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# The Myths and Realities of The Myths and Realities

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Overall, we agree with Edwards that “philantrocipitalism should certainly help to extend access to useful goods and service and it has a positive role to play in strengthening important area of civil society capacity, but social transformation require a great deal more than these two things.”

Edwards makes several valid points about how focusing too much on what he calls the “hype” of philantrocipitalism is actually dimming the nonprofit sectors ability to focus on what drive social transformation. Often grassroots movements are the driving forces to systematic social change and while they may be aided by private funds or business practices this should not be our main focus to what brings success in social innovation. Edwards does paint a very idealistic view of the roles of the three sectors but in a basic sense he makes a very valid point. Each of the three sectors has their own values and roles within our society and while it is becoming more and more common to see hybrid forms among the sectors a complete focus on the virtues of one sector can have devastating effects on the other two.

The nonprofit sector receives many benefits from earned income such as autonomy and financial stability but often at the cost of their mission. It is great to see corporate social responsibility growing but the slight nod it makes towards social needs will never equal the same impact that the nonprofit sector creates with its missions and values. Edwards used the YMCA as an example of a nonprofit organization who participates in vast amounts of earned income only to see its social mission vastly decline. The YMCA is an organization which was founded to meet the social needs of dreary urban communities is today charging membership fees which are close to the fees of their for-profit rivals; pushing out nearly half of their former constituents. The answer to this phenomenon is not an avoidance of philantrocipitalism but rather a better understanding of both its positive and negative effects on society. If we are to have a better conversation, as Edwards puts it, then we believe this conversation should be about being open to learning from the virtues of all three sectors while figuring out the best way we can compliment each other to bring about needed social change.

Edwards makes excellent points regarding the nature of civil society, and he is indeed correct that “structural problems require structural solutions” (80). His argument that philantrocipitalism doesn’t understand that social transformation is more than the bottom line, but rather a slow complex process is also dead on. Nevertheless, we think it is too soon to discount philantrocipitalism as being a completely wrong approach to social change.

While Edwards makes compelling points, at the end of the day, what these business men and women turned philanthropists choose to do with the wealth they’ve created is their prerogative, despite whether we agree or not. The issues they chose to support and the manner in which they go about their giving can continually be criticized but the point of the matter is that they are making a difference and it is certainly better than doing nothing. If nonprofits submit grant proposals to these foundations, they are choosing to comply with their market based efforts to further their organizations’ missions and goals. Furthermore, philantrocipitalist aren’t going anywhere anytime soon.

The principles that Edwards proposes to turn the tide are very good points, however some of his ideas are indeed far reaching and unrealistic. Participative decision making is a step forward that needs to be addressed in the nonprofit sector, but forcing all foundations or social enterprises to make their boards reflective of their communities is unrealistic. We are personally in favor of the idea. It would serve to make foundations more accountable to their constituents, but applying the idea of public sector representative bureaucracy would doubtfully go over well. Also, it is unrealistic to institute that the missions and focus of these foundations be directed toward certain causes and require them to payout in certain ways (other than setting minimum giving standards). Many foundations meet regionally, but a national summit would be a great way for foundations to share and learn from each other.

Philantrocipitalism is still a relatively young concept, and more studies need to be done before the whole idea is written off. Better understanding how this approach should be melded with traditional civil society needs to be further analyzed and developed. Besides, We don’t think the aim of philantrocipitalism is to make all forms of civil society adopt or adapt to their systems of market based management, nor should market-based principles be the goal of civil society.

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