the associational world is largely independent of the public sector. The "French reticence" thesis, often endorsed by promoters of philanthropy, is more about calling for an extension of these practices than it is an accurate description of the changes that have occurred in recent years.

**Sabine Rozier:** The idea that there is a French reticence to philanthropy is indeed debatable. If one looks at it "donations of one's self" (i.e., volunteering), as Anne Bory has rightly emphasized, the claim is not borne out by the results of international comparative investigations, which show that the number of volunteers in France (in relation to the total population), while below that of English-speaking countries, is above the European average.<sup>11</sup> If one confines oneself to a narrow definition of "philanthropy"—i.e., monetary gifts (donations, including bequeaths and life insurance)—the argument is somewhat more plausible, in that average gifts are, all other things being equal, lower in France (even if they are continually growing) than in other economically advanced countries.<sup>12</sup> If one looks at corporate expenditures ("patronage"), the comparison is once again unfavorable to France: declared donations and the number of foundations, while continually increasing, remain inferior to those of other Western countries. Are taxes the reason? Again, while this explanation is often advanced, it falls somewhat short. Not only because France, since 2003, has created for itself an extremely attractive arsenal of legislation and tax incentives, thanks to which it now has no trouble competing with its European neighbors and North America, but also because reality is more complicated than this mono-causal perspective suggests.

Three factors should be considered in understanding the discrepancies between various

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<sup>10</sup> Jacques Malet, "Des centaines de millions d'euros perdus chaque année," in Malet, ed., *La générosité des Français? A study* by CerPhi and AFF.

<sup>11</sup> The conclusions of the international comparative study by the Center for Civil Society and Johns Hopkins University, as well as those of its French counterpart, directed by Edith Archambault, remain relevant. See Edith Archambault, "Perspective internationale sur le secteur sans but lucratif," *Ceras, Projet 264* (December 2000).

<sup>12</sup> The available statistics, which are either methodologically unsatisfactory or very heterogeneous, should be used with caution. Concerning the special case of development aid, see the report of the French General Inspection of Finances, *La philanthropie privée orientée vers l'aide au développement*, report 2009-M-082-09, February 2010.

countries, which sometimes encourage and sometimes discourage gift-giving. The first factor concerns the conditions for wealth redistribution in the countries under consideration. In France, solidarity is primarily expressed through a wide array of collectively mandated and involuntary contributions (withholdings, income taxes, and other kinds of taxes), which are, for the most part, collected, managed, and redistributed by the state, local government, unions, and employers. As the financing of health, education, housing, social assistance, etc., is largely mutualized, the public's propensity to *voluntarily* give money to these causes is naturally lesser than in countries where there is a stronger need for families and individuals to take care of themselves. The incidence of taxation on gift-giving behavior varies in relation to these institutional constraints: while it is moderate in France (except for the wealthiest donors<sup>13</sup>), it proves determinant in countries where the market and the private not-for-profit sector's contribution to social services and goods is greater. The second factor that must be taken into account is income stratification. One of the reasons that France, in the realm of gift-giving, has long been considered to trail other economically advanced countries is the fact that the very rich (the top one percent) are less rich than in other countries, so that the cumulative volume of their gifts was mechanically smaller. Since the increase in income inequality—a process that began much earlier in English-speaking countries than in continental Europe—began rapidly accelerating in France in the late nineties, the trend has been reversed.<sup>14</sup> The rich are richer and as a whole give more than previously. The third factor, which is too often overlooked in international comparisons, concerns inheritance laws and the greater or less extent to which donors are free to bequeath their estates. They vary widely, depending on whether countries are influenced by the Napoleonic Code, which prioritizes family bonds over bonds contracted with third parties that take place outside the families. Thus, in France, despite new support for benevolence in the 2000s (the securing of temporary usufructuary gifts, the alleviation of laws governing inheritances), the freedom of bequest (to bequeath to the heir of one's choice), remains narrowly defined by the principle of hereditary reserve, which protects the rights of descendants, to whom an important share of the heritage is

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<sup>13</sup> Gabrielle Fack and Camille Landais, "Les incitations fiscales aux dons sont-elles efficaces?", *Economie et statistiques* 427-42 (2009): 101-121 ; CerPhi-France générosités. *Le don d'argent des ménages aux associations et aux fondations. Etude des dons réalisés par les Français en 2008 enregistrés dans les déclarations de revenus 2009*, October 2010, 7 ("l'incitation fiscale n'est pas un facteur déclenchant du don").

<sup>14</sup> This increase can be explained by the increase in the salaries of upper management and in returns on investment. See Camille Landais, *Hauts revenus en France et en Europe: une explosion des inégalités?*, a presentation made to the Centre d'analyse stratégique, October 29, 2007; and Julie Solard, "Les très hauts revenus: des différences de plus en plus marquées entre 2004 et 2007," in Insee, *Les revenus et le patrimoine des ménages, édition 2010*, 2010, 45-65.



necessarily granted.<sup>15</sup> To the contrary, in countries with a less family-oriented ideology, donors have more leeway and their propensity to give to causes that matter to them is greater. So is there a “French reticence to philanthropy”? Cultural and fiscal arguments are tempting. Yet, as one can see, the real obstacles to generosity lie elsewhere.

### **Further Reading:**

- Anne Bory, *De la générosité en entreprise: mécénat et bénévolat dans les grandes entreprises en France et aux États-Unis*, dissertation defended on December 5, 2008 at the University of Paris I–Panthéon Sorbonne, available at: <http://tel.archives-ouvertes.fr/tel-00348309>
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- Ughetto, Pascal, “Le bénévolat, miroir du travail, *La Vie des idées*, November 28, 2011, <http://www.laviedesidees.fr/Le-benevolat-miroir-du-travail.html>
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<sup>15</sup> This rule has, however, recently been alleviated.