STANFORD
GRADUATE SCHOOL OF BUSINESS
STANFORD SOCIAL INNOVATION *review*

Notable Books

The Charity of Nations: Humanitarian Action in a Calculating World

By Ian Smillie & Larry Minear

Reviewed by David Suarez

Just Money: A Critique of Contemporary American Philanthropy

By H. Peter Karoff

Reviewed by Peter Frumkin

Stanford Social Innovation Review
Winter 2004

STANFORD
GRADUATE SCHOOL OF BUSINESS
Stanford Social Innovation Review
518 Memorial Way, Stanford, CA 94305-5015
Ph: 650-725-5399. Fax: 650-723-0516
Email: info@ssireview.com, **www.ssireview.com**

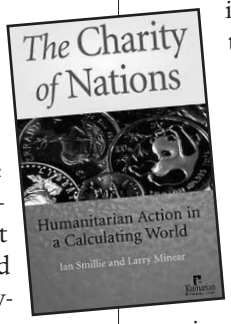
notable books

THE CHARITY OF NATIONS: HUMANITARIAN ACTION IN A CALCULATING WORLD

Ian Smillie and Larry Minear

Paperback: 276 pages, Kumarian Press (2004), 24.95

Ian Smillie and Larry Minear apply decades of professional expertise and research experience to their new book, a thoughtful probe into the difficulties humanitarian organizations face in relieving suffering throughout the world. The authors do not restrain their critique, observing that humanitarianism has become commercialized, entrepreneurial, and opportunistic – not redeeming qualities for a field with the explicit purpose of saving lives and mitigating human crises. The authors' frustration with the failures of humanitarian action is palpable on every page, and they find plenty of agencies and organizations to blame.



The book begins with the simple yet powerful observation that humanitarianism is linked to charity, an option rather than an obvious moral imperative. Nations choose to donate funds for humanitarian action, but the funds are neither guaranteed nor consistent. While humanitarian organizations bear part of the blame for inadequate responses to humanitarian crises, the title of the book and much of the analysis emphasizes the role of nations in these failures. While the perspective of the book tends to present humanitarian organizations as pawns in a much larger game, Smillie and Minear conclude that "the political economy of humanitarianism is based to a great extent on the needs and demands of those with the resources – donor governments – and to a decreasing extent on the professional assessments and capacities of front-line delivery agencies."

Government priorities do not always align with those of humanitarian agencies, creating "forgotten emergencies" and problematic responses to human suffering. Moreover, the inconsistency of funding and the whimsical interests of donor nations also create conflicts and competition between humanitarian organizations.

Much of the literature on nonprofits in the United States stresses the need for greater accountability and transparency. Smillie and Minear suggest that accountability involves recipients *and* donors. Who assesses the foundations and government agencies that fund nonprofits? They suggest that nations need to begin to recognize their role in the failure of a number of humanitarian interventions.

The main problem with the book lies not in the critique of the humanitarian sector but in the solutions to problems. Impressive case studies of Sierra Leone, East Timor, and Afghanistan demonstrate the complexities inherent in dealing with humanitarian crises, but the case studies are so nuanced that they make change in the sector seem unlikely at best. In every chapter of the book the authors indicate that governments, organizations, and individuals have divergent and sometimes conflicting stakes in humanitarian action. Many organizations have entrenched identities and missions, and they have no desire to cede control and independence. Similarly, nations donate funds when and how they deem necessary, often to the detriment of suffering populations.

Nevertheless, along with a number of other solutions, the authors conclude that funding needs to be stabilized and that the United Nations needs to have a more powerful coordinating and managerial role in humanitarianism. The solution is reasonable, but the authors never address the question of whether or not their solution is plausible. In a field hindered by the diverse political, managerial, and institutional priorities, "Charity of Nations" needs to present more of a road map for *how* to transform the international "alms bazaar" and achieve the solutions the authors posit.

–David Suarez

JUST MONEY: A CRITIQUE OF CONTEMPORARY AMERICAN PHILANTHROPY

Edited by H. Peter Karoff

Paperback: 247 pages, TPI Editions (2004), $20

What is effective philanthropy? This complex question lies at the heart of the informal essays contained in "Just Money." Peter Karoff, who for years has provided guidance to donors seeking to understand how to give away money effectively, has edited this volume with the goal of elaborating some of the habits of wise donors and the elements of sound philanthropic practice. Karoff invited a number of former foundation leaders to share their ideas about philanthropy and their experiences giving money away. The book that results is less "a critique of contemporary American philanthropy" and more a meditation on the difficult art of giving.

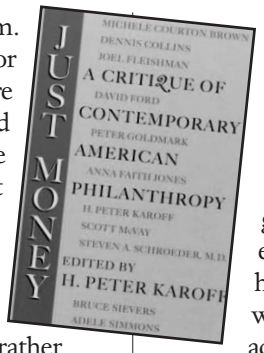
The usual self-absorbed pomp, boundless hubris, and misplaced certainty of the mainstream philanthropic establishment – to which each of the contributors can claim past membership – have all thankfully been abandoned. The overall approach is one of sober reflection, thoughtful inquiry, and public self-criticism. Two of the most valuable contributions are from Joel Fleischman and Steven Schroeder. Based on

The usual self-absorbed pomp, boundless hubris, and misplaced certainty of the mainstream philanthropic establishment have all thankfully been abandoned.

their respective experiences at Atlantic Philanthropies and the Robert Wood Johnson Foundation, Fleischman and Schroeder seek out a more flexible approach to giving, grounded in meaningful accountability mechanisms and capable of learning from and adjusting to practical experience, including failures.

The book covers a lot of ground and contributors have clearly been encouraged by Karoff to speak from the heart and draw from their experiences at the helms of major foundations. Michele Courton Brown (FleetBoston Financial Foundation) and David Ford (Lucent Technologies Foundation), both old corporate philanthropy hands, examine in very different ways the tension between doing good and looking good, which inevitably permeates philanthropy when it is combined with business interests. Peter Goldmark (Rockefeller Foundation) and Adele Simmons (John D. and Catherine T. MacArthur Foundation) each place the issue of impact within an international context and argue that national boundaries are becoming less relevant for thinking about the calling of philanthropy. Bruce Sievers (Walter and Elise Haas Fund) continues his longstanding assault on the crude application of business concepts to philanthropy; Anna Faith Jones (Boston Foundation) pleads for a more community-based approach to giving; Dennis Collins (James Irvine Foundation) seeks to isolate the elements of creative and effective giving; and Scott McVay (Geraldine R. Dodge Foundation) reviews how a foundation's agenda is defined and then translated into concrete action.

The main problem with the volume, which is common in many such compilations, is that there is not quite enough consistency and connection between the contributions. As a result, the reader is left without a clear-cut prescription or takeaway from these very different perspectives on a common problem. Even though the book's editor recognizes and warns that there is no single answer to be found in these pages to the challenge of philanthropy, there is a least one theme that recurs with some regularity: Philanthropy cannot be reduced to a cold, technical exercise aimed at maximizing social return, but rather demands a fair amount of commitment, caring, and heart aimed at doing good work. Several of the authors agree that a more businesslike approach to philanthropy will ultimately fail to capitalize on the passion, energy, and talents that donors can bring to giving and infuse it with originality and innovation. Ironically, all the contributors come from the world of institutional philanthropy, where they have given away other people's money within large and complex organizations. The book might have benefited from a interweaving of perspectives from individual and institutional donors, so that some of the distinctive perspectives of philanthropic principals wrestling with these issues might have been heard alongside the counsel of this group of expert philanthropic agents.



Philanthropy today is in something of a quagmire. There is not much agreement about the core public problems that deserve attention and there is very little fresh thinking about the means that donors can use to effect change. The first issue is ultimately tied up in the nature of philanthropy in that it will always be decentralized and pluralistic. While some current leaders in the foundation world bemoan this condition and dream of greater levels of coordination and collaboration, having little consensus about the fundamental object of philanthropy may actually be a good thing for the field. Confusion about ultimate purposes creates tension and competition among donors. It also injects the field with energy. The authors of this volume generally affirm this perspective. The second issue is a bit more problematic. Philanthropy has not generated and systematically elaborated a deep and comprehensive understanding of the ways in which impact is achieved across different fields. Theories of change are used by donors, but they tend to be narrow and tailored to specific programs. The field as a whole does not have a compelling and overarching strategic framework. This book does not propose a remedy to this deficit, though it does reflect on the meaning and significance of this situation.

In the end, "Just Money" was conceived and executed based on the premise that if one were to assemble a group of thoughtful former foundation officials and ask them to write about what they have learned in their work, a book full of insight and wisdom about giving would result. This premise is largely born out, though the ideas and insights emerge in a stream of consciousness format that lacks some discipline and unity of purpose. In many ways, this book illustrates the fundamental point that philanthropy will always be a disjointed "polyarchy," to borrow Fleischman's term, in which a plurality of ideas and approaches compete in a never-ending quest to create public value. This book also reminds of us that this unruly and disjointed process is actually part and parcel of what makes philanthropy so valuable and essential to democratic societies.

–Peter Frumkin is associate professor of public policy at Harvard University's John F. Kennedy School of Government, where he is affiliated with the Hauser Center for Nonprofit Organizations.