



The 1999 Allen Lane Foundation Lecture



The following is the text of a lecture delivered by Steven Burkeman, in London on February 8th 1999, as the Allen Lane Lecture, commissioned annually by the Allen Lane Foundation. Steven, who is Trust Secretary at the Joseph Rowntree Charitable Trust, and a member of the National Lottery Charities Board, emphasised in his preliminary remarks that the lecture represents his personal views, and not necessarily those of any of the bodies with which he is associated.

An Unsatisfactory Company ...?

....where benevolence took spasmodic forms, where charity was assumed as a regular uniform by loud professors and speculators in cheap notoriety, vehement in profession, restless and vain in action, servile in the last degree of meanness to the great, adulatory of one another, and intolerable to those who were anxious quietly to help the weak from falling rather than with a great deal of bluster and self-laudation to raise them up a little way when they were down....

When I go to parties, and someone asks 'what do you do for a living?' I usually say something along the lines of "*I help to give money away - someone else's money*". This often draws an original and witty response along the lines of "*Could I have some please?*". This stimulating exchange (which perhaps reveals more about the sadness of my social life than I intended) also illustrates something quite important. When money enters into social relationships, it distorts them.

We are all aware of this in our everyday lives, but those of us involved - professionally or as trustees - in the grant-making business tend to choose to overlook it in our work. We have somehow reached a position where giving money away is seen as an unalloyed good. Philanthropy, which used to mean love of humankind, now means giving money away. Anyone who's a 'philanthropist' is lionised, honoured. Indeed, it's one of the sure-fire routes to social respectability.

The very notion of charity has come to mean no more than that category of activity which qualifies for fiscal benevolence on the part of Treasury, acting on behalf of all of us who are taxpayers, in relation only to the fact of giving and receiving of money. Thus, it is not surprising that we have lost any understanding of what the word really means, or at least what it used to mean, and with it any sense that there can be qualitatively different kinds of giving, with different kinds of consequences.

In this lecture, I want to dig around underneath so-called philanthropic activity to try and explore what might really be going on. This lecture is about how and why money is given away, especially by the wealthy - ways in which it causes harm, and ways in which it may do some good. In approaching the theme, I draw extensively on the work

of others, including novelists who sometimes reveal truths that cannot be revealed in any other way. This, then, is a blatantly plagiaristic exercise!

After 17 years of helping to give away someone else's money, I need no convincing of the good money can do. Were it not for donations of money, many of the things we take for granted simply wouldn't exist – all the way from great works of art to medical research, to libraries, even adult education – all the result of what started out in the first instance as individual or corporate generosity. But – that said - I am increasingly concerned at the harm money does.

In the quotation from which the title of this lecture is drawn, Dickens is hinting at part of my thesis - that donor recipient relationships are inherently unhealthy, and that the good that money does in the short-term, or in a micro context, is often offset by the harm it does in the context of the big picture.

The reason that it is so difficult to challenge the prevailing wisdom about giving money away is that the very people who have most to gain by repressing the challenge are the wealthy – and they are the very same people whose power means that they can set the terms in which such matters are debated – if they're debated at all, that is. For it isn't done to question philanthropy, to suggest that it is anything other than an unalloyed good thing. When was the last time someone dared say to a wealthy philanthropist –

I can see what you do with your money, but what do you do with your time?

Or

I can see how you spend your money, but how did you come by it?

Or even –

I can see what good you think your money did, but what did you learn from the experience?

Let us first consider the means by which the money was made in the first place and its relevance, if any, to its use as a donation in a so-called charitable cause. It was General Booth who said that

the only thing wrong with tainted money is that t'aint enough of it.

Certainly, perhaps of necessity, that appears to be the predominant attitude adopted by would-be recipients. They are not noted for expressing qualms about the source of the funding which they seek from donors. Perhaps they see themselves as cleansing money by applying the profits of sin in virtuous ways.

For some of the most reputable names in philanthropy earned - if that is the right word - their money in fairly obviously sinful ways. Take, for instance, Carnegie, and Frick. Frick became chair of the Carnegie Company at the time that Carnegie's steel strikers were shot by the employers. In his book about the meaning of money, Frozen Desire, James Buchan writes:

...in Frick's picture gallery on Upper Fifth Avenue, devouring the famous pictures among the hideous greenhouse flowers or resting, full length, on the real lawn, one forgets the Homestead strike and the Pinkerton agents and the bullets slicing into the Monongahela, forgets even that great river

as it loops northwards towards Pittsburgh and leaves behind, on the inside of each great loop, the rotting corpse of an abandoned steelworks.

Well, does it matter that one forgets these things, when faced with the results of large donations? John Steinbeck wrote:

Perhaps the most overrated virtue in our list of shoddy values is that of giving.... One has only to remember some of the wolfish financiers who spend two thirds of their lives clawing a fortune out of the guts of society and the latter third pushing it back. It is not enough to suppose that their philanthropy is a kind of frightened restitution, or that their natures change when they have enough. Such a nature never has enough and natures do not change that readily. I think that the impulse is the same in both cases. For giving can bring the same sense of superiority as getting does, and philanthropy may be another kind of spiritual avarice.

Jodie Foster speaking recently to students at Yale (where she studied) said

it's not good enough any more to kill for a living and then give \$100,000 to the symphony orchestra.....

Foster's simplistic summary deserves some unpacking. For one argument runs - *wealthy industrialists gave money away as one means of protecting their right to continue to make money in the way that they chose to make it.* In other words, their philanthropy was not an incidental add-on to their main activity - it was the basis on which the main activity was justified and sustained.

As an historical point relating to the great turn of the century philanthropists, that perhaps is of academic interest - after all, so much time has passed and perhaps money *has* been gradually cleansed. But the question I want to leave hanging in the air is whether philanthropy serves a similar purpose now, and how far we are all complicit in the scheme of things.

Let us turn, then, to the next question - why *do* wealthy people give money away? We can look at this question in at least two different ways - first, there is what they themselves say about why they do it. Then there is what others say.

What people say themselves about why they are giving money away has to be read with 'a pinch of salt between the lines', as it were. Vivien Duffield, the daughter of Charles Clore, who runs both his foundation and one she set up in her own name with a £20 million inheritance, said –

I think the most important thing I could do is to use carefully the money that I have been lucky enough to be entrusted with and to create things for people when I'm gone that will still be there.....If you're lucky enough to have money, it's your duty to give it away.

Anita Roddick has put it in similar terms...

In your 30s you tend to want to feather your nest whilst in your 40s you start reassessing things. Now I'm in my 50s I'm truly more interested in what I'm going to leave behind, what my thumbprint is.... I will certainly be leaving the foundation my personal fortune. There is nothing more obscene to me than dying rich. It's like having water in a vase. The longer you keep the water in the vase, the staler it gets..... It is about

stewardship. It is like the best of the aristocracy who left their houses to be passed on in perpetuity. They ensured they had the right caretaker looking after it

Andrew Carnegie wrote that

The man who dies ...rich dies disgraced.

Lewis Waddilove cites the Egyptian nobleman in 2300 BC whose tomb displayed an inscribed list of his charities so that

...it might be well with me in the great god's presence

In these quotes, past and present, we see the desire for immortality, to be remembered, combined with a sense of familial and religious duty. But when they say they give for immortality, they may really give for fear of judgement day. At some level, those with great wealth may be aware that – either because of the way in which it has been gained, or because of the inequities around them, or both – theirs is an uncomfortable position to defend in the great hereafter, and that even very thin camels do not fit through the eye of a needle.

There is another category, however – let's call them candid Croesuses. Take Larry Ellison, who founded and runs the Oracle Corporation, who said:

The goal is not to be the richest guy in the graveyard. I don't care how much I'm worth when I'm dead. How do I make myself feel good? The only way I know to make myself feel good is to make the world better. Don't mistake that for altruism. It's egotism. Call it engineered egotism.

In the same category, George Soros said:

The truth is I am not a humanitarian...I detest foundations in the conventional sense. My motive has never been charity. You could even say it was self-interest. I wanted to further those societies where people like me could live in peace.

But in an age when we understand, or think we do, about the unconscious, and our limitless capacity for self-delusion, we cannot rely on what rich donors say about themselves. We must turn to those who, through their understanding of psychology, political science, anthropology, and literature, may be able to penetrate beneath the often self-aggrandising rhetoric, in order to tell us rather more in truth about why people give money away. They may seek to be objective interpreters, or critics. They sometimes identify fine motives, and sometimes less worthy ones, often mixed together. I make no apology for concentrating on the less worthy ones, given the purpose of this lecture. They seem to fall broadly under a number of non-exclusive headings – guilt; and the avoidance of the embarrassment of riches; fear; competition; the desire to oppress, the wish to buy off the poor; ego; the desire for immortality; loathing of family; and the desire for social acceptability.

Let's look at some of these. First, guilt. This is clearly what David Lodge, surely one of our funniest and wisest living novelists, thinks drives the affluent to give. The hero – perhaps autobiographical – of his novel, Therapy, is a successful writer of bad TV situation comedy, going through a midlife crisis one symptom of which is acute hypochondria, focussing at the moment on a mysterious pain in his knee. He tries to figure out why he's so worried about such a little thing. He decides it must be compassion fatigue – he's tired of all the real human suffering that's thrust in his face, so he can only think of the pain in his knee. Wondering how to respond to all the

begging mailings he gets from Oxfam, Cafod, Unicef etc etc, he sets up a CAF Charity Cheque account, and dispenses, as he puts it,

fourteen hundred quid in little parcels.... £30 for the rape victims in Bosnia, £45 towards a water pump in Bangladesh. £25 to a drug-abuse rehabilitation unit in Basildon, £30 for AIDS research, and so on, until the account is empty It's rather like trying to mop up the oceans of the world with a box of Kleenex, but it keeps compassion fatigue at bay. Of course, I could afford to give much more. I could afford ten thousand a year from my present income, without too much pain. I could give it all away, for that matter, and it still wouldn't be more than a box of Kleenex. So I keep most of it and spend it on, among other things, private medical treatment for my knee.

I think perhaps I rather identify with him, in this matter at least. This is a good illustration, incidentally, of the power of fiction. Few people would themselves say out loud what Lodge says through his hero. We can recognise truth when we hear it in this way. Guilt is a private emotion, most often exposed by others, in this case the novelist.

Fear can at least be observed, and – as we have seen above (in terms of fear of the afterlife) is at least tacitly admitted to - sometimes. Anthropological studies in Polynesia and elsewhere suggest that giving arises from the fear of evil influences; and that giving is felt to be necessary in order to ensure prosperity. Perhaps related is competition. We do not need sophisticated critics or insightful novelists to show us the importance of competition as a motivation for giving. We need look only as far as, say, the recent benefaction by Ted Turner to the new UN foundation. In making it he was quoted as castigating Forbes Magazine's list of America's 400 wealthiest individuals –

That list is destroying our country. These super-new rich won't loosen up their wads because they're afraid they'll reduce their net worth and go down the list.

He called on fellow Americans to measure personal prestige by how much wealth they give away rather than by how much they accumulate. He would doubtless deny that it was the desire to be top which actually led him to make the gift.

The competitive instinct also relates to the desire for social acceptability. This is beautifully illustrated by the Canadian novelist, Mordecai Richler, in his extraordinary book, Barney's Version. Richler revives an old character of his, Duddy Kravitz – you may recall the 70's film with Richard Dreyfus. Kravitz was a young hustler, who is now a rich and successful hustler. But he still yearns for social respectability. In pursuit of it, he has a brainwave – he's looking to start a foundation in aid of some disease or other. Problem is, most of the big ones have gone. As he says –

.. it's a tough call. Don't tell me. I know. Multiple sclerosis has already been nabbed. So has cancer. Parkinson's. Alzheimer's. Liver and heart diseases. Arthritis. You name it, it's gone. So what I need is some disease still out there, something sexy I could start a charity for, and appoint the governor general, or some other prick, honorary patron Polio was terrific. Something kids get tugs at the heartstrings. People are suckers for it.

Now, the eponymous hero – Barney – eventually suggests Crohn's Disease, an unpleasant disease affecting a significant number of people. He explains it to Duddy -

It leads to gas, diarrhoea, rectal bleeding, fever, weight loss. You suffer from it you could have fifteen bowel movements a day

Who responds –

Oh, great! Wonderful!.... I say, how would you like to be a patron for a charity for farters? Mr. Trudeau, this is DK speaking, and I've got just the thing to improve your image. How would you like to join the board of a charity my wife is organising for people who shit day and night? Hey there everybody, you are invited to my wife's annual Diarrhoea Ball. Listen, for my wife it has to have some class. I want you to come up with a winner by nine o'clock tomorrow morning....

While I doubt that conversations like that really take place, I suggest that this aspect of motivation is a real one. I am pretty sure I know one or two people who fall right into this category. Maybe you do too.

I have spoken of the relationship between donor and recipient as one of power: but that is different from saying that, at times, people may even become philanthropists in order to reinforce their power over others –an almost oxymoronic position. The writer Paul Eldridge tells the story of Baron Francois Joseph de Baptiste, who owned a factory and had a passion for philanthropy; so much so that he created opportunities for charitable giving. He lowered the wages of his employees by 20%, so that he could give them what they could not afford. So successful was the experiment that he lowered the wages another 10%. Finally, he burned down the company houses. The courts and insurance company were not amused.

This connects, in my mind at least, with those who give enough to buy off demands for more. Tolstoy – himself a philanthropist – said the same thing:

I sit on a man's back, choking him and making him carry me, and yet assure myself and others that I am very sorry for him and wish to ease his lot by all possible means - except by getting off his back.

An American commentator, writing about John D. Rockefeller, described him as representing

... everything which the reforms of the Progressive era were trying to erase: irresponsible power, secretive self-seeking, the triumph of private over the public interest. The philanthropic boards which Rockefeller and other magnates developed were designed, at least in part, to vindicate American capitalism against the charge that it was incapable of dealing with the burgeoning problems of the twentieth century...

I have in recent years interviewed a number of those who have been close to wealthy living donors, and indeed some of the donors themselves. On the whole, they do not come from happy families. Indeed, rich people sometimes give money away partly in order to spite their families. As James Buchan points out –

Americans often do not like their heirs, who, they fear, will dissipate the money in lawyers' fees, foolish speculations, the entertainment industry or homosexual attachments: in other words, enjoy life. Bill Gates, the modern Edison, though barely 40 years old, has vowed he will not leave his fortune to his children. So, under the ineluctable shadow of death, the industrialist puts money to work in the service of immortality: not in the next world of course, or abroad but in the imaginations of other

Americans: for fame, a matter of history, is subordinate in the US to celebrity, a matter of geography

An American sociologist, Paul Schervish, studies wealthy people. Asked if there was something characteristic he heard in his interviews with them, he commented that their inner life almost always partook of what he called a 'dialectic of fortune and virtue'. In other words, they worry about how to justify their success in moral terms, and often this leads them towards philanthropy. Those that make the money want to 'put something back'. Those that inherit it have a different and more difficult task – to understand why they happen to have been born lucky. For them 'making a difference' may become the way to deal with this.

In questioning motivation, I am led to ask whether there can ever be a pure motivation? The anthropologist Mary Douglas, in her foreword to the classic book, The Gift, by Mauss, suggests that there is no such thing as a free gift: that a gift which does not allow for reciprocity does nothing to enhance solidarity and is a contradiction in terms. To Douglas, the unreciprocated gift is in effect a power play. And when a rich person gives to a poor one, what is possible by way of reciprocity?

Well then - does it matter anyway? As long as the project gets the money, what harm is done? It matters because it reinforces relationships which are based on nothing more than possession of money – not wisdom, not friendship, not age, not experience, not kindness, not love – but merely the possession of, and need for, money. As I said at the beginning, there is something deeply unhealthy about the sycophancy attaching to relationships which are built around money.

I have tried to think about how one overcomes this. It is very difficult, though perhaps not impossible. Money, a mere medium of exchange, seems to take on a significance which far exceeds its status as a symbol. After all, when money is translated into something real, it does not seem to carry the same baggage. It is as if its potential is worth more than anything for which it might actually be used - as if the power to decide how it is to be spent is the really valuable thing.

There's a paradox here – giving money can be the exercise of power by the donor over the receiver, but the transfer of money is also the transfer of power - even if money is only transferred from donor to grant-seeker against a specific budget. Maybe this is one reason why core funding is valued so much - more of the power of choice remains with the grantholder.

Further, the very nature of much giving – indeed, probably most giving – is such as to comfort the powerful, either directly through paying for their pleasures (art galleries and opera houses) or through doing good to the poor and dispossessed in such ways as only serve to keep them in that position.

So it does matter – to the powerful donor, and to the relatively powerless grant-seeker. The reluctance of donors to support core costs is often excused by reference to '*wanting to make a difference*', or to a reluctance to be drawn into a continuing relationship. I believe that the real reason is ego – the wish to go to bed at night thinking '*My money did that*'. Of course, 'they', the objects of charity, see right through it. As Ruskin pointed out in his day, the more charitable the upper classes towards the lower, the more the lower classes hated the upper classes.

As the famous quote goes –

Why does he hate me? I've never even given him a grant

I have so far made no distinction between the different institutional forms taken by so called philanthropic giving. Much of what I have said focuses on wealthy individual donors. There is perhaps a continuum which starts at one end with the wealthy individual giving away some of his or her money, moves through to the idea of the donor working with other Trustees in the context of a Foundation, is followed by the death of the donor and the family running the Foundation, and ultimately gets to a position in which the giving is completely institutionalised and removed from any direct connection with the original donor.

Now – in theory at least - foundations aren't like living donors. They don't allow the whims of wealthy individuals to dictate the way in which money is spent. Foundations, far from being donors in the sense in which I am criticising them here, are partners in the enterprise. By institutionalising the process of giving, they put some distance between the donor and the grant recipient and make the relationship a more healthy one.

Well, perhaps. For a start, many foundations are still run by the people who – if the money were not in the foundation – would lay claim to it – either the donor, or the donor's family. A very well known living donor was described to me in the following terms. He

...used to go around saying "Of course, I am giving money to this and that" as if it were his personal money...making out that he was generous, whereas it was actually Foundation money, and he didn't give his own money away at all. If he was giving money, it was always from the foundation....

A wealthy progressive donor who I used to know was talking to me some years ago and complaining that his fellow trustees were disagreeing with him over a particular grant he wanted to make. In the course of the conversation, he said to me (without any hint of irony):

What do I need trustees for when I know I'm right?

The role of Trustees in such a situation is principally to keep the donor happy, and they are often chosen specifically with that in mind.

I suppose that I am suggesting, then, that most of the damage is done at the beginning of the continuum (the living donor end) and that least damage is done at the far end.

But do we have to wait for sufficient time to pass to reach the least damaging end of the continuum by a natural process, or is there anything we can do to hasten it? I believe there is, and I also believe that even at the foundation end of the continuum, we can identify damaging and less damaging practice – ways of going about it which help to maintain or challenge the power *status quo*. Let us explore some possibilities. In suggesting these changes, I am aware that I may be portrayed as discouraging the rich from giving away money, or even discouraging the development of foundations. But there are, I think, a number of ways in which we could achieve higher quality of giving while still encouraging the wealthy to give.

The first rule of venture capitalism has been stated '*first, shoot the inventor*'. I am not suggesting anything so radical in relation to living donors. I do however wonder whether it is right that - having decided to give money away, and having decided on the broad

areas in which it is to be spent - the donor should then be allowed exercise disproportionate influence over specific allocations of funding. I am suggesting that what motivates wealthy individuals to give money away is also likely to lead them to give it away in ways which are self gratifying but ultimately socially unsatisfying....

Perhaps the time has come to challenge the very notion of endowment in perpetuity. Why should a wealthy person be permitted to tie up money in this way, immune from the pressures of social and economic change? Is it necessarily the case that more social good will be done that way? Aaron Diamond's story suggests not. He made his money in real estate, and bequeathed about \$150 million to his foundation. The intention was to give it away within 10 years of his death. It's nearly all spent now, and as a result protease inhibitors for AIDS treatment have been discovered.

It is also worth remembering that some seemingly generous donors are endowing foundations with a relatively small proportion of their wealth. This applies, for instance, to Bill Gates. Perhaps the scale of tax privilege accorded to benefactors should relate more closely to the proportion of their wealth which is being given away, rather than to the amount.

Again, foundations which carry the name of the donor – especially where she or he is alive and a trustee of the foundation – clearly serve to emphasise the fact that the donor has money, and is being munificent with it. I have no problem with named funds - but I have more respect for those that are not named. I have more time myself for the likes of the Millfield House Foundation, and the Prairie Trust, both of which are vehicles for individual living donor philanthropy, but both of which conceal the name of the donor. I would argue that anonymity of this kind should be rewarded by the Treasury on all our behalfs.

Again, foundations which are prepared to fund core costs – to accept that they may not be able to photograph that for which they are paying – are to be welcomed, for they are going against a culture of money power, and reflected glory. The same goes for those that support small, low profile projects, or really unpopular causes – and by that I don't mean just those which fall under the heading of *'there but for the grace of God go I'*.

Then there are those that support work which specifically aims to do something about the economic divide shown up most sharply in the grant making interface – the divide between those that have money and power and those that don't. We need to find ways of encouraging, honouring and supporting these kinds of foundations.

Prior to his resignation, from time to time Henry Ford II, in response to a newspaper story about a Ford grant, would come in to the foundation offices, and roar

.. Jesus Christ, why can't we be a nice foundation like Rockefeller?

In Robertson Davies' Cornish Trilogy, Arthur says:

...we don't want another foundation that gives money to good, safe projects, and then stands aside, hoping for good, safe results... Caution and non-intervention are the arthritis of patronage. Let's back our choices and stir the pot and raise some hell...

In Henry Ford's terms, I suspect I may be making a plea for less nice foundations, and more nasty ones, and in Robertson Davies' terms, for some more hell raising ones.

More radically, I want to suggest that what is really valuable in the process of grantmaking - particularly where wealthy individuals are spending what is or might have been their own money - is that there should be some direct connection between them and the situations which their grants seek to remedy - that they should not be able simply to sign a cheque and sit back basking in the warm afterglow.

For it is this connection, this growth in understanding, that could be a powerful force for change in our society. Without it, grantmaking is a sterile process and one which, as I hope I have demonstrated, ultimately reinforces the inequalities which give rise to the need for grants in the first place, and which give rise to the situation in which some people need grants and others have more than they know what to do with.

What can we do, then, about creating such direct contact, and such understanding? There are some examples to be copied. Jane Tewson, both when she was at Comic Relief, and now at Pilotlight, has been extraordinarily effective at getting beyond the mere giving of money. She has persuaded the rich and powerful to go places they've never been before, to see what previously would have been the objects of their charity. This is done without cameras being present. It has the potential to change people powerfully. I know this to be the case from personal experience.

When the donor's view of the world changes, then there is the potential for change at a far greater level than can be achieved by signing cheques. Is there more we can do - whether by carrot or stick or a combination of the two - to try and make sure that rich and powerful people actually see at first hand how poor and powerless people live? Jane calls it 'reverse mentoring', emphasising the point that, for example, the Chief Executive of a large company has much to learn from a young unemployed care-leaver. This brings us right back to Mary Douglas' point that an unreciprocated gift is not a gift at all.

Perhaps the time has come to move endowed trusts - foundations - and the State into a new relationship, based on a new *quid pro quo*. I have never understood why charities whose principal purpose is to give money away should be regarded in exactly the same legal light, subject to the same forms of regulation, as those who first need to raise it. What this in effect means is that endowed trusts are subject to very little regulation. There are many rules, regulations and standards affecting how money may be raised. But there are very few regulations about how foundations set about spending money (as distinct from on what they may spend it).

I believe that wherever there is an agglomeration of power, there needs also, at minimum, to be transparency and accountability, and democratic control. Foundations - still - tend to be opaque, largely unaccountable, and subject to a minimum of democratic control. The '*whim of iron*' (as someone called it) demonstrated by the living donor simply exposes this by stripping away the institutional baggage that serves to conceal it.

I would not go so far as to suggest that all such bodies should be democratically elected, or even chosen at random (though I am very pleased that NLCB is experimenting with the jury principle in appointing people to its regional awards committees).

But why, in the post-Nolan age, should not appointments to trusts be subject to a requirement to advertise? I note that Vivien Duffield serves on her partner, Sir Jocelyn Stevens' trust, and Jocelyn Stevens serves on one of her trusts. How did that happen, then? Why should the process of selection not be transparent? Why should Freedom of Information legislation – when we get it – not apply to trusts? Why should the reporting requirements on trusts not be more specific and detailed?

Legislation should also tackle the role of the living donor. I suggest that donors who wish to take advantage of the tax benefits of creating a charitable foundation should only be allowed to sit as a Trustee of that Foundation for a period of 5 years after their initial donation has been made.

Even more dangerously, I would like to explore the possibility of tackling the gulf between *giving* and *understanding* – for without this, nothing changes and philanthropy as it is at present understood simply helps to maintain the *status quo*. I would like to see some encouragement – again, be it through fiscal carrot or legal stick or combination of the two – to grantmaking trusts to actually meet (and preferably visit *in situ*) more of those to whom they make grants. I admit that I am not sure how this might be done, but I hope that – if anything in this lecture is to be followed up – together some of us might come up with some workable ideas.

Finally, I suggest that it is time to address the vexed question of core funding. This is such an old issue. So many have belly-ached about it for so long, but exhortation seems to have failed. Grantmaking for glory, for photographs, is the name of the game. Well, maybe the time has come when the body politic has to protect grantmakers from their own worst excesses. Doubtless this will make a lot of work for accountants, and we shall need new accounting regulations when we are already SORPED up to our eyeballs, but so be it. The problem of core funding is too important to ignore. I propose that the temptation to fund for glory, for photographs and for honours be diminished by a requirement that all charitable Trusts should spend, say 40% of their annual grants total on core costs, running costs, rather than simply funding things which can be photographed. I am told by those on whom I've tried this out variously that it would be unenforceable, that it would be a monstrous infringement of the liberty of the foundations. I'm prepared to be persuaded on the former point – and maybe the best that we can do is to work a bit harder to persuade our colleagues to move in this direction. Perhaps we can have a 40% Club, made up of those foundations who commit to this target, *pour encourager les autres*.

Now, I know that one response to all this will be a howl of anguish from small trusts – those run from the kitchen table by the dead donor's daughter, for instance, or by the donor's solicitor in his or her spare time. I have no wish to discourage philanthropy of this kind. Indeed, as I expect you know, research tends to show that the smaller the donation, the more generous the donor – note the aforementioned Bill Gates, for instance.

But can't we find ways to lock these small trusts into some kind of larger structure which – if it must - preserves the donor's name, and something of her or his philosophy, but provides a structure of transparency and accountability? I have no blueprint for this, but wonder whether community trusts might have a role to play (where they exist), along, perhaps with larger trusts.

But I recognise that there are real difficulties here and perhaps the new deal with the State has to recognise those difficulties in some way.

I am aware that I will be accused of stirring things up unnecessarily: *if it works don't fix it*, they'll say. Critics will worry that the imposition of new requirements on donors will discourage them from giving in the first place. And they may be right. But the object of philanthropy, for me, is not simply to increase the amount of money which is given to charity.

Unless philanthropy helps to change the situations that give rise to the need for it in the first place, then it simply reinforces existing power imbalances in society and enables the rich and powerful to feel good about themselves despite that fact that they are doing nothing to effect real change for the poor and powerless – what one of my colleagues on the NLCB, Eric Stroud, calls the 'disprivileged' – not a word you'll find in the dictionary, but one which makes the point that the word 'underprivileged' assumes that everyone has privileges, its just that some have fewer than others – a comforting illusion for the comfortable.

So: I do want to encourage giving, but the right kind of giving, done in the right way. I'll even live with the wrong motives - because we all have mixed motives. But I don't believe it is right to allow those motives, however impure, to affect disproportionately the nature of the giving which results.

I have been hugely fortunate to be associated in one role or another for over 20 years with a Trust which owes its existence to an extraordinarily radical and farsighted philanthropist. Were he around today, I suspect that he would find much that I have said too timid. When he was in his 20's, he wrote -

Charity as ordinarily practised, the charity of endowment, the charity of emotion, the charity which takes the place of justice, creates much of the misery which it relieves, but does not relieve all the misery it creates.

To end on a softer note. Let us spare a thought for the poor (but wealthy) philanthropist, who – as I think I have shown – needs those who need her or his money. Maybe this is a more profound relationship than we have recognised.

William Congreve is our last voice. On this note, with this message from me to you, I end this 1999 Allen Lane Lecture –

I am melancholy when thou art absent; look like an ass when thou art present; wake for thee, when I should sleep, and even dream of thee, when I am awake; sigh much, drink little, eat less, court solitude, am grown very entertaining to my self, and (as I am informed) very troublesome to everybody else. If this be not love, it is madness, and then it is pardonable - Nay yet a more certain sign than all this; I give thee my money...

Thank you for listening.