

Philanthropic Foundations and the Constitution of their Moral Legitimacy

Abstract

This paper considers the role of philanthropy in social change. In this study, endowed foundations are the focus. These organizations use the interest from capital gifted by wealthy individuals or groups of subscribers to support future generations and their needs, some, as yet, unimagined. Philanthropic foundations are both a mechanism for transferring resources from the wealthy to the disadvantaged through their grant making, and as organizations materially embedded in the vested interests of the establishment. I examine how moral legitimacy is constructed by senior figures in two foundations to enable a role in social change and how their arguments for change affected their grant programmes.

Introduction

Some foundations promote social change as an important part of their mission (e.g. Bill and Melinda Gates Foundation). They describe this kind of change as structural or systemic, as opposed to the improvement of the individual. Critics argue that it is impossible for them to change fundamental structures in capitalist societies because the basis of their agency, their endowment, is a consequence of the inequalities produced by capitalism (Edwards 2010). So, foundations are limited to the improvement of the individual because of this underlying paradox (Loseke 1997).

Further, these foundations have no mandate as they are without membership or consumers to consult and satisfy as a political party or a private company must do to retain their legitimacy. Foundations do not have to fulfil the wishes of others. This gives them tremendous freedom of action but little legitimate power in a democracy (Weinryb 2009).

Charitable foundations, in the UK, have been behind the emergence of our educational system (Owen 1965), the setting up of hospitals (Prochaska 1992), the development of social work (Villadsen 2011); and the probation service (McWilliams 1983), and advances in social sciences, linked to understanding the nature and extent of poverty (Gillie 1996). Recently, there has been much criticism of philanthropists and new forms of philanthropy, such as philanthro-capitalism (Hay and Muller 2014, McGoey 2012, Edwards

2010) as a way of wealthy individuals avoiding tax and imposing neoliberal ideas concerning individualism on the poor.

However, the paradox remains that some progressive social developments emerge, partly, from organizations that epitomise the vested interests of the establishment with little incentive to disrupt society.

This article identifies the underlying logics that would make some charitable foundations potentially more progressive than others and attempts to address the position of Bourdieu and Foucault that very little changes in society and its constituent organizations, because we are all caught up in habitual and unconscious thought which circumscribes our action. To do this, I combine the work of the critical realist, Margaret Archer (1995), who sets out the conditions for social change with that of Boltanski and Thevenot's (2006) who examined the organizational justifications about justice and identifies shared schemas, often unconscious, for the common good in their book, 'On Justification'. This combination allows for an examination of habitual and unconscious ideological thought as well as identifying the goals of grant programmes that suggest a greater diversity of outcome than the amelioration of the lot of the deserving individual.

I examine the justifications for social change made by two UK foundations in the context of two flagship grant programmes. I consider their rationalizations, grounded in their moral organizational legitimacy. Although legitimation relates to the production of practices within an organization, it also plays a part in the broader political struggles that the organization undertakes to establish its position in society (Vaara and Tienari 2008). An examination of ideological discourse is particularly pertinent to this type of organization because the mission of alleviating poverty challenges the social order about what kind of society is possible or desirable. Without contestation, human agents consciously or unconsciously reproduce society (Boltanski 2011).

This study is unique in combining the work of Archer, a critical realist and Boltanski and Thevenot, two pragmatists to give an assessment of the potential for social change arising from grant programmes devised by charitable foundations. I take the position that it is not impossible for change to emerge from such organisations as numerous critics have implied (e.g. McGoev 2012, Sayer 2015, Loseke 1997).

Archer (1995) describes institutions as having necessary relations which characterises their existence – in this case relations with the regulator, the Charity Commission, and relations with grant holders – if these relations are absent then a foundation could not be considered a foundation. She also points to contingent relations which offers opportunities to alter relations internally and externally with the wider society, in this case this is represented by the grant programmes designed by the foundations to respond to present social difficulties.

Table 1: The necessary relations of endowed foundations

| | Grant holders | Government Regulator / Charity Commission |
|-------------------------------------|------------------------------|--|
| Structural emergent powers (SEP) | Contracts | Annual returns to Commission |
| | Applications | Trustees' statements |
| | Monitoring forms | Accounts |
| | Project funding | Tax relief |
| Cultural emergent powers (CEP) | The deserving poor | Public benefit |
| | Measurement of social impact | |

Archer also identifies the building blocks of change that lie latent, ready to be used by change agents, human beings, to make a difference. These are termed structural and cultural emergent powers. Structural emergent powers consist of material resources and institutions, such as the health and the education system. Cultural emergent powers are ideas, such as those coming out of the Enlightenment which changed our ideas about the individual and their rights.

Archer claims that social change (morphogenesis as she terms it) which is progressive, is more likely to occur if individuals with little to lose self-organise into groups (i.e. become corporate agents) to challenge vested interests. This appears to rule out a role for philanthropic organizations which could be described as aristocratic, very much part of the elite. She also argues that negotiators need wealth, sanctions and expertise to effect change – which suggests a role for foundations since they are wealthy and have some sanctions over those they fund.

She identifies four situational logics – protection, compromise, opportunism and elimination – which govern whether society might change. Protection describes a relationship where there is no value in either party rocking the boat since it brings advantages to both. This can be seen in the relationship between funder and funded where evaluations are conducted to be reassuring rather than informative. Compromise is a situation where the foundation, because of its financial heft and relative freedom from oversight, can challenge the state, although it needs to compromise to keep its tax advantages. Both of these positions suggest a reproduction of the status quo – she uses the term morphostasis. Foundations in an opportunist mode can take advantage of new developments, such as technology, to break out of a stalemate, since they may be more entrepreneurial and nimbler than state systems. Elimination logics force a choice between sides and societies operating in this mode can destroy systems and societies, such as experienced in wartime, and some socialist states have closed down charitable foundations as anti-thetical to their society’s aims of equality (Dogan2006). These two logics suggest social change – designated by her as morphogenesis. The situational logics are set out in the table below:

Table 2: Cultural and Structural Morphogenesis/morphostasis

| | Contradictions | | Complementarities | |
|-------------------|----------------|-------------|-------------------|-----------------|
| | Necessary | Contingent | Necessary | Contingent |
| Situational Logic | Correction | Elimination | Protection | Opportunism |
| CEPs | | | | |
| | Syncretism | Pluralism | Systematization | Specialization |
| | Unification | Cleavage | Reproduction | Sectionalism |
| SEPs | | | | |
| | Compromise | Competition | Integration | Differentiation |

From Archer 1995, pg 303

Structural emergent powers and cultural emergent powers are echoed in Boltanski and Thevenot's Orders of Worth. In their necessary relations, these orders involve both material components, for example the categories of objects, tests and evidence, and ideational structures, such as higher principles and states of worth. These are brought together to present an ideological scheme which facilitates an examination of justification. Archer pays less attention to ideologies as the unconscious drivers of action and although she recognises the divisions in society due to pre-conditioning, birth rights and unequal distribution of resources, regimes of domination and power asymmetries are not the central focus of her model. On the other hand, Boltanski and Thevenot are concerned with how actors construct the common good, in order to co-ordinate action at a pragmatic level, and, at a reflexive level, to challenge the status quo in the search for justice.

Thus, Archer presents a helpful view of social change in society in its totality which I will use to identify the type of social production, morphogenesis or morphostasis, emerging from the organizations' efforts to influence public policy. Boltanski and Thevenot provide me with a strategy to focus my analysis on disputes and a framework for identifying the ideologies of the organizations which the actors use to justify and persuade.

I analyse the legitimation strategies of two foundations as they develop their grant programmes in the policy areas of employment and criminal justice. These two foundations have made public commitments to structural change beyond the amelioration of individual disadvantage. One of these, the Family Trust was founded by wealthy individuals and the other, the City Fund, is the consequence of a reform of parish charities at the end of the nineteenth century.

The two cases

Both organizations are based in London. In 2013/4, the Family Trust distributed £3,143,395 across the UK and the City Fund about £7 million in London.

The City Fund

This organization was set up in 1889 by a Royal Commission. Churches in the City of London amalgamated their parish funds for the poor. This decision was prompted by the migration of the poor from these parishes as the City became the country's financial centre and many of charitable bequests lay unspent. The money was invested so the interest could be distributed to causes serving all Londoners. In 1986, the government created an endowment as it closed the Greater London Council and asked this organization to manage its funds. These two endowments make up the core of their capital. I followed their employment programme which aimed to give support to unemployed young black men to gain employment.

Method

I report on the analysis conducted to establish the dominant Orders of Worth of both foundations from an examination of websites and interviews with senior managers responsible for the strategic direction of the organization including two trustees associated with the programmes. Then I discuss the data in terms of the Orders of Worth where the identity of the foundation affected their discourses about social change and its achievement. I go on to apply Archer's situational logics conception, using their self-published policy and grant outreach pamphlets to assess the potential for systemic, progressive change, as well as the interviews. To clarify their arguments for change, I conducted a frame analysis (Creed et al. 2002)

To understand the underlying ideologies of each foundation, I collated the interviews and the web materials into files containing references relating to enduring, central and distinctive aspects of their identity (Whetten 2006), totalling 92 pages of text. These were then coded for words and phrases indicating one of the Orders of Worth as described by Boltanski and Thevenot (2006). This resulted in 1,432 references in the Family Trust text, and 1,337 in the City Fund.

I completed the coding by working through the text and then referring to 'On Justification' to check whether the words or phrases fitted with the initial coding of a particular world. Words connected to money, such as investment, were coded initially to the market world, but after considering the descriptions of the market and industrial world, I coded these terms to the industrial world because money was used instrumentally rather than as an end in itself. These decisions made the texts more coherent, since Boltanski and

Thevenot (2006) maintain that there is no compromise between the market and civic world, suggesting a fundamental incompatibility between these two Orders of Worth.

Table 3: Results of the textual analysis.

| Order of Worth | | Family Trust | City Fund |
|----------------|---|--------------|------------|
| | Examples of Terms in Texts | % Coverage | % Coverage |
| Civic | Partnership; alliance; social justice; equality; human rights; committee; proposals; convenor; consultation; public policy; elections; manifesto; grassroots; platform; independence; activism; the welfare state; playing fields; bricks and mortar; to join forces; inclusion; bridge the divide; share; trade union; 'speak truth to power'; margins of society; poverty line. | 40% | 50% |
| Industrial | Vanguard; pioneering; forefront; objectivity; evidence; experiment; research; data; testing; what works; outcomes; impact; administration; overheads; cost; training; products; taskforce; review; strategic; blueprint; nuts and bolts; component; expertise; professionals; progressive; make better; move on; momentum; realistic; judicious use. | 26% | 41% |
| Domestic | Grandpa; wife; generations; heritage; long term view; picking up the baton; enduring; head; heart; backbone; modest; discreet; constancy; service; host; walk our talk; brought up; traditional; conversations; home; outsiders. | 23% | 5% |
| Inspired | | 2% | 0.3% |
| Fame | | 2% | 3% |
| Market | | 4% | 1% |

The Family Trust

One of the founding philanthropists campaigned for penal reform and thus her career connects to the work of the Trust today. Her career contributed to the reform of the criminal justice system regarding juveniles. I followed their criminal justice programme which aimed to improve the situation of young adult men in the penal system, deemed to suffer from a maturity deficit.

Findings

I discuss the findings in the three categories – Domestic, Industrial and Civic – that appeared to me to be most common. I link these findings to the effects on the grants programme and use Archer's framework to assess whether the programmes would promote morphostasis or morphogenesis.

Domestic world

In the domestic world, the common good is understood as the maintenance of hierarchical authority based on personal relations, indicated by metaphors using parts of the body and the use of conversations to transmit lessons from older generations.

For the Family Trust, their legitimacy rested on the legacy of their founders:

Since its foundation the [Family] Trust has been in the vanguard of social change. Inspired by [religious] beliefs and a vision for a more just society, [the founders] used their increasing wealth, (whilst living modestly themselves), drawn from the[ir] company, to tackle [...] social ills, including juvenile crime and urban poverty. [...]

In time, [the founders'] children became Trustees and their son, [name], took over as Chair in 1959. [The son], [...] and many of their descendants have given time to being trustees and have added generously to the Trust's endowment. Our current interim Chair is [name], a great grand-daughter of the founders.' (Website)

This extract demonstrates the transmission of authority through the generations by the continuous engagement of the family with the trustee board. Although wealth is mentioned, the text downplays its importance by using the word '*modestly*' in brackets to suggest that living within the precepts of their religious beliefs was more important to the founders than their fortune. Trustees are described as generously contributing to the endowment, the enabler of their vision for a more just society. Thus money, although necessary, is not important in itself.

Responsibility is situated in the role of trustee, as a figure of authority, who undertakes their work out of duty:

'Being a trustee is a big responsibility and is unpaid voluntary service. As a staff team we therefore consider it very important to service the board well and make the task as stress

free as possible. Our board members are very generous with their time and often represent the Trust at external events. [...]' (Website)

Here the labours of leadership are supported by staff who *'service the board'*, the trustees' dutiful nature is emphasised by the synonyms, *'unpaid'* and *'voluntary'* to describe their contribution. They are also *'generous'*, thus exhibiting the qualities of worthy leaders in the domestic world (Boltanski & Thevenot 2006).

Their leadership was also described as discreet:

'I hope not in a brash way. I mean, I think we were accused of being brash and pushy when we first emerged. [.....] But I think now, especially with this team, we're respected for what we produce, which was what I wanted. Because we don't have huge sums of money but, on the other hand, you don't necessarily need money to change systems.' (Trustee interview)

The criticism of brashness is countered by her opinion that the organization is *'respected'* because of the quality of their work. The trustee goes on to downgrade the wealth of the organization, wealth being associated with brashness, claiming that money is less important than their ideas.

The website and interview text position the family trustees as a source of legitimacy because of their generosity, hard work and modest natures. These attributes are more important than the inherited wealth of the family and are used to offset any taint that personal fortunes might bring to an organization promoting social justice.

Effects on Grant Programmes

The grant programme funded voluntary sector agencies to employ case workers to support young adult offenders to meet their probation orders so they would not return to jail. With a coalition of voluntary sector penal campaigning organisations, they also published policy documents and participated in a select committee inquiry into the treatment of young adults in prison.

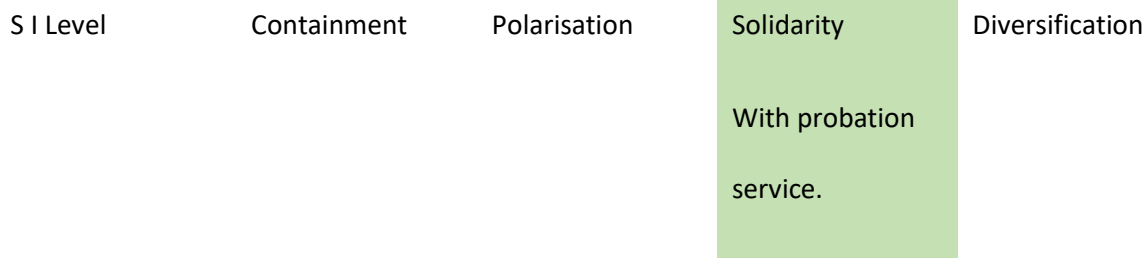
The Family Trust attempted to change structures by using the new discoveries of neuroscience to challenge ideas about age as a marker for change. These biological explanations may have forced a choice and moved thought away from age. However, the Trust did not engage with biology and maintained its identity by discussing transitions in terms of celebrations and

parenting, very much in keeping with its Domestic World identity which respects generational transmission of values.

Further, the neuroscience discourse did not provide enough political purchase for the Trust to develop alternatives to chronology and so managers looked to maintaining the young adults in a system defined by age. The table below sums up these arguments.

Table 4: the Morphostatic arguments of the Family Trust

| | Contradictions | | Complementarities | |
|-------------------|----------------|----------------------|-------------------------------|-----------------|
| Situational Logic | Correction | Elimination | Protection | Opportunism |
| | Necessary | Contingent | Necessary | Contingent |
| CEPs | | | | |
| C S Level | Syncretism | Pluralism | Systematization | Specialization |
| | | | Extension of age to 25 years. | |
| S-C Level | Unification | Cleavage | Reproduction | Sectionalism |
| | | Neuroscience vs. age | | |
| SEPs | | | | |
| S S Level | Compromise | Competition | Integration | Differentiation |
| | | | Support for young adults to | |



Thus, I concluded that this programme was protective and most likely to reproduce society rather than change it.

Industrial World

The industrial world represents science, technology and progress. Its higher principle is efficiency and the capacity of people to respond usefully to needs. This world emerges from manufacturing and thus the focus is on productivity and functional performance. The language of bureaucracy and administration is used to establish a legitimacy based on isomorphic norms of the well-run organization (Bromley and Meyer 2017), and to make claims about innovation and progressive work. Lacking a membership base, the foundations relied on the rationality of the industrial world to bolster their claims to legitimate decision-making.

'We believe that commissioning research can improve understanding of the causes and effects of poverty and inequality in London.' (Website, City Fund)

'The Trust also funds research which is designed to influence public policy and practice in order to bring about structural change.' (Website, Family Trust)

The claims to objectivity of certain kinds of research reinforce the disinterestedness of their causes. Through its procedures and methods, science represents a form of collective endeavour which supersedes the concerns of any interest group.

The City Fund trustees questioned the legitimacy of spending money not directly associated with alleviating poverty but this is brushed aside by managers to bring into focus the more fundamental task of reducing inequality in London. This task is linked to learning, evaluation and policy campaigning, identified as more progressive, a key value in the industrial world. However, both trustees and managers are aware that pursuance of

social change is less straightforward than making grants. Efforts to realise social change involve much more ambiguous products, such as knowledge, learning, and reputation.

Both foundations identify research reports, as a legitimate and concrete contribution to producing social change. Reports fulfil legitimacy purposes in the industrial world. They promote a scientific outlook; they enable rational justification of decisions. However, research can divert attention from social structures towards the aggregation of individual behaviour. The City Fund valued statistical studies and funded the updating of the London Poverty Map, developed by the philanthropists Booth and Rowntree. On their website and in their reports and interviews, statistics played an important role in their justifications for action. As a manager explains, calculating a cost / benefit ratio was an important step in the development of the new programme.

'It changed tack because what we were trying to do was get people into work and we weren't thinking so much about leverage, not throughout that whole program. It's like "God, it's really costly getting someone into work." It works out to £8,000 to £10,000. Okay, you spend a million pounds, you've moved 100 people into work. Is that really a good use of our money?' (Senior manager, City Fund)

In this extract, he claims that an aggregation of individual successes is not persuasive, it is *'not leverage'*. The product for him is influence rather than employees.

Innovation was seen as another product for the foundations which saw projects in terms of demonstrations of good and new practice. However, managers were careful to couch expressions of interest in new ideas using terms associated with the industrial world's link to planning, in order not to seem too impulsive and irrational:

*'We don't have a **blueprint** of what we're expecting. We know there's a **risk tolerance** we can accept on this. [.....].'* (Senior manager, City Fund, *emphasis added*)

Planning and problem solving, central to the industrial world, were strategies for both organizations, adding to their legitimacy by presenting the organizations as rational.

Value for money was a concern for both organizations. For a trustee, it was an important consideration when it came to making funding decisions. This concern for

spending money well internally, gave them legitimacy to comment on the spending of government.

Looking at the foundations through the lens of the industrial world, the ambiguity of their product becomes very apparent. This uncertainty leads to a reassertion of the measurement of individual change. This makes an appraisal of structural change impossible, and alienates collective agency, a virtue in the civic world.

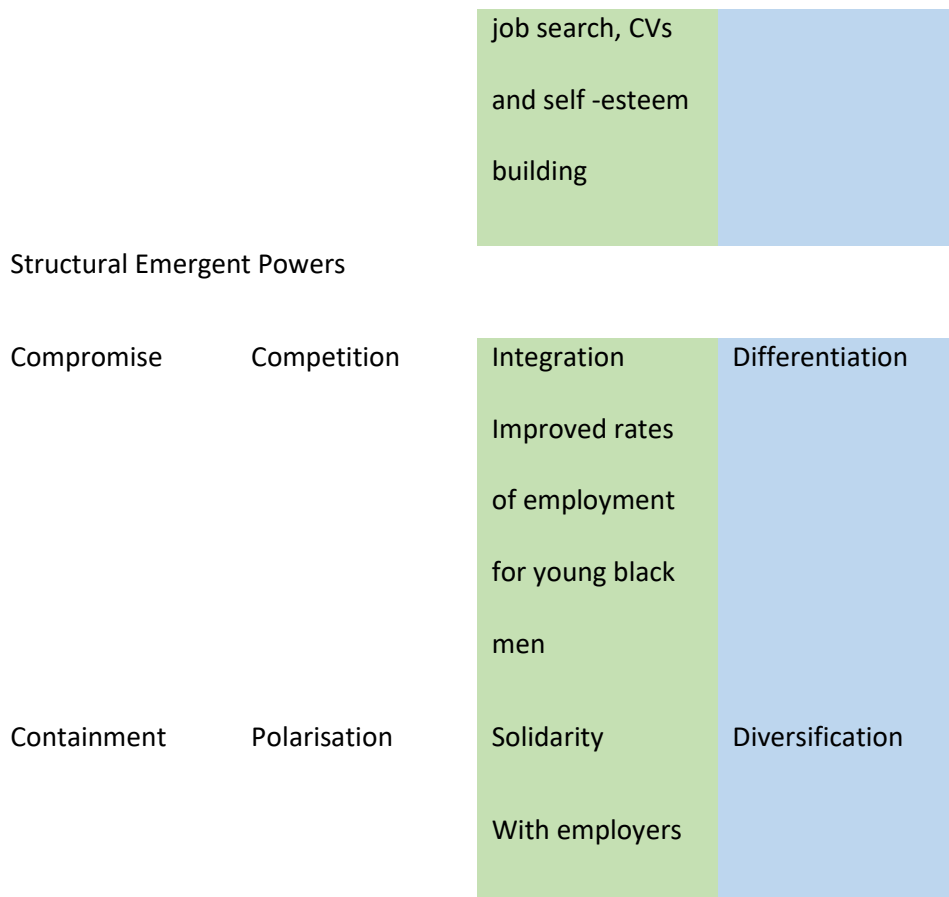
Effects on the City Fund's grant programme

The City Fund paid for specialist provision for young black men which mirrored provision in the mainstream Job Centres, for example helping the young men develop their CVs, but was perhaps more intensive. This was conceived as provision in the context of the government's Work Programme, designed to provide support to the unemployed by private sector companies (Rees et al. 2014)

The prescription of the entrepreneurial self is in line with neo-liberal rhetoric which places the responsibility for poverty on the poor themselves (Deeming 2015, Wacquant 2012), whilst at the same time withdrawing state support to encourage compliance, such as the sanctioning decisions made in Job Centres. This prescription also aligns with the industrial world where the worthy individual is the productive worker, employed in an efficient factory (Boltanski and Thevenot 2006). It directs our attention to the individual and suggests interventions that work at that level. I apply Archer's situational logics to the grant programme in the table below.

Table 5: the Morphostatic arguments of the City Fund

| C | | | Complementarities | |
|--------------------------|------------|-----------------|---|-------------|
| Situational Logic | Correction | Elimination | Protection | Opportunism |
| Cultural Emergent Powers | | | | |
| Syncretism | Pluralism | Systematization | Specialization ethnic services adjunct to Work Programme offer | |
| Unification | Cleavage | Reproduction | Sectionalism | |



Civic World

The rhetoric of the civic world made up 50% of the texts from the City Fund and 40% from the Family Trust and so it represents an important part of their legitimization arguments. I identified an important theme common across the two organizations, namely: corporate agency, or the self-organisation of the poor to promote their rights and increase social justice by reducing inequality.

I explore how this idea of the collective is handled by both foundations. The collective can be experienced as a social structure, such as the welfare state, developed by past collective action and containing a shared understanding as to its uses and powers. Collective or corporate agency is the way in which these structures are altered at the societal level (Archer 1995, Boltanski 2011). The notion of the corporate agent presents some difficulties for the foundations because of the power imbalance between those working in the foundations and their voluntary sector clients and their lack of membership, either made up of subscribers to the foundations or contributors to their funds through fundraising or lotteries.

The City Fund is concerned about inclusion in the city which represents both a structure developed collectively and the arena in which corporate agency is deployed. Their contribution of public amenities and their funding of research into air pollution associate them with material benefits and issues particular to London, as a city. They identify immigrants, refugees and asylum seekers as especially in need of *'a sense of belonging'* (website).

'We believe it is important to support these Londoners who are at the margins of society to resolve their immigration status, so they can fully participate in London life.' (Website, City Fund)

Participation is the state of worthiness, and the Fund supports work that overcomes the barriers to participation:

'We fund a research series with Loughborough University on what the public regard as a decent standard of living – that is one that allows them to meet their basic needs and participate in society at a minimum level.' (Website, City Fund)

The desire to improve the lives of individuals is contained within the framework of the welfare system, as in the example below:

'At [the City Fund], we seek to prevent homelessness through funding work that addresses its systemic causes. Our priority is to ensure London has enough affordable, high-quality homes for people on low incomes, and that the voices of people affected by housing need are heard by decision-makers. Our funded work on welfare reform seeks to ensure that there is a sufficient safety net for those that need it. We have also supported work to tackle inequalities in access to safe, decent and affordable housing. We hope that this drive for prevention will reduce the need for funding homelessness services in the longer term. Until then, we have funded some work that benefits homeless people or sheds light on the worsening homelessness problem in London.' (Website, City Fund)

Although the text uses the word *'affordable'* suggesting an individualistic market orientation, this goal is framed within a broad, collective idea of a *'safety net'* to prevent homelessness. The text promotes the foundation as operating within collective structures. For the Family Trust, the corporate agent is harder to identify since their legitimacy is built on the reputation of their individual, charismatic founders, rather than a physical place, so expressions of civic and collective responsibility are less resonant. In a similar text to the one above, the Family Trust explains its approach to food poverty:

'We decide on the structural change we are aiming to bring about and work with partners to bring it about. For example, we wouldn't look at what can be done to alleviate poverty, but at what can be done structurally to prevent it. We wouldn't fund a food bank but we might fund a piece of work to find out why food banks are thriving and what can be done at a policy level to prevent them from needing to be opened.' (Website, Family Trust)

In this extract, the first sentence makes clear their leadership role in defining solutions and the implementation of their ideas. Although their intention moves from the provision of food to the individual towards a structural and preventative intervention as in the City Fund example, here the spotlight is on the Trust as the sole agent unlike the City Fund which brought in the *'voices of people affected'* and the welfare system, as in *'welfare reform'* and *'safety net'* in their consideration of the problem of homelessness.

However, solidarity had some limits for the City Fund. In a discussion about the funding of trade unions in the context of improving the terms and conditions of low paid work, the problem about funding these entities appeared to hinge on whether trade unions were legally eligible for funds:

Researcher: [...] if a group came along and said, "We're going to do a membership drive. We're going to get people signed up for the trade union," would you fund that?

Manager: Love to but it's not charitable activity.

Researcher: Right. Is it not?

Manager: Is it not? No. That's – that's something trade unions should do but we can't fund people joining a trade union.

When pressed, the manager clarified that funding trade unions would be seen as a political activity and therefore would not be accepted as legitimate by trustees.

Manager: Because actually if you really wanted to [...] change [the] fast food [industry], you'd unionize.

Researcher: Yeah. Yeah. And you wouldn't fund that.

Manager: I can't see our Trustees ever doing that.

Researcher: Why?

Manager: Why? Because they would not see it as a charitable activity. [...] Do you think it's a charitable activity?

Researcher: I can't remember the definitions of charity. But if it's about...poverty [...] and if you had been able to show by your research that actually people who [work in] sectors that are not unionized ... are poorer sectors...

Manager: Yeah, there's lots of evidence for that.

Researcher: Yeah. Then... And it's [the programme] about supporting [...] people [to get out of] poverty... then surely supporting people to take collective action...

Manager: Yeah, I think it's seen as being political.

Researcher: *Right. It's not party political, is it?*

Manager: *No. No. But yeah, I can't imagine any charitable foundation doing that [...] I think they would be buried by the media and all the rest of it you know.*

His argument about the media is unconvincing since the Fund's commitment to resolving immigration status would include supporting illegal immigrants until their status is resolved. This cause might be more inflammatory for some parts of the media than supporting the encouragement of trade union membership. Rather the immigrant and the low paid worker are presented as individuals rather than agents, and so it seems that the collective organizing of the poor is problematic because the trustees would consider it political. Moreover, he claimed that the purpose of collective organizing to challenge power relations was essentially not charitable, and therefore outside their remit. Neither foundation included initiatives that set out to turn unorganised groups into corporate agents by enabling individuals to come together, identify a cause and then organize themselves as agents to challenge existing power relations. Instead, they portrayed themselves as the conduit between individual voices to powerful policy makers:

'Our strap line is the eighteenth century [Christian] imperative to 'speak truth to power' and to this end we aim to bring the voices of marginalised and disadvantaged people to be heard in the 'corridors of power'.' (Website, Family Trust)

'A key component of this is amplifying the voices of those who are experiencing the problems which civil society is trying to address. We believe these voices need to be central to work that tackles poverty and inequality.' (Website, City Fund)

Effects on the City Fund's Grants Programme

The employment programme also attempted to tackle career progression and improve the quality of jobs offered to young people. They had a track record of supporting efforts to eradicate in work poverty by their involvement in London's Living Wage Campaign. The Living Wage Campaign

was started by London Citizens, but was given a considerable boost by the City Fund in 2009, when it committed resources to strengthening its authority and reach. The Campaign aims to get commitments from employers in London to pay the living wage, a rate higher than the minimum wage which takes into account living costs in London, and in return accredits them as a Living Wage Employer. The accreditation can be seen as a kite mark of quality, and as such is considered a change granted by employers. However, this initiative in various cities across the world as well as in London has reduced the level of poverty in the adopting city (Wills and Linneker 2009). The problem of selling employers the idea of raising wages has been difficult. Initially, the Fund relied on economic arguments to claim that the raise would not cost the organizations more money, but their own research showed that this was not tenable. So, they have relied on messages connected to reputation gain:

*'We also found through our work on the living wage that **emphasising the reputational benefits** was key. Gathering robust evidence as to why employers should adopt certain development goals is important. Evidence we gathered on employers paying the living wage was valuable in encouraging other to sign up. These were not necessarily hard economic gains for employers (though there were some such as increased retention of staff), but often softer business benefits such as improved staff loyalty.'* (Consultation response, Good Work Standard, City Fund).

The campaign has successfully recruited several large employers which have recently included organizations such as IKEA and Aldi. In setting a standard, this initiative can be considered a contribution from the civic world in that it relies on a collective agreement as to the level of pay, and some process of monitoring as to whether it has been adhered to. However, in their response to the consultation on the Mayor's Good Work Standard, they acknowledge that there are more serious breaches in the employment contract that would not be met by the Living Wage scheme:

'We believe there is an important role in highlighting poor practice, but this should be separate from the GWS [Good Work Standard]. The Mayor should address issues relating to non-payment of wages,

*paying below the minimum wage, exploitation of vulnerable workers and ensuring employment tribunal awards are paid. These practices undermine the many good employers in London who abide by the rules and are likely to sign up to the GWS. With members of the Employment Legal Advice Network (an alliance of employment rights advisors providing advice to low-income workers in London) we would encourage the Mayor to **establish an Employment Rights Unit to tackle poor practice.***’ (Consultation response, Good Work Standard, City Fund)

This attitude of appealing to employers’ better nature and pointing out the value added to their reputation if they pay the living wage, hardened to a recognition that some of the persistent bad behaviour needed to be tackled legally. In this, they identified that unions have an important role to play:

‘I think they’re [trade unions] all against low pay. Their thing would be – [...] – I think it’s part of the reason that we have such low pay is we don’t have those trade union strength that we used to. Trade unions act as very important bulwark against low pay. They protect conditions. Where low pay [is most prevalent] is in those areas where there’s hardly any unionization.’ (Senior manager, City Fund)

Their focus rested on the gig economy and they actively encouraged their network of employment advisers to consider the strategic issues relating to precarious work rather than focussing always on individual predicaments:

‘Manager 1: But also the dynamics of work have changed a lot in terms of moving much more towards, self-employment and the gig economy ... and rights being really eroded. So [...] so when Uber lost its case on whether or not people were self-employed or workers, we put out statement that afternoon kind of like saying yeah, this is our take on it with the [name of think tank]. We [...]

made submissions with them to select committees who were looking into the gig economy. So, it's been, it's been much more proactive ... than it had been.

Manager 2: We also had the lead solicitor for the Uber case come and talk to the network of employment advisers that we fund as well. Worked through the finer details of [...] what case, rules and stuff and that's was quite useful also just for them when they are dealing with their ... with their individual clients 'cos too often they [are] all head down dealing with individuals and we're trying through the ELAN (Employment Legal Advice Network) network to get them to look up and think about, "Okay, well the strategic things," that's hard.' (Senior managers, City Fund)

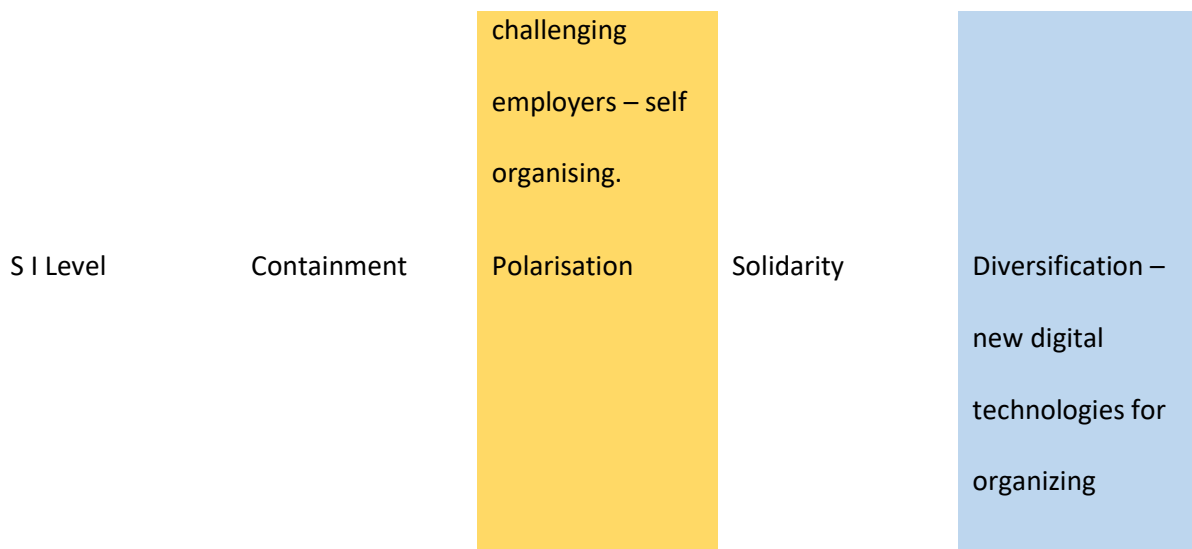
However, the Fund also engaged with trade unions more directly, approaching the TUC (Trades Union Congress) to ask it how it might help. It funded media training for a small trade union, the Independent Workers of Great Britain, a conference about the gig economy and American developers of digital platforms for organizing worker campaigns to bring their programmes over to the UK. They were still doubtful as to whether what they were doing was charitable but the managers I spoke to were excited by the radical possibilities:

'Manager 1: So, we are pushing the boundaries as far as we can in terms of organizing on the ground... and unions particularly. Because those who are contracted out in very low pay wages are very rarely in, some might be in Unison but, in the main, they are kind of a drain on unions 'cos they need a lot of organizing support and probably a lot of case work. And so, we have smaller unions that are like IWGB (Independent Workers of Great Britain) and United Voices of the World which are kind of led by ... [low paid workers in precarious employment]. Um, but we've now got to deal with some legal issues because we are a charity. Although we [...] fund charitable work, [the funded organization] doesn't need to be a registered charity. But there [are] a few little hiccups... around private benefit and public benefit. Determined to get there because if a bloody private, excuse me, private school can get (laughs) around this ...I am sure a trade union of low paid migrant cleaners can. [...] but we are trying to push that as far as we can

The hesitancy around the organization of the poor to trouble existent power relations is still present in this extract, but, in their comparison between trade unions and private schools, they could clearly see the justice of what they were attempting. The civic world is identified as the order of worth most likely to generate corporate agency. In this example, the City Fund is supporting a process where primary agents, unorganised individuals, in this case the low paid workers, were being organized to represent themselves, to articulate their needs and to come together to re-shape their relations with their employers. This work comes closest to the situational logic of elimination which sets up relations of competition and polarisation and is most likely to lead to structural change. Unlike the attempt of the Family Trust to bring in new ideas from neuroscience, these arguments had a political and social purchase which was being played out by others such as the GLA (Greater London Authority) and the TUC. This argument is summed up by the table below.

Table 6: The Morphogenetic arguments of the City fund

| | Contradictions | | Complementarities | |
|-------------------|----------------|---|-------------------|-----------------|
| Situational Logic | Correction | Elimination | Protection | Opportunism |
| | Necessary | Contingent | Necessary | Contingent |
| CEPs | | | | |
| C S Level | Syncretism | Pluralism – ideas about what is charitable. | Systematization | Specialization |
| S-C Level | Unification | Cleavage | Reproduction | Sectionalism |
| SEPs | | | | |
| S S Level | Compromise | Competition unions | Integration | Differentiation |



So by applying Archer's schema, I concluded that this part of their programme was most likely to increase social justice and bring about greater equality and so fulfil their mission to alleviate structural poverty.

Discussion

The foundations argue for their legitimacy in different ways. For the Family Trust, legitimacy centres on the founders and their descendants with an emphasis on their religious inheritance. The City Fund based their legitimacy on the materiality of London as evidenced by investment in buildings and parks.

However, the Family Trust has a more difficult job in constructing their moral legitimacy because their organization is based on historical inequality since their endowment is the product of personal fortune. Therefore, the texts and the interviewees downplay wealth by emphasising modesty and religious beliefs. The identity of the City Fund is more easily associated with the civic world with its material concerns about the physical entity of London.

Both organizations expressed a commitment to move beyond the betterment of the individual but were unable to identify measurements that would capture structural change. This may be because of the long-time frames needed to perceive fundamental shifts, something that managers from the Family Trust most clearly recognised. The inadequacy of a social science based on empirical data to portray structural change was expressed by the managers from both organizations.

The underlying constructions of the common good affected the programmes profoundly. The Family Trust emphasised parental support for their young adult targets. The City Fund encouraged a Victorian attitude of self-help and personal responsibility. Both foundations supported the State in its neoliberal direction of the responsabilisation of the poor.

The Family Trust used ideas associated with the domestic world, such as the importance of family and personal relations, with expertise transmitted through the generations. The City Fund looked to the industrial world for its grounding ideas, focussing on measurement, self-improvement and the importance of evidence. Both foundations spoke about civil rights to anchor themselves in a democracy.

Using Archer's theory of morphogenesis and stasis, I suggest some ways of increasing the likelihood of designing a transformative programme. Charitable foundations might pay greater attention to the changing nature of the welfare state – managers in the Family Trust so strongly identified with its founders that they did not examine the penal system in the twenty first century in order to take a critical systemic position. Likewise, the strong Victorian values of the City Fund encouraged a view that made young black men solely responsible for their fate, neglecting the well documented strategies of state employment agencies to reduce their ability to claim benefits. Thus, both programmes colluded with the public sector and sought to supplement provision rather than challenge it. The most morphogenic aspect of the two programmes saw the funder supporting the corporate agency of the poor, through trade unions and technological innovations.

Both organisations thought they had the answer to social problems and their role was to fund 'demonstration projects' to show they were right. This tied the hands of their funded clients which needed to reassure the foundations in order to ensure future funding and so reinforced the protective logic, guaranteeing morphostasis. Evaluation for reassurance rather than knowledge potentially legitimises practice that may not be defensible. So evaluation should be kept to a minimum and recognised for its ceremonial nature (Friedland and Alford 1991). In addition, the need to demonstrate 'sustainability' of a project meant going along with the needs of the public sector in order to survive rather than developing new publics amongst the poor.

Thus both organisations appear to illustrate Bourdieu's and Foucault's position that we follow our unconscious impulses to replicate the past. This was particularly true of the Family Trust which took as inspiration the work of their founder to a remarkable degree and failed to notice the impact of the changing welfare system on young adult men and the possibilities of their independence.

Conclusion

The notion of the common good remains obscure. It is unclear who represents the commons. The taxpayer is affected by the lost tax revenue from philanthropists, but individuals living in poverty might gain support from the funded agencies. The discussion of the common good invites us to consider the ends of a society and whether its priorities centre on individual progress or social justice and equality. Their rhetoric suggests they valued social justice over personal advancement. However, in societies where opportunities are more fairly shared out, richer citizens, including those working for the foundations, will lose wealth and status. Ultimately, foundations in such societies may be closed as they represent unacceptable inequality. This may explain why the projects were funded to support individual progress, a private benefit, rather than the espoused structural change that would move society towards greater social justice.

Berlin (2000) argues that societies can have many different ends and some are incommensurate. The priority of individual freedom to achieve and consume, sits uneasily alongside ideas about equality, with higher taxes for the rich thus curtailing their choices. This dilemma is represented in the Orders of Worth where there is no compromise between the market and civic worlds.

References

- Archer M (1995) *Realist Social Morphogenetic Approach*. Cambridge: Cambridge University Press
- Berlin, I. (2000). *The proper study of mankind: An anthology of essays*. London: Macmillan.
- Boltanski, L., & Thévenot, L. (2006). *On justification: Economies of worth* (Vol. 27). New Jersey : Princeton University Press
- Boltanski, L. (2011). *On critique: A sociology of emancipation*. Cambridge: Polity Press
- Bromley, P., & Meyer, J. W. (2017). "They are all organizations": The cultural roots of blurring between the nonprofit, business, and government sectors. *Administration & Society*, 49, pp. 939-966.
- Cloutier, C., Gond, J. P., & Leca, B. (2017). Justification, evaluation and critique in the study of organizations: An introduction to the volume. *Research in the Sociology of Organizations*, 52, pp. 3-29
- Creed WED, Langstraat JA, Scully MA (2002) 'A Picture of the Frame: Frame Analysis as Technique and as Politics.' *Organizational Research Methods*, 5 pp. 34-55
- Deeming, C., & Smyth, P. (2015). Social investment after neoliberalism: policy paradigms and political platforms. *Journal of social policy*, 44, pp. 297-318.
- Dogan, M. (2006). In search of legitimacy: Similarities and differences between the continents. *The Legitimacy of Philanthropic Foundations: United States and European Perspectives*. New York, pp. 273-282.
- Edwards M (2010) *Small Change: Why Business Won't Save the World*. San Francisco, CA: Berrett-Koehler Publisher
- Friedland R, Alford RR (1991) 'Bringing Society Back In: Symbols, Practices and Institutional Contradictions' In DiMaggio and Powell (eds) *The New Institutionalism in Organisational Analysis*. Chicago: University of Chicago Press
- Gillie (1996) 'The origin of the poverty line' *Economic History Review* 4 pp. 715-730
- Hay I, Muller S (2014) 'Questioning generosity in the golden age of philanthropy: towards critical geographies of super-philanthropy' *Progress in Human Geography* 38 pp 635-653
- Loseke D R (1997) "The Whole Spirit of Modern Philanthropy": The Construction of the Idea of Charity, 1912-1992' *Social Problems* 44 pp. 425-444

- McGoey, L. (2012). Philanthrocapitalism and its critics. *Poetics*, 40(2), 185-199.
- McWilliams W (1983) 'The mission transformed: professionalization of probation between the wars' *The Howard Journal* 24 pp. 257-74
- Owen D (1965) *English Philanthropy 1660-1960*. London: Oxford University Press
- Prochaska F (1992) *Philanthropy and the hospitals of London: The King's Fund, 1897-1990*. Oxford: Oxford University Press
- Rees, J., Whitworth, A., & Carter, E. (2014). Support for all in the UK Work Programme? Differential payments, same old problem. *Social policy & administration*, 48(2), 221-239.
- Sayer, A. (2015). *Why we can't afford the rich*. Policy Press.
- Vaara, E., & Tienari, J. (2008). A discursive perspective on legitimization strategies in multinational corporations. *Academy of Management review*, 33(4), 985-993.
- Villadsen K (2011) 'Modern welfare and 'good old' philanthropy: A forgotten or a troubling trajectory?' *Public Management Review*, 13 pp. 1057-1075
- Wacquant L (2012) 'Three steps to a historical anthropology of actually existing neoliberalism' *Social Anthropology* 20, pp. 66–79
- Weinryb N (2009) 'The policy paradox of philanthropy – accountability mechanisms, legitimacy and policy influence' ARNOVA 38th Annual Conference, Ohio, USA, November 19-21
- Whetten D A (2006) 'Albert and Whetten Revisited Strengthening the Concept of Organizational Identity' *Journal of Management Inquiry*, 15 pp. 219-234
- Wills, J., & Linneker, B. (2014). In-work poverty and the living wage in the United Kingdom: a geographical perspective. *Transactions of the institute of British Geographers*, 39(2), 182-194.