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### Traditions of philanthropic order

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Laurent Dobuzinskis

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*Conversations on Philanthropy Volume VI:  
Identity, Interests, & Philanthropic Commerce*

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# FRENCH PERSPECTIVES ON THE ORIGIN AND LOGIC OF THE “PHILANTHROPIC ORDER”: A CRITICAL ACCOUNT

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*Laurent Dobuzinskis*

Individuals act more or less simultaneously as economic agents, citizens, and participants in civil society. Their interactions and their ways of fulfilling these roles take many forms. Not all of them can be said to be self-organizing, yet in several instances patterns of organization emerge spontaneously without being deliberately designed. Of course, the market economy—or “catallaxy,” as F. A. Hayek called it—remains the best example of such “spontaneous orders.” But there are others. Gus diZerega (2000), for example, has identified science and democracy as being similarly constituted by self-referential, self-organizing (some authors prefer the term *autopoietic*) processes. In this paper I focus on what I call the philanthropic order. By this I intend to refer not only to the activities of philanthropic foundations and of individual donors but also more broadly to a whole range of processes that allocate material and symbolic resources through nonmarket mechanisms fuelled by more or less explicitly altruistic motivations. Various phrases or terms have been used to describe part of this, or something similar to what I have in mind: the voluntary or nonprofit sector, “social capital,” and civil society more generally.

The philanthropic order complements the catallaxy by creating and reproducing the social capital that is essential to the market process. Without trust, for example, economic agents incur high transaction costs and entrepreneurial initiative is thwarted by lack of funding and other obstacles. But in other ways the philanthropic order rests on relationships and produces values that are desired in and by themselves. Economic gains and, more broadly, prudential goals rank high on most peoples’ agendas, but they certainly do not exclude others that are often even more compelling, such as seeking affection or

self-regard, meeting ethical obligations, etc. Within the nebulous noneconomic sphere, the giving and receiving of gifts creates networks that enable individuals to interact in meaningful ways with friends and neighbors, but also—and this is a rather recent development—with strangers.<sup>1</sup> These ties give rise to a “civil society” which exists more or less precariously between the commercial sphere and the state.

How such networks, linking individuals, groups, and organizations by means of diffuse cultural norms, emerge and compete with or complement the market order is a question that looms large in French social and economic thought. In fact, it would hardly be an exaggeration to claim that while the Scottish Enlightenment invented the paradigm of the market as a spontaneous order and Austrian economics perfected it, the French—or, at any rate, a certain current of progressive liberalism distinct from the more constructivist tradition that Hayek so relentlessly criticized, from Montesquieu, Emile Durkheim, and Marcel Mauss to Serge-Christophe Kolm (to mention only a few standard-bearers within that current<sup>2</sup>)—have deepened the idea of civil society as a spontaneous order emerging from nonmarket interactions involving honor (“noblesse oblige”), gift-giving, solidarity, and, generally, nonutilitarian values and standards of judgment. This paradigm is not radically anti-statist, but it treats the state in an instrumentalist or pragmatic manner, granting it no more powers or responsibilities than are needed to resolve vexing collective action problems such as alleviating poverty and remedying severe economic inequalities, provided that these goals are subject to philosophical and constitutional constraints intended to preserve liberty and private property.

The exploration of all the origins and ramifications of this admittedly rather nebulous vision (which probably does not qualify as a fully developed “paradigm”) is too vast a topic to be dealt with exhaustively here. My goal is more limited: to critically analyze contributions made by two French theorists to the discussion of gift-giving and altruism. They are, respectively, the early twentieth-century social theorist Marcel Mauss and the contemporary economist and philosopher Serge Kolm. References to other (mostly French or francophone) authors are unavoidable, but there are good reasons to focus on these two thinkers. A reading of Mauss’s writings on gifts and their social significance is a *sine qua non* first step in any investigation of the philanthropic order. As Philip Mirowski (2001, 438) put it, “[i]n economic anthropology, all roads to the gift lead back to Marcel Mauss.” But precisely because Mauss’s

seminal *The Gift* has been so often quoted and put to all kinds of uses, it is necessary to try to recover some of the subtleties of his thought that are frequently ignored. (There is a tendency to summarize his thesis as simply being that the gift economy is the functional equivalent of the market economy for premodern societies.) Kolm's rather prolific reflections on altruism and reciprocity offer very valuable insights from an economic perspective on the philanthropic order (1982; 1996; 2000a; 2000b; 2005; 2006). Economics is admittedly not the only nor perhaps even the most relevant perspective on the philanthropic order, since phenomena such as gift-giving entail a broad range of motivations and effects, many of which have little to do with rational calculations. Nevertheless, in addition to the economics of gift-giving being a crucial dimension of this process, Kolm's original and profound vision—normatively guided by Buddhist ethics—provides one of the best examples of recent efforts on the part of many economists to move beyond conventional models.

While in broad terms these authors work within a spontaneous order paradigm, their interpretation of what that means differs significantly from the more libertarian overtones of the Hayekian version. In fact they occasionally deviate from the values that inform the latter at some critical junctures. Some of these deviations are open to criticism, while others may be worth looking into in order to reach a less reductionist understanding of spontaneous orders in all their forms. In Mauss's case an analysis of gift-giving in "archaic societies" which strongly evokes the notion of an invisible hand producing societal peace out of the gift-giving initiatives undertaken by individuals on their own is followed by an exaggeratedly and somewhat naive "constructivist" proposal for adapting such practices to modern conditions. As for Kolm's outlook, it can be described as offering a left-libertarian perspective, albeit a quite idiosyncratic and original one. He starts from an axiomatic acceptance of the primacy of liberty, but his unrelenting quest for ways of correcting what he regards as unjustifiable inequalities<sup>3</sup> leads him to advocate critical positions that deserve to be carefully examined.

### ***The Maussian Gift: A Societal Archetype***

It would be difficult to overemphasize the importance of Mauss's ([1925] 1966) essay on gift-giving. While not based on his own field research, this curious work provides a wealth of information, most of which is scientifically sound even by today's standards, on practices ranging from those of the Haida



and Kwakiult peoples in the American Northwest to those of the inhabitants of Polynesian islands, as well as social and legal norms in the Indo-European world, including India, ancient Rome, and modern Europe. Mauss never provided a formal definition of gifts, but one gets the impression from the opening pages that he was concerned with services rendered through acts of reciprocal generosity. To describe these transactions—which take the form of gifts but serve more important functions than what modern individuals understand by that term—Mauss used the French word *prestations*. This term is difficult to translate. The first published English translation of *The Gift* reused “prestation,” which not only is rarely used in English but, when it is, evokes a monetary exchange, which is not necessarily the case in French. A more recent translation redefines these interactions as “total services,” in light of their functionality in the context of the “total social phenomena” or “total social facts” Mauss claimed he was uncovering. (This phrase, incidentally, should not be read as a claim that he had constructed an all-encompassing theory of a preordained totality called society that would stand above individuals and determine their behavior; instead it should be read as an allusion to the multidimensional character of social interactions<sup>4</sup> and the need to remain attentive to the contexts within which they take place. See Gofman 1998.) These “total services” appear to be strangely paradoxical: “Among all these very complex themes and this multiplicity of social ‘things’ that are in a state of flux, we seek here to study only one characteristic—one that goes deep but is isolated: the so to speak voluntary character of these total services, apparently free and disinterested but nevertheless constrained and self-interested” (Mauss [1925] 1990, 4).

More specifically, at the core of Mauss’s theory of the gift is a triangular relationship constituting three interdependent “obligations”<sup>5</sup>: to give, to receive, and to reciprocate. Many people in North America are familiar with the “potlatch” ritual practiced by the aboriginal people of the northern Pacific coast, in which vast amounts of food and other goods are periodically given away by families to other families within the “tribe” or beyond. This is one of the examples to which Mauss comes back repeatedly to illustrate this triple obligation. “One has no right to refuse a gift, or to refuse to attend the potlatch” (52), he writes, and the obligation to repay lies at the very core of this institution, although that obligation is veiled behind the delay before the repayment is enacted.

In contrast to the potlatch, we tend to think of gifts today as being typically disinterested acts. To give in such a way that we make it known that we expect something in return spoils the act of giving and is regarded as hypocritical. This is true not only in our relationships with our family and friends but also regarding contributions to philanthropic causes. It is not uncommon for donors to request anonymity, and when this is done it is generally considered to be a highly moral act. (However, as Lior Jacob Strahilevitz points out (2007), anonymous gifts are more likely to be offered when there is "excess capacity"; donors are more likely to want recognition when giving is very onerous.)

A reading of Mauss's take on this question that has immediate appeal but which is actually somewhat simplistic (more about this below) is to conclude that he showed that "archaic" societies differ fundamentally from modern ones in that the former practice reciprocal gift-giving while in the latter gifts have become disinterested; in other words, the paradox cited above is a paradox only for modern observers. Or to sharpen this contrast, one could say that now that commercial exchanges have become the most common form of allocating goods and services, gifts exist only at the margin of the market economy and derive their significance precisely from the fact that they are disinterested, in contrast to premodern societies in which the "gift economy" prevailed. Thus some "interests" have to be accommodated by the gift economy because they cannot be accommodated outside of it.

There are two ways in which this somewhat facile interpretation of the Maussian gift needs to be qualified. They both point toward a deep connection between the rituals that surround gift-giving, on the one hand, and the very idea of spontaneous order. The first is that Mauss showed that the "*prestations*" or services exchanged were "total" in the sense that they were not strictly economic but also had a symbolic and spiritual significance. The second, and related, qualification, which has been highlighted by Jonathan Parry (1986), invokes religion, and more specifically the unique character of religions that promise salvation in an afterlife. In societies where such religious beliefs prevail, "pure" gifts are valued as means of ensuring salvation (for example, Jesus's saying about giving alms, "let not thy left hand know about what thy right hand doeth" in Matthew 6:3); by "pure" gifts I mean those that do not require reciprocation, at least not in *this* world. Some indirect benefits, however, are promised to righteous donors, for instance through the law of *danadharma* (the Hindu law

of religious gifts) or in Christianity, especially in Calvinism, where the benefactor's disposition to give generously is a confirmation to him- or herself of having received the gift of grace.

Mauss was aware of the difference between animist premodern societies and either premodern or modern societies that have a belief in salvation through good deeds. He was alerted to it by his erudite knowledge of Hinduism, where it is seen as dangerous for Brahmins to receive gifts because giving to them is a way to cast away the donor's sins (Mauss [1925] 1990, 70-77; Parry 1986, 459-463). However, this poses a problem for him (albeit one that he did not fully realize, at least according to Parry) insofar as his explanation of the deeper structure of gift-giving grants a good deal of importance to the Maori notion of the *hau*, the "spirit" of the object being given, which must return in the form of a counter-gift. Parry notes the contrast between religions in which the divine is immanent in nature or human experience and those where the divine assumes a transcendent character: "[w]here we have the 'spirit' reciprocity is denied; where there is reciprocity there is not much evidence of 'spirit'" (1986, 463). Thus it may well be that we ought to reverse our commonsense view of the causal link between the commercial and noncommercial spheres. Instead of the latter being a residue left when the former has overtaken the social space, Parry claims that Christian civilization, where "the ideology of the pure gift" arguably took the most universalistic expression, has tended to "promote and entrench the ideological elaboration of a domain in which self-interest is supreme." In other words, the commercial and noncommercial spheres of social life are tied in a close dialectical relationship which does indeed survive even in our more secular times. At least conceptually, at the level of collective representations, the commercial and the philanthropic order are mirror images that serve to define each other.

An exegesis of the preceding remarks applied to spontaneous order could be developed along two lines. The first, with respect to Parry's thesis, explicitly refers to divine providence: it is divine providence that guides the invisible hand taking from believers in this world and giving them back their due not only in eternal life but also in this world in the benefits of a clear conscience and so on. On the other hand, in the premodern cultures upon which Mauss focused most of his efforts, the invisible hand is moved by the "spirit" of the gift, which makes it circulate among the members of the group. It was especially in these cultures that the gift economy was most developed, because in premodern societies

where there existed a polar opposition between pure gifts and commercial transactions the exchange of reciprocal gifts was not coterminous with the economic sphere as a whole. Even in these societies, however, the categories had a tendency to overlap, and in any event reciprocity played a larger part than it does today because many markets (e.g., markets for services) did not exist. In all these cases, however, more or less "pure" gifts were not only a way of allocating economic resources but also were parts of religious rituals and duties as well as political relationships. In other words, gifts had a foundational role: they helped to cement sociopolitical networks that sustained more or less sizable or extended communities. As Mary Douglas notes, Mauss's genius was to recognize that in the "archaic" societies he studied the gift economy was both the product of spontaneous collaboration and something more than a merely economic process:

He also discovered a mechanism by which individual interests combine to make a social system, without engaging in market exchange. This is an enormous development beyond Durkheim's idea of solidarity based on collective representations. The gift cycle echoes Adam Smith's invisible hand: gift complements market as far as it operates where the latter is absent. Like the market it supplies each individual with personal incentives for collaborating in the pattern of exchanges. Gifts are given in a context of public drama, with nothing secret about them. . . . In operating a gift system a people are more aware of what they are doing, as shown by the sacralization of their institutions of giving (1990, xviii).

One of the reasons exchanging gifts can become a sacred moment is that gift-giving brings peace, both within the community or association of clans ("the tribe") and among tribes, for example when chiefs meet and when tribal feasts take place among rival groups (Mauss [1925] 1990, 37, 104-107). In Jacques Godbout's words, the Maussian gift is "a mode of transforming conflict into alliance" (1998, ix). This is obviously a vitally important political dimension of the act of gift-giving, which brings to light why Mauss considers it to be a "total prestation." Nonetheless, Mauss is not talking about the social "totality" acting as a transcendent unity but about the acts of identifiable individuals (chiefs, clan patriarchs, and so on). In sum, there are interesting parallels between Mauss's paradigm and Hayek's idea of spontaneous order as originally defined by Adam Ferguson as something that is the outcome of human action but not of human design.

### *The Continued Relevance of the Maussian Paradigm*

In the final and arguably rather confusing chapter of his essay, Mauss attempts to show that gift-giving remains an important facet of modern societies.<sup>6</sup> He begins by alluding to a few customs he observed in rural France, which he offers as evidence that reciprocal gift-giving involving a whole village continued to be a way of life, and he notes that in his lifetime there were still customs indicating the belief that things have personalities (as seen, for example, in rituals performed in Lorraine when cattle was sold). He then moves on to argue that modern societies must find ways to “return” to the habit of *noblesse oblige*: “As is happening in English-speaking countries and so many other contemporary societies . . . the rich must come back to considering themselves—freely and also by obligation—as the financial guardians of their fellow citizens. . . . [T]here must be more care for the individual, his health, his education (which is moreover a profitable investment), his family and their future” ([1925] 1990, 88).

The way to implement these goals, in his view, was through social legislation. He believed that the responsibility for the circulation of wealth in society had fallen on the state. In fairness, Mauss showed a marked preference for “various systems of financial sharing within the framework of workers’ unions or professional associations” (Silber 1998, 136), and he mentioned approvingly the rather paternalistic practice of “family funds” set up by employers. Nonetheless, he was clearly under the impression that centralized state provision of social services was the most plausible way of bringing back the ethics of the gift. On closer examination, neither his idea that an emphasis on gift-giving implies a “return” to a long-gone past nor his views on how the circulation of wealth is or ought to be carried out in modern societies stand up to critical scrutiny, as explained below.

### *Gifts Everywhere . . .*

Some analysts insist that the gift continues to have a haunting presence in today’s consumer society. While not at the forefront of socioeconomic discourse or always very evident in institutional rules and practices, the “ghost of the gift” stirs powerful emotions and makes us realize that something is missing in our everyday lives, they argue (Callari 2002; Derrida 1992; Kenway et al. 2006). The gift haunts us, as it were, because we sense that in at least some cases it could still be an alternative to market exchanges but is often unspoken,

unacknowledged, and confined to the domestic sphere. The gift is perplexing because we do not always know how to assess its value: it is located partly *within* the market economy, where gifts are purchased and their price is sometimes all that matters to the receiver, but also outside of it insofar as they are meant to cement relationships that are not commercial by definition. Market prices are often a poor indication of the true meaning of a gift, and its "use value" is frequently negligible (gifts offered or received with much joy may in practice be redundant or possibly even something of a nuisance). Philip Mirowski (2001) in fact argues that the gift hints at what is deficient in the prevalent value regime, using an analogy with Gödel's paradox: something that can be stated within the system (in this case, the market-based value principle) cannot be computed or proven within it; thus gifts which are free (something for nothing) can be thought of outside the system but "cannot be adequately encompassed within it" (455).

These are intriguing perspectives on what is admittedly something of a mystery: the obvious anomaly of gift-giving in a world where market transactions are more efficient. But it would be a mistake to think of the gift only as a paradox or a ghost, let alone "an impossibility" (Derrida 1992). There are two ways of undermining the thesis that we can only perceive the shadows of an ancient tradition of gift-giving and sharing. The first relies on a descriptive account of contemporary socioeconomic practices and emerging trends. This is the path I follow next. The second consists of a more abstract discussion of theoretical innovations that are bringing concepts such as altruism, reciprocity, and fairness back into the discourse of economics. This is the path I follow later, in the section titled "Serge Kolm on the Mechanisms Sustaining the Philanthropic Order."

Casting a more prosaic look at social realities in contemporary developed societies, Godbout (1998, 6) brings up a myriad of anecdotal but telling examples that lead him to declare "the gift is everywhere." Much of what is given in the form of personal gifts, hospitality, time commitments, and so on has a more symbolic value than a monetary one, and what is measurable in theory is not necessarily recorded in official statistics. Nevertheless, even if it only represents the proverbial "tip of the iceberg," what is known about charitable contributions shows that the phenomenon is far from negligible. For example (see Schuyt 2008), in ten European countries (Austria, Belgium, Finland, France,

Germany, Ireland, Italy, the Netherlands, Spain, and the UK), charitable donations by households, foundations, and corporations amounted to about 0.88 percent of GDP between 1995 and 2005 (and rose at a very slow pace during that period). That percentage is higher—about double—in the United States. Donations to charities in the United States increased significantly in recent years, from 1.5 percent of personal income in 1995 to 2.1 percent in 2001 (Andreoni 2006, 1207), and already more than ten years ago the voluntary sector accounted for 4 percent of employment in Great Britain and 7 percent in the United States (Offner 1997, 450). In Canada alone the voluntary sector employed about 900,000 people at the turn of the millennium, equivalent to the total employment in the provinces of Newfoundland, Nova Scotia, and New Brunswick, and more than in construction and mining combined (McMullen and Schellenberg 2002). Paralleling these trends, the growth of the scholarly literature on philanthropy, altruism, “social capital,” and related topics in economics, sociology, and other social scientific disciplines has been quite impressive. New journals have appeared (such as *Conversations on Philanthropy* and *Chronicle of Philanthropy*), and new programs have been created (such as the University of Bologna’s Master’s Degree in International Studies in Philanthropy and Social Entrepreneurship).

The most intriguing and portentous trend at work today, however, stems from the technological revolution in communications. The so-called Digital Age opens opportunities for a wide range of new nonmarket exchanges. Already a vast array of goods (such as software, music, newspapers, and magazines) is offered for free on the Internet. It is not just the fact that more products are made freely available that deserves attention; equally interesting is the emergence of new social behaviors and motivations. As Jane Kenway et al. (2006, 72) remark, “The notion of Open Access, particularly the push toward OA research literature, demonstrates key features of a gift economy. In this system, if knowledge is used then its use must also be repaid, or returned to the site of circulation (*i.e.* go back into e-print repository and open access journals).”

Yochai Benkler (2006) picks up on similar observations to propose a bold and arguably slightly too optimistic vision of a future transformed by new modes of “social production.” By that he means dispersed production activities largely under the control of individuals, as opposed to centralized organizations, taking place outside of conventional markets or state institutions. To some extent these activities already have displaced current economic structures, and Benkler

strongly argues that they will continue to do so. They also promise to increase individual freedom and opportunities for meaningful social and political engagement while opening up new avenues for alleviating some of the disparities that plague relations between the developing and the developed worlds.

Benkler's comprehensive and thorough analysis of the "New Information Economy" bears not only on the economics of social production but also on the attitudinal and behavioral factors undergirding it. These are already having a profound impact on culture and politics. Clearly, as Benkler notes, "the relative economic role of sharing changes with technology" (2006, 121).<sup>7</sup> The old industrial structure built on centralized commercial organizations "shunted sharing" (2006, 121), he observes. However, now that many of the barriers have been removed, sharing can be expected to flourish if Benkler is correct in believing that sharing expresses an irrepressible aspect of human nature. (It is important to acknowledge, however, that people are more likely to share or donate time than money. See Liu and Aaker 2008.) This trend is facilitated by the fact that the capital costs faced by individuals who wish to produce and exchange knowledge or cultural artifacts on their own or in cooperation with others have decreased significantly, to the point of becoming negligible. (This may not be true in the poorest regions of the world, however.) This trend will not cause the market economy to collapse, but incumbent market-based firms now face unprecedented challenges. Transaction cost theory, however, suggests that new strategies of symbiotic coexistence between social production and the most innovative firms will arise. Because information is simultaneously both an output and an input that can be reused by others for their own purposes, some firms already anchored in the information economy could benefit from using free inputs of superior quality applicable to new business operations.<sup>8</sup> IBM, for example, uses the open source Linux operating system for its servers and has refocused its entire business plan on serving these machines.

The new push to broaden the protection of intellectual property is clearly Benkler's *bête noire*.<sup>9</sup> Information, he insists, is not like other goods. The more freely it flows, the better off we all are, and technological developments make it increasingly possible for it to flow freely. Thus he sees the development of a new information economy as being dependent in large measure on a revisiting of the old concept of the "commons" (2006, 63). This context would allow cooperation to flourish among individuals seeking goals other than monetary rewards, freely producing information and using it to innovate. In the political realm, the



emergence of a networked public sphere has already enhanced the freedom of individuals to participate in the political process, which became very apparent in the recent presidential campaign in the United States and also elsewhere.<sup>10</sup> Benkler fervently hopes that the new technologies will continue to strengthen civil society, and that the state, while still indispensable in some respects, will become less and less relevant to citizens freely cooperating on a range of civic and political projects. The liberal “public sphere” he describes is a forum for free discussion in which yesterday’s mass media will be less and less able to set the agenda.

This is an appealing vision, and Benkler rather convincingly refutes some of the earlier criticisms provoked by more utopian accounts of the digital future. For instance, he argues that the specter of a new Tower of Babel can be avoided by establishing accreditation filters, as several popular websites have done already. His optimism, however, obscures some of the obvious problems that may arise when vested interests and political groups find it necessary to launch a counterattack. Repressive regimes such as the government of China seem to have been more successful at that than was expected at the dawn of the Digital Age. It is not entirely clear, either, that the public at large, as distinct from highly motivated activists, will take ownership of this networked public sphere in their everyday lives. Nonetheless, Benkler has shown that in addition to the continued presence of a philanthropic impulse, new and powerful technological developments give us reasons to doubt that Mauss correctly diagnosed the passing of the world of the gift. I now turn to a critique of Mauss’s insistence that state-centered social policy was the only way to reinvent it.

### ***But No Gifts from the State***

Mauss’s idea that giving has been transmogrified into the institution of the welfare state in modern times must be taken with a huge grain of salt. While strict libertarians no doubt disagree with the following, there are good reasons to believe that the state has a responsibility to ensure that no one falls below a certain level of income, and that the remedial measures can take the form of universal grants (a basic income scheme). It is probably also true that for some forms of insurance, in particular health insurance, state funding (albeit not necessarily management and delivery) yields efficiencies of scale. In these instances, state intervention provides viable solutions to collective action problems (inherent in the free rider’s tendency to give only if everyone else does so too, which might actually be motivated by an evolutionary sense of fairness).

I will return to this point in the next section. To posit, however, as Mauss did, that the *only* way for modern people to recover the social bonds he observed in archaic societies is to entrust the state with the responsibility of coordinating gift-giving is a very different and unwarranted assertion.

As Godbout (1998, ch. 3) remarks, welfare state programs designed to meet a seemingly never-ending stream of demands, and the way in which they are implemented, differ from the Maussian gift in two important respects. First, they never encompass the whole gift-giving cycle of giving, receiving, and reciprocating. In a few rather exceptional instances, such as blood and organ donations, the interrupted cycle begins with a genuine gift, but because donors and recipients are kept apart by strict rules (at least in the case of blood donations), there is no possibility of reciprocation. As for Titmuss's much-discussed argument that blood donations are not only more efficient than commercial alternatives but also serve as a reinforcing mechanism upholding feelings of solidarity upon which the welfare state is based, Godbout provides rather convincing counterarguments. The blood scandals that rocked the medical community in France and Canada in the early 1990s show that state administrators sometimes pursue objectives that run counter to the interests of the patients. And regarding the solidarity argument, Godbout notes that the Swedes' strong social democratic traditions have not prevented them from developing a commercial blood distribution system. Nonetheless, if blood donations provide an example of a truncated cycle that begins with a gift, the more common pattern is that of a truncated cycle that ends with a gift (a service of payment) but begins with the exact opposite, namely, taxes.

This point is well taken, since by definition taxes are not voluntary contributions. It could be argued, however, that although taxes are paid reluctantly and tax evasion can never be ruled out, there is quasi-unanimity about the need to contribute *some* resources to collective action. In fact, outside of the United States political parties gain little electoral advantage from promising tax cuts even if it is easy to argue that the growth of the welfare state has led to increases in taxes that go well beyond the hypothetical level that practically all citizens would consider to be the minimum contribution they are prepared to make to ensure that all their fellow citizens are guaranteed some degree of protection against poverty, poor health, and so on. All the same, taxes are not equivalent to gifts.

The other line of cleavage between the world of the gift and the welfare state becomes clear when one compares the way in which charitable organizations and state agencies deliver services to their clients. At the individual level, relationships between volunteers and the people they help are more personal and are experienced usually as expressions of gifts, whereas the professionalism of state agents precludes this sort of closeness. (This is not to say that professional standards are not desirable, for they often guarantee a higher level of service, but there is a qualitative tradeoff nevertheless.) And at the systemic level, Godbout (1998, 60) aptly notes that the state is rarely “content just to transfer money” and that when it assumes the role of dispensing services, it “often seeks either to supplant the primary networks or to make use of them in order to achieve its objectives. Let us not forget that, unlike the marketplace, the state may legitimately define collective needs, but it is much more difficult for it to recognize individual preferences. It therefore has a doubly ‘good’ reason to constantly strive to define people’s ‘real’ needs in their stead.”

The discussion so far has hinted at the existence of a self-organizing philanthropic order emerging from a myriad of personal gift-giving initiatives and a sense of indebtedness to others, be they close family members or strangers. But it is somewhat difficult to make sense of the relation that these formal and informal networks of communication, production, and distribution might have with either the market economy or the state. One sometimes gets the impression that the philanthropic order provides a foundation for these other systems, while at other times it appears to exist in an antagonistic relation with them. It is also sometimes presented as if it were permeating the social fabric and helping individuals give meaning to their lives, and yet is somehow ignored or downplayed. Sociological analysis is both illuminating and limiting in this regard; it offers a panoply of interpretations that open up intriguing perspectives, but it cannot provide causal models that help to explain the mechanisms that sustain and reproduce the voluntary sector and the concrete effects of individuals’ decisions to give time or money in trying to help others. That kind of analysis would be useful to policymakers who have to decide how they could or should support the growth of that sector either directly or indirectly (such as by removing barriers to the operations of philanthropic institutions).

Toward that end I now turn to the pioneering work of the French economist Serge Kolm, whose investigations of the economics of giving and altruism have cleared a field that is now being explored by many others. Although Kolm and

the economists who have taken up his challenge (see, for example, Gérard-Varet et al. 2000; Kolm et al. 2006) of considering gift-giving a worthy subject of economic analysis often end up revisiting and commenting on the more sociological and philosophical themes briefly sketched out above, their contributions bring to light parallels between the mechanisms at work in premodern societies and processes constitutive of modern market economies. At the same time they underline the limitations of conventional economic models. These limitations and biases must be overcome in order to better reflect the complex reality of the choices made by economic actors. New directions in economic research (including behavioral economics and even more recently, "neuroeconomics"<sup>11</sup>) have brought attention to the need for a serious rethinking of economic rationality, and Kolm's pioneering work adds much depth to these explorations.

### ***Serge Kolm on the Mechanisms Sustaining the Philanthropic Order***

Seeking to combine and harmonize many of the insights Adam Smith treated separately in *The Theory of Moral Sentiments* and *The Wealth of Nations*, Serge Kolm recently embarked on a twofold research project after many years of writing on inequality and economic justice (see Kolm 2005).<sup>12</sup> On the one hand, using the formal language of mathematics and neoclassical microeconomics he has labored to stress the relevance of the economists' toolkit for the analysis of the world of the gift, which so far has been mostly the province of sociologists and anthropologists. (Kolm is obviously aware of Mauss's work but only occasionally cites it.) On the other hand, in part because of an abiding interest in and deep commitment to Buddhist psychology and ethics (see Kolm 1982), he has tirelessly argued for a need to "introduce many new and crucial aspects" into economics in order to balance the unwarranted emphasis on "self-interested market exchanges." He argues that the "motivations considered will have to be much more varied, complex and subtle (and interesting) than only strict self-interest" (2000a, 3). More specifically, he writes, one of the consequences of reciprocity "is that both the structure of preferences and the concepts of solutions of interaction (in the sense of game theory) will have to be more complex and richer. Reciprocitarian interaction elicits new concepts of solutions and new meanings for old ones, as it entails sentiments of fairness, equity, balance, respect for others, moral indebtedness, 'proper' behavior, duty, norm following, care for image building, benevolence, altruism and so on, along with self-interest" (4).<sup>13</sup>

In the previous section I showed that even if it sometimes makes sense to speak of a “gift economy,” what Godbout calls “the world of the gift” encompasses a far broader range of phenomena and follows its own logic, one that conventional economic models fail to accommodate. However, Mauss and many of his followers err in their belief that these differences support the thesis that markets and the world of the gift have always been—or should be reinvented as—antagonistic paradigms, and that the gift economy is preferable because it operates on the basis of more humane and morally defensible principles. (The same error has also been committed by Karl Polanyi and those who have uncritically adopted his hypothesis of the “embedded economy”; even if one were to concede that anthropology provides examples of economic phenomena that were over-determined by cultural and other societal factors, this status quo ante is hardly something that can be recreated at will.) Although distinct and autonomous, these two forms of spontaneous order communicate with each other and even overlap in ways it is crucial to understand. To put it differently, there are mechanisms that are common to both and operate in comparable ways, even if they do not produce the same effects.

This is something that Serge Kolm has analyzed in a rigorous and perceptive manner. His writings on gift-giving illuminate these mechanisms without attempting to reduce one domain to the other. Kolm manages to bring to light both the economic dimension of the world of the gift and the extent to which economic exchanges are themselves dependent on altruism. His works underline the complexity of these paradoxical relationships of codetermination. It would be futile to deny that giving is often inspired by genuine generosity, but Kolm points out that the variety of forms of gift-giving is “bewildering” and that often gifts are provided with very different aims, and sometimes strictly opposite ones. They range from the most generous sacrifice to being the instrument of social sentiments and relations among the most odious, in passing by the plain service of the giver’s self-interest. They also range from the most spontaneous . . . to resulting from the most elaborate pondering and strategies. They are both the proof of sincerity and the classical vector of hypocrisy and treacherous lies (2006, 19).

It is not surprising that the experience of living in societies where gift-giving is not the dominant norm conditions many people to be selfishly generous, as it were. As an economist, Kolm has no difficulty tracking relevant instances. These include gifts offered in such a manner that (a) their effects overcompensate for the

cost of the gift itself, (b) the gift conveys information that the receiver can use to benefit the giver, (c) the gift is meant to trick a generous person into reciprocating, or (d) the social effects of the gift (for example, in imparting a reputation for generosity) are its primary motivation (Kolm 2000a, 11; see also Kaufman 1991; Offner 1997). But even gifts offered for self-centered reasons can generate a sequence of reciprocal interactions that evolve into deeper interpersonal or social relationships. Trust is usually built in that way, for example.

This does not mean, however, that we should hold a Hobbesian view of human nature. Although individuals are autonomous agents who should be guaranteed the freedom to choose how to use the resources at their disposal—Kolm call this “process freedom” (2005)—their freedom is conditional on many tacit social skills. As Kolm puts it, “The most important effect of altruism is probably the respect of other persons and their rights and properties, which could not sufficiently and well be secured only by self-defense and the police. This permits peace, social freedom defined by this respect—it is the basic social ethics of our societies. . . . This respect is in particular a condition of a working market system” (2006, 6). Thus he stresses that “economics, markets and exchange, when carefully analyzed reveal the essential role of motives that are not self-interested” (19). As a result, “many relations of market, exchange, agreement, and cooperation thrive in spite of the presence of classical causes of market failures which should have inhibited them, thanks to the role of various moral conducts such as honesty, truth telling, promise keeping, fairness, reciprocity, trust and trustworthiness, respect and benevolence” (20).

Where does this altruistic disposition come from, and how is it manifested? There are several answers that yield somewhat different formal representations.<sup>14</sup> Individuals may feel happier as the happiness of others increases or the welfare of others improves, or as a certain level of income redistribution is achieved such that no one is completely left out, as it were. These dispositions may be hedonistic in reflecting feelings of empathy, or morally based in resting on a certain conception of one’s duty to others. In practice these two distinct strands are often intermingled. Kolm’s ethical outlook is more consequentialist than deontological, since it clearly emphasizes the importance of happiness and enlightened self-interest. (One’s concern for the welfare of others is less an “imperative” than an integral part of one’s own happiness.) Nevertheless, Kolm acknowledges and approves of the pervasive influence of everyday Kantianism

in the culture of contemporary liberal societies: although people rarely act *only* out of duty, deontological norms almost always enter into their decisions (Kolm 2000a, 3).

These altruistic dispositions are instrumental in several ways. For example, Kolm echoes Benkler's comments on the advantages of freely circulating information in dealing with transaction costs. Moral imperatives and social norms lead to "truth-telling, sincerity, and voluntary disclosure" (2006, 41). More generally, enlightened self-interest (and, of course, the rarer manifestations of "pure" altruism) helps to prevent or mitigate what would otherwise be constantly recurring "market failures." Echoing Smith but in reverse, he concludes, "In improving social efficiency, these various non-strictly self-interested conducts and motives often end up favoring the strict self-interest of these actors. Then, disinterested conduct favors one's strict interest in the end, as if by a kind of immanent justice" (41).

Kolm diverges most significantly from the paradigm of an entirely spontaneous (and private) philanthropic order; however, he stresses that state is the best means of achieving income redistribution in favor of the most disadvantaged members of society—something that he presumes *everyone* agrees with, up to a point anyway. That is, he argues that for the purpose of "altruistic joint giving," which he treats as a public good, individuals can enter into an implicit social contract involving a system of redistributive taxes.<sup>15</sup> He maintains that such a system "can be unanimously preferred to its absence" (16). In addition, he argues, "a democratic political system normally secures Pareto efficiency" in the sense that any program that is not efficient can be defeated by a more efficient one; thus "efficiency and democracy require public aid" (17).

It is important, however, to remember that Kolm is concerned here only with income redistribution. He offers no defense of the broader, more qualitative, and more debatable programs that contemporary welfare states have embarked upon in recent decades (such as employment equity, subsidized child care, multiculturalism, and the provision of an ever-increasing list of questionably termed "public goods"). Kolm is actually defending a point that Milton Friedman and F. A. Hayek advanced in their advocacy of a minimum income guaranteed by the state—an idea that had been recently reanimated in some of Charles Murray's work. As a left libertarian, Kolm is in favor of a more generous redistribution than either Friedman or Hayek contemplated, and he has provided a very sophisticated and elaborate scheme which he calls Equal Labor

Income Equalization (ELIE), which seeks to compensate individuals for lack of access to the resources they need to exercise the right to full self-ownership. The essential point of this scheme (see Kolm 2005) is that there are efficiency gains to be made from public implementation (such as through the tax system). After that, what individuals decide to do with their income is up to them, and if that income is high enough, the state can dispense with most of its other administratively cumbersome programs.<sup>16</sup>

This being said, Kolm acknowledges that the philanthropic order extends far beyond the simple goal of income distribution. He makes it quite clear that since giving is a voluntary act and gifts, by definition, cannot be imposed, good social relations based on gift-giving and reciprocity cannot be planned or enforced by state action (2000c, 175).<sup>17</sup> Moreover, he also acknowledges that even with respect to income distribution there are reasons to be satisfied with private charitable organizations or favor them, if one is motivated by goals other than efficiency (such as demonstration effect, self-esteem, putative reciprocity, and a belief in the Kantian imperative of universalization—"what if no one contributed?"; see 2006, 106).

What is arguably missing from Kolm's analysis is an account of the institutional context within which good social relations based on altruism or enlightened self-interest can flourish, and of the processes that give rise to such institutions. This is perhaps why he tends to assume that the state is often the best means of solving collective action problems even though technology and Benkler's "social production" could provide viable solutions either now or in the near future. The question of how institutions emerge and the self-organizing logic that best explains their evolution is a domain that, as I have shown, Mauss explored very perceptively in the context of premodern societies. Hayek, for his part, explored at length the same problem in the modern world; unfortunately, he downplayed the importance of the altruistic feelings he described—mistakenly, I believe—as a dispensable relic from a bygone era, a necessary step in social evolution but one that is counterproductive in the "extended order" in which the citizens of liberal democratic societies committed to free markets happen to live (Hayek 1988, 19-21). While it is most certainly true that a preference for fairness and conditional altruism evolved in the very early stages of human development, I hope to have shown that Kolm's propositions about their continued importance in economic life are more convincing.



### Conclusion

French—or, perhaps more appropriately in today’s globalized world, francophone—scholarship has made extraordinary contributions to the analysis of a broad set of psychological and sociological phenomena which terms such as altruism, reciprocity, gift-giving, and philanthropic institutions serve to describe without fully evoking their richness and complexity. The strong anti-utilitarian bias that runs through the French intellectual academic world accounts in large measure for this fascination.

In focusing on Mauss and Kolm, I have dealt with arguably two of the most prominent thinkers within that tradition, but it would be wrong to conclude that they represent the sum total of what this tradition has to offer. Nonetheless, both thinkers typify in their own ways the limitations of their respective disciplines and the difficulties that even scholars who share certain values and common interests face in trying to move beyond these limitations. Anthropologists may dabble at times in discussing what they identified as the “gift economies” of nonwestern, premodern societies, but on the whole their economic commentaries are rather amateurish, and when it comes to the analysis of contemporary phenomena their prejudices against market processes prevent them from understanding the many ways in which the world of the gift and the Hayekian catallaxy potentially complement each other. And although that sort of complementarity has been lucidly analyzed by Kolm and the economists he has influenced in France and elsewhere, their microeconomic methodology prevents them from dealing adequately with the relevance of their subject matter to the construction of a macro-theory of the philanthropic order in all its dimensions, including the historical and cultural aspects.

### NOTES

- <sup>1</sup> The contrast between communitarian and cosmopolitan sympathy can be traced back to the eighteenth century, with Jean-Jacques Rousseau upholding the former and Immanuel Kant the latter, but the acceptance of the ideology of universal human rights is a late twentieth-century development.
- <sup>2</sup> One would also have to include the philosopher Alfred Fouillée (who was a contemporary of Durkheim) and, in today’s context, the economist Alain Caillé, the founder of the *Mouvement Anti-Utilitariste dans les Sciences Sociales* (MAUSS).

- <sup>3</sup> His neglected article "The Optimal Production of Social Justice" (Kolm 1969) proposed several key concepts that were later picked up by other authors to whom they are often erroneously attributed and which triggered the "considerable wave of inequality research that began in the 1970s" (Lambert 2007, 213).
- <sup>4</sup> For example, Mauss asserts that the potlatch is simultaneously a religious and an economic phenomenon that also touches on "social morphology and has some of the attributes of a contract."
- <sup>5</sup> Whether the gift creates "obligations" in the strict sense of something one is literally obliged to do is challenged by Alain Testart (1998), who argues that Mauss's theory is like a Procrustean bed that ignores important differences between very dissimilar forms of exchange. However, see note 4 above.
- <sup>6</sup> Mauss was writing in the early 1920s, so the term "modern" still applies, although "contemporary" would be a stretch.
- <sup>7</sup> The meaning of "sharing" can probably be stretched to include the Maussian pattern of giving, receiving, and reciprocating.
- <sup>8</sup> The constant improvement of open source software is due to the fact that it is developed by a large community of programmers motivated by the recognition they get from their peers. These programs are often as good as proprietary ones or better.
- <sup>9</sup> He raises many valuable objections to policies currently pursued by Western governments which already have had a significant impact on property regimes; patents on a multitude of genomic discoveries are a case in point. I agree with Strahilevitz (2007) that he sometimes overstates his case. If the alternative to patents is a strategy of keeping trade secrets, a movement away from intellectual property protection may not bring a strong new flow of innovative applications.
- <sup>10</sup> In the 2004 Democratic primaries, Governor Howard Dean surprised the political establishment with his skilful use of the Internet to mobilize supporters in ways that also empowered them. This strategy was replicated with even more success by Senator Barak Obama in 2008. In the 2007 presidential election in France, the socialist candidate Ségolène Royal used similar tactics.
- <sup>11</sup> The website of the Center for the Study of Neuroeconomics at George Mason University describes neuroeconomics as follows:

“Neuroeconomics is an interdisciplinary research program with the goal of building a biological model of decision making in economic environments. Neuroeconomists ask, how does the embodied brain enable the mind (or groups of minds) to make economic decisions? By combining techniques from cognitive neuroscience and experimental economics we can now watch neural activity in real time, observe how this activity depends on the economic environment, and test hypotheses about how the emergent mind makes economic decisions. Neuroeconomics allows us to better understand both the wide range of heterogeneity in human behavior, and the role of institutions as ordered extensions of our minds.”

([http://neuroeconomics.typepad.com/neuroeconomics/2003/09/neuroeconomics\\_.html](http://neuroeconomics.typepad.com/neuroeconomics/2003/09/neuroeconomics_.html))

<sup>12</sup> For an introduction to Kolm’s political economy, see Dobuzinskis (2000).

<sup>13</sup> For a technical example of the application of these recommendations applied to an analysis of the “return-gift game,” see Kolm (2000b).

<sup>14</sup> Kolm revisits Vilfredo Pareto’s forgotten distinction between utilities and “ophelimities” (Kolm 2000a, 16-23; 2006). The latter are estimations of individuals’ material welfare, whereas the former take into account mutual interactions: my utility is a function at the very least of your welfare, if not in a more complex (reflexive) manner of your other-regarding utility. Depending on whether individual  $i$  is interested in either the happiness or welfare of others, his or her utility function can be written as  $u_i = u_i(u, x)$  or  $u_i = u_i(w)$ , where  $u$  stands for the happiness of all individuals,  $x$  represents other relevant factors (which could include the welfare of others), and  $w = \{w_j\}$  denotes the welfare of all individuals (and  $j \neq i$ ). It is then possible to continue with utility maximization, but on the basis of more plausible assumptions.

<sup>15</sup> Kolm does not appeal to self-interest in trying to justify the plausibility of such a contract but instead appeals to (a) a commonly shared sense of fairness, (b) our capacity for impartiality, and (c) the effectiveness of dialogue in reaching agreement over fundamental social choices (see Kolm 2005, 299-300).

<sup>16</sup> Although with respect to “fundamental insurance” schemes (such as health insurance) that protect people against the occurrence of differences they unanimously consider unfair, Kolm argues that “questions of information and practicability lead to public implementation” (2006, 71), he remains agnostic

regarding what sort of insurance scheme individuals may choose to bargain for. He implies that other than sickness and lack of basic education there are few differences which individuals will unanimously agree to be insured against (Kolm 2005, 446).

- <sup>17</sup> Assuming, however, that a common arrangement of preferences is one in which the preferred state of affairs consists of conditional gifts (that is, gifts offered when others give too), legislation imposing a reciprocal contribution (albeit not strictly speaking a gift, since gifts have to be spontaneous) might bring about a Pareto optimum (Kolm 2000c, 180). A possible example would be tax credits for donations to charitable organizations, insofar as they force nondonors to compensate through their taxes for the loss of revenue to the government.

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# COMMENT

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## TRADITIONS OF PHILANTHROPIC ORDER

*Christine Dunn Henderson*

Through a discussion of French thinkers Marcel Mauss and Serge-Christophe Kolm, Laurent Dobuzinkis' thoughtful paper investigates what he calls the "philanthropic order," a self-organizing order which originates in individuals' gift-giving initiatives and creates complex webs of interdependence, obligation, and connectedness among people. Perhaps more familiarly known as the nonprofit sector or civil society, the spontaneously arising philanthropic order exists, as Dobuzinkis notes, "more or less precariously between the commercial sphere and the state." (2009, 116) Dobuzinkis defines the philanthropic order broadly, including not merely the activities of donors and foundations but also "a whole range of processes that allocate material and symbolic resources through nonmarket mechanisms fuelled by more or less explicitly altruistic motivations." (115) Although aware of possible tensions and conflict, Dobuzinkis nevertheless seems to understand the philanthropic order as an essential complement to the market order, insofar as it produces and reinforces the social capital upon which the market depends, by enabling individuals to interact with other individuals (friends, neighbors, and even strangers) in a manner independent of yet broadly beneficial to the economic order and perhaps to the political one as well.

A desire to explore more completely the nature and place of the philanthropic order in modern society leads Dobuzinkis to Mauss and Kolm. Dobuzinkis' discussion of Mauss's seminal work, *The Gift*, highlights the triple obligations—to give, to receive, and to reciprocate—behind gift-giving in older ("archaic") societies. By emphasizing the obligations at the heart of what is often considered a purely voluntary act, Dobuzinkis reminds us that historically what we now call philanthropic acts have sprung from complex mixtures of selfishness and selflessness, and that self-interestedness does not "contaminate"



the philanthropic act itself, as seems often thought today. In Mauss's words, the world of the gift is one in which "obligation and liberty intermingle" (Mauss 2000, 65), in that the apparently free act of gift-giving springs from a range of motives, including senses of obligation. The urges giving rise to the philanthropic order are not simply disinterested or altruistic, nor are those impelling the commercial order merely selfish in any simple manner. Mauss's study also reminds us that customs of gift-through-exchange create "the framework for a whole series of other exchanges, extremely diverse in scope, ranging from bargaining to remuneration, from solicitation to pure politeness, from out-and-out hospitality to reticence and reserve" (27). Gift exchanges frame other exchanges, and the divide, then, between civil society and commercial society is not as sharp as some claim.

Because Mauss's work emphasizes reciprocal gift-giving in premodern societies, one (even Mauss, indeed!) might conclude that the gift economy has largely been replaced by the commercial economy in modern society. Has the age of the gift passed, and do nonmarket exchanges today play only a marginal role in the allocation of goods and services? Dobuzinskis is perhaps most interested in correcting what he believes is an oversimplification of Mauss on this point. His corrective approach to this oversimplification begins by citing statistical indicators of current philanthropic activity as signals of the continued or perhaps renewed importance of gift-giving in modern society. Next, Dobuzinskis offers a very interesting discussion of the status of the philanthropic order in a digital age. The discussion's focus on the importance and benefits of sharing in the world of information technology points to a robust role for philanthropic communities in this arena. Dobuzinskis' treatment of Open Access sharing invites us to think more about the role of technology in the philanthropic order and about technology's ability to make communities out of strangers. What are the possibilities and limits of virtual community? Are these communities as strong as traditional communities? Stronger? And how might the philanthropic order best harness their strength?

Perhaps with some of these questions about virtual community in the background, Dobuzinskis wonders whether the philanthropic impulse has been stilled by the modern age, thus returning us to earlier speculations about the nature of that impulse and turning him from Mauss to Serge-Christophe Kolm. Applying the analytic tools of contemporary social scientists and economists in an effort to understand the interrelations between the spontaneous orders of

market and philanthropy, Kolm's work delves into the roots of the altruistic or "gifting" disposition, emphasizing the importance of the giver's happiness and enlightened self-interest. Not only does Kolm bring out the range of calculation and spontaneity involved in gift-giving, but his research also reveals how even nakedly self-interested acts can generate interactions which yield "disinterested" and socially beneficial results. Moreover, Kolm reminds us of the manner in which actions—even those initially performed out of simple self-interest—can become habitual and largely divorced from their original motives. As Dobuzinskis notes, "even gifts offered for self-centered reasons can generate a sequence of reciprocal actions that evolve into deeper interpersonal or social relationships. Trust is usually built in that way, for example." (2009, 131)

Dobuzinskis focuses on Kolm's investigations into the complexities linking the worlds of gift and market, and also on Kolm's keen awareness of the subtle mix of motives behind both apparently interested exchanges (such as economic ones) and apparently disinterested ones (such as gifts). Drawing attention to Kolm's indebtedness to Adam Smith, Dobuzinskis describes Kolm's general project as an attempt to solve the so-called "Adam Smith problem," or to "combine and harmonize many of the insights Adam Smith treated separately in *The Theory of Moral Sentiments*." (129) Surprisingly, however, Dobuzinskis does not emphasize Kolm's indebtedness to another perceptive analyst of enlightened self-interest, Alexis de Tocqueville. Enlightened love of self, Tocqueville explains, teaches individuals about the manner in which selfish interests can be advanced by serving others. Americans, who Tocqueville believed had perfected this art, "show how the enlightened love of themselves constantly brings them to aid each other and disposes them to willingly sacrifice a part of their time and their wealth for the good of the state" (Tocqueville 2000 [1835], 502). While Americans may do themselves a disservice in overemphasizing the role of self-interest in their altruism, Tocqueville praises enlightened self-interest for creating a multitude of farsighted and moderate citizens, each ready "to sacrifice a part of his interest to save the rest" (503). Insofar as the motive for sacrifice is self-interested, the act may not be strictly virtuous; Tocqueville concedes this, yet he is also aware that even self-interested acts of philanthropy create a habit of gifting which individuals might then practice with less attention to self-interested motives.

Although Dobuzinskis does not explore the Tocquevillean roots of this aspect of Kolm's work, he rightly notes that both Mauss and Kolm are part of a greater French tradition of liberalism, a tradition sadly neglected in favor of the

statist ideologies which have dominated French intellectual life for more than a century. Within that almost forgotten liberal tradition, three figures come to mind as precursors of these discussions of Dobuzinskis' philanthropic order: Montesquieu, Constant, and Tocqueville. The discussions of "intermediary bodies" in Montesquieu's *Spirit of the Laws* stress the need for secondary entities as countervailing forces to centralized power and as guarantors of liberty (1990 [1748]). Montesquieu emphasizes bodies such as the aristocracy and the clergy, but interpreting intermediary bodies more broadly reminds us of the essential role played by private associations—including those constituting the philanthropic order—working outside of political power within a free society. Carrying this further, Benjamin Constant defines the existence of a civil society as the very essence of modern liberty. For Constant, "there is a part of human existence which necessarily remains individual and independent, and by right beyond all political jurisdiction" (2003, 31). Modern man understands freedom chiefly in terms of a private sphere reserved to him, in which he is free to express his opinions, choose his religion and profession, dispose of his property, and *associate with others for whatever purposes he desires* (Constant 1988, 311). Constant recognizes that although political liberty is indeed part of modern liberty, civil society—or to return to Dobuzinskis' language, the philanthropic order—may well be its flowering.

Of the French liberals, however, Tocqueville seems to provide the greatest insight into the philanthropic order. As we have already seen, his perceptive analysis of self-interest rightly understood sheds light on the often complex motives behind philanthropic acts. Beyond this, Tocqueville's writings on civic associations offer a window into the relationship between the philanthropic order and other orders (market, political) in a free society. Americans, writes Tocqueville, make "constant" and "skilled" use of a vast range of civic associations (2000 [1835], 489). The science of association, he argues, is "the mother science" of a democratic society (492), with citizen self-government being the school of associative life more generally. Political associations give citizens the habit and taste for uniting for a variety of shared purposes, and democratic citizens carry this habit well beyond their political activities. The rich associative life within a robust civil society gives citizens a preference for doing things themselves and for working through associations to solve problems, rather than expecting political leaders to solve those problems for them. By forming associations in order to tackle problems, citizens are also reminded of

their own power. Tocqueville argues that this reminder is especially necessary in democratic times, when individuals are more likely to feel overwhelmed and impotent. In this sense, then, civic associations (including philanthropic ones) serve a function akin to Montesquieu's intermediary bodies, providing essential protection against tyranny. "It is clear," writes Tocqueville, "that if each citizen ... does not learn the art of uniting with those like him to defend it [his liberty], tyranny will necessarily grow with equality" (489).

Mauss's investigations of the gift economy in premodern societies and Kolm's studies of altruism do help us better understand the complex motives and movements within the broad entity Dobuzinskis calls the philanthropic order. But how instructive are they concerning the place of that order in a free society? I raise this question because their advocacy of a free society seems qualified at best. As Dobuzinskis reminds us, Mauss and Kolm begin from Hayekian premises, in that they work within the paradigm of a spontaneous—and private—order. In this sense they are heirs of Adam Ferguson, Adam Smith, and Friedrich von Hayek, as well as of the French liberal tradition which saw some form of private associative life as a counterforce to governmental power and as an essential bulwark of liberty. But Mauss and Kolm draw different conclusions from the classical liberal lines in that they look to legislation rather than spontaneous or voluntary order to achieve their respective ends of restoring the ethics of the gift and redistributing income. Thus Mauss and Kolm can only take us so far, and if the philanthropic order is essential to the flourishing of individuals and of free societies (and I believe it is), our conversation about them should be complemented by a conversation about these earlier French and Scottish traditions.

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# COMMENT

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## PUTTING PHILANTHROPY IN ORDER

*Jack Birner*

The writers of many economics textbooks state the discipline's subject matter as the study of what is produced for whom, and how. Curiously enough, they rarely complete the usual list of "wh-" questions to include when and why. This is symptomatic of the neglect by mainstream economics of time and people's motivations. The neglect of time—and of demography, which until about 1911 was an integral part of every course in economics—has left economists, governments, and private citizens insufficiently prepared for dealing with the consequences of the aging of industrial societies. Ought the government to provide for our needs after we have stopped working for our income? In that case we have to decide how to redistribute the earnings and wealth that have been generated by the market, through taxation and transfer payments by the government. Or should the provision for old age be left up to private initiative? The latter is usually interpreted as meaning that every individual takes care of their own pension. But the sphere of private initiative does not stop here. Individuals may also decide to voluntarily transfer their wealth *to others* without expecting anything in exchange. This is the sphere of altruism and philanthropy, which also suffers from a lack of attention by economists.

It is therefore welcome that Laurent Dobuzinskis raises the question of how to integrate altruism into economics (2009). He discusses the role of civil society and its relationship to the market economy and develops the argument that a philanthropic order essential to the welfare of individuals and to the growth and stability of what Hayek calls the "Great Society" evolves parallel to the market process. For his discussion of altruism he builds upon the work of Marcel Mauss, student and son-in-law of the great French sociologist Emile Durkheim. His analysis of the market order follows the ideas of Friedrich Hayek. All this puts him squarely in the tradition of Adam Smith's research program, as I will now try to explain.

### ***Smith's Research Program***

Smith's most famous book, the *Wealth of Nations*, looks into the causes of economic growth. It investigates the role and functioning of both the market and government. This is one part of Smith's research program. The other, complementary part, published previously in *The Theory of Moral Sentiments*, analyzes civil society. This is the domain between the spheres of influence of government and of the market. In contemporary literature it is often referred to as social capital. The fact that Smith put the market and government *together with* this intermediate domain on his research agenda makes him a pioneer. One of his followers on this path is Durkheim. In his first book, *De la division du travail social*, Durkheim turns the analysis of civil society, and what distinguishes it from the subject matter of economics, into the foundation of sociology. This is argued in Birner and Ege (1999), where we contrast Durkheim's work with that of Hayek, and in this comment I build upon what we have said there.

### ***What is the Question?***

Dobuzinkis states without further argument that the market order and the philanthropic order are complementary. I prefer to reformulate this as the question of the extent to which gift-giving and market transactions influence each other either positively or negatively. An extreme way of putting this is to ask, is it better to have a market society in which all transfer payments are defined by law in terms of rights and obligations, or one in which they are gifts that depend exclusively on the benevolence of individuals?

These cases are ideal types in which there is no room for civil society. In reality we have seen that in communist regimes civil society emerged out of the private initiatives that aimed at remedying the defects of the centrally planned economy. These initiatives often showed market-like features. In market economies, on the other hand, the role of government is more limited. But the market fails to provide for everything the government does not. There remains a set of goods and services desired by citizens that are not produced by either government or the market. This leaves room for private initiative and spontaneous social organizations for providing collective goods, club goods, and goods that are transferred directly between individuals. Philanthropy belongs to this sphere. What it does is to redistribute wealth according to the preferences of the donors without there being any rights or obligations (other than those stipulated in the private agreement between parties) on the part of the receivers.

Defenders of distributive justice would like to see the sphere of transfers by the government extended. While not necessarily opposed to private donations, they favor the creation of rights to transfer payments for those who do not have the means to provide for some set of goods and services that are considered to be “basic.” At the same time they want to impose the obligation to pay for these transfers on those who are sufficiently well-off. Such an extensive scheme of rights-based transfers leaves less to be distributed by philanthropy. Apart from objecting that such a system implies an intrusion on individual freedom, market liberals such as Hayek and Friedman argue that making redistribution part of a “bill of rights” risks undermining the incentives that make a market system function. My assessment is that there is likely to exist an optimum mix between the two extremes. The questions of how that mix is composed and whether it can be optimized according to some criterion must ultimately be answered by empirical research. Here I will raise some preliminary theoretical issues.

### ***The Market and Philanthropy: Solutions to Different Problems?***

Markets are the solution to the problem of coordination; gift giving, according to Mauss, is an instrument that reinforces cooperation and solidarity. Society, in order to be stable through time (or reproduce itself), needs both the coordination of the actions of individuals and their cooperation—as Smith understood well. Hence Dobuzinskis’ idea that the market and philanthropic orders are complementary is a hypothesis with a respectable intellectual pedigree. Durkheim and Hayek represent two contrary traditions within Smith’s research program. Hayek tries to explain cooperation as arising out of market relationships. Durkheim does the reverse. Hayek believes that cooperation works only in small groups whose members share common objectives. As soon as the groups grow and the skills and preferences of their members differentiate, cooperation is not enough, and the market is needed to coordinate individual actions. It is precisely this idea that Durkheim rejects. He puts in its stead the priority of social cohesion over market exchange and the pursuit of self-interest, observing that without cohesion, competition (which is basic to the functioning of the market) becomes a centrifugal force that threatens social stability. Mauss argues that gift-giving creates solidarity. So, combining Durkheim’s and Mauss’s ideas, philanthropy would be part of the necessary conditions for maintaining the framework in which the market can function. Mauss’s work on gift-giving raises general issues that can be used to clarify the relationships between allocation through the market and through voluntary transfers.



The differences between Hayek's and Mauss's approaches are clearly illustrated by their ideas on the emergence and function of credit. For Mauss, financial credit as we know it has evolved out of a system of giving, accepting, and reciprocating gifts that serve as a provision for the future for individuals. Gift-giving, while creating cohesion, is not deprived of elements of self-interest. For Hayek, on the contrary, credit is the result of the spontaneous emergence of partial-reserve banking in a market economy. Not only did it make it possible for individuals to permanently live beyond their means, it practically forced them to do so, producing ever more in order to be able to pay their debts, thus making credit one of the causes of economic growth.

For Mauss, credit and social security are closely related. A system of old-age pensions is an integral part of the cycle of giving, receiving, and reciprocating. In Hayek's and Friedman's thought, on the other hand, social security should remain limited to a "safety net" that keeps individuals from starving if they remain without an income. Their proposal is added to their market liberalism in an ad hoc manner. Hayek gives no arguments why individuals who through no fault of their own remain without an income should receive transfers to keep them from being destitute. Friedman's negative income tax proposal equally lacks a solid theoretical foundation. Hayek's proposal might be underpinned by an appeal to a Rawlsian, veil-of-ignorance, implicit-contract model of society (which may be why Hayek, who is averse to social-contract theorizing, did not elaborate the issue in this direction). The link with game theory might be pursued: the market is part of an institutional framework that keeps a repeated positive tit-for-tat spiral of interaction going. Therefore, it is in everybody's interest that individuals should not be discouraged from participating in the market process by the prospect of losing everything. A further step in this direction would be the idea that guaranteeing individuals a minimum income may keep them from undertaking actions that threaten the existence of the market economy. But whatever argument one chooses, the theoretical work remains to be done.

### ***Transfer Payments, Entitlements, and the Law***

As to pensions, Hayek and Friedman presumably leave provisions for old age up to private initiative or consider them as being covered by the social safety net or negative income tax. Hayek's crusade against "social justice" may have kept him from elaborating on these issues. At any rate, he did not deal with them

in *Law, Legislation, and Liberty* (1973-1979), which is about the legal framework of the market order. Now, as Durkheim had recognized—and he even made it a cornerstone of his theorizing—laws are the sedimentation of social norms. They fix, and make explicit, rules of behavior that may or may not have emerged spontaneously into a codification that starts to lead a life of its own. In Karl Popper's words, laws become part of World 3 (cp. for instance, Popper 1967). One consequence of this is that they become susceptible to criticism, and hence amelioration, an aspect that Popper emphasizes in *The Open Society and Its Enemies* (1945). Hayek, on the contrary, warns against consciously meddling with laws which are the endogenous result of a spontaneous process of social evolution. He holds up the English system of jurisprudence, the accumulated wisdom of the responses of individual judges to concrete cases, as an example to be followed. But here he runs into conceptual difficulties, because he has to draw a line between human actions and decisions that give rise to certain social norms spontaneously and those having the express purpose of influencing norms. We may object that purposely introduced interventions may have beneficial effects (a successful vaccination campaign, for example), and whether these effects are intentional is a secondary matter. Unintended consequences, on the other hand, may be disastrous. (AIDS is a dramatic example.) There is no reason why we should accept all and any unintended effects of individual actions as positive and condemn any consequences of individual actions and decisions that turn out to be exactly as intended *because* of the fact that their realization coincides with their planned objectives.

Let's apply this to redistribution. For Hayek, redistribution is acceptable to the extent that it is an unintended effect of changes in individuals' participation in market exchange. Where does that leave the redistribution that is the consequence of the express philanthropic wishes of an individual? Must philanthropy be forbidden because it has intended redistributive effects? That would conflict with individuals' liberty to dispose of their possessions as they like. Or must philanthropy be allowed or even encouraged insofar as it has beneficial unintended effects that enhance the working of the market? In order to be consistent, Hayek would have to accept the latter while rejecting the former. In reality, however, matters may be more complex than this. Philanthropy has intended collective redistributive effects; if it didn't, nobody would engage in it. At the same time, if we accept Mauss's idea and combine it with that of Durkheim, philanthropy reinforces the social cohesion that is necessary for the functioning of the market. Clearly, we have to move beyond Hayek's framework.

### ***Philanthropy: Rights, Power, and Discrimination***

Even if we accept that a right to receive transfer payments from private fellow-citizens does not exist, we may still question whether it is acceptable that an unequal distribution of gifts is entirely dependent on the whims of a Bill Gates or a Warren Buffett. (As a matter of fact, they have limited their personal influence by conferring their gift-destined wealth to foundations. But foundations need statutes, so what do we write into the statutes?) A related matter has to do with the power that comes with wealth. If certain basic provisions of citizens become dependent on private donations, as was the case with clientelism in ancient Rome, givers acquire more power than can be justified, in a democratic society, by leaving everything up to private initiative. The freedom to give what you want to whom you want is equivalent to the power to exclude non-beneficiaries. This raises the issue of discrimination. I can imagine that a U.S. charity that finances projects for the reduction of poverty of young white males is more likely to be the object of critical scrutiny than one that destines its resources to the promotion of the careers of poor black females. Philanthropy cannot clash head-on with social norms. On the other hand, whereas the state cannot afford even to create the impression that it discriminates, individuals have more room for maneuver. In my example, a successful white businessman with a poor Bronx background who founds a charity to promote the education of poor white boys from the Bronx is less likely to be accused of discrimination than a government agency that does the same.

### ***Maintaining Order***

An important reason why societies continue to exist is that they are institutions in which individuals may benefit from the activities of others without being capable of turning society to their own exclusive advantage—and accept that this is the case: “We’re all in it together.” A stable society is characterized by a complex texture of rights and obligations that is in some sort of dynamic equilibrium. Let’s look for a moment at philanthropy in this light, but now from the point of view of the individual. A rather common justification for philanthropy is the wish of individuals to give back something to the society that has allowed them to accumulate their wealth. This is facilitated by the fact that the realization of this desire may come at a low cost. Normal human needs can be satisfied with a small part of a great fortune. If money has a diminishing marginal value, what is left has relatively little economic value to its owner. (I

leave aside the matter of its symbolic value, which in a Maussian perspective would deserve to be examined further.) His sacrifice is reduced even more if society puts a premium on philanthropy in the form of tax deductibility. Even if we accept that value is not intersubjectively comparable, this makes it reasonable that part of an individual's wealth is put at the disposal of others. Whether or not this should be done through taxation and transfer payments by the government or directly by individuals is in part a question of expediency and not only a matter of principle.

### ***Conclusion***

So where does this leave Dobuzinskis' idea of the spontaneous co-evolution of philanthropy and the market? We may say that from society's point of view philanthropy is desirable or even necessary for two reasons. One is that, as Mauss argued, it creates a system of mutual commitments that are an important ingredient of the cement of society (Smith's civil society). A link between giving and social cohesion that Mauss did not pursue is the psychological finding that giving creates a dependency effect on the giver rather than the receiver. Economists might translate this into their jargon by saying that philanthropy augments the utility of the giver, but more typically they will see the relationship between giver and receiver in terms of a decrease in the utility of the former and an increase in the utility of the latter. This contrasts with the result of psychological research just mentioned and reinforces Mauss's case over the rather poor motivational framework of traditional economics. Fortunately, experimental economics is making rapid progress here.

The second argument is that philanthropy helps fill the gaps between the fields of influence of the market and of government that inevitably remain in a complex society. Popper's argument referred to above, analyzing both the imposed and the spontaneous rules of the philanthropic order and codifying them into laws helps us define the relationships between these three spheres and improve their relative contributions to the well-being of citizens and to social stability. The analysis of the legal framework of philanthropy deserves a theoretical effort comparable to what Hayek did for the market order in *Law, Legislation, and Liberty*. Trying to improve on Mauss's rather naive ideas about the role of government in philanthropy and concentrating on the relationships between philanthropy and the market, as Dobuzinskis does, are important contributions to Adam Smith's research program.

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# COMMENT

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## THE PHILANTHROPIC OR GIFT ORDER

*Jacques T. Godbout*

I first wish to thank Lenore Ealy for the opportunity to comment briefly on Laurent Dobuzinskis' stimulating paper. The author shows that most analysts, including Hayek, consider Mauss's analysis, and the gift phenomenon in general, to apply primarily to archaic societies. "Gifts exist only at the margin of the market economy" (Dobuzinskis 2009, 119).

Furthermore, when it does apply to present-day societies, it is defined as disinterested, nonreciprocal, acts.

What the Maussian movement (MAUSS, an acronym for *Mouvement anti-utilitariste dans les sciences sociales*)<sup>1</sup> first attempted to show is that Mauss's vision of the gift very much applies to modern society. This is the main thesis in our book, *The World of the Gift*, first published in French in 1992. The gift here is an order that is both spontaneous and modern. (I prefer "gift" to "philanthropic" order. Philanthropy is simply one type within the "gift order.") The market order itself rests in part on this order, if only because the gift feeds trust, a necessary ingredient of the Hayekian catallaxy (Dobuzinskis 2009, 122). This is why we don't think of the gift as first and foremost an economic order, although its economic dimension is important and increasingly so in an information economy with phenomena such as open source and "copyleft" (124). The gift is not only a gift economy (130), and the gift and economic orders are not always, and not necessarily, antagonistic. Let me try to briefly develop these points.

First what is this phenomenon we call "the gift"? In Western societies it is generally defined both formally and legally as a nonreciprocal, unilateral transfer. Something goes from A to B, with nothing from B to A or to anyone else. For someone wishing to study the phenomenon, it comes as a surprise—and a malaise—to find that this definition almost never applies. When one follows what we can call the "chain of the gift"—presents, hospitality, services,

and even the most apparently unilateral gifts of blood, organs, volunteerism, and philanthropy—one finds a general circulation of things quite in opposition to the definition. This is so much the case that the common saying “What goes around comes around” (and its equivalent in many languages) is the way in which many people define the gift, and it seems to have the status of a social law.

The more one gives, in fact, the more one receives. But there is a caveat. This does not mean that the giver’s motivation is to receive, that his objective is to get something in return. One must not confound the intention with the material transfer. In fact, it is the opposite. The story goes that the less we give with the intention to receive, the more we receive. This is the primary paradox of the gift paradigm: the more we give, the more we receive, subject to the condition that we do not give for that purpose! But it must be added that even when we do give to receive, the paradigm holds. Merchants know this well. And even in this case, when everyone knows that their “present” is purely instrumental, the paradigm still holds; less than if the intention is altruistic, but it holds.

It is not a comfortable conclusion for an economist, but there seems to exist a fundamental tendency to give when a gift is received. Not necessarily to give *back*, not to give the equivalent, but to give. This is the observation. It is the general rule, a driving social force, a spring for individual action. *Homo economicus* is not alone; he shares the social order with *Homo donator*. Within the market order, this spring is replaced by interest. Self-interest is without a doubt an important motivational force for human action, one that possesses a great privilege, and this privilege is that it is self-evident. But the “lure of the gift” is as strong as the lure of gain (*l'appât du gain*). This is simply not recognized, not self-evident in our society; it must be demonstrated (Godbout 2007). The generality of this phenomenon is of course impossible to show here. Let me just give an extreme example, for a kind of gift commonly thought to be unilateral. When a philanthropic organization sends letters of solicitation to their “generous donors,” it often accompanies these with symbolic presents. Why? Because even a small and purely symbolic (and instrumental) present activates this impulse to give. “The American Disabled Veterans organization reports . . . that when the mailing includes an unsolicited gift (. . . individualized address labels) the success rate nearly doubles” (Cialdini 2001, 30).

Kolm, like so many others, tries to explain it through motivations and sentiments of all kinds: “fairness, equity, . . . moral indebtedness” (Dobuzinskis 2009, 129). All of this is true. But I strongly believe that explanations like this

are, and will always be, ultimately unsatisfying. Why? Because, as Hénaff puts it, “the gift relationship possesses the astonishing power of instituting a link stronger than sentiments” (2002, 197). As Cialdini notes, “There is a strong cultural pressure to reciprocate a gift, even an unwanted one” (2001, 33). Only cultural? It is surely reinforced by cultural and social factors, but recent research in cognitive science shows a possible genetic foundation (Judson 2007).

At the end of his essay, Mauss describes the gift phenomenon as “this fleeting moment when a society holds” (“l’instant fugitif où la société prend,”) (2007, 243). Like a handmade mayonnaise, we do not know exactly why the elements cohere or do not. We must accept it as a fact, as economists accept self-interest: when something is received as a gift by a human being, it produces an invitation to give in return. It is of course a source of profound astonishment for those applying the *homo economicus* paradigm: the model predicts that in such a situation, the agent should, and in fact will, take advantage. Most people, most of the time, do not.

So what is a gift? “A gift is a non-contracted good” (Stark and Falk 1998, 272). This simple definition by an economist is an interesting starting point because it does not specify whether the good is unilateral. But it does specify that should there be a return, it will be free. At least legally. This freedom, however, is not absolute; it is regulated, but not by a contract. What circulates is regulated by the quality and the intensity of the relationship between social agents. The gift feeds this relationship. The gift is then what circulates between human beings as a result of the dynamic of their social ties, in opposition to what circulates on the principle of rights or the logic of market self-interest, which are both ideally free from such ties.

How does this work? First, how does it *not* work? As we have seen, it is not “pure” (Dobuzinskis 2009, 120) in the sense of being in principle unilateral. Gift-giving is a relationship rather than an individual *beau geste*. Pure, unilateral altruism is not the ideal gift. Incidentally, for those familiar with the prisoner’s dilemma, it is interesting to observe that two altruists do not solve the dilemma with any more facility than two egoists motivated by self-interest only (Godbout 2007, 259-276). In the gift paradigm, the normal gift is reciprocated. If and when a “pure” gift is given, one not meant to be reciprocated, it creates a significant problem for the recipient. He is often humiliated; but worse, his impulse to give back is blocked. This does not mean that altruism does not exist. What it means is that altruistic motivation is often not pure, but mixed. And above all, it means



that altruists do receive: the more one gives altruistically (without the intention to receive), the more one receives.

In fact, what the gift model illustrates is the gift's dark side. Surprisingly, the dark aspect is on the recipient's side. The recipient is entirely dependent on the donor: he has no voice of his own. This is why the state is often a better system of circulation of services, because it can accord rights to recipients, in direct opposition to principles of charity and philanthropy. The gift's order or system, in other words, is different from that of the state. Incidentally, Mauss did not write that the state was "the only way for modern societies to recover the social bonds he observed in archaic societies" (Dobuzinskis 2009, 127). As Dobuzinskis remarks, "in fairness, Mauss showed a marked preference for . . . associations" (122).

From that point of view, gift-giving is closer to the market than to the state system. The gift order and the state order do not always mesh. As Goodin writes, "The more government takes the place of associations, the more will individuals lose the idea of forming associations and need government to come to their help" (1993, 64). But the state can be superior to the gift. An interesting question here, and an increasingly important one, is just when the state is preferable and when a philanthropic association is better. The question highlights the limits of the gift model: that the recipient has no standing. This dark side of the gift explains why the recipient is often better off as a client (with bargaining power) or as a citizen (with political power in democratic rights).

This being said, what, then, are the elements of the *homo donator* paradigm? They clearly can't be laid out here, but to sketch an outline (and maybe spur curiosity): the gift model is based on a very peculiar notion of debt, far from the equivalence principle; the gift affects the identity of the agents; agents must infringe on the rules for their gifts to be "true." One meta-rule of the gift is indeed that escape from the rule is necessary in order for the actors to express the freedom inherent in the gesture. All of the gift's partners affirm that the more closely social rules are obeyed, the narrower the gesture and the less the gift can be said to be "true" or "real." So gift givers are always playing with the rules, and this leads to the well-known problem of excess characteristic to the gift. It may seem strange, but is it so different from the market experience where each agent tries to "beat the market"?

I agree that the gift is not a "fully developed paradigm" (Dobuzinskis 2009, 116). It is also true that "there are interesting parallels between Mauss's paradigm and Hayek's idea of the spontaneous order" (121). The gift paradigm

is a spontaneous social order. One can even add that since both are based on principles of the network and, within that, mutual autonomous adjustments, rather than hierarchy and authority, they are more similar to each other than to the state and its bureaucracy. In Mary Douglas's words, "Like the market, it supplies each individual with personal incentives to collaborate" (121). But this spontaneous order is not often acknowledged by economists, except at a purely theoretical level. As Frank notes, "Most [economic] texts mention at the outset that our rational choice model takes people's taste as given. They may be altruists, sadists, masochists; or they may be concerned solely with advancing their own material interests. But having said that, most texts then proceed to ignore all motives other than material self-interest" (1994, xxiii). They often also admit that this spring of action exists for themselves. Even Hayek wrote in his preface to *The Road to Serfdom* (1944), "I am as certain as anyone can be that the beliefs set out in [this book] are not determined by my personal interests. . . . I have come to regard the writing of this book as a duty which I must not evade."

## NOTES

- <sup>1</sup> Primarily francophone, as writes the author, but not only. Our journal (*La revue du MAUSS*) is also published in Portuguese (Brazil) and Italian.

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