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Some observations on the history of large philanthropic foundations in Britain and the United States

Abstract

Large philanthropic foundations such as those which first developed in the United States in the late nineteenth and early twentieth century had four characteristics: (a) the aim of contributing to the public good; (b) applying science and scientific method to human affairs, interpreting science broadly; (c) using great wealth to pursue these purposes; and (d) seeking public recognition of their charitable status in doing so. Between 1870 and 1930 the large foundation emerged as a major social institution, and under the influence of their officers began to be major patrons of applied social science for public policy purposes. Critics of foundations have charged that they were private bodies without external accountability; they were secretive, undemocratic, unrepresentative and indeed pillars of the ruling class. Nevertheless, foundations have exercised a disproportionate influence upon public policy research and have sought to apply fundamental knowledge to tackling social problems. They represent the institutionalisation of knowledge-based social engineering.

The relevance of history

Writing as a child in his autograph book in 1888, Seebohm Rowntree, son of the British Quaker chocolate manufacturer and philanthropist, noted down Oliver Wendell Holmes's maxim: 'Put not your trust in money, but your money in trust.' It was a prescient remark. For the philanthropic foundation is in the main a distinctive twentieth-century social institution dating from the beginning of the century, with one or two nineteenth-century antecedents. The twelve years between 1901 and 1913 witnessed its coming into being as a new form of philanthropy. Starting with the Rockefeller Institute of Medical Research and the Carnegie Institution of Washington in 1901, there followed the establish-

ment of the General Education Board in 1902, the three charitable trusts established by Joseph Rowntree in Britain in 1904, the Carnegie Foundation for the Advancement of Teaching in 1905, the Russell Sage Foundation in 1907, the Rockefeller Sanitary Commission in 1909, the Carnegie Corporation of New York in 1911 and the Rockefeller Foundation in 1913.

A new form of giving had appeared, and more than a new form, for giving took on a new meaning. Rich American industrialists, for the major foundations were American, and a small number elsewhere, set out to devote a part, often a considerable part, of their personal wealth to wider philanthropic purposes. Other foundations have followed in later years, spread across many countries — Nuffield, Leverhulme, Gulbenkian, Agnelli, Volkswagen, Thyssen and many many others — but the basic pattern was established in the opening years of this century. What marks out this period, in the United States in particular, is the appearance of a new and different source of support for public initiatives, mediating between the state and the citizen, and largely independent of the state. The form it took, moreover, the philanthropic foundation, is a social institution which defies easy classification, one which is to a considerable extent *sui generis*.

Foundations represent a unique development in the organisation of charitable giving, as a form of institution-building in the transition from societies based on status to those based on contract. The German sociologist Ferdinand Toennies conceptualised this change as one from *Gemeinschaft* to *Gesellschaft*, usually but not quite accurately translated as from community to association. For all that the aims of foundations were expressed in general terms like the advancement of knowledge and the improvement of human welfare, they were part of a broader process involving the growth of government, greater government intervention in more areas of social life with which it had not hitherto been concerned, and the erosion of personal relationships as the basis of social cohesion.

The control of foundations is a central issue. On whose behalf is their power to influence social development exercised? To whom are foundations answerable? At least since 1910, the activities of the large foundations have been politically contentious, and critics have maintained that they are institutions designed to further the interests of elites and powerful class interests. These issues will be explored with particular reference to the period between 1870 and 1930 and with some emphasis upon foundation involvement in the study of social conditions and social problems. The cases discussed are drawn from the United States and the United Kingdom, although insofar as several major US foundations have throughout their history pursued international programmes, the focus is somewhat wider.

The concept of the foundation and its legal status

The origins of institutions endowed with capital assets in perpetuity for charitable purposes is of course far older than the twentieth century (cf Coing, 1981). In Britain bodies as varied as hospitals, private boarding schools, almshouses for the relief of the poor, and Oxford and Cambridge colleges were established in this way from the sixteenth century or earlier. Yet though one may talk of 'the foundation' in relation to such bodies, they were not philanthropic foundations in the sense that we use the term in this paper. Such philanthropic foundations are distinguished by at least four characteristics.

First, the objectives of the foundation are the furtherance of some public purposes defined in the deed establishing the foundation and interpreted by the trustees, the purposes to be achieved by either making grants to others (usually other organisations or institutions, rather than individuals) to achieve those purposes or by the foundation itself operating programmes. Usually these purposes are of a very broad and multiple kind designed to benefit the public in some form, and are not limited to a particular place or a particular client group. Thus Joseph Rowntree in 1904 defined the aims of his three newly established trusts as Religious, Political and Social (each of which was further specified). Frederick Gates chose for the Rockefeller Foundation in 1913 the aim of 'the well-being of mankind throughout the world', which when the RF was re-organised in 1929 became 'the advancement of knowledge throughout the world'.

Second, the establishment of large philanthropic foundations has gone hand in hand with the advancement of science and the application of scientific method to human affairs, interpreting 'science' in a broad way. Foundations departed from a model of charity in terms of giving to individuals, or even to classes of individuals, in favour of an attempt to identify and influence or control more fundamental processes in nature and society (Karl and Katz, 1981). Relief of the needy was not their purpose; their instrument was the furtherance and harnessing of research. In programmes such as those for the eradication of hookworm in the American South or the establishment of public libraries, foundations aimed to achieve major social transformations. Joseph Rowntree wrote in his original trust deed that much current philanthropic effort was 'directed to remedying the more superficial manifestations of weakness or evil, while little thought is directed to search out their underlying causes' (Rowntree, 1904, p.xiv). He criticised the alleviation of Indian famines without examining their causes, and directed that none of his three trusts should support hospitals, almshouses or similar institutions.

Third, the great foundations enjoy very large endowments — mainly

derived from industrial wealth — which enable them to operate on a scale quite different from individual philanthropy. Historically, foundations (such as the General Education Board and the Carnegie Foundation for the Advancement of Teaching) have undertaken responsibilities (especially in the field of higher education) which were subsequently assumed by governments.

Finally, foundations are legally incorporated bodies whose charitable public purposes are thereby publicly recognised. This raises issues of their public acceptability. The bill to establish the Rockefeller Foundation running into political opposition in Congress after 1910, the Foundation was incorporated in the state of New York by the state legislature in 1913. Many foundations have come to be managed by professional staff who operate the programmes of the foundation and are influential in shaping them. In some respects they are more similar to business enterprises than to individual charitable activity or small voluntary associations. When contemplating the setting up of foundations to manage the distribution of his wealth, John D. Rockefeller Sr spoke of 'the business of benevolence', and many founders sought to apply business methods to the running of their operation.

The philanthropic foundation as the institutionalisation of knowledge-based social engineering: a gradual evolution

Over a period of sixty years between approximately 1870 and 1930 the development of the foundation as a major social institution may be traced. This evolution has to be seen in the wider context of the increasing industrialisation and urbanisation of North America and parts of Western Europe, the social problems to which this gave rise, and the attempt to frame an institutional response capable of tackling them. Foundations evolved in a world where different routes were being sought to the solution of social problems through the various civic and voluntary reform movements of the later nineteenth century, many of which operated with different models of the relationship between the individual, society and social agencies. Moreover, the role of the state was ambivalent, and foundations evolved at some distance from it.

Charity organisation

Britain and the United States had very different political systems, and the history of foundations in each society is somewhat different. Nevertheless, in the field of social welfare there was much interchange of ideas and institutions between the two, and in our period a

reasonable awareness of developments in the other country. In the field of charitable activity, the question posed in the middle and later nineteenth century, with the move of large migrant populations into urban areas and the greater visibility of poor health and housing, poverty, vice and crime, was how to contain, control and tackle these problems. This issue exercised elite members and those in the upper middle class who acknowledged a responsibility to the working classes. In an age which did not believe in government involvement, private individuals organised into voluntary bodies were one of the main sources of assistance. The response remained an individual one, but on more systematic principles.

The scale of the problem and the limitations of individual philanthropy pointed toward the more systematic organisation of giving. Something more was needed than soup or alms for the poor. The London Charity Organisation Society, established in 1869 for the relief of poverty, ushered in an era of 'scientific philanthropy' (in the guise of social work). Better organisation of relief with less duplication, more discrimination in the giving of assistance, and more individual attention to those in need were required.

Settlement houses

A more organised and collective type of response was through the settlement house movement, such as Toynbee Hall in the East End of London. Its practical aims were threefold: to spread education and culture, to enable middle-class people to form personal relationships with members of the working class, and to discover facts about social problems (Briggs and Macartney, 1984). By 1911, 46 such settlements had been founded in Britain. In the United States growth was even faster, with settlements like Hull-House in Chicago and the University Settlement and Henry Street in New York. By 1910 there were more than 400 American settlements.

The significance of the settlement house as a training ground for socially-concerned young people was considerable (Meacham, 1987). It is easy in retrospect to poke fun at settlements, for their high-flown aspirations juxtaposed to the reality of 'slumming', for the social distance between their residents and their working-class neighbours, and for their relative ineffectiveness in making an impact upon social conditions in the locality. Yet they were important training grounds for people such as William Beveridge (Harris, 1977, pp.48-9) and R.H. Tawney (Terrill, 1974, pp.31-5). One historian has called such settlements 'ad hoc graduate schools', and it is indeed realistic to see some of the leading settlements as a kind of graduate school in social policy before such opportunities existed in universities.

Studies of social conditions

Another feature of this period was the growing interest in studies of social conditions. The main social investigations of poverty at this period were undertaken by private individuals from their own resources and the results addressed to a general educated public. Charles Booth was a Liverpool businessman; Seebohm Rowntree the son of a Quaker chocolate manufacturer. They undertook their studies in London and York (Booth, 1889-90; Rowntree, 1901), using their own family wealth, and in both cases combined active social investigation with the continuing pursuit of business interests.

The importance of these studies lay, first, in giving some precision to estimates of the extent of poverty. Second, they went some considerable way to illuminating the dynamics of poverty and its underlying causes, through Rowntree's analysis of the cycle of poverty and Booth's investigations of the relation between low wages, unemployment and poverty. Third, they provided a standard to emulate in other studies, both subsequently in Britain and in the United States, initiating a movement of thought about social problems which had far-reaching effects.

One US study modelled on Booth, throwing important light on social conditions among blacks, was W.E.B. Du Bois's study, *The Philadelphia Negro* (1899). Other studies bore clear signs of his influence, such as Robert Hunter's *Tenement Conditions in Chicago* (1901) and *Poverty* (1904) which also drew upon Rowntree (Davis, 1967, pp.171-2). Social inquiry was a prominent element in the American settlement house ethos. Charles Booth's studies of poverty in London provided the inspiration for the *Hull-House Maps and Papers* of 1895, the first American social survey. Florence Kelley convinced Jane Addams that investigations at Hull-House would result in a survey on a par with Booth's work (Sklar, 1992). It was shortly followed by *The City Wilderness* in 1899, edited by Robert Woods and written by settlement workers attached to Boston's South End House. A more specific focus upon poverty was provided in Robert Hunter's 1904 study of *Poverty*, influenced by Booth and Rowntree as well as by Riis's *How the Other Half Lives* of 1890. Hunter estimated that 12 per cent of the American population (10 million out of 82 million) were poor. This was concentrated in northern industrial areas where 6.6 million, or 20 per cent of the population, were poor. Only about 4 million out of America's 10 million poor received any public relief.

The social survey movement

One means of increasing social awareness of poverty in the United

States took the form of a Movement, underpinned by support from the Russell Sage Foundation, one of the earliest foundations to concern itself with social conditions. When Mrs Russell Sage sought advice in 1906 on the disposition of her husband's fortune, her lawyer Robert W. deForest, president of the Charity Organisation Society of New York City since 1888, suggested the establishment of the 'Sage Foundation for Social Betterment' having as its object 'the permanent improvement of social conditions'. Its role would be to investigate the causes of adverse social conditions, to suggest how these conditions might be remedied or ameliorated, and to take action to that end. When the Russell Sage Foundation was incorporated in New York in 1907, one of the first projects it supported was the Pittsburgh Survey, with a grant of $27,000 for 'a careful and fairly comprehensive study of the conditions under which working people live and labour in a great industrial city' (Glenn et al., 1947, pp.210-11).

The Pittsburgh Survey had its roots in social work and philanthropy rather than the settlement houses. Its prime movers belonged to the world of organised philanthropy, and its director was Paul U. Kellogg, managing editor of *Charities and the Commons*, the leading social work magazine. Kellogg and his staff published six stout volumes between 1909 and 1914 presenting the results of their work, and mounted an exhibition in the city to publicise the results.

Following the publication of the Pittsburgh Survey, requests for 'surveys' began to come to the Foundation from various parts of the country. The Director considered that these were worth fostering and in 1912 the Department of Surveys and Exhibits was established, headed by Shelby M. Harrison. The Social Survey Movement, which flourished between 1912 and 1930, was sustained by the support of the Russell Sage Foundation, losing its impetus in the later 1920s and having virtually disappeared by the mid-1930s. An important element lay in the fact that it was a social movement. The notions of publicity and community self-study were an integral part of the Movement. This was the first major example of large-scale philanthropic funding of social inquiry.

Philanthropic foundations

The wealthy American industrialists who established foundations did not move in the circles of charity organisation work or early social investigation. They came from the world of business and industry, though were not all of a pattern. John D. Rockefeller Sr was a devout baptist. Andrew Carnegie had risen from humble Scottish origins, and retained an acute awareness of class differences and cultural disadvantage among the working classes on both sides of the Atlantic,

but particularly in Britain. Mrs Russell Sage inherited the wealth of her unpleasant husband, and was more closely connected to the world of charity than her male counterparts.

One interpretation of the development of foundations emphasises the practical aspect. To give away the wealth which John D. Rockefeller Sr had derived from cornering the oil market required entirely new institutions. During the 1880s he hired Frederick Gates to help him deal with requests for charitable assistance. Gates rapidly as a matter of policy made the transition from retail to wholesale philanthropy, from dealing with individuals to dealing with institutions. This, however, was not enough to absorb the wealth which Rockefeller had accumulated, and even large endowments to new institutions like the University of Chicago in the 1890s did not absorb more than a fraction of the surplus. So starting in 1901 the whole swathe of Rockefeller foundations was created, with grand objectives and reflecting the faith that scientific knowledge was the key to social improvement. Many of them reflected Gates's strong belief in the value of supporting medicine and public health as a means of improving human welfare (Kohler, 1978).

The evolution from charity to knowledge-based social engineering may be shown by considering briefly the history of the Laura Spelman Rockefeller Memorial (the Memorial), created by John D. Rockefeller Sr in memory of his wife in 1918 with a capital of $74 million, and its successor after 1929, the Social Science Division of the Rockefeller Foundation (Bulmer and Bulmer, 1981). Initially the Memorial supported work in areas in which Mrs Rockefeller had been particularly interested, mostly concerning women and children. Up to 1922, it gave support to social welfare or religious organisations such as the YWCA, the Salvation Army and the Baptist Church, and for emergency relief in Russia and China. Its aims were little different from many upper- and middle-class charitable activities on behalf of the 'lower orders'.

Then in 1922 Raymond Fosdick persuaded Rockefeller Jr to appoint as full-time Director the young Beardsley Ruml, trained as a psychologist, who had worked as an applied psychologist developing occupational tests in the War Department in 1917-18, and who had recently been assistant to the head of the Carnegie Corporation. Ruml was committed to the development of the social sciences as a means of tackling social problems. He very rapidly brought about a fundamental change in Memorial policy, from social amelioration to supporting basic but practically useful social science research. The parallel with fundamental knowledge underlying medical practice was emphasised. Among other issues for attention he identified children, the elderly, the poor, problems affecting the immigrant, and the character of neighbourhoods. An important principle was that the

programme should be advanced by supporting research in universities.

In the next seven years, Ruml developed a major programme of basic research in the social sciences, located in major American and European universities such as the University of Chicago, the London School of Economics, Columbia University, Harvard University, the Universities of Minnesota, Iowa State, Yale, North Carolina, California, Cambridge and Texas, in addition to the (US) Social Science Research Council, the National Bureau of Economic Research in New York and a scheme for Fellowships for young social scientists. In this period, about $25 million was allocated to basic social science research, a very large sum indeed for the period, and one which had a major stimulus to empirical social research in economics, political science, psychology, sociology, anthropology and international relations. Although some research in social work and welfare was supported, the main thrust of the programme was for basic disciplinary work.

Ruml argued that basic social science would help to produce applied results which would assist in the solution of social problems. He particularly favoured interdisciplinary work, and sought to break down barriers which separated the different disciplines. Several other features of the programme were distinctive. Ruml formed close links with leading social scientists on both sides of the Atlantic. Grants were given not only for research programmes but also for academic infrastructure: research buildings, libraries and, in some cases, endowed chairs. In 1929 the Memorial became the Social Science Division of the Rockefeller Foundation, and Ruml moved on to other things (including, during World War Two, the invention of Pay-as-you-go income tax).

The activities of the Memorial contributed to fundamental changes in social science research and marked the beginning of a modern phase in its organisation. It helped to move some disciplines toward more systematic, extensive and often quantitative analyses and to lay the foundations of the research-oriented graduate schools, drawing heavily on external funding, which became more characteristic of the post-war academic scene. The Memorial was a major source of patronage in the social sciences, and considerably influenced their development around the world in the 1920s and afterwards.

The wider significance of this example of a foundation programme lies in several directions. It encouraged and created the necessary conditions for a major change taking place in the orientation of a group of academic disciplines and the way in which they regarded the world. The Memorial's policy was pursued entirely through other institutions, most of them pre-existing (the universities) but a few such as the SSRC and the National Bureau having come into existence specifically to meet certain objectives which the Memorial endorsed.

The programme reflected the belief that science offered solutions to the problems facing industrial societies, and that supporting fundamental research and talented individuals was the best way in which to advance the well-being of mankind. It was further evidence, already apparent for science in the work of Wickliffe Rose and in medicine of Abraham Flexner (cf Wheatley, 1988) of the emergence of the foundation official as one of the key actors in the work of large foundations. Trustees were the formal source of authority, but to an increasing extent they acted upon the recommendations of their staff, who formulated the policy and conducted the detailed negotiations with grant recipients.

Power and responsibility

The implications of being 'private' bodies

Foundations are private philanthropic bodies run by small groups of trustees and officials. There are at least two senses in which they are 'private'. Foundations are part of the third sector and are neither part of the state apparatus nor commercial undertakings. Foundations themselves and many of the institutions which they supported were and are 'intermediary institutions' between the state and its citizens. Particularly in the United States, federal and state governments did not consider it their responsibility to get involved in many of the areas in which foundations interested themselves. In the first forty years of the twentieth century, various forms of voluntary action and private initiative were highly significant — and in many cases more significant than state action — both in social welfare delivery and in studies of social conditions. In the United States many leading universities were and remain private universities. Foundations worked in close association with these bodies, and saw themselves as being outside the sphere of government (Fisher, 1993).

Foundations, moreover, also drew sharp distinctions. Until the late 1920s it was a fixed Rockefeller policy, first articulated by Gates, that grants would only be given for programmes at private and not at state universities. Foundations played a particularly important role in providing 'core' funding at leading private universities for scientific, medical and social science research, although from the mid-1930s onwards such support was cut back in favour of programme and project grants for more specific proposals, as the foundations made clear that they could no longer continue to underwrite basic development of the higher education system outside the state universities. Support in Britain was much more modest and mainly devoted to

direct welfare intervention (cf Mess and Braithwaite, 1947).

The critique of foundations

The history of foundations points up sharply the controversial role which they have played since their inception. The types of criticism which have been levelled at foundations have changed relatively little over the last eighty years.

> The criticism was on the whole populistic and was based on the assumption that the foundations represented the investment of ill-gotten gains in a manner which threatened to subvert the democratic process by giving philanthropists a determining role in the conduct of ... public life ... [S]imilar themes recur: money which ought to be in the hands of the public is being retained by aristocrats for purposes beyond the control of democratic institutions; the academic freedom of universities is being subverted by control of academic budgets by the foundations; public policy is being determined by private groups; the scientific and scholarly research and artistic creativity of individuals are being subverted by the emphasis of foundations on group-research; smallness and individual effort are thwarted by materialistic and business-oriented demands of foundation management; foundations are bastions of an elite of white, Anglo-Saxon, Protestant managers holding out against the normal development of a pluralistic and ethnic society; and so on (Karl and Katz, 1981, pp.248-9).

These criticisms have been articulated particularly strongly in the United States, where the disjunction between the large wealth of foundations which (until the Tax Reform Act of 1969) were rather secretive and the democratic ethos of the society has been particularly sharp. One of the central issues of controversy is that closed and private institutions have sought to address public issues, and increase the public welfare, without acknowledging public responsibility for the policies that they were pursuing. On the other side of the Atlantic, European socialism has been rather distrustful of foundations, established by rich persons, which seek actively to promote the public welfare; socialists, in particular, traditionally placed more confidence in the state (Coing, 1981). The debate has not been quite so pointed, however, because foundations have not been so wealthy as their American counterparts, and have played a smaller role in the pursuit of public policy.

Among the criticisms directed at foundations have been the following. They are, it is argued, set up by wealthy industrialists to put a more favourable gloss on their activities as industrialists and to present themselves in a better light or as a means of retaining control of the industrial enterprise whence the endowment derives. The usual defence of this has been the gradual separation of personal affairs from those of the Foundation. In later years the direct criticism of donors such

as Nuffield (Clark, 1972) or Wellcome has been less sharp, but the obloquy of 'tainted money' remains one of the bases of distrust of foundations.

Almost always the appointment of trustees is a private matter, in many cases lying in the hands of the existing trustees. Foundations are thus not responsible to anyone for whoever they appoint, and may often be a self-perpetuating body. This unrepresentativeness of trustees has been a continuing complaint against foundations. The initial trustees were usually associates or friends, occasionally relatives, of the benefactor, and subsequent trustees have commonly been chosen from among those with similar backgrounds and positions. This is made increasingly likely by the method of appointment. Lindemann (1936) charged that trustees represented 'social prestige, financial success and middle-aged respectability'. These were exemplary attributes, but were they the most appropriate for people charged with pioneering new ways of improving the welfare of mankind, he asked. British foundations have perhaps been less likely to appoint the financially successful as trustees. The initial trustees of the Wellcome Trust, for example, were two solicitors, an accountant and two distinguished academic physiologists with medical backgrounds. The first trustees of the Nuffield Foundation were Lord Nuffield's first bank manager who had become a public figure; a distinguished lady doctor; the professor of agriculture at the University of Cambridge; a distinguished scientist; the heads of the Universities of Manchester and Glasgow; and a banker. If one compares the Rockefeller philanthropies with those of Wellcome and Nuffield in Britain, all of which have taken a particular interest in aspects of science and medicine, in the American case the foundation officials are more likely to have had academic backgrounds and to possess expert knowledge or the necessary connections to expertise, while the trustees were laymen and laywomen, whereas in the British case, the trustees included a number of practising scientists who were able to make expert judgements themselves on applications being considered. This suggests possibly a somewhat different role for the trustees in these two cases, both in the backgrounds from which they are drawn and in the function they perform.

One response to the criticism of the narrowness of the social backgrounds of American foundation trustees has been to argue that foundation officials became increasingly important over time. Certainly in both the Rockefeller philanthropies and the Carnegie Corporation it was the officials who directed affairs. The process by which foundation officials became professionalised was a gradual one, but is distinctly visible. In general they were inclined to take a more detached and long-term view of the social contribution that philanthropic giving might make. A counter-criticism of this trend, voiced in the 1920s by

no less a person than Frederick Gates, was that officials could tend to usurp the functions of the trustees, and accumulate too much power into their own hands. Again, this was apparent from the way in which Ruml operated in the 1920s or an architect of science like Warren Weaver within the RF in the 1930s (Kohler, 1991).

Whether controlled by officials or trustees, foundations have also been criticised for timidity. If interpreted as organisations which will promote social innovation, many foundations have showed themselves rather conformist in the policies which they have pursued. Unusually among founders, Joseph Rowntree recognised that some purposes which his trusts might wish to pursue fell outside the definition of the strictly charitable, and he therefore established the Joseph Rowntree Social Service Trust Ltd which was permitted to support activities, for example of a political kind, which went beyond the normal remit of philanthropic foundations.

Further, there has been continuing controversy, and some variation between countries, in the external checks and constraints which operate upon foundations to control their activities. One of the principal criticisms of foundations as a social institution for the advancement of public welfare has been that foundations are answerable to no-one apart from their trustees, for their action. Some legislative oversight and legal regulation are present to ensure that they do what is set out in their trust deed, but it is often spotty and inflexible. This regulation has been undertaken by tax authorities, by bodies that police the voluntary sector such as the Charity Commission (for England and Wales), and by occasional hearings by the legislature inquiring into the status of foundations.

Unlike most voluntary bodies, foundations have no members or supporters to whom an annual report can be rendered, nor in the nature of the case (as with religious charities) an ultimate sponsor (such as the church) since the rules for the establishment of foundations require a clear line to be drawn between the founder and the foundation. During the founder's life this was not always possible to do sharply, but after their death it usually came about. So the issue of ultimate responsibility remains a moot point, which puts foundations on the defensive and gives added ammunition to their critics.

Foundations as pillars of the ruling class

These specific criticisms of the powers, privileges and lack of answerability of foundations have been capped by more thoroughgoing critiques of the place of foundations in the social structure which postulate that foundations are a mechanism whereby the ruling class in industrial societies maintains its cultural hegemony and limits the

nature of challenges which can be posed to the fabric of society. This view is represented, for example, in the critique of the Rockefeller Hookworm eradication programme by Brown (1979), the papers in the Arnove collection (1980) and in Fisher's study of the American SSRC (1993). Arnove, for example, argues that foundations fulfil an unofficial planning role, and represent a sophisticated conservatism. This assertion is not proven, and many of the individual founders and officials of foundations do not conform to the stereotype of ruling-class member which these works portray (Bulmer, 1984, 1987). For example, Andrew Carnegie was a hard-nosed businessman, but he held somewhat unconventional social ideas for his class and in the 1880s entered British political journalism briefly as a newspaper owner, advocating Gladstonian liberalism plus the abolition of the monarchy, the House of Lords and the Church of England (Lagemann, 1989, pp.14-15). Another case is that of Beardsley Ruml who was the grandson of a Czech labourer who had migrated from Bohemia to Iowa. He achieved his position by sheer academic ability and connections plus some luck, rather than being born into the Eastern Establishment.

Studies of foundation influence need to progress beyond arguments about whether or not foundations were the tools of capitalism to understand to what extent they reflected and to what extent they independently influenced contemporary developments. Is there any necessary connection between the origins of wealth and the activities which foundations undertake? How, for example, did the rather conformist Carnegie Corporation come to support the greatest liberal critique of the position of black Americans in the first half of the twentieth century, Gunnar Myrdal's *An American Dilemma* (1944, discussed in Lagemann, 1989, pp.123-46)? To what extent did foundations shape provision independently (as the theorists of cultural hegemony would maintain) or respond to perceived needs on the part of those whom they funded? Whom did the trustees and officials of philanthropic bodies consult, and what was their relationship to such lay and expert advisers, some of whom were also recipients of support? In particular, what aspirations did both parties embody as to the application of fundamental knowledge to tackling social problems? To what extent was there an elective affinity between foundations and those in the field who sit on their boards and whom they consult?

Conclusion: the institutionalisation of knowledge-based social engineering by peculiar institutions?

Anglo-American differences reflect different political histories and

structures, and a different role for the state, leaving much greater scope in the past for American foundations to take up issues which government did not regard at the time as its responsibility. From the United States too has stemmed the faith that knowledge is a source of insight and power over the natural and social world, which should be systematically fostered in order to control and change that world. The intimate American relationship which developed between the great foundations and higher education is quite distinctive, being somewhat less marked in Britain, although support for particular areas of academic work in science, medicine and social science by particular foundations is notable.

This transmutation of what in the nineteenth century was deemed charitable activity via the medium of the foundation into initiatives much more central to public policy has gone furthest in the United States. Their international programmes alone, hardly discussed here, have sought worldwide influence, in Europe in the inter-war period (cf Weindling, 1995), and post war particularly in the Third World. British foundations are much more modestly funded. Arguably their founders — men like Joseph Rowntree and William Morris (Lord Nuffield) — were different sorts of men to Andrew Carnegie and John D. Rockefeller Sr.

The history of foundations has been a growing field in recent years, but is still a not very well-developed one. The need for further comparative historical research upon foundations internationally is clear, for the subject has been somewhat neglected and the literature until recently has been bifurcated into rather complacent 'in-house' histories on the one hand and radical attacks upon their aims and programmes on the other. Much remains to be explored. What kinds of influence do foundations exert? What effect do different legal systems have on their operation? How do the character of national elites, and national political structure, condition the operation of foundations in particular countries? How far are they constrained by lacking full legitimacy, as organisations responsible only to themselves while claiming to contribute to the welfare of all?

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