Philanthropy and Social Justice:

Examining the Social Impact of Grant-making by Philanthropic Institutions in Australia

Zurina Simm

Thesis submitted for the degree of Doctor of Philosophy

School of Social Sciences

Discipline of Sociology, Criminology and Gender Studies

The University of Adelaide

July 2020

Table of Contents

Abstract

This study explores the sociological significance of philanthropy by focusing on the power and influence of Australian philanthropic foundations in their interactions with non-profit organisations in the social sector. In particular, it examines philanthropy's propensity or resistance to embracing the principles of social justice for the disadvantaged communities it ostensibly helps. By critically analysing the discourse of philanthropy, this thesis aims to examine if and how philanthropic grant-making strategies contribute to the preservation of elite hegemony.

Data was obtained from interviews conducted from April 2016 to September 2016 with 16 senior managers of philanthropic foundations and non-profit organisations from three Australian states. Additional data was derived from publicly accessible annual reports available on the Internet. This study adopts a theoretical perspective based on a wider and more nuanced understanding of Antonio Gramsci's (1891-1937) writings by specifically drawing on his notions of hegemony, crises, common sense, alliances, and subalterns. In one sense, this study builds on critical studies in American philanthropy from the 1980s that construct large philanthropic foundations as dominant instruments of cultural hegemony. In another sense, by focusing on philanthropy's role in contributing to social change, this study challenges the view that elite philanthropic hegemony manifests only as domination. Indeed, philanthropic foundations embody elite hegemony by dint of their access to and control over substantial monetary resources destined for community benefit. Yet, a wider engagement with Gramsci's writings elucidates the dual manifestations of hegemony, that is, as domination, and moral and intellectual leadership.

At the heart of this thesis is the fact that contemporary philanthropy is a product of capitalism, and most activities that philanthropy is involved in entail efforts to strengthen capitalism as a way to maintain philanthropic hegemony. This is reflected in the types of social causes and projects selected for funding, and the terms of grant-disbursement to non-profit organisations that implement the said projects. Doubtless, Gramsci's ideas are complex and somewhat counter-intuitive in an analysis of capitalist

phenomena such as philanthropy. However, Gramsci plays a surprising role in the present study where the focus is on private money being used for projects that potentially contribute to social change for some marginalised communities. To this end, Gramsci's insights explain how elite hegemony is maintained in three ways. First, philanthropy exercises hegemony in society through leadership rather than domination of the non-hegemonic groups they form alliances with. Second, the practice of grant-making for public benefit is a manifestation of philanthropic elites taking into account their own interests, and those of non-hegemonic groups. In doing so, philanthropic elites achieve and conserve their hegemony. Third, philanthropic elites maintain their hegemony by funding educational projects that aim to produce new knowledge, inculcate aspiration, and improve personal and organisational capacity. That is, philanthropy funds educational projects for the benefit of disadvantaged communities, and the general public which includes policy makers. Thus, an educational relationship initiated by philanthropic leadership constitutes a relationship of hegemony, and contributes to the production of a new common sense that Gramsci insists is necessary for social change.

Thesis Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

I give permission for the digital version of my thesis to be made available on the web, via the University's digital research repository, the Library Search and also through web search engines, unless permission has been granted by the University to restrict access for a period of time.

I acknowledge the support I have received for my research through the provision of an Australian Government Research Training Program Scholarship.

Zurina Simm

Acknowledgements

I wish to express my gratitude for the guidance and support given by my supervisors, Professor Susan Oakley and Professor Lisa Hill. I have appreciated your honest comments and constructive criticisms on earlier drafts of this thesis.

My thanks also go to Christopher Simm for his advice and assistance in the formatting and presentation of this thesis. To you and Nicholas, thank you for your unconditional love and support.

I also wish to acknowledge the friendship and encouragement shown by the staff and post-graduate students of the Department of Sociology, Criminology and Gender Studies, past and present.

Above all, my sincere thanks to all participants from the philanthropic and non-profit sectors for their time and invaluable contribution to this thesis.

List of Abbreviations

ABS	Australian Bureau of Statistics
ACNC	Australian Charities and Not-for-profits Commission
CDA	Critical discourse analysis
NPO	Non-profit organisation
PAF	Private ancillary fund
PuAF	Public ancillary fund

List of Tables

Introduction

Overview of research rationale

This study concerns the social effects of grant-making by institutionalised Australian philanthropy. It is not about fundraising. The focus of this study is on the power and influence of the Australian philanthropic sector, and its propensity or resistance to embracing the principles of social justice for the disadvantaged communities it ostensibly helps. To this end, this thesis specifically aims to critically analyse if and how philanthropic grant-making strategies contribute to the preservation of elite hegemony. In sum, this study seeks to understand two aspects of Australian philanthropy. First, it seeks to explore the types of social causes that attract philanthropic funding. Second, it tests the claim made by some commentators that the elites of the philanthropic world use philanthropy (whether intentionally or unintentionally) to reproduce and maintain their hegemony through their philanthropic endeavours.

Institutionalised or organised philanthropy refers to the practice of structured giving for public purposes that is planned, regular, professional, and often, of a larger scale (Scaife et al. 2012). This is in contrast to giving that is conducted on a more random, and less frequent basis. In Australia, organised philanthropy is mediated by a number of legal structures such as philanthropic foundations or charitable trusts (Meachen 2010b, pp. 26-29). These structures allow the transfer of monetary gifts from a family, corporation, or an individual to a charity or non-profit organisation (NPO) that advances a social cause. Most often, NPOs receive grants from foundations and trusts following a selection process premised on criteria determined by the said philanthropic institutions. In this thesis, the term 'foundations' will be used to denote all types of philanthropic institutions whose role it is to distribute grants on an annual basis to selected NPOs.

In addition, most types of foundations or trusts attract a number of tax benefits. For example, a Private Ancillary Fund (PAF) is one type of tax-deductible foundation that legally must distribute the equivalent of five percent of its capital value per annum. However, it is important to note that by law Australian philanthropic institutions are only required to provide an audited annual report to the Taxation Department (Cham 2010, p. 35). There is no legal obligation for foundations and trusts to provide public

reports. Therefore, those that issue annual reports do so voluntarily, and the data from these reports form the basis of the present study.

The units of analysis in the present study are the following types of philanthropic foundations: private foundations, family foundations, and community foundations. According to the peak body, Philanthropy Australia (n.d.-b), private foundations are established by an individual, and are administered by a board of trustees who allocate annual grants according to the original founders' wishes. Family foundations are private foundations established by a family, and administered by family members. Finally, community foundations are foundations that are endowed by contributions from a number of families, individuals or groups.

Apart from the fact that the Australian philanthropic sector is little understood, a key rationale for this study is based on the fact that large scale organised philanthropy in Australia has increased almost six-fold in the decade from 2005-06 to 2015-16 (Philanthropy Australia n.d.-a). According to Philanthropy Australia (n.d.-a), in 2005-06, there were approximately 400 PAFs that distributed close to $80 million. In contrast, in 2015-16, the number of PAFs increased to 1,400, and philanthropic distribution from PAFs grew to $450 million. Hence, over the span of a decade the number of PAFs almost quadrupled, and the amount of philanthropic grants increased almost six-fold.

However, with very few exceptions (Cham 2010; Hay & Muller 2014; Leat 2004; Liu & Baker 2016a, 2016b) social scientists have largely overlooked critical analyses of the role, influence and social consequences of Australian philanthropy. In contrast, other scholars, particularly in North America, have offered divergent perspectives on the social effects of philanthropy. For example, some scholars assert that the unregulated concentration of wealth and power embodied in foundations has the potential to set the social agenda, and maintain the social and economic hegemony of the capitalist class interests of philanthropists (Arnove 1980a; Roelofs 2003). Other scholars claim that higher levels of philanthropic funding in the non-profit domain expose the social sector to the mechanisms of capitalism (Faber & McCarthy 2005b). Yet, other North American academics maintain without qualification that philanthropy

is positive (Frumkin 2006), and others contend that philanthropy can be both a promoter of or barrier to social change (Korten 2009; O'Connor 1999).

Diverse scholarly perspectives on philanthropy imply that philanthropy is more than a beneficent act. In fact, philanthropy connotes a process through which the original donors' intents are transformed into specific social outcomes. This suggests that the way foundations interpret their founders' wishes is crucial to the type of social impact their grant-making achieves. Additionally, implicit in the idea of the social impact of philanthropy is philanthropy's potential for providing leadership in the process of social change.

The dearth of critical studies in Australian philanthropy is surprising since philanthropic grants are not solely private considering the generous tax concessions they are afforded (Cham 2010, p. 36). Foundations are, after all the product of public subsidies in the form of lost tax revenue as a result of tax concessions for charitable giving (Reich 2016a, p. 71). In particular, while there are pockets of critical examination of Australian philanthropy there is not a deep local literature on philanthropy's potential to positively transform the lives of disadvantaged communities that benefit from philanthropic grants, and if so, in what way. One way to investigate this phenomenon is through an analysis based on the perspectives of philanthropic elites, and the NPOs they fund. In the present study, this is achieved by examining publicly accessible documents pertaining to philanthropic foundations and NPOs. In addition, in-depth interviews with senior staff members of foundations and NPOs allow for a deeper understanding of the processes that constitute grant giving and receiving.

The research methodology for this study, as outlined in the preceding section, is informed by the work of Antonio Gramsci (1891-1937) with whom the concept of hegemony is closely associated. Furthermore, the rationale for undertaking a Gramscian analysis of Australian philanthropy derives from the tradition of critical studies of philanthropic foundations that emerged in North America from the 1970s. Critical studies in philanthropy became prominent following the opening of major foundation archives such as those of the Rockefeller Foundation and Carnegie Corporation of New York. However, over time the

scholarly critique of foundations developed into a seemingly one-sided debate. These critiques portray foundations as institutions that exist largely to uphold the privileged position of the wealthy within the social order (Arnove 1980a; Fisher 1983; Odendahl 1989; Roelofs 2003). In short, the critical attacks on philanthropic foundations were mostly grounded in an analytical framework based on Gramsci's notion of hegemony (Karl & Katz 1987).

Despite the initial proliferation of critical studies in philanthropy their popularity seems to have waned significantly since the 1980s. That said, while a Gramscian rationale typically supported past critiques of philanthropy, several limitations are evident. First, the research methodology employed by past studies relies heavily on archival material from large, established American philanthropic foundations such as Rockefeller, Ford and Carnegie. In doing so, the research findings cannot be generalised to smaller American foundations or indeed foundations from other countries including Australia. Second, the focus of past critical studies has almost exclusively been on foundations and foundation staff. Consequently, researchers have obscured the perspectives of grantee organisations, portraying them instead as dependent and passive receivers of grants. Third, in explaining the consequences of foundation grant-making, past critical studies have mainly presented a one-sided conclusion (Arnove 1980b; Roelofs 2003, 2007). These studies typically contend that foundations behave in self-interested ways to produce their own hegemony, and thus, conserve the social order. Specifically, the Gramscian rationale adopted by past researchers is somewhat narrow in focus in that it uses the concept of hegemony to explain a social relation that is conceived primarily as subordination and domination (Harada 2008, p. 219). Yet, as Benedetto Fontana (2008, p. 84) explains, Gramsci conceptualises hegemony as the supremacy of one group over other groups, and:

> that the supremacy of a social group manifests itself in two ways, as 'domination' and as 'intellectual and moral leadership'. A social group dominates antagonistic groups, which it tends to 'liquidate', or to subjugate perhaps even by armed force; it leads kindred and allied groups (Gramsci 1971, p. 57).

In other words, hegemony as domination presents only a partial understanding of Gramsci's political theory and strategy for social change. This suggests that a thorough investigation into elite hegemony must also focus on the leadership dimension.

This study challenges the central premise of past critical philanthropic studies, where large foundations were viewed primarily as constructors of dominant hegemony. Instead, it adopts a theoretical perspective based on a wider and more nuanced understanding of Gramsci's writings. Aside from the notion of hegemony, this study engages widely with other key Gramscian concepts such as civil society, passive revolution, alliances, and subalternity (Gramsci 1971). Gramsci's ideas, while complex and somewhat counter-intuitive in an analysis of capitalist phenomena such as structured philanthropy, play a surprising role in the present study. After all, Gramsci's overarching goal was social transformation albeit from the socio-political order of a capitalist society to one of socialism (Fontana 2008). Yet, previous studies that claim philanthropy as a force for social change have neglected to apply Gramsci's thoughts to articulate a strategy for social transformation.

A crucial dimension of social transformation is cultural change. Indeed, for Gramsci (1971, p. 424), social transformation necessitates 'new popular beliefs, that is to say a new common sense and with it a new culture'. That is, cultural change is vital in order for disadvantaged and marginalised groups to aspire to a new reality, surmount their experience of inequality, and transform their lives (Crehan 2016). This suggests that if philanthropy were to contribute to social change, one way to accomplish this goal is to establish processes for instituting cultural change.

The NPOs included in this study represent the interests of disadvantaged communities such as asylum seekers, Indigenous children with limited educational opportunities, and people experiencing poverty and homelessness. In order for such communities to overcome their experience of inequality and transform their lives, a gradual process of cultural change needs to occur. By funding appropriately designed programs within the relevant NPOs, philanthropy can play an important role in achieving this cultural change. Therefore, the adoption of a Gramscian theoretical framework helps to achieve the

primary aim of this thesis. That is, by acknowledging 'the blueprint for social change' that Gramsci's work offers (Katz 2010, p. 412), it enables an inquiry into elite hegemony through the practice of philanthropy that ostensibly contributes to social transformation.

An investigation into elite hegemony is primarily about how power relations are enacted by groups that possess significant economic and social power, and those that do not. These power relations are exemplified by the social relations between philanthropic donors and recipients. The source of primary data for this thesis is a set of 16 audio-recorded interviews obtained from senior staff members of Australian foundations and philanthropically-funded NPOs. Supplementary to the primary data is secondary data derived from publicly available websites and annual reports of these organisations. Thus, in this study, the data set consists primarily of 16 interview transcripts, and the content of 42 websites comprising images, newsletters, videos, media releases, project reports, policy submissions and approximately 126 annual reports.

As far as the primary research is concerned, the effects of unequal power relations between donors and recipients is analysed by using the qualitative scholarly practice of critical discourse analysis (CDA) as conceptualised by Norman Fairclough (1992). Fairclough's (1992, 2010) approach to CDA enables a critical inquiry into dominant discourses through its alignment with Gramsci's theory of hegemony. As such, Fairclough's (1992) methodology is considered more appropriate to this study rather than that of other scholars such as Michel Foucault (1972).

For Fairclough (1992, p. 4) an instance of discourse is conceptualised as being three-dimensional in that it is 'simultaneously a piece of text, an instance of discursive practice, and an instance of social practice'. In this study, the text element of discourse analysis pertains to the analysis of language in texts such as interview transcripts as well as combinations of texts and visual images such as those in annual reports and websites. The second element, that of 'discursive practice', focuses on processes, specifically how texts are produced, distributed, consumed, and interpreted. For example, an important process within the practice of philanthropy relates to how current foundation staff interpret the wishes of

foundations' founders, many of whom are deceased. Crucially, the interpretation of founders' wishes is directly linked to the types of causes that the foundations fund. In this sense, the discursive practice dimension of Fairclough's three-dimensional model helps to analyse the types of NPOs that receive philanthropic funds, and those that do not.

The final component of discourse in Fairclough's (1992, p. 4) three-dimensional framework is that of 'social practice' which concerns the wider context of a discursive event such as its organisational or institutional circumstances. Social practice in the present study refers to the institutional circumstances of the philanthropic world, which, in turn, can be conceptualised in terms of ideology, power and hegemony (Fairclough 1992, p. 86). According to Fairclough (1992, p. 87), ideologies that 'are built into…discursive practices…contribute to the production, reproduction or transformation of relations of domination'. Furthermore, he argues that ideologies embedded within discursive practices are most effective when they are naturalised and regarded as what Gramsci calls 'common sense' (p. 87). In other words, a change in discursive practices is associated with a change in what society might currently accept as common sense, and philanthropic foundations play an important leadership role in this process.

As part of a dominant group, people associated with philanthropic foundations exercise power through dominant discourses. In society, dominant discourses help to establish social norms and rules (van Dijk 2015). In turn, norms and rules become socially accepted by a broad consensus that accept them as common sense. That is, when a particular order of discourse becomes hegemonic, it 'become[s] part of the legitimizing common sense, which sustains relations of domination' (Chiapello & Fairclough 2002, p. 194). A key insight from Gramsci is that hegemony is never stable, and must be 'continually fought for afresh' through persistent activities that help to maintain it (Simon 2015, p. 35). This also implies that prevailing hegemonic social practices can be challenged, and to do so a new common sense for subordinated groups is necessary (Crehan 2016). The process of generating a new common sense is,

of course, crucial to Gramsci's idea of social transformation for dominated groups. Thus, the task of this study is to uncover the nature of, and the process involved in arriving at this new common sense.

To summarise, I shall examine elite hegemony within the philanthropic world by analysing the link between text and discursive practice, and how discursive practice shapes social practice (Jensen 2013). In practical terms this involves analysing interview transcripts, websites, annual reports and related materials in order to understand how foundations make funding decisions. In addition, similar materials from philanthropically-funded NPOs will be analysed to ascertain the nature of social relations between donors and recipients. Ultimately, it is hoped that the analysis presented in this thesis supports the idea that elite hegemony as embodied by philanthropic foundations is maintained by leadership rather than domination. By drawing on Gramsci's (1971) notions of alliances and subalternity, this study aims to elucidate how philanthropy contributes to creating a new common sense underscored by social justice principles for its beneficiaries.

Through the following scheme I hope to illuminate the operations and influence of Australian philanthropic foundations, and how donors and recipients negotiate the social relations of philanthropy. The thesis is set out as follows: Chapter One is a review of the scholarly literature on studies of philanthropy, and includes a brief history of modern philanthropic practice. Chapter Two is a discussion of the epistemology and theoretical perspective adopted in this thesis. Chapters Three and Four detail the methodology and steps taken to gather research data. Chapters Five to Eight analyse the data within a Gramscian framework.

Definitions and terminology

As this study concerns philanthropy and the non-profit sector in Australia, the following definitions and terminology will used throughout this thesis. According to Philanthropy Australia (n.d.-a), *philanthropy* is 'the planned and structured giving of time, information, goods and services, influence and voice as well as money to improve the wellbeing of humanity and the community'. Philanthropic giving is usually facilitated by organisations called *foundations* or charitable grant-making *trusts* (Meachen 2009, p. 4).

Foundations are primarily non-government, non-profit organisations. Similar to American foundations, most Australian foundations are managed by a board of trustees, have an endowment in the form of money donated to it, that is held and invested, and whose earned investment income is given away as grants for community benefit, usually through not-for-profit organisations (Grant 2012; Meachen 2009). Moreover, in order for foundations to generate income that can be given away year after year, their wealth, by necessity, needs to be conserved on a perpetual basis, and often as directed by the original deed at the time of establishment (Leat 2016). Hence, the people who manage the day-to-day operations of foundations are important intermediaries in the process of organised giving by wealthy individuals, who currently may or may not be alive or actively involved in their foundations.

Donations made by various forms of philanthropic foundations generally qualify for generous tax concessions. For instance, Prescribed Private Funds (PPFs), now called Private Ancillary Funds (PAFs), benefit from tax deductions for allocating money for philanthropic purposes (Howard 2001a). According to a Treasury discussion paper, *Improving the integrity of Prescribed Private Funds* (Commonwealth of Australia 2008, p. 1), private groups such as families, individuals and businesses can establish their own PPFs for philanthropic purposes, and enjoy tax deductibility on donations to those PPFs, provided that they make contributions only to other deductible gift recipients. Since most donors to PPFs are on the highest marginal tax rate of 45 percent, the Government 'effectively provides a subsidy of 45 cents for each dollar donated to a PPF' (Commonwealth of Australia 2008, p. 5). Furthermore, tax deductions for charitable contributions receive tax subsidies at the same rate as the donor's income tax, meaning wealthy donors are subsidised at a higher rate for their charitable tax deductions than donors from a lower income category (Hay & Muller 2014, p. 644). Therefore, the voluntary process of creating philanthropic foundations and giving to charitable purposes advantages the rich through generous tax subsidies, and effectively denies the general public of what might have been tax revenue.

A *grant* can be defined as 'a non-contractual one-way transfer of assets for a social purpose' (Grant 2012, p. 12). According to Vanessa Meachen (2009), grants are usually directed towards non-profit organisations but may also be provided for individuals in the form of scholarships for research or study. According to the Private Ancillary Funds Guidelines 2009 (The Treasury 2016, p. 6), during each financial year a PAF must give away a minimum of five percent of the market value of its net assets. Consequently, an individual or an organisation such as a foundation that gives a grant is classified as a grant-maker, funder or donor.

One constraint on the study of Australian philanthropy is that most foundations do not issue annual public reports. The only legal requirement for Australian philanthropic institutions is to provide an audited annual report to the Australian Taxation Office which is kept confidential and not made public (Australian Taxation Office 2016; Cham 2010, p. 35). Moreover, there are no public websites that list all founders and/or trustees of PAFs, and neither is there a central repository of all philanthropic grants in Australia (Australian Environmental Grantmakers Network 2009, p. 10). Evidently, the task of analysing the work of Australian philanthropic foundations, and their patterns of funding is a difficult one. Fortunately, some foundations adopt a best practice approach, and voluntarily issue annual reports that are publicly available (Anderson 2013a; Philanthropy Australia n.d.-a), and these form the basis of data collection for this project.

The following chapter reviews the extant literature in philanthropy studies. It identifies the areas that warrant further investigation, and in doing so, contextualises the aims of this study.

Chapter One:

Literature review

Brief history of modern philanthropy

Modern philanthropy is most often perceived as an American tradition. However, the tradition of philanthropy in western society began in Britain at the time of the Reformation, following which British charitable foundations flourished throughout the seventeenth and eighteenth centuries (Grant 2012, p. 22). One important aspect of the phenomenon of philanthropy is that it is largely tipped in favour of donors who attempt to shape society according to their vision of a good society. In other words, 'philanthropy always has something to do with power' (Adam 2004, pp. 4-5). As such, a philanthropic relation is typically predicated by an asymmetrical power relationship between giver and receiver.

The origins of modern philanthropy is tied to the rise of capitalism and the philosopher Max Weber's (1985) notion of the Protestant Ethic. As Peter Grant (2012) asserts, philanthropy in western society from the time of the Reformation through to the present is the product of a capitalist economic system. Moreover, the advent of the Industrial Revolution marked an important juncture in the evolution of philanthropy. Weber (1985), in his seminal work, *The Protestant Ethic and the Spirit of Capitalism*, proposes a link between ascetic Protestantism and the emergence of modern capitalism. Thus, the combination of a strong capitalist economic system and the Protestant work ethic was pivotal to the establishment of modern philanthropy.

A case in point lies in the rise of private fortunes amassed by a few people through burgeoning business empires in the late nineteenth and early twentieth centuries. At the turn of the twentieth century, John D Rockefeller (1839-1937) and Andrew Carnegie (1835-1919) acquired massive wealth through huge companies that served the new oil and steel industries respectively (Bishop & Green 2010). According to biographer Ron Chernow (1998, p. 55), Rockefeller embodied Weber's notion of the Protestant work ethic. Chernow (1998, p. 55) writes that Rockefeller approached business 'in a rational, methodical manner', and practised aspects of ascetic Christianity such as self-denial and thrift, which ultimately maximises the 'making of money by acquisition'. Carnegie, too, lived by the ethos that encompassed a cycle of working, saving and giving (Frumkin 2006). Following the acquisition of their great fortunes

Carnegie, Rockefeller and other rich industrialists created philanthropic foundations endowed with extraordinarily large sums of money. In doing so, the immensely wealthy industrialists of the early twentieth century pioneered the concept of the large philanthropic foundation as a uniquely American institution for organised giving (Dowie 2001, p. 1).

The historian Mark Dowie (2001, p. 1) claims that some wealthy Americans of the early twentieth century era created foundations as a means of avoiding taxes. However, the foundations established by Carnegie and Rockefeller were created without tax incentives, which suggests that decreasing tax liability is not the only motivation for establishing foundations (Fleishman 2009, p. 98). Nevertheless, both industrialists are often credited as the world's first major philanthropists (Bishop & Green 2010).

In his essay, *The Gospel of Wealth*, Carnegie (1889) notes that by distributing surplus wealth during their lives, rich people have the power to organise benefactions 'from which the masses of their fellows will derive lasting advantage, and thus dignify their own lives'. However, Carnegie (1889) cautions that charity should involve a self-help ethos where:

> the main consideration should be to help those who will help themselves; to provide part of the means by which those who desire to improve may do so; to give those who desire to use the aids by which they may rise; to assist, but rarely or never to do all.

Similarly, Rockefeller also believed in the powerful influence of philanthropy in society, acknowledging that the wealthy are in a position to improve the well-being of the public (Frumkin 2006).

In addition, American philanthropy in the twentieth century was also characterised by social themes with the goal of creating change. According to Dowie (2001, p. 2) this goal evolved through foundations' involvement in the advancement of formal knowledge, contribution to the formulation of public policy, and promotion of their own ideas of social justice. Therefore, American philanthropy, at least as envisaged by Carnegie, Rockefeller and subsequent philanthropists, is primarily concerned with human welfare, and a commitment for the public good.

Philanthropy versus charity

At this juncture, it is pertinent to consider two concepts of giving, namely charity and philanthropy. Charity is the unconditional transfer of help or money to the disadvantaged, and is based on the presumption that no one should live in misery, and those who are able to help have an obligation to do so (Frumkin 2006, p. 5). Furthermore, the concept of charity is the original model upon which philanthropic foundations are based, and has achieved much good for society over the centuries (Anheier & Leat 2006; Frumkin 2006).

However, in modern times the idea of charity has been subject to much criticism. Some critics of charity claim that it reinforces the hierarchy between the rich and the poor, and has limited impact (Anheier & Leat 2006). Others assert that charity focuses only on the temporary alleviation of the symptoms of poverty and other social problems, and not their root causes (Frumkin 2006). Crucially, the idea behind the progenitors of modern philanthropy is one that is contrary to charity in that it embraces a self-help ethos (Carnegie 1889), and seeks to find solutions to the root causes of social problems. The modern concept of philanthropy as espoused by Carnegie and Rockefeller is a significant shift in the concept of giving. Importantly, for Carnegie, Rockefeller, and other major industrialists of their era 'American philanthropy would be a capitalist venture in social betterment' with long-lasting results (Zunz 2012, p. 2).

Despite the apparent emphasis by early philanthropic foundations on philanthropy over charity, the difference between philanthropy and charity is not clear cut. Paul Brest and Hal Harvey (2008, p. 189) caution against using 'the facile distinction between 'charity' and 'philanthropy'', when the real focus should be on social impact. For instance, if a philanthropist wants to alleviate the suffering of homeless people, a gift of charity directed to a homeless shelter is likely to produce an immediate ameliorative impact. In contrast, a grant to a NPO with a mission to eliminate the root causes of homelessness, while still considered a philanthropic gift, may not lead to a timely solution for homeless people.

Despite their caution of over-emphasising the charity/philanthropy distinction, Brest and Harvey (2008, p. 189) concede that philanthropic strategies aimed at structural change often have the potential for more lasting effects on society. That said, past research shows that grant-making by American foundations dedicated to progressive reform through social justice or social change initiatives, is only a small percentage of total philanthropic giving (Faber & McCarthy 2005b; Ostrander 2005; Suarez 2012). Only 11 percent of all US foundation grants in 2009 were directed towards social justice causes through NPOs working for structural change in areas such as environmental justice, human rights, and community development (Foundation Center 2011). Between 2004 and 2012, a mere nine percent of grant dollars from American family foundations were allocated towards social justice efforts such as democratic participation for people of all classes, ethnicities and genders, grassroots organising for economic justice, and funding for the arts that create social change (Jagpal & Schlegel 2015, p. 4).

In Australia, many foundations have been created by successful people from business and other fields. For example, the Sidney Myer Fund and The Myer Foundation (The Myer Foundation 2017), the Minderoo Foundation (n.d.), and the Reichstein Foundation (n.d.) were established by the families of wealthy business identities Sidney Myer, Andrew and Nicola Forrest, and Lance Reichstein respectively. However, not much is known about the patterns of grant-making from all types of Australian foundations, least of all the proportion of grants allocated to social justice efforts with the potential or intention to affect social change. Therefore, it is pertinent to conduct an inquiry into Australian philanthropy to investigate where philanthropic grants are directed, what role and influence foundations have, and whether their funding practices and priorities can make an impact on how society addresses issues of injustice and inequality. This is the main focus of the present study.

Philanthropy in Australia

In contrast to the USA and United Kingdom, Australia does not have a robust culture of philanthropy in terms of grant dollars. According to Kym Madden and Wendy Scaife (2010, p. 1194) while Australian philanthropic foundations have existed since 1881, historically, their numbers and contributions to

society could only be estimated due to the absence of a consistent reporting system. This situation changed in 2012 with the establishment of the Australian Charities and Not-for-profits Commission (ACNC) as the national charity regulator (Commonwealth of Australia 2018). Using ACNC data, Natasha Cortis et al. (2018, p. 57) report that in 2016 there were 6,644 philanthropic structures comprising private ancillary funds (PAFs), public ancillary funds (PuAFs), and trusts. Together, structured philanthropy gave $1.38 billion in grants to Australian causes. By contrast, the Foundation Center in the USA, now known as Candid (2020), has maintained a comprehensive philanthropic database since 1956. According to Candid, in 2015, a total of 83,735 American grant-making foundations gave $57.3 billion. Hence, to put it in perspective, philanthropic giving data for 2015/16 translate to an average of $208,007 in annual grants per Australian foundation, compared to $684,182 per American foundation.

Madden and Scaife (2008, p. 27) note that the USA, with its strong history of philanthropy, is the world leader in philanthropy compared to countries such as Australia, Canada, and Western European countries. As such, wealthy Australians have increasingly adopted the practice of establishing philanthropic foundations similar in structure to American private foundations. However, the proliferation of Australian foundations is a relatively new phenomenon. In fact, this did not come about until 1999 when the Australian government legislated tax exemptions and deductions as incentives to encourage the development of private philanthropy (Crimm 2002, p. 753). To this end, in 2001, the Howard Government introduced a new form of charitable trust called Prescribed Private Funds (PPFs), similar in structure to American philanthropic foundations (Howard 2001a). In sum, the Howard Government was instrumental in actively promoting private philanthropy in the twenty-first century. As then Prime Minister John Howard (2001a, p. 1) declared, ‘by creating opportunities for private philanthropy, the Government is building up social coalition, in which government, business, community organisations and individuals work together on social issues’.

While Australian philanthropy is modest in scale, economic indicators suggest that there is further potential for philanthropic giving among very wealthy Australians. As Myles McGregor-Lowndes and Marie Critall (2014, p. 3) point out, the Australian economy was the fastest growing advanced economy in the world in 2011, and until 2014, has had 21 years of consistent economic growth. Furthermore, the emergence of very large scale giving in recent years has brought discussions of philanthropy into the public domain. Notable examples include Andrew and Nicola Forrest's donation of $400 million in 2017 towards causes such as higher education, cancer research and ending modern slavery (Dorsett & Hayne 2017). Another example is Graham and Louise Tuckwell's gift of $20 million dollars in 2015/16 to the Australian National University as part of a $100 million multi-year donation to support high-achieving students (Hyland 2017).

Australian philanthropy differs from that of countries such as the USA or the United Kingdom. Variations exist due to factors such as differences in tax and social welfare regimes, and prescribed philanthropic structures (Meachen 2010b). While there are differences, similarities exist too, such as the public perception of philanthropic foundations as wealthy institutions that give away large amounts of money for society's benefit (Anheier & Leat 2006). Additionally, trends in philanthropy, particularly from the USA with its more highly developed philanthropic giving and research landscape can be useful in predicting future directions in Australian philanthropy (Anderson 2013a). As such, the transfer of ideas arising from American philanthropic research informs much of the knowledge base for this research project.

Philanthropy as a social relation

From a sociological perspective it is pertinent to conceptualise philanthropy as a social relation because it is a process involving donors and receivers. To this end, Susan Ostrander and Paul Schervish (1990) put forth a social relations theory of philanthropy that challenges the traditional view in which studies in philanthropy are focused only on the donor. For Ostrander and Schervish, a donor-focused approach highlights the power asymmetry between donors and recipients because donors control the supply of funds, and tend to have more active choice than recipients. Moreover, a donor-focused approach

obscures the ways in which grant recipients' knowledge of social issues help to determine social requirements. Instead, Ostrander and Schervish contend that the modes of interaction between donors and recipients exist on a continuum ranging from being purely donor-led to solely based on recipients' needs. Thus, by conceptualising philanthropy as a social relation, Ostrander and Schervish (1990, p. 68) assert that philanthropic practice is improved by creating a 'philanthropy that is more responsive to social need'.

Social problems and scientific philanthropy

An important legacy of the large American foundations pioneered by Andrew Carnegie and John D Rockefeller is the underlying idea that philanthropy can be utilised to solve social problems. Indeed, wealthy American industrialists of the early twentieth century were instrumental in creating the general-purpose foundation that funded initiatives such as higher education, and research in medicine and science (Zunz 2012). According to Matthew Bishop and Michael Green (2010), Carnegie acknowledged that social inequality was an inevitable consequence of rapid economic growth which benefitted all of society, but where the rich benefitted more than the rest of the populace. At the same time, Carnegie believed that social problems that arose from the rapid creation of wealth could be solved through philanthropy based on the idea of providing the needy with 'a hand up not a handout' (Bishop & Green 2010, pp. 14-15). In fact, both Carnegie and Rockefeller embraced this self-help ethos, and used it as the rationale for institutionalising charitable giving through foundations that do not help people directly, but that attempt to address the root causes of social problems through what became known as scientific philanthropy (Bishop & Green 2010; Frumkin 2006; Grant 2012; Howe 1980).

According to Barbara Howe (1980), scientific philanthropy refers to the planned, rational and systematic organisation rather than the haphazard manner of giving that preceded the establishment of the Carnegie and Rockefeller foundations. It also contrasts sharply with the ameliorative approach of alleviating the symptoms of poverty commonly practised by earlier philanthropists (Frumkin 2006). That

is, instead of alleviating poverty through almsgiving, scientific philanthropy focuses on trying to prevent poverty by funding research and constructive projects using rational means.

As Oliver Zunz (2012, p. 1) writes, Carnegie's approach to philanthropy proceeded along 'the same intelligent managerial principles' upon which his massive wealth was built. Similarly, according to Chernow (1998, p. 314), Rockefeller declared that by directing his philanthropy to 'remove the causes which lead to the existence of beggars' instead of giving alms, the outcome will be more worthwhile as more people in need will benefit. In sum, scientific philanthropy in early twentieth century America not only embodies the belief that social problems can be solved through a rational and scientific approach, it justifies the creation of the philanthropic foundation as a vehicle for large-scale giving (Howe 1980). Importantly, the notion of scientific philanthropy remains the basis of grant-making for most contemporary foundations in the USA and beyond (Grant 2012).

However, in reality, the grant-making process is seldom formulaic. New Zealand researchers Hedy Huang and Keith Hooper (2011) note that some philanthropic funders are more likely to adopt a creative approach in their grant-making. Huang and Hooper observe that many funding decisions are based on decision-makers' instincts for a proposed project, and the character of grant applicants, rather than the results of a more scientifically-based financial analysis. Interestingly, Huang and Hooper conclude by advocating that when making grant-making decisions, philanthropic organisations should place more focus on financial analysis 'while preserving the flexibility of a creative approach' (p. 443). This implies that philanthropic grant-making decisions are seldom only about financial figures, and are instead dependent on a mix of rationality and human factors. Thus, in keeping with Ostrander and Schervish's (1990) social relations theory of philanthropy, an inquiry into how philanthropy effects the people who are meant to be helped must involve the perspectives of both grantor and grantee. This is the intended approach of this thesis.

Philanthrocapitalism

In the past decade a new term to describe major philanthropy has gained currency. The term *philanthrocapitalism* which describes the phenomenon of very large-scale philanthropy first appeared in *The Economist* newspaper in 2006 (*Economist* 2006). Since then, philanthrocapitalism has become a popular descriptor of large-scale global philanthropy attributed to fortunes amassed by entrepreneurs such as Bill Gates, the founder of Microsoft. According to Linsey McGoey (2014, p. 112), by 2014, Gates' foundation had distributed over $15.3 billion to global health programs. Moreover, philanthrocapitalism is often associated with the role that individuals from the private sector play in addressing some of the world's most complex and challenging social and environmental problems (Bishop & Green 2015, p. 541). Thus, apart from suggesting that philanthropy is not constrained by international borders, the idea behind philanthrocapitalism is not new. The concept of applying the rational methods of business to organising philanthropy originated with Carnegie and Rockefeller at the turn of the twentieth century (McGoey 2014, p. 111).

Yet, despite appearing similar to the prototypical philanthropic conceptions of a century ago, some writers are critical of philanthrocapitalism's potentially negative effect on civil society, NPOs, and public policy-making (Jenkins, GW 2011; McGoey 2012; Rogers 2011). Garry Jenkins (2011, p. 3) writes that some billionaires look to enhance their public giving by applying techniques borrowed from the profit-focused business world. Jenkins (2011) argues that an over-emphasis on measurement metrics in evaluating the effectiveness of philanthropically-funded projects may be detrimental to recipient NPOs. As philanthropy is increasingly focused on creating social impact, some foundations may view its measurement as being similar to that of profits, when in reality social outcomes are extremely complex and difficult to measure (Jenkins, GW 2011, p. 36). Moreover, metrics may be used by philanthropic foundations to discipline NPOs if the foundations' objectives are not met (Jenkins, GW 2011, p. 38). Thus, an over-reliance of measurement metrics can potentially result in a directive and controlling philanthropic relationship, and limit innovation in solving social problems.

Some scholars write that the ideas that underscore philanthrocapitalism influences both donors and recipients. For instance, in examining the role of philanthropy in supporting biodiversity conservation, George Holmes (2012) makes two key observations. First, he notes that philanthropy and capitalism are inherently connected in financial terms, and through mutually produced discourses. Holmes claims that philanthropic funding favours biodiversity conservation over more complicated issues such as environmental justice because the former is seen as more 'friendly to capitalism' (p. 189). Second, some conservation organisations have adopted dominant capitalist strategies independent of philanthropic influence, based on the perception that this is 'the best way to get things done' (Holmes 2012, p. 188). This cements the preservation of capitalist methods and logics. Thus, in some instances, philanthropy's choice of causes to fund, and recipient organisations' adoption of capitalist strategies helps to legitimise capitalism, and ensure its propagation and continuity.

Yet, philanthrocapitalism is not inherently a negative phenomenon, and does not automatically result in a power asymmetry that favours donors. What is potentially problematic about philanthrocapitalism is the novel conception that only individual entrepreneurial philanthrocapitalists 'have the best tools to solve persistent social problems' rather than traditional funders such as governments (McGoey 2014, p. 121). Supporters of philanthrocapitalism seem to valorise the social problem-solving nous of rich entrepreneurs while minimising that of governments and their agencies. Also implicit in the valorisation of philanthrocapitalism is, of course, that of capitalism itself. In other words, the belief that wealthy entrepreneurs are superior social problem-solvers perpetuates the hegemony of capitalism.

Currently, little is known about how techniques associated with philanthrocapitalism influence the social relations of Australian philanthropy. There is little research into how philanthropy complements government funding or otherwise in tackling social problems. The current corpus of philanthropy studies literature and overseas trends suggest that a sociological inquiry such as this study is appropriate for investigating the techniques used by local foundations, and the processes they impose on non-profit grant applicants. Thus, an analysis of the influence of philanthrocapitalist ideas could show how a

systematic approach to philanthropy affects the benchmark on what is seen as effective philanthropy (Frumkin 2006; Jenkins, GW 2011).

Professionalisation

One consequence of a more organised and systematic philanthropy is the professionalisation of foundations. Professionalisation in this instance refers to how foundations operate, how they are managed, and how they select what causes to fund. Peter Frumkin (2006, p. 90) notes that the evolution of public giving from charity to large-scale organised philanthropy has seen the responsibility for grant-making being transferred from donor to trustees, and eventually to professionals. Dowie (2001, p. xxi) describes the group of professional foundation officers who run American foundations that proliferated throughout the twentieth century as a 'philanthocracy'. Once again, like philanthrocapitalism, the idea behind contemporary professionally staffed foundations is not new. It dates back to 1922 when a relatively unknown American businessman named Beardsley Ruml was appointed Director of the Laura Spelman Rockefeller Memorial foundation (The Rockefeller Archive Center n.d.). As Director, Ruml helped to legitimise social scientific research by promoting practical applications of that research to address social problems of the era. More importantly, the trend toward professionalisation of philanthropy continues to the present day, and includes large and small foundations in Australia.

Professionalisation is also a means for philanthropy to assert its legitimacy. According to Frumkin (2006, p. 87) professional staff manage the process of grant-making, evaluate potential grantees, and act as a buffer between the foundation board or trustees and the public. Hence, by having professional staff, a foundation demonstrates that it takes philanthropy seriously by adopting rational methods of giving. In doing so, foundations legitimise their grant-making decisions from the perspective of the public and the non-profit sector.

Currently little is known of the rational methods underpinning the giving decisions made by Australian foundations. Nevertheless, through professionalisation, foundations set the standard on how they want

to be perceived by grant applicants. In turn, this influences the way in which grantor and grantee mutually engage, and this informs the research design of the present study.

Philanthropic foundations and neoliberalism

Some scholars believe that foundations occupy a unique niche in society by their potential to contribute to solving some of society's entrenched problems. According to Helmut Anheier and Diana Leat (2006, p. 27), foundations fulfil the role of funder, innovator or policy champion. Foundations are suitably qualified for these roles since their substantial resources can be used to address social problems without being concerned by market and political constraints, or public considerations (Sandfort 2008). Indeed, Gina Anderson (2013b) concurs with this view, asserting that since philanthropic money is not constrained by the demands of the ballot box and shareholders, it can be used to fund innovative, and even unpopular initiatives to benefit society.

Philanthropy's role as an agent of change comes into sharper relief in the context of neoliberal social and economic policies such as those adopted by governments in the USA and Australia. According to David Harvey (2005, p. 11) neoliberalism is:

> a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.

More critically, Mary-Beth Raddon (2008, p. 28) asserts that neoliberalism may be understood as a hegemonic project, having become dominant through political-economic practices that result in the diminished protective functions of the welfare state. Importantly for the social sector, the neoliberal policy imperative to reduce and control social expenditure typically results in the shift of many public services to private welfare agencies (Faber & McCarthy 2005b; Jamrozik 2009). In Australia, the 'shrinking of the state' has been described by Kerry O'Halloran, Myles McGregor-Lowndes and Karla Simon (2008, p. 229) as a consequence of a program of economic reform implemented by the Australian government since 1996. It is exemplified by the privatisation of state-owned businesses,

partial deregulation of the labour market, and reform of social welfare policy. The neoliberal policies characterised by decreased social expenditure and size of government have created a need for alternative sources of funding, experience, and influence in order to solve society's issues.

However, the assumption that alternative sources of social welfare funding such as philanthropy can fulfil the roles previously performed by the welfare state may be overly simplistic, and have problematic ramifications for society. Raddon (2008, p. 39 & 43) states that while 'predictions of the growth of philanthropy provide a rationale for…public sector downsizing', philanthropic social services do not cost less for the state particularly in light of generous tax subsidies for giving, but instead are less democratically accountable than state services. Moreover, Daniel Faber and Deborah McCarthy (2005b, p. 8) contend that the retreat of the welfare state exposes the social sector to the workings and economic requirements of corporate capital. This implies that through philanthropy, the business class is increasingly able to assert its power in their dealings with the social sector, and the wider non-profit arena that traditionally benefit from philanthropic grants.

Nevertheless, governments such as those of the USA and Australia have consistently promoted the benefits of a smaller public sector through various means. According to Angela Eikenberry (2006, p. 586), from the early 1980s American Presidents Reagan and Bush encouraged greater philanthropy among Americans, while linking increased philanthropy directly with the need to shrink 'big' government. Similarly, in Australia, neoliberal social policy has manifested itself in notions such as social partnerships between businesses, communities and government (Yeend 2000). The former Prime Minister John Howard (2001b) asserted that central to his government's approach to welfare reform was a set of values such as increasing self-reliance, and the ability to make individual choices. However, in order to advance these values Prime Minister Howard conceded that his government needed the support of the social coalition comprising businesses, governments, and community organisations that collaborate to address society's issues and challenges. Interestingly, in a similar move to that of former American Presidents Reagan and Bush, Prime Minister Howard (2001a) announced in March 2001,

new tax initiatives to promote philanthropy in an effort to build his government's social coalition. Thus, by specifically identifying private philanthropy as a key component of the social coalition and by extension, of welfare reform, philanthropy in Australia has been 'incorporated into the neoliberal project' (Raddon 2008, p. 28).

Evidently, philanthropy has a role to play within the context of neoliberal social and economic policies. However, what is unclear is whether philanthropy that fills the gap attributed to the diminished welfare state is complementary or supplementary to government funding, and how that reconciles with the overall mission of foundations. This suggests that a closer examination of foundation funding strategies and processes, and a further discussion of state abrogation of welfare in relation to philanthropy is warranted.

Role of modern foundations

The role of philanthropic foundations in Australia is not widely understood. On the one hand, there is ample evidence of the significant contributions of foundations in Australian society and abroad (Anheier & Leat 2006; Bishop & Green 2010; Fleishman 2009; Korten 2009; Lagemann 1999). For example, in the late 1960s, the Robert Wood Johnson Foundation financed the 911 emergency response system in the USA (Fleishman 2009, p. 61); the Joseph Rowntree Foundation is a major provider of social housing in the United Kingdom (Unwin 2014); and the Ian Potter Foundation (2017) has funded medical research in Australia with grants totalling $54 million since its inception in 1964. On the other hand, it is unclear how philanthropic giving strategies address social problems, and the needs of the non-profit sector in general.

Yet, several scholars note that philanthropy can contribute to the long-term solution of major social issues. This is because all philanthropic foundations have a dominant ideology which shapes what is known as the foundation's theory of change (Frumkin 2006; Grant 2012; Leat 2005; Orosz 2000). The theory of change concerns the type and intensity of intervention needed to change a social condition, and applies equally to grant-makers who strongly believe in maintaining the status quo, and to those

who wish to achieve a more positive and permanent social change (Grant 2012; Orosz 2000). This implies that for philanthropy to have a role in solving social problems, and to be considered an agent of social change, it needs to focus on *how* its substantial economic resources are utilised, rather than just *what* resources are allocated to social and environmental causes (Bishop & Green 2010).

In practical terms the roles that foundations play might manifest as being promoters of social change, pluralism, and innovation in areas such as social welfare, health, science and the environment (Anheier & Leat 2006). Foundations might also promote and fund good new ideas as opposed to funding projects using tried and tested approaches (Orosz 2000). In addition, foundations have been shown to indirectly influence public policy. For instance, by analysing the grant-making pattern of the Carnegie Corporation throughout the twentieth century Ellen Condliffe Lagemann (1992, p. 3) asserts that Carnegie philanthropy has been crucial in shaping 'the politics of knowledge' by creating organisations such as the American Law Institute and National Research Council. These entities, in turn, influenced public policy in law and science. Lagemann (1987, p. 220) elaborates that while Carnegie Corporation has not directly influenced the substance of public policy-making, their work has been central in determining which social groups and intellectual resources have been influential in determining the issues that policy-makers are likely to address. Hence, in doing so, Carnegie philanthropy demonstrates elite influence in delineating what fields of knowledge are considered important, effectively setting an agenda for knowledge production and dissemination in a democratic society.

More recently, an inter-disciplinary cohort of academics examines the practice of philanthropy in democratic societies, not just as an act of beneficence but as a form of power (Reich, Cordelli & Bernholz 2016). For example, sociologists Aaron Horvath and Walter Powell (2016, p. 90) analyse a phenomenon they refer to as 'disruptive philanthropy'. At its core, disruptive philanthropic actions are foisted on society without public consultation. For Horvath and Powell, disruptive philanthropy ultimately changes 'the public conversation about which social issues matter, sets an agenda for how they matter,

and specifies who is the preferred provider of services to address these issues' (p. 90). Thus, disruptive philanthropic practices have a potentially corrosive effect on democracy.

In contrast, Rob Reich (2016a) defends institutional philanthropy by demonstrating that despite having anti-democratic characteristics such as a lack of accountability and transparency, philanthropic foundations can positively contribute to democracy. For Reich, philanthropy plays a positive role as a source of risk capital to promote pluralism in society, and as a discovery mechanism for social policy experimentation. In sum, scholars have a multitude of perspectives on the appropriate role of philanthropic foundations in society.

Yet, despite the diversity of perspectives many scholars agree that foundation influence has its limits particularly in attaining social change. This is particularly so in philanthropic efforts to address complex social problems such as Australian Indigenous disadvantage (Smyllie, Scaife & McDonald 2011), because foundations' financial resources are significantly dwarfed by government expenditure (Anheier & Leat 2006). Moreover, as Anheier and Leat (2006) observe, social change tends to be a contested and negotiated political process that occurs slowly in incremental steps, and over the long-term. Furthermore, the USA-based philanthropic sector watchdog, the National Committee for Responsive Philanthropy (2005) concedes that it is difficult to determine how or if foundation grants result in lasting social change for disadvantaged populations. As Kenneth Prewitt (2006, p. 372) argues, foundations do not cause social change, but instead, may accelerate change that is already in motion, institutionalise and professionalise positive change, and create public awareness of that change. Nevertheless, philanthropy's potential role in the process of social change suggests that it is an important site for sociological research in Australia.

Philanthropy for social change

Grant-making for progressive social reform has been a small but important part of the American philanthropic landscape since the 1970s, and is now commonly referred to as social justice or social change philanthropy (Faber & McCarthy 2005b; Silver 1997; Suarez 2012). One important perspective

of social justice philanthropy is in the way it contrasts with traditional philanthropy. Some scholars claim that traditional philanthropy does not have goals and strategies that are sufficiently specific (Brest & Harvey 2008), and typically describes the provision of social services (Eisenberg 2002). As Pablo Eisenberg (2002) argues, the provision of services alone will not resolve deep seated social problems such as environmental degradation, and poverty. Instead, Eisenberg emphasises that foundations need to support NPOs to also engage in activities such as legal action, research, public policy, and advocacy on behalf of disadvantaged communities. Hence, social justice philanthropy is a crucial aspect of foundations that aim to play a role in creating awareness of and accelerating social change, and not unlike the prototypical Carnegie and Rockefeller foundations, aim to tackle the root causes of social problems in order to create long-term social benefits (Prewitt 2006).

Yet, social justice or social change philanthropy does not conform to a single definition. For example, for Niki Jagpal and Ryan Schlegel (2015, p. 1) social justice philanthropy is:

> the granting of philanthropic contributions to non-profit organizations based in the United States and other countries that work for structural change in order to increase the opportunity of those who are the least well off politically, economically and socially.

Alternatively, Ostrander (2005, p. 33) defines 'social justice funding as philanthropic support for advancing social change, that is, the redistribution of power and resources (economic, social, cultural, and/or political) in a more egalitarian direction'. Evidently, philanthropy for social change is underscored not only by the concept of justice but a need to change societal institutions so as not to reproduce the very problems that traditional charity attempts to relieve (National Committee for Responsive Philanthropy 2005). In other words, social justice philanthropy incorporates goals relating to structural change, and utilises tactics involving advocacy, civic engagement and community organising to achieve the specified goals (Jagpal & Laskowski 2013).

However, writers such as Leat (2009) note that social change grant-making has not had much support within the philanthropic world. She suggests that this may be due to the lack of clarity in the definitions

of social justice philanthropy, and the methods involved in grant-making. This suggests that for social change philanthropy to be more widely adopted, foundations need to actively communicate how they can be social problem solvers and act as 'knowledge entrepreneurs who can inform the pursuit of change' for the benefit of disadvantaged communities (Leat 2009, p. 81).

Philanthropy and social movements

Progressive social change is often linked to philanthropic funding for the advancement of social movements. According to John McCarthy and Mayer Zald's (1977) resource mobilisation theory, support in the form of facilities, money and labour from elite organisations such as foundations is crucial for the success of social movements. One example is the Ford Foundation's extensive support in sustaining the American women's rights movement in the 1970s (Brest & Harvey 2008). The Ford Foundation gave general operating support grants to many organisations concerned with women's equal participation in employment, education, and political life. Consequently, through research and litigation initiatives these organisations successfully influenced policies and practices that uphold women's rights (Brest & Harvey 2008, p. 233).

In contrast to McCarthy and Zald's (1977) theory of elite patronage, John Wilson's (1983) social control theory conceptualises elite organisations such as foundations as arbiters of what social issues warrant public attention. In fact, some foundations establish a social agenda by creating social movements. One example is the Walk Free Foundation (WFF) established by Australian mining billionaire Andrew Forrest in 2012. Its vision is to end modern slavery 'by building a global movement of over eight million community activists' (Minderoo Foundation 2016, p. 6). While the WFF initiative illustrates how philanthrocapitalists like Forrest can take risks and be innovative without being accountable to any supervisory authority, scholars such as Janie Chuang (2015) caution that such initiatives may yield harmful effects. For instance, Chuang (2015) criticises WFF's efforts as legitimising the status quo by simplistically portraying slavery as a localised problem of poor countries failing to protect their people from slavery. This ignores the interdependence of modern slavery in the form of forced labour between

the developing and developed world. Chuang's criticism is not aimed at WFF goals themselves, rather that such a philanthropically constructed movement needs to consider the wider context in which it operates. Therefore, by not considering the complexity of problems a social movement is trying to change, philanthropic funders may find that the impact of the movement will be muted or slow in achieving its stated mission.

Faber and McCarthy (2005a) contend that foundations have the potential to co-opt the political agenda of grantee organisations, and moderate the goals of movements with more radical agendas. They assert that 'foundations, as the embodiments of wealth and privilege…either avoid funding organizations that might threaten the established power structure or actively support moderate organizations as a way of mollifying public dissent' (Faber & McCarthy 2005a, p. 177). Several studies of foundation funding for social movements suggest that foundations indirectly control movement activities by subtly steering social movements into specific forms of action and discourses. For instance, Tim Bartley's (2007, p. 229) study elucidates foundations' influence in shaping environmental movements by essentially creating 'a moderate, market-based alternative to disruptive environmental boycotts'. This scheme, called forest certification involves distributing philanthropic grants to an array of social movement organisations including protest groups. Therefore, by contributing to the process of forest certification as a type of governance, foundations play an important role in channelling environmental protest in subtle ways (Bartley 2007). In sum, the impact of social movement philanthropy appears to be mixed. While some movements like environmental groups are steered into more moderate forms of action, others like the women's rights movement effected change at a quicker pace. This suggests that underlying social movement philanthropy is a desire for foundations to fund causes that they consider to be non-threatening to the interests of capitalism.

Critical studies in philanthropy

As American foundations thrived during the first half of the twentieth century, criticisms against foundations began to emerge amid public concern over the perception of power and influence wielded

by the extreme concentrations of business and industry-derived wealth. According to Eleanor Brilliant (2000, p. 4), philanthropy has been connected with negative constructions of capitalism, and the ruthless tactics of industrialist 'robber barons'. Moreover, the political clout granted to foundations by virtue of their control over vast economic power, and their establishment as undemocratic institutions added to the public angst (Faber & McCarthy 2005b). To this end, the Commission on Private Philanthropy and Public Needs, also known as the Filer Commission was created in 1973 by the US Congress in order to investigate issues surrounding equity, and foundation accountability and abuses (Filer 1975).

Following the publication of the Filer Commission report, the major American foundations began to open up their archives for public oversight, and critical studies of foundations became more prevalent (Karl & Katz 1987). However, while the Filer Commission report (Filer 1975, p. 67) concludes that the role of philanthropy is 'to empower the powerless of American society', research demonstrates otherwise. One example is Teresa Odendahl's (1989) qualitative study based on 140 interviews with elite American philanthropists, and set amidst the Reagan administration's neoliberal social and economic policies in the 1980s. Odendahl (1989, p. 242) observes that elite philanthropists typically give to a wide range of causes and NPOs. However, their philanthropy is directed more towards NPOs that are supported by wealthy elites such as opera and ballet companies, private hospitals, and Ivy League universities. Less philanthropic dollars go towards non-profits providing welfare services. In addition, philanthropic grants provide non-profits with crucial leverage with which to obtain or increase government funding as in the case of Ivy League universities that receive funding from both government, and large philanthropic grants. In other words, private philanthropy in an era of diminished state funding for welfare services, benefits institutions that cater to the interests of the wealthy rather than organisations that assist the poor with basic human services. Odendahl (1989, p. 246) concludes that philanthropy does not compensate for decreased state welfare funding, and that elite philanthropy in an era of decreased

government funding severely disadvantages the poor instead of empowering them as articulated by the Filer Commission report (Filer 1975).

Odendahl's (1989) findings are not surprising since foundations are institutionalised agencies of the capitalist class, and their donations will typically be delineated by their class interests as shown by their priorities in the preservation of capitalist institutions (Jenkins, JC & Eckert 1986). What is surprising is philanthropy's apparent ineffectiveness in addressing social problems. According to Faber and McCarthy (2005b, p. 4) in the decade from 1992 to 2002 American foundations distributed grants worth more than $205 billion. However, despite the enormous economic clout of the philanthropic community, foundations appear unable to address the growing number of social problems resulting from increased social and economic inequality (Faber & McCarthy 2005b). In fact, in conceptualising the phenomenon of extreme wealth, and social and economic inequality in the USA as a paradox Dowie (2001, p. 191) questions, 'why…[does] the society with the largest philanthropic sector in the world…have some of the most intractable social problems in the developed world?...And why is there so much injustice?'

While Dowie's observations are valid, they are perhaps just as we might expect them to be. After all, philanthropy exists because of capitalism in the context of extensive economic freedoms enabled by neoliberal policies. At the same time, a diminished welfare state struggles to address complex social problems. In this sense, philanthropy created by vast private resources is the logical consequence of extensive economic freedoms, and in some cases may be the only remedy for social problems. This suggests that a critical approach is warranted in examining philanthropy in an attempt to reconcile wealth inequality and finding solutions to social problems. In fact, viewed through a critical lens, a possible solution to the contradiction between significant philanthropic assets and persistent social problems might lie in the reinvention of foundations' grant-making methods and strategies (Faber & McCarthy 2005b).

Currently, little is known of patterns of foundation funding, foundation priorities, and the effect of foundation funding on social issues within the Australian philanthropic landscape. One exception is Kym

Madden's (2006) qualitative research which suggests a wide variation in the giving patterns of approximately 64 affluent Australians. Madden's key findings are that the people who give the most are the ones who have developed a passion for particular causes, and are highly engaged with the organisations that work towards those causes. In contrast, people who give the least appear to lack an understanding of why social problems such as homelessness exist (Madden 2006, p. 467). Madden attributes their lack of engagement with social justice issues to their insularity from the negative realities of social life. In other words, a lower level of philanthropic giving may be linked to a wealthy person's sense of identity, specifically their class affiliation. Evidently, Madden's (2006) study implies that elite philanthropy is not a homogeneous phenomenon, and thus, complicates the picture of the types of causes that are likely to or not benefit from philanthropy.

There is historically a dearth of critical research on Australian philanthropy. However, more recent research sheds light on how philanthropic identity is constructed in the media to convey and reinforce a normative notion of philanthropy. In one study Helena Liu and Christopher Baker (2016a) use critical discourse analysis to examine how the media constructs Australian philanthropists as ethical leaders. They find that Australian philanthropists are portrayed in the media through three paradoxical identities namely 'cultured and refined yet identifiable with the 'average' working class; influential and interventionalist yet entirely concerned with the social good; and illustrious and renowned yet humbly evading the limelight' (Liu & Baker 2016a, p. 273). Liu and Baker's (2016a, p. 274) findings suggest that by constructing Australian philanthropic leadership as ethical, the media perpetuates the notion of philanthropists as leaders who are competent and capable of solving social problems by virtue of their wealth. In doing so, the inequality inherent to philanthropic relations is obfuscated. Thus, the paradoxical identities of Australian philanthropists articulated in media constructions serve to simultaneously reinforce, and obscure economic and social inequality.

In further research, Liu and Baker (2016b) once again use discourse analysis to critically analyse media constructions of leadership by twelve prominent Australian philanthropists in terms of their ethnicity.

They claim that philanthropists are often constructed as heroic white leaders capable of mastering all environments, speaking for everyone in society, and sacrificing themselves for the greater good, thus, legitimising their leadership of other social groups. For example, Liu and Baker (2016b, pp. 431-432) point out that philanthropic leaders are often portrayed by the media as saviours of Indigenous Australians. That is, the responsibility for helping Indigenous Australians is framed as a heroic duty of non-Indigenous Australians as the only people capable of fixing up the social problems Indigenous communities face. Therefore, by framing philanthropists as heroic white leaders, prevailing media discourses on philanthropic leadership play a 'powerful role…in preserving white power and privilege' Liu and Baker (2016b, p. 439).

Liu and Baker's (2016a, 2016b) scholarly insights are undoubtedly invaluable for studies in Australian philanthropy. However, they do not explore the perspectives of people who receive philanthropic grants such as people who experience poverty. In 2016 the Australian Government commissioned the *Giving Australia 2016* series of research reports to provide up-to-date information on trends and attitudes in national giving and volunteering including philanthropy (Prime Minister's Community Business Partnership 2017). According to the *Giving Australia 2016* report, the philanthropy of wealthy Australians is becoming more important in light of 'an increasingly disproportionate share of assets…accruing to the relative few' (Baker et al. 2017, p. xv). Moreover, the major areas to which Australian philanthropists direct their grant-making are social services (63.7%), education and research (62.7%), and health (52.9%) (Baker et al. 2017, p. xix). Importantly, these findings suggest that the juxtaposition of inequality and extreme wealth is also a reality in Australia. While the *Giving Australia 2016* report provides current information about Australian philanthropy, it does not delve into how recipient organisations and communities are affected by the private prioritisation of philanthropic grants. Thus, the present research project aims to address this knowledge gap by focusing on what impact private philanthropic funds have on the public good particularly in addressing social problems in Australia.

Criticisms of philanthropy: ideology and hegemony

One variant of critical studies in philanthropy involves criticisms of philanthropic foundations themselves. Studies like those in Robert Arnove's (1980a) edited compendium and other work (Roelofs 2003, 2005), while relatively rare, are characterised by a seemingly one-sided critique of large foundations. For instance, Arnove's (1980a) edited collection of studies, *Philanthropy and Cultural Imperialism*, critically analyses the socio-political consequences of powerful American foundations. Arnove (1980a, p. 1) is particularly strident in criticising large:

> foundations like Carnegie, Rockefeller, and Ford…[for having] a corrosive influence on a democratic society…[and representing] relatively unregulated and unaccountable concentrations of power and wealth which…in effect, establish an agenda of what merits society's attention. They serve as 'cooling out' agencies, delaying and preventing more radical, structural change.

Interestingly, Arnove's work seems to have inspired other scholars from the 1980s onwards with the majority asserting that foundations embody elite privilege and corporate power, and contribute to maintaining and reproducing class differentiation (Arnove 1980a; Arnove & Pinede 2007; Fisher 1983; Odendahl 1989; Roelofs 2003).

In fact, critics of foundations typically articulate their arguments using the concepts of social class, ideology and hegemony in order to make sense of the role of philanthropy in capitalist societies (Fisher 1983). One example is Donald Fisher's (1983) analysis of Rockefeller philanthropy between 1910 and 1940 in the USA. By drawing on the social theory of Antonio Gramsci, Fisher argues that Rockefeller philanthropy was influential in producing and reproducing cultural hegemony in that era. Fisher explains that during the inter-war years, Rockefeller philanthropy was instrumental in funding the development of the social sciences in some North American universities. This initiative resonated with Rockefeller philanthropy's desire for producing objective knowledge in its quest for finding solutions to social problems. Moreover, Fisher asserts that the development of the social sciences produced the ideas and intellectuals that ultimately manifested in the production of ideology aimed at reproducing the existing

social structure. In fact, the men behind Rockefeller philanthropy believed 'that they would best contribute to the improvement of society…by maintaining and strengthening the system of capitalist democracy', and that social scientists played a crucial role in strategies 'aimed at combatting those social and economic problems that threatened stability' (Fisher 1983, p. 224). Hence, a key consequence of Rockefeller philanthropic activities in the inter-war period of 1910-1940 was the reproduction and valorisation of ruling class interests. Fisher, therefore, concludes that the core ideological goal of Rockefeller philanthropy was to maintain and preserve the social order rather than change it.

Similarly contentious are Joan Roelofs's (2007) claims that foundations are instrumental in constructing hegemony by encouraging consent of and discouraging dissent against capitalist democracy. For Roelofs (2007, p. 480), foundations exert their influence in ways such as 'creating ideology and the common wisdom; providing positions and status for intellectuals;…[and] 'steering protest movements into safe channels'. By example, Roelofs (2003, 2005) writes that liberal foundations such as Ford and Rockefeller appear willing to fund social change movements and grassroots organisations. However, she claims that they do so in ways that do not challenge the dominant power structure of capitalism, and thus, contribute to the maintenance of corporate power and wealth. According to Roelofs (2005, p. 63), foundations achieve their goals by utilising non-democratic and non-egalitarian methods of steering social change such as by instigating reform and co-opting society's intellectuals like activists and civil servants. To support this claim, Roelofs (2005, p. 66) refers to the 'war on poverty', largely attributed to funding from the Ford Foundation during the 1950s. A key component of the war on poverty was the creation of community development corporations (CDCs) that supported disadvantaged communities in areas such as housing and health services. Roelofs asserts that most CDCs were inefficient and unprofitable. However, disadvantaged communities were unlikely to revolt against a capitalist system that created benefits for them. Roelofs (2005) therefore concludes that foundations that claim to promote social change can, through indirect means, effectively also act as protectors and conservers of

wealth, power, and their status as hegemonic institutions. This implies that while some foundations may choose to fund progressive causes that are inclined towards reform, the effects on the constituents of such causes may be to alleviate symptoms of social problems rather than be transformative.

There is currently scant evidence on how much Australian philanthropy supports causes that are progressive or otherwise. One exception is a study by Liz Gill-Atkinson, Cathy Vaughan and Hennie Williams (2014) which shows a reluctance by Australian philanthropy in funding sexual and reproductive health initiatives, leading to a perception by sexual health professionals that philanthropy is conservative. Concurrently, Gill-Atkinson, Vaughan and Williams found that the philanthropic sector perceives sexual health and reproductive issues to be controversial, and, hence, a risky cause to fund. These findings suggest that for some philanthropic funders, the decision not to fund issues that are perceived to be controversial is a means by which their reputation is maintained. It does not necessarily indicate the ideological leanings of the philanthropic funders in question. This suggests that a critical analysis of philanthropic practices is warranted in examining instances where philanthropy claims to promote positive social change.

Theoretical framework for studying philanthropy

A notable pattern in past research by scholars such as Arnove (1980a), Fisher (1983) and Roelofs (2003) is the reference they make to Gramsci's conceptualisation of hegemony in validating their criticisms of foundations. As a result of such studies an apparently one-sided debate ensued regarding the role of foundations in society. As Barry Karl and Stanley Katz (1987, p. 2) note, the one-sided debate was Gramscian in nature in that foundations were seen to exercise hegemony primarily as domination. In Gramsci, hegemony refers to 'the supremacy of one group…over other…groups', and is achieved indirectly through subtle, non-coercive methods (Fontana 2008, pp. 84-85). Moreover, Gramsci (1971, p. 57) writes:

> that the supremacy of a social group manifests itself in two ways, as 'domination' and as 'intellectual and moral leadership'. A social group dominates antagonistic groups…it leads kindred and allied groups.

As Fontana (2008, p. 85) sums it up, 'leadership…is exercised over equals and allies in the interest of those over whom power is exercised, and domination…is exercised over…unequals…in the interest of those who exercise power'. Thus, past researchers' use of Gramsci's notion of hegemony in critical studies of foundations appears to ignore hegemony's leadership dimension, and instead focuses only on the element concerning domination.

Perhaps the most surprising aspect of past studies inspired by Gramsci's theory of hegemony lies in their omission to apply his thoughts to articulate a strategy for social change. After all, Gramsci's overarching goal was social transformation albeit from the socio-political order of a capitalist society to one of socialism (Fontana 2008). In other words, previous studies asserting philanthropy's role as a force for change have neglected to apply 'the blueprint for social change' that a Gramscian theoretical framework offers (Katz 2010, p. 412).

In addition, a crucial dimension of social transformation is cultural change, in that social transformation necessitates 'new popular beliefs, that is to say a new common sense and with it a new culture' (Gramsci 1971, p. 424). In fact, cultural change is vital in order for disadvantaged and marginalised groups to aspire to a new reality, surmount their experience of inequality, and transform their lives (Crehan 2016). Many NPOs that receive philanthropic grants represent the interests of disadvantaged communities such as asylum seekers, Indigenous children with limited educational opportunities, and people experiencing homelessness. In order for such communities to overcome their experience of inequality and transform their lives, a gradual process of cultural change needs to occur. Thus, by funding appropriately designed programs within the relevant NPOs, philanthropy can play an important role in achieving this cultural change.

Patterns of philanthropic funding and impact

Aside from critically analysing foundations through the lens of foundation ideology and hegemony, some scholars have analysed the impact of patterns of philanthropic funding. For instance, Francisco Delfin and Shui-Yan Tang's (2007) quantitative research tests theoretical claims of philanthropy's role in

reproducing elitism among philanthropic supporters of environmental organisations in California. Contrary to assertions of elitism which typically manifest themselves in large grants to well-established environmental non-government organisations (NGOs), their findings show no philanthropic favouritism. Instead, they found that funding varies according to grantees' perceived needs and expertise (Delfin & Tang 2007). This is consistent with pluralist claims such as those articulated by Reich (2016a) who argues that philanthropy promotes pluralism through donors' diverse preferences about the type of public goods they wish to fund. Therefore, elitist arguments associated with foundation patronage may be overly simplified, and highlights the potential for further research into this phenomenon.

In a related study, Delfin and Tang (2008) investigate the impact of philanthropic funding from the grantee environmental NGOs' perspective. This study quantitatively examines whether philanthropic funding results in opposing claims of grantee co-optation which aligns with elitist claims, or in capacity building which is consistent with pluralist arguments. As a starting point, Delfin and Tang (2008, pp. 605-606) expand on the idea of foundations as 'instruments of elite hegemony' that 'make grants to co-opt their grantees into less militant goals'. For example, foundations might co-opt their grantees through somewhat prescriptive methods such as by requesting changes be made to their organisational mission or leadership hierarchy, and monitoring grantees' activities through detailed reporting. Furthermore, the co-optation of grantees is generally associated with the distribution of programmatic grants rather than grants for general operating support.

In contrast to the elitist stance, Delfin and Tang (2008, pp. 607-608) note that philanthropic funding from the pluralist perspective is assumed to strengthen organisational capacity through less stringent controls being imposed on them. Delfin and Tang's findings support pluralist sentiments, contrary to elitist claims of philanthropic co-optation. More importantly, Delfin and Tang (2008) show that whether funding results in co-optation or capacity building depends on the types of grants given out, where single-year project funding is associated with co-optation, and multi-year program grants are aligned with capacity building.

In this respect, Delfin and Tang's (2007, 2008) research reinforces the findings of past studies (Krehely, House & Kernan 2004; Rich 2005) that connect foundation ideology to the propensity of foundations to distribute either long-term non-project specific grants or short-term project-specific funds, that, in turn, are linked to different outcomes. For instance, according to Jeff Krehely, Meaghan House and Emily Kernan (2004, p. 42), conservative foundations have helped to bolster and advance the American conservative policy agenda in areas such as social policy and tax policy by funding policy-oriented right-wing think tanks. Interestingly, Krehely, House and Kernan note that the success and effectiveness of conservative foundations in the policy arena is influenced by the manner in which they provide grants. Conservative foundations typically provide grants to right-leaning non-profits with flexible, general operating support grants instead of program-specific grants, and give long-term grants to a small number of grantees so that they can stay focused on their organisational goals (Krehely, House & Kernan 2004, p. 42). In contrast, progressive and liberal foundations prefer to support progressive think tanks or other organisations through program-specific grants to fund well-defined projects instead of general operating support grants (Krehely, House & Kernan 2004). Therefore, by rarely funding the infrastructure for institutions through long-term and general operating support grants, progressive American foundations have had less success in advancing progressive public policy compared to that of their conservative counterparts. In sum, a sound methodological approach in critical philanthropy studies needs to consider the dialectical nature of the social relations of philanthropy, and the characteristics of philanthropic grants. Therefore, a study, such as the present one, that aims to investigate the effects of philanthropy on the communities it purports to help, needs to consider the perspectives of both grantor and grantee, in addition to the types of grants being distributed.

Non-profit organisations

Non-profit organisations (NPOs) form an important component of the social relations of philanthropy. According to the Australian Bureau of Statistics (2015) non-profit institutions (NPIs) are organisations that are institutionally separate from government, self-governing, non-compulsory, not-for-profit and

non-profit-distributing. While non-profit organisations are prohibited from distributing surplus resources to the people in charge of the organisations, the surplus may be reinvested, retained as reserves, or distributed to other non-profit organisations as grants (Steinberg 2006, p. 118). Therefore, by these criteria, Australian philanthropic foundations are classified as non-profit institutions, as are most of the organisations they support (Lyons 2001).

As of June 2013, the Australian Bureau of Statistics (2015) reports that there were 56,894 NPIs in Australia. Furthermore, in 2012-13 NPIs accounted for 3.8% of the national gross value added or $54.8 billion of direct value to the economy, and received a total of $107.5 billion in income. Interestingly, the distribution of NPI income in 2012-13 shows that the proportion of donated income from philanthropic trusts and foundations of $474 million is small compared to donations from businesses of $863 million, and donations from bequests and legacies of $3,993 million. This suggests that in order for philanthropy to make an impact consideration must be given to the way grants are distributed, rather than just how much is given.

NPOs provide important community services such as aged care, education, and health care, and support cultural, recreational and religious activities (O'Halloran, McGregor-Lowndes & Simon 2008, p. 231). Furthermore, some NPOs advocate for, and represent the interests of disadvantaged populations that are unable to do so effectively themselves. Examples include policy advocacy organisations such as the Australian Council of Social Services, social movements concerned with the rights of ethnic minorities, people with disabilities, women, the gay and lesbian community, and some environmental groups (Lyons 2001, p. 71). Importantly, for many NPOs philanthropic contributions are crucial in supporting their work (Scaife et al. 2012, p. iii).

One way to enact lasting social change is through advocacy for policy reform. However, funding for advocacy reform does not receive wide philanthropic support in Australia. To date only a small number of Australian foundations have supported advocacy efforts of NPOs. One example is philanthropic backing by the Reichstein Foundation (2016, p. 12) for the work of the Flemington Kensington

Community Legal Centre in tackling racial profiling of African-Australians by Victoria Police. Indeed, Scaife et al. (2012, p. 113) reveal that Australian philanthropists' have concerns about advocacy grant-making for a number of reasons. These concerns stem from a fear of reputational damage, an unwillingness to directly contest government policy, and advocacy's traditional exclusion from the legal definition of charitable purposes. That said, philanthropic support for advocacy efforts are currently permitted. In Australia, activities of NPOs with charitable purposes currently fall under the purview of The Charities Act 2013 (Commonwealth of Australia 2014). The Charities Act 2013 lists twelve recognised charitable purposes such as advancing social welfare, health, education, and the natural environment. Furthermore, The Charities Act permits charitable organisations to promote or oppose a change to any matter established by law, policy or practice in relation to any of the other charitable purposes it has stipulated. Therefore, Australian non-profit charitable organisations are permitted to engage in advocacy efforts, and philanthropic foundations are allowed to fund such organisations.

Currently, there is scant evidence of direct or indirect policy advocacy by Australian foundations. While some Australian philanthropists shy away from being involved in direct advocacy, research by Scaife et al. (2012, pp. 113-114) suggests that they do support NPOs who engage their own advocates. Furthermore, for Scaife et al., philanthropy has funded activities such as convening dialogues between government and philanthropic entities, and raising awareness about specific community issues. Yet, it is not known how widespread philanthropic support for advocacy is, or if advocacy is even a part of foundations' theory of change. Therefore, this further reinforces the need to investigate patterns of philanthropic funding by Australian foundations as part of a wider sociological inquiry into the effects of their funding.

Summary

On the surface, many philanthropic acts are laudable as public expressions of private resources being used in the interest of the public good. However, the process of philanthropic giving is primarily a manifestation of the original donors' intent, and involves mechanisms for achieving that intent (Reich,

Cordelli & Bernholz 2016). Such mechanisms and processes are mediated by professionalised foundations designed to exist in perpetuity, with staff and boards of trustees tasked with interpreting donors' original intents to determine the allocation of grants. Consequently, philanthropic acts bring into focus questions such as how well donors' intents reflect social needs and priorities, which social groups benefit from the achievement of that intent, and whether that benefit can be sustained. Thus, philanthropy connotes a process through which donors' intents are transformed into specific outcomes such as the social transformation of disadvantaged and marginalised communities that benefit from philanthropic giving.

Philanthropy's potential role in the process of social change suggests that it is an important site for sociological research in Australia. Currently, little is known about the extent and impact of philanthropy in addressing complex social problems. In order to address this knowledge gap this study will investigate patterns of philanthropic funding by Australian foundations, and seek the perspectives of both donors and recipients in order to understand the social effects of philanthropy. Attention will be given to topics such as the types of grants given to NPOs, whether they be long-term general operating support or short-term programmatic grants. Other topics of discussion will include the influence of philanthrocapitalist ideas in philanthropic processes, and whether philanthropy complements or supplements government funding in addressing the needs of disadvantaged communities. In sum, the focus of discussions in this thesis will centre on philanthropy's role in addressing the root causes of social problems in order to create long-term benefits for society.

The analysis in this thesis will be guided by concepts introduced by Gramsci. A Gramscian rationale is appropriate for this study since it concerns the maintenance of elite hegemony within the philanthropic world, and specifically on philanthropy that purports to contribute to positive social change. As such, this study adopts a theoretical perspective based on a wider and more nuanced understanding of Gramsci's writings. This perspective draws not only on hegemony but also other key Gramscian concepts such as civil society, common sense, alliances and subalternity (Gramsci 1971). While this study adopts a

Gramscian rationale, it will diverge from that of past researchers (Arnove 1980a; Fisher 1983; Roelofs 2003) to more extensively incorporate Gramsci's ideas in order to understand hegemony, foundations, and their role in contributing to processes of social change. Therefore, this study both challenges past researchers' somewhat narrow conceptualisation of hegemony, and expands on Gramsci's overall thesis of social transformation to explain the mechanisms of elite hegemony in the context of social justice philanthropy. It is hoped that by addressing the limitations of past research the present study contributes to the nascent field of Australian philanthropy studies. To this end, the following chapter will further discuss the theoretical framework that informs this thesis.

Chapter Two:

Epistemology and theoretical perspective

Situating philanthropy

This chapter describes and explains the epistemology and theoretical perspective adopted in this research project. Its aim is to set out a theoretical framework that enables a critical analysis of the practice of philanthropy. Past research suggests that the overall process of philanthropy, including the processes of grant application, and project implementation using philanthropic grants lacks a general theory. This chapter, therefore, discusses the fundamental ideas that underlie philanthropic giving and receiving. It will also explore two key theoretical frameworks, namely Marcel Mauss's (1990) theory of the gift, and Gramsci's (1971) ideas on hegemony, and the link between hegemony and social transformation. The discussion in this chapter will proceed as follows. It begins with an exploration of power and inequality, then proceeds to discuss the epistemology of constructionism that informs the theoretical perspective. Following this is an elaboration of the practice of critical inquiry. The final section describes and explains why Gramsci's socio-political theory incorporating key concepts such as hegemony, civil society, and subalterns is pertinent in the elaboration of this thesis. But, first, a brief discussion on where philanthropy and its recipients are situated from a theoretical perspective, is warranted.

This study is primarily concerned with the processes that foundations engage in to determine which social issues and NPOs to support, and how these decisions align with the vision and values of the foundation. Foundations and philanthropically-funded NPOs are inherently a part of civil society. As Bruce Sievers (2010) writes, civil society is a space that plays a vital role in engaging with major contemporary social challenges such as global security, environmental degradation, or issues related to forced migration. Crucially, philanthropy is an essential privately-derived resource for civil society to accomplish the task of solving these challenges. Alliances between philanthropy and the NPOs it supports have the potential to achieve 'the renewal of public norms and institutions' (Sievers 2010, p. xvii). However, the progressive causes that Sievers alludes to are not the only causes that philanthropy funds. Conservative initiatives such as American right-wing think tanks and student organisations at

some of America's most prestigious universities also attract philanthropic funding (Buttigieg 2005; Krehely, House & Kernan 2004). Thus, a conceptualisation of civil society that is useful for analytical purposes needs to incorporate the complex social relations among actors from the philanthropic and non-profit domains, and also the State.

In Australia, public policy for civil society is currently manifested in the 'Prime Minister's Community Business Partnership' which is primarily an initiative to increase philanthropy to support the delivery of community services (Department of Social Services 2016). From this perspective, the current government's approach to civil society relations can be characterised as a continuation of a similar stance taken by former Prime Minister John Howard's Liberal government (1996-2007) (Manwaring 2017, p. 121). Acknowledging the state/philanthropy/civil society nexus is important because in a broad sense civil society provides the basis for democracy in that it allows for democratic participation for all members of society. After all, in the modern liberal State, all individuals are free to form associations, and work towards preserving or changing the existing social order (Buttigieg 2005, p. 45).

However, civil society is a contested notion and has been conceptualised differently by various thinkers throughout history. For instance, over the past two centuries thinkers such as Aristotle, Adam Ferguson, Georg Hegel, Michael Walzer, Robert Putnam, and Gramsci have presented competing ideas on what civil society is (Hodgkinson & Foley 2003). It is not the aim of this thesis to delve into the details of multiple conceptions of civil society, but it is important to clarify the notion of civil society that this thesis adopts.

As Joseph Buttigieg (2005, p. 38) argues, many contemporary scholars have defined civil society in very narrow terms, namely as a domain 'that lies outside and in opposition to the State' (or government). For example, scholars such as Mary Kaldor, Helmut Anheier and Marlies Glasius (2003, p. 4) insist that the normative implications of the concept of civil society include:

> developing, new forms of civic participation…and giving 'voice' to those affected by old, new, and emerging inequities in the broadest sense, and providing a political and social

> platform for such voices to be heard…it is [also] about private action for public benefit however defined.

This conceptualisation of civil society suggests that the activities that occur within it is exclusively about improving the welfare of marginalised and oppressed groups, with assistance from private sources which presumably includes philanthropy. It also implies that since civil society has more to do with private action, it somehow stands in opposition to the State. While civil society provides a platform for the voices of marginalised groups through the activities of NPOs and social movements, restricting the conceptualisation of civil society as an autonomous terrain outside of the State is misleading. For instance, a narrowly defined civil society obscures the complexity of power relations among civil society actors such as the professionals representing the non-profit and philanthropic sectors, and also the State. Furthermore, the State plays an important role in promoting philanthropy by providing tax concessions to private philanthropic individuals and institutions. Moreover, as this thesis will outline, some philanthropic foundations, in their desire to make an impact through their philanthropy, seek to ultimately influence public policy which requires State action. Therefore, a critical analysis of the impact of philanthropy, and its relationship to elite hegemony requires a much broader conceptualisation of civil society.

One such conceptualisation of civil society evolves from Gramsci's writings. While later chapters will discuss Gramsci's civil society in more detail, it is appropriate to foreground the main difference between Gramsci's concept of civil society, and its narrower conceptualisation such as that stated by Kaldor, Anheier and Glasius (2003, p. 4). According to Buttigieg (2005, p. 38) one of Gramsci's most original contributions to political theory lies in his expansion of the concept of the State which incorporates civil society. For Gramsci (1971, p. 263):

> the general notion of State includes elements which need to be referred back to the notion of civil society (in the sense that one might say that State = political society + civil society, in other words hegemony protected by the armour of coercion).

From this passage, Gramsci's expanded notion of the State implies that it comprises 'both civil society and governmental institutions' (Buttigieg 2005, p. 39). Crucially, for Gramsci, civil society does not stand in opposition to the State. To illustrate this point, we are reminded that philanthropy is an essential element of the Prime Minister's Community Business Partnership (Department of Social Services 2016), and philanthropy is a vital element of civil society. This implies that if civil society lies in opposition to the State, so does philanthropy which clearly is not what the Prime Minister's Community Business Partnership suggests. Thus, from an analytical perspective, Gramsci's conceptualisation of civil society is deemed more appropriate for this thesis.

Power and inequality

A key aspect of this study takes into consideration the notion of distributive power. According to John Scott (2014) a distributive power situation is where there is a fixed amount of power to be distributed among members. In order for one member to gain power, another one must lose. In other words, the relationship between two entities, A and B, is a zero-sum game. In particular, distributive power concerns the ability of a group or class within society to realise its goals even in the face of opposition by another group (Domhoff 2014, p. 3). In addition, the capacity of a group to prevail is attributed to its control of one or more of four major social networks: political, economic, ideological, and military (Domhoff 2014, p. 3; Mann, M 1993, 2012). Therefore, the sources of social power comprise the four said social network dimensions.

According to Michael Mann (2012, p. 9) economic power stems from 'the need to extract, transform, distribute, and consume the produce of nature', and the combination of 'the intensive mobilization of labor with very extensive circuits of capital, trade, and production chains'. Political power refers to state power, and is principally 'authoritative, commanded and willed from a center' (Mann, M 1993, p. 9). To put things in perspective, we are reminded that philanthropic foundations are institutions that are the products of economic success. Furthermore, their existence is enabled and encouraged by favourable tax policies (Australian Taxation Office 2016; Howard 2001a; Reich 2011). Thus, by Mann's (1993,

2012) definitions, contemporary philanthropic foundations are manifestations of economic power whose operations are endorsed, encouraged, and rewarded by political power.

If philanthropic foundations are manifestations of economic power, how, then, is this phenomenon understood by the many NPOs whose operations might hinge on foundation funding? The answer might lie in the way the American cultural critic, Dwight Macdonald, once described the asset-rich Ford Foundation. For Macdonald, the Ford Foundation is 'a large body of money completely surrounded by people who want some' (Zunz 2012, p. 180). While flippant, this definition portrays foundations as institutions that are perceived as having the power to change the circumstances of people who want a portion of their monetary largesse. More importantly, implicit in Macdonald's definition of foundations is the reality of a stratified society. As Mann (1993, p. 7) states, the control over economic resources is unequally distributed in all complex societies. In turn, the struggle for scarce economic resources, and political power within society gives rise to social stratification which manifests as social groups (Haralambos & Holborn 2000, p. 36).

Indeed, social stratification puts the phenomenon of concentrated wealth among a few people in society into much sharper focus. That is, while a small percentage of society attains great wealth, a larger proportion struggles to accumulate it. Furthermore, this disparity in wealth is becoming worse over time. This is unambiguously illustrated in Oxfam Australia's latest report on poverty and inequality. According to Oxfam (2018, p. 2), the number of Australian billionaires increased from 14 in 2008, to 33 in 2017 along with an almost 140 percent total wealth increase to $115.4 billion. In the same period, the average Australian household wealth increased by a mere 12 percent. Moreover, Oxfam's report concurs with accounts on wealth distribution from the Australian Bureau of Statistics (ABS).

According to the ABS (2013, p. 4), household wealth is the value of all household assets owned less the value of all their liabilities. Based on its *Household Wealth and Wealth Distribution 2011-12* data, wealth is concentrated within a small percentage of the population (Australian Bureau of Statistics 2013, pp. 5-6). For example, the wealthiest 20 percent of Australian households owned more than 60 percent of

total wealth. In contrast, the lowest 60 percent of households owned just 18 percent of total wealth. More significantly, subsequent ABS data shows rising inequality among Australian households (Australian Bureau of Statistics 2019). To measure inequality, the ABS uses the internationally comparable Gini coefficient which is a single statistic between zero and one, where zero indicates a uniform level of wealth. In Australia, the Gini coefficient for wealth rose from 0.593 in 2005-06 to 0.621 in 2017-18 (Australian Bureau of Statistics 2019). Thus, together with data from Oxfam Australia (2018), the ABS figures present a striking and worsening landscape of wealth inequality.

Some writers have suggested that increasing levels of inequality lead to higher levels of philanthropic giving. As Reich (2016a, p. 66) observes, 'growing inequality might be a foe to civic comity, but it is a friend to private philanthropy'. One study that analyses the impact of income inequality on economic growth appears to support Reich's observation (Andrews, Jencks & Leigh 2011). In this study, Dan Andrews and his colleagues used data derived from the tax reports of top income earners in 12 developed countries over a period spanning from 1905 to 2000. Their analysis shows that increases in income inequality lead to more rapid economic growth (Andrews, Jencks & Leigh 2011, p. 38). Income, of course, is transformed into wealth through savings, and the potential to save increases with a higher income.

According to the economist Andrew Leigh (2013, pp. 87-88), the positive effect of inequality on growth may be due to the willingness of entrepreneurs to take risks in starting businesses where the recompenses of success are very high. However, while inequality correlates positively with growth, the trickle-down effect is small (Andrews, Jencks & Leigh 2011, p. 38). In other words, it takes a long time for low income earners to experience sufficient economic growth to compensate for having a smaller income share. Hence, following Reich's (2016a, p. 66) observation that higher inequality is conducive to increased philanthropy, it would make sense that a responsible approach to philanthropy should involve tackling some of the issues that lead to inequality.

For example, a key factor that is closely linked to inequality is social mobility. One way to understand mobility is through the notion of intergenerational mobility which measures the ease with which each generation in society can travel up or down the economic ladder (Leigh 2013, pp. 103-104). Leigh states that higher inequality correlates with less social mobility, and that factors such as poverty, family structures, and parenting styles influence mobility. To put it in quantifiable terms, Leigh (2013, p. 107) argues that 'disadvantaged children are typically raised by fewer parents in households that are poorer, and with less parental time spent on them'. The reverse holds true for advantaged children. Therefore, by this reasoning, one way that philanthropy can contribute to reducing inequality is by promoting social mobility such as providing funding for employment initiatives for disadvantaged communities, and specialised education programs for underprivileged children.

In reality, however, philanthropy funds a much wider range of causes, only some of which attempt to address issues related to inequality. Organised philanthropy as it is practised in Australia and elsewhere today involves private funds being allocated 'in a permanent, donor-directed, [and] tax-advantaged endowment' where a small portion of foundation assets is distributed for a public purpose on an annual basis (Reich 2016a, p. 67). As Reich reminds us, the assets in question are substantial, and thus bestows philanthropic foundations with considerable economic power. The task ahead is to determine if this form of social power is preserved in the interests of an elite section of society through the act of philanthropy. Specifically, the present research questions if philanthropy has a role in sharing that power with sections of society that have less power by changing their conditions of disadvantage.

In order to achieve its research objectives, this study adopts a theoretical perspective of critical inquiry. Michael Crotty (1998, pp. 157-159) writes that studies in the critical tradition highlight power relationships in society in order to reveal hegemonic forces and instances of injustice. Furthermore, critical inquiry elucidates the link between power and a prevailing culture. In this light, the culture that informs the practice of philanthropy will be called into question. Before delving into an elaboration of

critical inquiry, the following sections will discuss the epistemology that informs this study. It begins with a definition of who constitutes Australian elites.

Who are the elites?

The term 'elite' defies precise definition, and yet is widely used in analyses of wealth and power. Research on power and wealth in Australia peaked in the 1970s and 1980s, but became less prevalent from the 1990s onwards (Gilding 2004). Gilding (2004, p. 127) observes that this body of research was framed along two main lines of inquiry, namely, in terms of the 'ruling class' or 'elites'. Researchers who adopted the elites perspective included James Jupp (1988), John Higley, Desley Deacon and Don Smart (1979), and Sol Encel (1970). According to Jupp (1988, p. 1) elites in Australia belong to a small group of distinguished people from the public and private sectors, who wield influence or power in society. In this light, elites in the public sector may be defined as those who control, determine or strongly influence policy decisions, such as politicians and senior public servants. Similarly, elites in the private sphere may consist of business owners and managers. Thus, the leaders of private corporations that typically control a significant portion of resources and labour in a capitalist society would comprise the business elite (Jupp 1988, p. 15).

Another perspective on Australian elites focuses on people who make strategic decisions within organisations, and have the power to influence organisational outcomes such as 'the determination of national policies regularly and seriously' (Higley, Deacon & Smart 1979, p. 3). In fact, Higley, Deacon and Smart's (1979, p. 265) research reveals that the most distinctive feature of the elite structure in Australia 'is the mutual access that most elite persons have to each other and to the making of important political decisions'. Interestingly, Higley and his co-authors refer to a plurality of elites such as the public service elite, the business elite, the political elite, and the trade union elite (Gilding 2004, p. 129). Thus, Australian scholars in the 1970s and 1980s differed in their conceptualisations of elite identity. That is, one perspective makes a distinction between public and private sector elites (Jupp 1988), while another incorporates the idea of different elites representing different fields (Higley, Deacon

& Smart 1979). Even so, the common thread in scholarly conceptualisations of elite identity is the association of elites with power and influence.

As this study is an investigation into philanthropy and the preservation of elite hegemony, the elites that are of particular interest are the elites of the philanthropic world. It is also important to note that philanthropic elites comprise a multitude of identities. Foremost in this group of elites are the wealthy foundation founders, and their descendants. Aside from the input of foundation founders, contemporary organised philanthropy also involves the expertise and judgment of a wider cohort of professionals such as foundation chief executives and staff, and the prominent members of society that comprise foundation boards. Indeed, members of foundation boards of directors tend to be elites who are closely associated with the founder or who are prominent in fields such as education, science or business (Fleishman 2009; Frumkin 2006). Thus, philanthropic elites in the context of this study consist of foundation founders, their family members, and foundation staff and board members. Philanthropic elites control the distribution of foundations' vast financial resources based on who they decide should receive philanthropic funds. In other words, the decisions made by philanthropic elites have the potential to influence the lives of many people.

Alternatively, some scholars have framed studies of wealth in Australia in terms of the ruling class. A number of researchers, led by sociologist R W Connell draw on the socialist tradition to argue that there is a ruling class in Australia (Gilding 2004, p. 132). The ruling class is conceived as 'the owning class', that is, a class defined by the structure of private property ownership (Connell & Irving 1977, pp. 81-82). R W Connell and Terence Irving (1977, p. 83) argue that members of the ruling class rule in the sense that they make economic decisions that affect the wider society. These economic decisions take the form of shaping tastes and demand through advertising, in addition to the production, distribution, and pricing of goods. Furthermore, and of particular relevance to this thesis, the ruling class is conceived as having the capacity to preserve the system of private ownership to the exclusion of alternative systems that challenge it. However, in later work, Connell and Irving (1992, p. 247) acknowledge that from the

1980s the ruling class experienced an era of disintegration. This, they attribute to the decline in manufacturing, the deregulation of financial institutions, and the rise of the new entrepreneurs who created new business empires through corporate takeovers. For example, the entrepreneurs of the 1980s such as Alan Bond and Robert Holmes à Court did not amass enormous wealth through new productive enterprises. Instead, they built new corporate empires following a series of takeovers of existing businesses. Connell and Irving (1992, p. 256) conclude that a diversification in the methods of wealth accumulation contributed to a less integrated ruling class. Thus, the new reality is that wealth accumulation need not necessarily be grounded in the ownership of private property.

Australian research on wealth and power from the 1970s through to the 1990s showed a divergence in how the structure of power in capitalist society might be framed. The researchers concluded that there was a lack of integration among the ruling class or the elites (Gilding 2004, p. 132). Scholars who framed their research in terms of a ruling class identified divisions within this class. Likewise, researchers who adopted an elites framework acknowledged that there were a variety of elites rather than a single elite group (Gilding 2004, p. 130). However, despite the concentration of research on wealth, power, elites and the ruling class in the 1970s and 1980s, Australian scholars did not extend their inquiry into philanthropy.

Yet, in making sense of the connection between philanthropy, wealth and power in Australia, the idea of elites rather than ruling class provides a more useful analytical framework. Philanthropy is a direct result of the accumulation of vast wealth by individuals and families, some of which originated in the ownership of private property. This, therefore, does not preclude the existence of a ruling class that Connell and Irving (1977) propose. However, the process of accumulation takes many forms and is not restricted to different types of labour exploitation as the ruling class concept would suggest (Connell & Irving 1992, p. 15). As Georgina Murray and Jenny Chesters (2012, pp. 6-9) attest, the sources of wealth held by the richest Australians diversified significantly in the period between the years 1900 to 2010. For example, from 1900 to 1974, many of Australia's wealthiest amassed fortunes arising from

business interests in the agricultural, commercial and industrial sectors. In contrast, from 1975 to 2010 manufacturing and agricultural activities declined sharply, while activities in mining and financial services increased.

This picture of a diversity of wealth sources is reflected in the origins of several Australian philanthropic institutions. For example, The Wyatt Trust was established in 1886 through the will of Dr William Wyatt who derived his wealth from the purchase of land in and around Adelaide (The Wyatt Trust 2017). Another example is Gandel Philanthropy which was set up by in 1978 by John Gandel and his family, who made their fortune in property development (Gandel Philanthropy n.d.; Murray & Chesters 2012). A further example is the Ian Potter Foundation, founded in 1964 with a £1 million endowment from Sir Ian Potter who became wealthy through stockbroking (Yule 2006, p. 259).

Evidently, the sources of philanthropic funds vary widely, and align with Murray and Chesters's (2012) account of the diversity of Australian wealth sources. Crucially, not all methods of wealth accumulation fit neatly into the classical model of capitalism where 'accumulation rested directly on the exploitation of labour' (Connell & Irving 1992, p. 14), and the idea of a ruling class. In contrast, the notion of elites incorporates a breadth of identity, power resources, and expertise, much like contemporary philanthropic elites. It is for this reason that this thesis adopts the term 'elites' rather than 'ruling class'.

Money as a social construct

Underlying the practice of philanthropy is the understanding that the transfer of money holds the potential for achievement of a mutually agreed social objective between the donor and receiver. From this perspective, money is seen as having the capacity to transcend social group boundaries through a process that potentially promotes inclusion and transforms social circumstances (Hart & Ortiz 2014). In other words, money's existence is framed by social relations, in that money makes sense 'as part of specific social identities' (Hart & Ortiz 2014, p. 471), such as representatives of foundations and NPOs. In addition, the transformative potential of money implies that the donor and receiver in a philanthropic transaction might assign different meanings to money.

Foundations are products of the successful accumulation of wealth by individuals or families where a portion of the accumulated wealth is set aside to create them. Meachen (2009, p. 4) explains that the initial sum of money is invested, and the income generated is given away as grants to charitable organisations. The original endowment and ongoing principal is referred to as a corpus, which constitutes the asset base from which a foundation operates (Meachen 2010a, p. 39).

In order to fund their work year after year, foundations need to conserve a portion of the initial endowment so that it can be invested to generate ongoing income for distribution. That is, foundations have to make money so that they can give away money (Meachen 2009, p. 4). Moreover, the need to conserve and grow a foundation's wealth is imperative if it is required by the original deed to exist in perpetuity (Leat 2016, p. 85). For example, the Helen Macpherson Smith Trust was created as a perpetual philanthropic trust in 1952 with a bequest of £275,000 ($550,000) from the estate of Helen Macpherson Schutt (Helen Macpherson Smith Trust 2016, pp. 5-7). Over the past 65 years, its trustees have adopted shrewd investment strategies to increase the value of the corpus and yield healthy capital gains. As a result, in 2016, its corpus had grown in value to $100 million. Moreover, since 1952 the corpus has generated an income totalling $144 million of which $113 million have been distributed as grants. Thus, in the philanthropic world the accumulation of wealth by foundations, and the power of capital is directly associated with their ability to give away grants in perpetuity.

Just as the founders of philanthropic foundations were successful in initially accumulating their wealth through shrewd business practices and investments, so too does the success of their philanthropy rest on a similar process of capital accumulation. More so, for individual philanthropists and foundation trustees, money is associated with the freedom to dispose of their financial resources as they please, subject to laws governing philanthropy (Reich 2016b, p. 466). In contrast, for a grant recipient, money might be the crucial element in transforming particularly challenging social conditions for specific disadvantaged communities. Thus, while money is the universal currency of philanthropy, its value and meaning is framed by the social relations engaged in by actors in the philanthropic process.

Construction of meaning

Following the release of the Report of the Commission on Private Philanthropy and Public Needs (Filer 1975) on American philanthropy, research on philanthropy burgeoned. However, the majority of these studies focused exclusively on donors, and excluded the perspectives of recipients. For example, most of the early philanthropic research investigated how, why and under what circumstances wealthy people give away their money (Ostrander & Schervish 1990, p. 67). In doing so, past researchers conceived the philanthropic space as donor-directed, and characterised by a one-way relationship where valued resources flow from donor to recipient. However, a donor-focused perspective excludes the ways in which the recipient helps to shape and define philanthropic practices. Furthermore, it obscures the social needs that recipients seek to address, and what the grants actually accomplish. In sum, studies in philanthropy that are largely donor-focused ignore the sociological fact that 'philanthropy is a social relation of giving and getting between donors and recipients' (Ostrander & Schervish 1990, p. 68).

While philanthropy represents a two-way relationship between donors and receivers, both parties often have different understandings of the same phenomenon. Donors are motivated to give away part of their wealth to charitable causes for a variety of reasons. According to Fleishman (2009, p. 94) these reasons vary on a spectrum that spans self-serving to entirely altruistic motivations. Fleishman contends that wealthy people might make large charitable donations to satisfy their egos, or more altruistically due to religious obligation or a desire to give something back to the community in which they achieved business success. In contrast, the rewards for the recipient are unequivocally material. That is, while the nature of rewards for the donor is largely emotional, the recipient benefits in terms of money to be spent on specific social initiatives that materially enhance quality of life. In this sense, the nature of rewards linked to money is understood differently by each party.

Additionally, as a result of an existing power asymmetry donors wield more power than recipients in determining the parameters of the philanthropic transaction, and how recipients should participate in it (Ostrander & Schervish 1990, p. 70). In contrast, a non-profit recipient of philanthropic grants would

view money as a crucial resource without which the continued operation of their community programs might be jeopardised. This suggests that donors and recipients each have their own perspective of the resource being exchanged in a philanthropic transaction. While donors view money as a resource that is surplus to their requirements, recipients see it as a vital necessity for carrying out their organisational aims. In other words, donors and recipients construct different meanings in relation to the same phenomenon, which, in this case, is money. Therefore, in the social relation of philanthropy, meaning is constructed rather than discovered.

As Crotty (1998, p. 42) explains, 'all meaningful reality…is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context'. Evidently, the realm of philanthropy is characterised by human interaction where donors and recipients construct different meanings 'as they engage with the world they are interpreting' (Crotty 1998, p. 43). Such an understanding of meaningful reality describes an epistemology of constructionism, and for the aforementioned reasons, is the epistemology that grounds this thesis.

The relevance of culture

As they engage in the social relation of philanthropy, donors and recipients constantly interpret their interactions through the construction of meaning. Yet, human beings do not make sense of their world in a void. The scholar, Stanley Fish (1980, pp. 331-332) claims that people base their interpretive strategies from which meaning is constructed on institutions that 'precede us' and 'in which we are *already* embedded'. This suggests that human beings make sense of the world from a perspective that is grounded in a particular social and historical setting.

Crotty (1998, p. 54) argues that when we first attempt to make sense of the world in a meaningful way, we inevitably do so in a way that is influenced by our culture. Culture, in this sense, is borne of a social setting where 'a publicly available system of intelligibility' (Fish 1980, p. 332) predominates. Furthermore, constructionism draws attention to the role that culture plays in influencing how people

view and make sense of the world (Crotty 1998, p. 58). Therefore, diverse groups of people may apprehend the same phenomenon in different ways, based on their own culture and inherited understandings.

However, it needs to be clarified that culture in the context of the present study is not as it is understood in the anthropological tradition. The anthropologist Kate Crehan (2002, p. 37) notes that in anthropology studying culture is typically associated with assumptions such as 'cultures are in some sense systems…that…constitute patterned wholes of some kind'. Crucially, none of the anthropological assumptions about culture (Crehan 2002, p. 37) resonate with how the present study conceives it. Instead, in this thesis culture is conceived as a constitutive element of power relationships in society. For example, one way that some social groups experience the realities of class inequality is through culture (Crehan 2016, p. 55). For such groups, culture might concern how power is exercised within society. In this sense, communities who live in a society that is structured by large disparities in power and wealth would find it difficult to imagine a different reality. Consequently, for subordinate groups to overcome this culture of subordination, and to effect social change, there needs to be a change in culture.

The present research aims to analyse constructed meanings within the social context of unequal wealth, power, and philanthropy for public purposes. It will bring into question commonly held assumptions on wealth inequality and its social manifestations. It follows that the interrogation of this aspect of culture and the way it is understood within society requires a theoretical perspective informed by critical inquiry (Crotty 1998).

Critical inquiry

The study of Australian philanthropic foundations and philanthropy in general is an emergent field of scholarship. Currently, there is a scant body of critical research and objective analysis on Australian foundations, for which the reasons are unclear. The lack of research focus could be due to the absence of a centralised grants database, and difficulty in accessing archival information on foundations.

Furthermore, some scholars may avoid objective and critical inquiry into philanthropic foundations for fear of jeopardising their own chances of obtaining foundation research grants (Cham 2010, p. 36). Moreover, foundations are not perceived to be important actors in social problem-solving and social change, and thus are deemed not worthy of scholarly focus (Fleishman 2009).

The present study challenges the commonly held scholarly assumptions about research into the Australian philanthropic sector. In line with Ostrander and Schervish's (1990) notion of philanthropy as a social relation, this study aims to critically analyse the effects of giving and getting between donors and recipients of philanthropic funds. According to Crotty (1998), studies of society from a critical theory perspective focuses on disparities in the distribution of power, from people with dominant power to those with little or none. In addition, critical studies focus on power relationships in society in order to unmask hegemonic forces, and instigate action for social justice (Crotty 1998, p. 157). Specifically, critical theory highlights how certain sets of meanings exist to serve hegemonic interests. For example, within society some sets of meanings support particular power structures, conceal types of injustice, and oppose moves towards greater equity (Crotty 1998, pp. 59-60). Thus, critical theory provides a framework for researchers to investigate how different constructions of meaning contribute to the maintenance of power structures within society such as the preservation of elite hegemony.

One example of critical social theory is embodied in the discipline of cultural studies that emanated from research at the Birmingham Centre for Contemporary Cultural Studies in the United Kingdom (Haralambos & Holborn 2000, p. 897). In 1976, scholars of the so-called Birmingham School published a classic work, *Resistance through rituals* (Hall & Jefferson 2006), on the social and political meaning of working class youth subcultures in post-war Britain. The main argument of this study centres on the problems experienced by English working class youth who fail to find employment upon leaving school on account of the subordination of their social class (Hall & Jefferson 2006; Musgrove 1978). While the theoretical approach taken by the Birmingham School scholars was of a broadly Marxist nature, it avoided the economic determinism of Marxist theory. Instead, *Resistance through rituals* drew

extensively on the concept of cultural hegemony that is attributed to the Italian political theorist Antonio Gramsci.

Theories of philanthropy

On a superficial level, cultural studies that draw on the notion of cultural hegemony appear to have little to contribute to studies in philanthropy. However, a research framework that incorporates the concept of hegemony has the potential to be a useful analytical tool for analysing the power asymmetry between philanthropic donors and recipients. Yet, studies investigating the socio-political effects of the practice of philanthropy are surprisingly under-theorised. One reason for this can be attributed to how broadly or how narrowly philanthropy is defined by researchers, and what specific aspect of philanthropy is being investigated. For example, if philanthropy is situated within the wider context of public policy, discussion might focus on the role and type of power philanthropy exercises in democratic societies, or whether tax incentives for philanthropic donations are justified (Lagemann 1987, 1992; Reich 2011, 2016a). In fact, scholars such as Reich (2011) have attempted to develop a political theory of philanthropy by critically analysing the justifications for providing a tax incentive for philanthropic giving. Reich's analysis finds that the justification for tax incentives might be supported by what he terms the pluralism and subsidy rationales. Specifically, tax deductions allowed by the state for charitable donations constitute a form of subsidy. In doing so, the state foregoes tax revenue that could have been used in direct government expenditures that ostensibly benefit everyone. Reich (2011, pp. 187-188) asserts that in order to justify tax-deductible donations, 'the subsidy must cost less to the treasury than it produces in social benefits'. For Reich, tax deductibility is also justified for the role that philanthropy plays in enhancing civil society, and promoting a pluralistic and diverse non-profit sector. Even so, Reich (2011, p. 191) concludes that neither the pluralism nor subsidy rationales provides support for the actual design of the majority of tax-subsidised giving.

In contrast, when philanthropy is narrowly defined as the 'voluntary contribution of private wealth for the public good' (Silber 1998, p. 134), more attention is typically given to foundations or individual donors, at

the expense of recipients. Within this one-sided definition of philanthropy, some scholars have emerged as critics of philanthropic practices. For instance, scholars such as Arnove (1980a), Fisher (1983), and Roelofs (2003) have adopted a critical analytical framework based on Gramsci's notion of cultural hegemony. Through a Gramscian analysis, these critics of philanthropy conclude that foundations are elite upper class institutions that embody and perpetuate ideological and socio-political hegemony.

Some academics, however, defend the work of foundations. For example, Joel Fleishman (2009, p. 51), regards foundations as 'a major force for good in American society', while also acknowledging that they have shortcomings. By interviewing over 100 individuals from the philanthropic and non-profit fields, Fleishman assesses the impact of grant-making strategies employed by foundations. Crucially, he defines impact as the extent to which the money and effort put towards a foundation initiative have actually led to social change by, for example, creating new knowledge and opportunities, and improving society's overall quality of life (Fleishman 2009, p. 151). To this end, Fleishman (2009, p. 248) concludes that foundations that succeed in delivering high-impact programs are characterised by a high level of focus on the problem to be solved, and the alignment of foundation leadership and resources with that focus. In contrast, foundation initiatives that fail to make an impact can be attributed to a variety of reasons such as a misalignment between the problem to be solved and foundation strategy, lack of relevant grantee expertise, and weakness in both foundation and grantee leadership (Fleishman 2009, pp. 268-279). In sum, by applying a critical lens to the impact of foundation funding, Fleishman identifies the strategies underlying what foundations consider to be high-impact programs or otherwise. His assessment of foundation impact is, without doubt, an invaluable contribution to the study of philanthropy. Yet, Fleishman falls short of providing a general theory of philanthropic giving and receiving.

Other scholars have theorised the act of philanthropy uncritically as one of gift-giving and reciprocity (Alborough 2017; Alexander 2014; Silber 1998). In this instance, philanthropic giving is understood as a gift. It draws on Marcel Mauss's (1872-1950) theory of the gift exchange, based on his studies of

archaic societies such as those in North America, Polynesia and Melanesia (Mauss 1990). According to Ilana Silber (1998, pp. 138-139) the main features of gift giving from a Maussian perspective include how the donor's identity is deeply intertwined with the gift being given. Furthermore, the gift is conceived as having the inherent and contradictory elements of interestedness and disinterestedness. In addition, the gift exchange itself consists of a three-fold sequence of obligation: 'to give, to receive, to reciprocate' (Mauss 1990, p. 39).

Mauss's (1990) sequence of obligations has been used to analyse contemporary instances of organised giving. For example, Victoria Alexander (2014, p. 365) explores the complex relationship between arts organisations in the United Kingdom, and their corporate and government supporters, who she describes as providers of 'institutional funding'. Alexander notes that institutional funding of the arts comprises a system of exchange among groups, commensurate with the gift-exchange theory described by Mauss. In fact, 'the gift itself…remains an inseparable combination of interest and disinterest, and is supported by and constructed with [neoliberal] ideologies…from different aspects of the wider cultural and economic systems' (Alexander 2014, p. 376). However, Mauss's theory of the gift exchange might be inadequate for philanthropy in the twenty-first century due to one crucial element that Mauss did not foresee, and that is the process of asking for gifts.

The process of asking, typically in the form of grant applications, is a vital step in modern philanthropy. Some foundations might also issue requests for proposals to prospective recipients (Grant 2012, p. 164). In any case, 'the recipient must *ask for the gift*,…in order to start the cycle of giving, receiving, and reciprocating' (Alexander 2014, p. 377). Thus, in this respect, Mauss's notion of the gift does not reflect all facets, least of all, the crucial first step of modern philanthropy. Evidently, some aspects of philanthropic practices might be explained by established social theories. Even so, a general theory of modern philanthropy that takes into account the asking, giving, and receiving of grants, and how those grants help to transform the circumstances of recipients, remains elusive.

A critical approach and limitations of a Gramscian rationale

The present study takes as its point of departure the idea that philanthropy is a social relation (Ostrander & Schervish 1990). Consequently, the research agenda will involve examining the perspectives of both givers and receivers, that is, foundations and NPOs that carry out various projects for community benefit. This study will explore the effects of the power imbalance between foundations and their grantees by critically analysing the nature of their relationship, and the types of non-profit projects that consistently attract philanthropic funding. As such, the study aims to uncover not only the nature of hegemonic forces, but also philanthropic actions that contribute to a plan for social transformation.

Critical studies of American philanthropic foundations emerged in the 1970s following the opening of major foundation archives such as those of the Rockefeller Foundation and Carnegie Corporation of New York. However, up to the mid-1980s, more scholars appeared as critics, rather than defenders of the work of foundations. As previously discussed in Chapter One, this led to the development of a seemingly one-sided debate, one that paints foundations as institutions that exist largely to uphold the privileged position of the wealthy within society. Moreover, the scholarly critical attacks on philanthropic foundations were mostly grounded in an analytical framework based on Gramsci's concept of hegemony. As such, critical studies by scholars such as Arnove (1980a), Fisher (1983) and Roelofs (2003) have contributed to the acceptance of a Gramscian rationale as 'the standard approach of radical foundation critics' (Karl & Katz 1987, p. 2).

As previously discussed this study also seeks to address three key limitations of a Gramscian rationale that has often characterised past critiques of philanthropy. First, by focusing on the practices of relatively smaller Australian foundations it diverges from the reliance on archival material of long-established and major American philanthropic foundations such as Rockefeller and Ford. Second, the focus of the present study will be on the social relations between foundation staff members, and staff from philanthropically-funded NPOs, in an effort to elucidate the perspectives of both donors and

recipients. Third, and most importantly, the present study will adopt a broader analytical scope of hegemony as Gramsci (1971, p. 57) conceptualised it, that is, 'as 'domination' and as 'intellectual and moral leadership''. Moreover, for Gramsci, leadership is an essential element for a group to attain power, and also maintain that power once it becomes dominant. As he emphasises:

> [a] social group can, and indeed must, already exercise 'leadership' before winning governmental power…it subsequently becomes dominant when it exercises power, but even if it holds it firmly in its grasp, it must continue to 'lead' as well (Gramsci 1971, pp. 57-58).

Thus, for a dominant group such as philanthropic elites, it must continue to exercise leadership in order for it to preserve its hegemony.

In his *Prison Notebooks*, Gramsci (1971) illustrates a group's exercise of hegemony by elaborating on the practices of capitalists in early twentieth century Europe. He expands on the methods capitalists use to achieve power and dominance, and how they maintain that power once it is attained. Aside from his ideas on hegemony, Gramsci (1971) also introduces other key concepts such as civil society, common sense, and alliances to articulate a theory of power and social change. This suggests that Gramsci's conceptualisation of hegemony is a useful tool for analysing and understanding contemporary society, and how social transformation might occur (Simon 2015, p. 19). With philanthropy's potential as a contributor to processes of social change it is, therefore, appropriate that this study adopts a theoretical framework informed by a wider and more nuanced understanding of Gramsci's ideas.

Summary

This chapter discusses why a critical approach is appropriate for studying elite hegemony in the context of foundations and the NPOs they fund. To this end, this study adopts a critical approach informed by a theory of hegemony as conceptualised by Gramsci. Studies in the critical tradition emphasise power relationships within society, and help to uncover hegemonic forces. Thus, critical inquiry is especially suited to studying philanthropic practices because philanthropy is a manifestation of inequality and the

asymmetrical power structure that results from inequality. In sum, Gramsci's ideas provide a useful analytical framework for reconciling the role of hegemonic philanthropic foundations with their potential as contributors to processes of social change through the activities of NPOs. In the following chapter, the methodology adopted in this study will be discussed.

Chapter Three:

Methodology

Qualitative research

The present study is primarily concerned with exploring and explaining the phenomenon of elite hegemony and its perpetuation through acts of philanthropy. Elite hegemony, or more specifically, hegemonic relations are not tangible phenomena that can be measured or quantified. Instead, hegemonic relations typically come to light through analyses of social interactions (Fairclough 1992, 2010; van Dijk 2008). As such, the focus of this study is on how people who interact in philanthropic transactions interpret, and think about their actions and decision-making processes. Therefore, by focusing on the nature of social interactions, this study aims to reveal the patterns of association within the social relations of philanthropy, and the meanings people attribute to these patterns of interaction.

Patterns of social interactions in the world of philanthropy manifest themselves in various forms. One example, is the ways individuals interpret and assign meanings to their actions throughout the process of giving and getting. For foundation executives, the interpretation of foundation founders' intent guides them in the task of directing grants to particular social causes and not others. This act of interpretation might also guide foundations to allocate different types of grants, that is, single-year or multi-year grants, to the causes they fund. This study does not aim to generalise its findings over the entire Australian philanthropic and non-profit domain. The results can only be generalised to the relatively small research sample. In sum, this study concerns an exploration of meanings, understandings, and interpretations that different groups of people attribute to the world of philanthropy. In other words, it is research based on critically analysing discourse (Fairclough 2010; Phillips & Hardy 2002), and therefore, falls within the domain of qualitative research (Ezzy 2013).

This chapter discusses the merits of critical discourse analysis (CDA) as an appropriate methodology for the present study. It specifically elaborates CDA from two academic perspectives, namely, those associated with Norman Fairclough (1992, 2010) and Michel Foucault (1972), and argues that Fairclough's approach to CDA is more appropriate for this study. The focus of this chapter is an elaboration of the concept of orders of discourse (Chiapello & Fairclough 2002), and includes an

exploration of power and discourse, and dominant discourses. By elucidating how discourse relates to the notions of power, ideology, and hegemony the discussions in this chapter reinforce the suitability of a Gramscian framework of analysis for this study.

Focus of investigation

A qualitative approach is particularly suited to this study because it investigates the social phenomena of hegemonic relations from the perspectives and experiences of a relatively small group of people (Ezzy 2013, p. 56). Data for this study is based on information gathered from the websites and annual reports of 25 philanthropic foundations, and 29 NPOs that regularly receive philanthropic grants. By using this information, 16 face-to-face interviews were eventually conducted with representatives of ten foundations and six NPOs.

It is also important to note that by law Australian philanthropic institutions are only required to provide an audited annual report to the Taxation Department (Cham 2010, p. 35). There is no legal obligation for foundations to provide public annual reports. Those that issue annual reports do so voluntarily. This suggests that the genre of philanthropic relations under analysis is unique due to the transparency offered by the social actors concerned. Hence, the study results cannot be generalised to all organisations that constitute the entire philanthropic and non-profit sector. Instead, the focus of the research is on social processes that occur within a domain of relatively transparent philanthropic relations.

The analysis conducted in this study is based primarily on data from audio-recorded interview transcripts, and is supplemented by data collected from websites and annual reports. In-depth, semi-structured interviews were conducted with 16 senior management personnel: ten from philanthropic foundations, and six from NPOs. In order to investigate the link between philanthropic grant-making patterns and the preservation of elite hegemony, this inquiry is broadly framed by questions that explore personal experiences of giving and receiving. For example, senior management staff from philanthropic foundations were asked how they assess which non-profits to allocate funds to. They were asked about

the specific actions they enact during their assessment process, the ways in which these actions were carried out, and the reasons for doing so. As for senior management staff from NPOs, the focus of inquiry was framed by questions on: why their work attracts funding by philanthropic foundations; what effect philanthropy has on the work they do; and how they negotiate the process of asking for a grant and on what terms. In sum, this study is primarily an exploration and analysis of the meanings that shape the actions and decisions of research participants engaged in the philanthropic process. In doing so, the study aims to uncover and critically analyse the consequences of power and inequality that generally characterise philanthropic relationships.

Critical discourse analysis

An inquiry into elite hegemony is primarily about how power relations are enacted by groups in society that possess significant economic and social power, and those that do not. One way to investigate the effects of such power relations is through the scholarly practice of critical discourse analysis (henceforth CDA). At the heart of CDA is discourse, that is, the context of language use in speech and writing. In particular, CDA primarily analyses real and extended occurrences of social interaction that have a linguistic or partially linguistic form (Fairclough & Wodak 1997, p. 258). Indeed, Fairclough (1992, p. 5) asserts that 'changes in language use are an important part of wider social and cultural changes'. This implies that an analysis of language use or discourse provides a way to investigate social processes such as the potential for philanthropy to contribute to social change, which is particularly relevant to this study.

One of Gramsci's (1971) key insights on social transformation is the role that ideology plays in both the transformative process, and social reproduction. Moreover, the French scholar Michel Pêcheux (1982) maintains that discourse is the dominant linguistic material form of ideology, and discourse analysis examines the ideological dimensions of language use (Fairclough & Wodak 1997, p. 262). In fact, the pertinence of CDA in an exploration of elite hegemony lies in its critical aspect. A critical approach to discourse analysis not only shows how discourse is influenced by power relations and ideologies, but

also how discourse constructs social relations, social identities, and systems of belief and knowledge (Fairclough 1992, p. 12).

According to Norman Fairclough and Ruth Wodak (1997, p. 258) discourse is 'socially influential…[and] gives rise to important issues of power'. That is, discursive practices can play a role in producing and reproducing unequal power relations between social groups through the ways in which they position people and represent things. For instance, some types of discourse may reinforce certain aspects of social life as natural or just common sense. However, 'the ideological loading of particular ways of using language' and the power relations that underscore them are often opaque to people involved in discursive practices and events (Fairclough & Wodak 1997, p. 258).

Fairclough (2010, p. 93) asserts that the links between discursive practices and texts, and wider social relations and processes are typically not transparent. Furthermore, Fairclough suggests that the opacity of the relationships between society and discourse is itself a factor in the achievement and maintenance of hegemony for dominant social groups. In other words, it is the critical aspect of CDA that offers a means to systematically examine these opaque relationships such as those that exist within the philanthropic domain. After all, philanthropic foundations collectively have billions of dollars in assets behind them, and what they do and say has important social consequences (Jensen 2013, p. 114). Thus, a critical examination of the philanthropic discourse of giving and receiving using CDA is appropriate for analysing how elite hegemony might be perpetuated.

In order to conceptualise CDA, Fairclough and Wodak (1997, pp. 271-280) summarise its main principles as follows:

1. CDA addresses social problems.
2. Power relations are discursive.
3. Discourse constitutes society and culture.
4. Discourse does ideological work.

5. Discourse is historical.
6. The link between text and society is mediated.
7. Discourse analysis is interpretive and explanatory.
8. Discourse is a form of social action.

Within this broad outline, CDA enables scholars to study and analyse the link between social issues such as inequality, and the way power is enacted and reproduced in society (van Dijk 2008). In order to do so, a theoretical framework is required to explain how particular semiotic features of discourse is linked to an abstract notion such as power relations. However, the methodology of discourse analysis lacks a singular definition and theoretical framework, and as such makes it a difficult concept to grasp (Jensen 2013, p. 110). For instance, discourse analysis has been described as a means to analyse 'incomplete, ambiguous, and contradictory discourses [that]…produce a social reality' (Phillips & Hardy 2002, p. 1). Moreover, the task of conducting CDA has been described by scholars such as Teun van Dijk (1993, p. 253) as very complex, and 'far from easy'.

Despite the ambiguity and complexity associated with discourse analysis, several scholars in this field maintain that CDA is a useful analytical instrument in qualitative research. In this respect, Fairclough and van Dijk, two prominent scholars in the field of CDA, each provide useful theories though different approaches, for a critical analysis of discourse. Indeed, Fairclough (1992, 2010, 2016) adopts a dialectical-relational approach to CDA, while van Dijk (2008, 2016) espouses a socio-cognitive perspective. Notwithstanding differences in their approaches to CDA, Fairclough and van Dijk share common ground in that they both offer a methodology for analysing power relations that draws on Gramsci's (1971) notion of hegemony.

According to van Dijk (2015, p. 467) CDA highlights how 'discourse structures enact, confirm, legitimate, reproduce, or challenge relations of *power abuse (dominance)* in society'. In fact, the power of dominant groups such as the rich may be incorporated into social norms, rules and habits, that through a broad consensus become hegemonic (van Dijk 2015, p. 469). However, dominated groups may discursively

resist acts of dominance, and not simply comply with or legitimate the hegemony of dominant groups. In this light, CDA enables the critical study of how dominance and inequality are enacted, reproduced, legitimated, and resisted by text and talk (van Dijk 2015). In other words, a key reason for using CDA to analyse dominant discourses such as philanthropy discourse is that it provides a means to explicate the relationship between micro- and macro-levels of social interaction.

The difference between micro- and macro-level interactions is articulated by van Dijk (2015, p. 468) in the following way. Micro-level interactions might include verbal interaction, discourse, and language use between individuals. In contrast, macro-level interactions typically denote inequality, power, and dominance between social groups such as philanthropic elites, and potential non-profit grant recipients. However, as van Dijk asserts, it is important to note that in reality, micro- and macro-levels of social interaction are not distinct phenomena but instead constitute a unified whole. Thus, in the context of this study, the verbal and written interactions between philanthropic foundations and potential grant recipients would constitute micro-level social interactions. At the same time, such micro-level interactions constitute the overarching philanthropic process, and may potentially contribute towards the perpetuation of elite hegemony at the macro-level.

In order to conduct an inquiry into the micro- and macro- levels of social interaction, the present study adopts a discourse analysis approach developed by Fairclough. Fairclough's (1992) approach involves a three-dimensional framework for discourse analysis that combines textual and language analysis, and social theory. By a three-dimensional model, Fairclough (1992, p. 4) explains that an instance of discourse is viewed 'as being simultaneously a piece of text, an instance of discursive practice, and an instance of social practice'. For Fairclough (2016, p. 89), texts include written texts, and verbal practices such as interviews, as well as the 'multimodal' texts of media such as the internet and television that combine visual images and language. Thus, in this study, the text element of discourse analysis pertains to the analysis of language in texts such as interview transcripts as well as combinations of texts and visual images such as those in annual reports and websites.

The second element of Fairclough's (1992, pp. 78-79) model of discourse is 'discursive practice' which focuses on processes, specifically how texts are produced, distributed, consumed, and interpreted. The implication here is that different types of texts are produced in particular ways within specific social contexts. For example, a foundation's annual report typically consists of stories where its philanthropy has contributed to positive change in the circumstances of particular social groups. These stories are produced through processes involving people who manage specific non-profit programs, who then provide feedback to the foundation. In turn, the foundation transforms the feedback into a positive story in their annual report that is available on the internet for the consumption of the public, and other foundations and non-profits. The key point here is that 'texts are also consumed differently in different social contexts' (p. 79). Thus, NPOs might refer to a foundation's annual report to assess the feasibility of their success with a grant application, while other foundations might read the annual report to remain abreast of current philanthropic trends. In sum, Fairclough's discursive practice dimension of discourse 'specifies the nature of the processes of text production and interpretation' (p. 4).

The final component of discourse in Fairclough's (1992, p. 4) three-dimensional framework is that of 'social practice'. This dimension concerns the wider context of a discursive event such as its organisational or institutional circumstances. Social practice in the present study refers to the institutional circumstances of the philanthropic world. In the context of this research it is useful to conceptualise discourse as social practice in terms of ideology, power and hegemony (Fairclough 1992, p. 86). According to Fairclough (1992, p. 87), ideologies that 'are built into…discursive practices…contribute to the production, reproduction or transformation of relations of domination'. Furthermore, he argues that ideologies that are embedded within discursive practices are most effective when they are naturalised and regarded as 'common sense' (Fairclough 1992, p. 87). This suggests that ideological struggle is part of the struggle to reshape discursive practices that in turn might lead to the transformation of relations of domination within society. In other words, a change in discursive practices is associated with a change in what society might currently accept as common sense. In sum,

a three-dimensional model of discourse is essentially a conceptual model whereby the social practice and text dimensions of discourse are mediated by discursive practice. Thus, in order to examine elite hegemony within the philanthropic world, this study will focus on analysing the link between text and discursive practice, and how this discursive practice might shape social practice (Jensen 2013).

In order to provide a theoretical and analytical framework for his three-dimensional discourse model Fairclough (2010, p. 61) draws on Gramsci's notion of hegemony. According to Fairclough (1992, p. 95), the concept of hegemony provides for discourse both a matrix and a model. He explains that, as a matrix, hegemony provides a means of analysing social practice in terms of power relations, specifically whether they reorder, reproduce or challenge existing hegemonies. Then, as a model, hegemony allows for a method of analysing discursive practice itself as a form of hegemonic struggle.

Hegemony and hegemonic struggle in the present analysis takes into account the formation of alliances, and relations of domination and subordination that occur between civil society institutions such as foundations, and the NPOs they fund (Fairclough 2010, pp. 61-62). Following Fairclough's (1992, p. 73) three-dimensional model of discourse, an analysis of hegemony within the philanthropic world must then examine the inter-relationships between the texts, discursive practices, and social practices that constitute the discourse of philanthropy. In this study, the texts being analysed are primarily in the form of website content, annual reports, and transcripts of interviews with people with lived experience of philanthropic giving and getting. Moreover, the corpus of rich data derived from the aforementioned sources forms a solid basis for interpretation and analysis. In other words, this body of data provides sufficient information for an examination of discursive practices and social practices within the domain of philanthropy.

The theoretical perspectives of discourse analysis as outlined by Fairclough (1992, 2010, 2016) and van Dijk (2008, 2016) suggest that CDA is an appropriate methodology for this study. Evidently, a CDA methodology provides a useful framework to examine if and how unequal power relations in the world of philanthropy are maintained or challenged. Hence, CDA at the micro- and macro-levels of social

interaction is expected to uncover aspects of the maintenance or otherwise of elite hegemony through philanthropic practice.

What is discourse?

Before proceeding to a discussion on the key concepts of CDA, it is important to define, and distinguish between different perspectives of discourse itself. In broad terms, discourse concerns text and talk, that is, social practices that involve writing and talking. Yet, discourse is a difficult concept to grasp largely due to the multitude of definitions that stem from different theoretical perspectives (Fairclough 1992). For instance, Nelson Phillips and Cynthia Hardy (2002, p. 3) 'define discourse as an interrelated set of texts, and the practices of their production, dissemination, and reception, that brings an object into being'. In another definition, Fairclough (1992, p. 3) writes that discourse refers 'to extended samples of…spoken or written language'. By this definition, Fairclough specifically focuses on three elements of discourse: the interaction between writer and reader; the production and interpretation of writing and speech; and the situational setting of language use. To add to the complexity surrounding the notion of discourse, discourse also describes the different types of language used in a variety of social settings such as the discourse of philanthropy (Jensen 2013), institutional discourse (Mayr 2015) and organisational discourse (Mumby & Clair 1997).

While discourse does not have a single definition, there are aspects of discourse that share a common thread. Scholars such as Phillips and Hardy (2002), and Fairclough (1992) share the perspective that text, whether spoken or written, is an important dimension of discourse, and discourse analysis is generally conducted by analysing texts. At the same time, discourse is about 'meaning, and making meaning' (Fairclough 2010, p. 3) of specific phenomena in everyday social life, and the task of a discourse analyst is to examine the connection between reality and discourse (Phillips & Hardy 2002). In other words, social reality is produced through discourses, and social interactions cannot be completely understood without examining the discourses that accord them meaning (Phillips & Hardy 2002, p. 3).

Yet another way to comprehend discourse relates to its use in social theory and analysis. For example, in the work of Michel Foucault, discourse refers to different ways of configuring areas of knowledge and social practice (Fairclough 1992, pp. 3-4). In fact, the focus of some of Foucault's work is on specific forms of discourse such as that of psychiatry, medicine, and economics (p. 38). In this sense, different discourses are manifested in specific types of language use, and essentially construct or constitute social entities and relations in different ways (p. 3).

Indeed, Foucault's body of work has had a substantial influence on the social sciences and qualitative research particularly through his writings on history, power, agency, and discourse (Power 2011, p. 37). For instance, Foucault uses 'history as a way of *diagnosing* the present', and 'to disturb the taken-for-granted' (Kendall & Wickham 1999, p. 4). More pertinent to the present discussion is the fact that Foucault has also utilised discourse analysis to investigate the connection between discourse and power relations (Phillips, Sewell & Jaynes 2008, p. 771). However, in contrast to Fairclough's textually-based conceptualisation of discourse, Foucault's engagement with discourse is more abstract. Indeed, Fairclough (1992, p. 57) argues that the main difference between his ideas and those of Foucault is 'the absence of a concept of practice in Foucault's analyses, including the absence of text and textual analysis'. Here, practice is taken to mean real instances of people writing, saying or doing things. Instead, Foucault (1972, p. 117) refers to the idea of discursive practice as 'a body of anonymous, historical rules'. This effectively reduces practice to structures, which appear to be the focus of Foucault's (1972) work.

From Foucault's writings, one might assume that it is possible to extrapolate from structure to practice, and investigate aspects of practice without analysing real instances of it (Fairclough 1992, p. 57). However, this assumption is premised on the notion that the influence of structures on practice is more uniform than reality suggests. Moreover, while Foucault's work does advocate for change and transformation (Webb 2013), a focus on structures obscures the means by which social change might

occur (Fairclough 1992, p. 58). Thus, Foucault's work in general implies that people are vulnerable to systems of power that are impossible to resist and subvert (Dremel & Matic 2014, p. 157).

Fairclough (1992, p. 56) maintains that a weakness in Foucault's approach to discourse analysis lies in his conception of power and resistance, and issues concerning struggle and change. For Fairclough, Foucault appears to overstate the degree to which most people are manipulated by power, and does not appear to emphasise the contestation of dominant practices through struggle. Hence, for Fairclough, Foucault's approach to discourse analysis limits the potential for change.

In sum, while Foucault recognises the link between discourse and the dynamics of power relations, his concept of discourse analysis does not address 'the everyday processes of language use and meaning making' (Phillips, Sewell & Jaynes 2008, p. 771). Thus, in order to overcome the limitations of Foucault's method, Fairclough (1992, p. 61) advocates the inclusion of concrete examples of practice including the textual forms associated with them. Since this study is premised on the collection of a discourse sample comprising text and real life examples of philanthropic practice, discourse as conceptualised by Fairclough (1992) rather than Foucault (1972) is deemed to be more appropriate as a subject for the present analysis.

Important concepts and definitions

In CDA, discourse is conceived as a form of social practice (Fairclough & Wodak 1997). Social practice is 'a relatively stabilized form of social activity' (Chiapello & Fairclough 2002, p. 193), and examples include classroom teaching, medical consultations, or the annual allocation of grants by foundations to their chosen beneficiaries. According to Fairclough (1992, pp. 63-64), the conceptualisation of discourse as social practice infers two important elements. First, discourse is a mode of action, and representation. Second, the idea of discourse as social practice implies the existence of a dialectical relationship between a specific discursive event and the social structures, institutions, and situations that frame it (Fairclough & Wodak 1997, p. 258). Discourse is also relational in that it can only be understood 'by analysing sets of relations' (Fairclough 2010, p. 3). For example, these relations might

be instantiated in discourse between powerful institutions such as foundations, and less powerful entities such as NPOs that need philanthropic funds. Therefore, a discursive event is shaped by social structures, institutions, and situations, and at the same time, a discursive event shapes them. In other words, discourse is both socially shaped and socially constitutive (Fairclough & Wodak 1997, p. 258).

In addition, discourse is socially constitutive in a dual sense. Fairclough and Wodak (1997, p. 258) state that discourse serves to maintain and reproduce the social status quo. It also plays a role in transforming the status quo. Thus, by conceptualising discourse as social practice, CDA allows researchers to investigate the processes that challenge, produce or reproduce hegemonic relations in society.

According to Eve Chiapello and Norman Fairclough (2002, pp. 193-194), discourse features in social practices through three different ways of making meaning. These are categorised as genres (ways of interacting), discourses (ways of representing), and styles (ways of being). First, genres might concern how language is used in a particular way as part of doing a job such as being a chief executive of an organisation (Fairclough 2016, p. 88). Second, discourses refers to the ways different social actors represent their own practices and that of others according to their own position within the practice. For example, the experiences of disadvantaged communities are represented through different discourses in the social practices of government, philanthropy, and the non-profit domain of welfare service delivery. Furthermore, these discourses correspond with the different social positions of the people concerned. Thus, discourse within the realm of representation of social practices constitutes distinct types of discourses. Third, styles refers to discourse that is a part of identities or ways of being such as being a chief executive of an organisation (Fairclough 2016, p. 89).

The relevance of genres, discourses and styles to this study are as follows. According to Chiapello and Fairclough (2002, p. 194) social practices that are networked in a certain way comprise a social order. In addition, the particular ways in which different genres, different discourses, and different styles are networked constitute what is known as orders of discourse (Fairclough 2016, p. 89). In other words, ‘an

order of discourse is a social structuring of semiotic difference – a particular social ordering of relationships amongst different ways of making meaning' (Chiapello & Fairclough 2002, p. 194). This suggests that within a specific order of discourse there is a hierarchy of ways of making meaning, in that some ways of making meaning are more dominant than others. For example, in the world of philanthropy, the dominant way of giving grants typically maintains social distance between grantor and grantee, with the grantor having minimal involvement with the grantee organisation. However, there are other modes of giving that might challenge the dominant way. For instance, an alternative way of giving might involve a genuine collaboration between grantor and grantee to work towards tackling particular social issues such as problem gambling or youth poverty. Thus, a collaborative approach to philanthropy challenges the prevailing order of discourse.

For Chiapello and Fairclough (2002, p. 194), when a particular order of discourse becomes hegemonic, it 'become[s] part of the legitimizing common sense, which sustains relations of domination'. However, hegemony will always be contested through hegemonic struggle, and the contestation of philanthropy's hegemony would necessarily involve processes that contribute to producing a new common sense (Crehan 2016). The process of generating a new common sense that is widely accepted within society is, of course, crucial to Gramsci's idea of social transformation for dominated groups. In fact, Gramsci (1971, p. 323) requires individuals 'to work out consciously and critically one's own conception of the world and…take an active part in the creation of the history of the world'. What Gramsci refers to as 'the creation of the history of the world' is, of course, social transformation, and its key element is a new common sense (Crehan 2016, pp. 52-53).

To put the present discussion in context, the social practice of philanthropy can be conceptualised as an order of discourse. According to Chiapello and Fairclough (2002, p. 194) an order of discourse is an open system which stands to be challenged by actual social interactions. From this perspective, the order of philanthropy discourse is characterised by dominant discourses but also by oppositional discourses that challenge the dominant discourses. Furthermore, these discourses are enacted as

genres or ways of interacting, and inculcated as styles or ways of being (Fairclough 2016, p. 89). Moreover, the relevance of CDA as a research methodology lies in its focus on the ways in which social agents attempt to achieve or change outcomes within existing practices and structures (Fairclough 2016, pp. 89-90). It follows, then, that a change in outcomes would involve changes in orders of discourse. Therefore, CDA can help to analyse and explain how social actors pursue their strategies for achieving different types of outcomes through discourse.

Institutional discourse

The preceding discussion on genres, discourses, and styles suggests that dominant discourses are associated with powerful social groups or institutions. An important aim of CDA is to examine and explain how social power is 'enacted, reproduced or legitimized by the text and talk of dominant groups or institutions' (van Dijk 2008, p. 65). By Fairclough's (1992, p. 4) three-dimensional formulation of discourse, the institutional circumstances of a discursive event constitute the social practice dimension. This suggests that the social practice dimension in the present analysis is represented by the institutional discourse of philanthropy.

The idea of institutional discourse stems from language-focused inquiries into how discourse and power influence the way institutions operate (Mayr 2015). Institutions can refer to both physical and non-physical settings. In fact, Michael Agar (cited in Mayr 2015, p. 757) defines institutions as 'a socially legitimated expertise together with those persons authorized to implement it'. That is to say, institutions can be taken to refer to any influential or powerful group such as philanthropic foundations.

According to Paul Drew and Marja-Leena Sorjonen (1997, p. 92), the institutionality of discourse, whether spoken or written, is not simply contingent on or restricted to its occurrence in physical sites. Instead, for discourse such as spoken dialogue, its institutionality 'is constituted by participants through their orientation to relevant institutional roles and identities…and through their production and management of institutionally relevant tasks and activities' (p. 94). For example, social interactions conducted with grant beneficiaries outside the physical boundaries of a foundation's office also

constitute institutional discourse. Furthermore, institutional interactions take on different forms. They might entail institutional media discourses, face-to-face institutional dialogue, as well as communication through the Internet such as email and social media (Mayr 2015, pp. 757-758). This implies that the power of institutions such as philanthropy can be produced and reproduced through various forms of discourse.

The critical analyses of institutional discourse harmonise with CDA's focus on issues of power and hegemony. Critical analyses of institutional power and discourse typically focus on how power is enacted, and specifically, how professional elites discursively reproduce power structures within such institutions (van Dijk 2015, p. 478). Interestingly, some past critical studies of institutional power have adopted a Gramscian theoretical and analytical perspective. One example is Robin Clair's (1993) research that involves fifty women's accounts of workplace sexual harassment. Clair's (1993, p. 113) research specifically examines the role that framing devices play in sequestering sexual harassment stories 'that might otherwise challenge the dominant interests of organizations'. In other words, the framing of sexual harassment stories is used as a hegemonic device in maintaining the interests of the privileged group within their workplaces. Clair's findings imply that by employing specific framing devices some women in subjugated work positions actively participate in the production and reproduction of the dominant institutional ideology. Therefore, in Clair's study, hegemony provides a useful analytical framework for explaining how dominant groups within some institutions succeed in maintaining their power through devices such as the silencing of sexual harassment stories.

Clair's (1993) study highlights how discourses operate in producing and reproducing hegemonic relations between powerful institutional groups and their lower ranked workforce. However, this does not suggest that less powerful social groups do not have the capacity to resist various forms of institutional power. For example, Anthony Giddens (1981) in his theory of structuration elaborates on how resistance might occur. Giddens (1981, p. 51 emphasis original) writes that:

> [a]t the heart of both domination and power lies the *transformative capacity* of human action, the origin of all that is liberating and productive in social life as well as all that is repressive and destructive.

This suggests that less powerful groups have the agency to engage in acts of resistance. That is to say, they 'are not completely overwhelmed by institutional power…and…institutions have a potential for both domination and emancipation' (Mayr 2015, p. 760). Therefore, since structure and agency are mutually dependent, Giddens' ideas on resistance imply that powerful institutions such as philanthropy have the ability to both enable and constrain the activities of less powerful organisations like the non-profits they give grants to.

However, as Andrea Mayr (2015, p. 761) notes, the likelihood of acts of resistance is higher in institutional domains where the domination of one group over another is contested, such as within work settings or civil society. This is in contrast to more coercive institutions such as immigration detention centres, and prisons. In addition, acts of resistance to institutional discourse practices are unlikely when questions of economic survival are at issue. For example, a NPO that acutely requires funds for a program that addresses a complex social issue is more likely to comply than not with conditions set by funding bodies. Hence, in keeping with Fairclough's (1992) three-dimensional model of discourse, an analysis of the institutional discourse of philanthropy is expected to shed light on the nature of its dominant practices, and resistance to them.

Power and discourse

The power of dominant groups such as people with great wealth manifests itself in several ways. As van Dijk (2008, pp. 13-14) explains, social power typically manifests itself in two ways. First, social power relates to the preferential access that certain groups have to material resources such as property, capital, physical force or knowledge. The obvious example here is Australian philanthropic foundations, some of which have assets worth hundreds of millions of dollars. Second, power relates to groups of people who have the power and control over public discourse. In this instance, social power might be

expressed through their own institutional discourse, and their control of the discourse of others (van Dijk 2015, p. 474). Moreover, as previously discussed, dominant groups exercise power through social norms, rules and laws that, in turn, become socially accepted by a broad consensus known as common sense (Chiapello & Fairclough 2002). Thus, groups that manifest as philanthropic foundations can be said to be powerful both in the fiscal sense, and in terms of their potential to influence and control public discourse.

However, it is important to note that socially dominant groups do not always exercise power in abusive ways (van Dijk 2015). Instead, social power may be enacted in everyday interactions such as when a grant applicant approaches a philanthropic foundation to ask for funding. Nevertheless, the ability of dominant groups to exercise control over the actions of others reinforces the link between social power and discourse.

People who have the capacity to exercise control over public discourse and its production are referred to by van Dijk as symbolic elites. According to van Dijk (2015, p. 470) symbolic elites 'have more or less exclusive access to, and control over, one or more types of public discourse'. For example, politicians control public policy discourse, university academics control scholarly discourse, chief executives of philanthropic foundations control the discourse on philanthropy, and so on. In this sense, symbolic elites are typically people who lead more powerful social groups and institutions, and have relatively more power in determining discourse genres within their areas of expertise (van Dijk 2008, p. 32). In doing so, they have the potential to set agendas for public consideration, and act as producers of societal attitudes, beliefs, knowledge, and ideologies. Thus, symbolic elites such as chief executives and board members of foundations along with other elites from the economic, political, and social spheres play an important role in upholding the hegemony of powerful institutions within society.

Evidently, public discourse has the potential to persuade or manipulate people, thus countering the need for coercion. In this light, the power associated with symbolic elites (van Dijk 2015, p. 470) is closely associated with Gramsci's formulation of hegemony. After all, for Gramsci, 'hegemony…is

established by means other than reliance on violence or coercion' (Fontana 2008, p. 85). Furthermore, Gramsci (1996, pp. 52-53) contends that the manifestation of hegemony within civil society can be understood through:

> [a] study of how the ideological structure of a ruling class is actually organized: that is, the material organization meant to preserve, defend, and develop the theoretical or ideological 'front''. Its most notable and dynamic part is the press in general: publishing houses…political newspapers; reviews of every kind – scientific, literary, philological, popular, etc.; various periodicals, including even parish bulletins…The press is the most dynamic part of the ideological structure, but not the only one. Everything that directly or indirectly influences or could influence public opinion belongs to it: libraries, schools, associations and clubs of various kinds.

For Gramsci (1996, p. 53), 'everything that directly or indirectly influences…public opinion' comprise a diverse range of institutions. Indeed, the associations, clubs, and social groups he describes might be what present day pluralist theorists would categorise as interest groups (Fontana 2006, p. 56). But more germane to the present discussion is Gramsci's implication that dominant social groups have the power to influence public opinion through the dissemination of various forms of texts, or in other words, discourse.

Indeed, Gramsci (1996, pp. 52-53) suggests that the social control of discourse relates to who has control over discourse production, and the type of discourse itself. Moreover, according to van Dijk (2008, pp. 31-32) 'power is…exercised and expressed through differential access to various genres, contents and styles of discourse'. In other words, within various domains, particular ways of producing and disseminating discourse are privileged over others. That is to say more powerful groups have more access to a variety of discourse genres such that their versions of text or talk have the potential and power to influence others. In contrast, relatively powerless groups who have less access to various forms of text and talk, sometimes struggle to be heard. Therefore, a task for CDA in an analysis of elite hegemony is to uncover what types of discourse are privileged over others.

Dominant discourses

As the discussion in the preceding section suggests, the power of dominant groups is not only manifested in their capacity to control public discourse, it is also evident in their own discourse (van Dijk 2015, pp. 474-475). One way that discourse might signify power differences is through the act of storytelling. Stories such as adulatory accounts of large philanthropic donations in newspapers or magazines index power differences between philanthropists and their beneficiaries. Interestingly, some foundations discuss themselves and the importance of their own work in similarly glowing terms. For example, Courtney Jensen's (2013) research analyses the discourse of philanthropy through texts such as annual reports and newsletters produced by some American foundations. Jensen's (2013, p. 117) analysis reveals that the foundations in her sample typically discuss their own work positively and 'in decidedly admirable ways', and less so on the main social problem the foundations are meant to address. Thus, Jensen (2013) concludes that some foundations, through their own storytelling, discursively promote and maintain philanthropy's vital role in solving some social problems rather than actually explaining how the problems are solved.

Another example of discursive control is evident in the types of social causes that philanthropic foundations publicly declare they will fund, and the granting criteria they prescribe. Typically, this type of communication is conveyed through foundation websites and annual reports, as illustrated by the following examples. In the first example, the Balnaves Foundation (2018) declares that it 'supports eligible organisations…that aim to create a better Australia through education, medicine and the arts with a focus on young people, the disadvantaged and indigenous Australia'. Similarly, the Coopers Brewery Foundation's (2019) eligibility criteria for grant applicants specifies that:

> applications will only be considered if they fit the Foundation's focus. It will support charities…in the following areas: medical research and health care, youth education, aged care, and fostering family and community support based on Christian values.

Both of the above examples show how powerful groups such as philanthropic foundations control discourse. According to van Dijk (2015, pp. 470-471) powerful groups control discourse in two ways. First, they have the capacity to control the structures of text and talk, such as through the control of topics like the types of causes foundations choose to fund. For instance, both Balnaves and Coopers Foundations are very specific about what types of charitable organisations are eligible to apply for their grants. By inference, organisations that fall outside of the eligibility criteria do not qualify to receive a philanthropic grant from either foundation and must instead look for other sources of funds.

Second, powerful groups have the potential to control the communicative situation or context of discourse. According to van Dijk (2015, pp. 470-471) the types of communicative situation include categories such as settings as in time and place, discourse genres, and the ideologies and attitudes of participants in various institutional roles. The control over a communicative situation, thus, involves control over at least one of such categories. One example that suggests control of the communicative situation lies in the message conveyed by the website of what is currently Australia's largest foundation in terms of assets, the Paul Ramsay Foundation (Philanthropy Australia n.d.-a). Following the death of its founder, the Australian businessman Paul Ramsay in 2014, the Paul Ramsay Foundation received a significant boost in financial assets with a bequest of over $3 billion from his estate (Gardner 2014). Thus, by asset value, the Ramsay Foundation can be said to wield significant economic power within the philanthropic domain.

However, while the Ramsay Foundation's website provides general information on who they typically give grants to, it does not make allowances for potential grantees to submit unsolicited grant applications. In fact, the Foundation declares that they 'are no longer accepting unsolicited proposals, [and] instead are reaching out to…organisations [they] believe could be potential partners' (Paul Ramsay Foundation n.d.). In other words, the Foundation has constrained the ability of potential grantees to seek funding. Thus, instead of encouraging NPOs to submit proposals for projects that need

funding, the Ramsay Foundation controls the communicative situation and sets its own granting agenda by autonomously deciding who should or should not receive grants.

Yet another way that powerful groups exercise discursive control over less powerful groups is through silences or censorship of topics. After all, discourse is constituted by what is said, and what is left unsaid (von Münchow 2018, p. 215). According to Christine Anthonissen (2008, p. 401) acts of silencing occurs in two ways. First, an authoritative body can impose censorship so as to hide information that it deems to be harmful to itself or others. Second, a group can be self-censoring by withholding information that it believes can be harmful to itself or to others. For example, politicians may control discourse on people seeking asylum in Australia by focusing only on the negative aspects of irregular maritime arrivals (Muller 2016), and obscuring accounts of Australia's commitment to asylum seekers' human rights. In a similar manner, the lack of a requirement for all philanthropic institutions to publicly report their granting activities obscures information on where all private philanthropic funds are being directed. To the general public, this can be seen as a form of censorship whereby only some types of philanthropic funding are openly shared, while others are hidden. In sum, dominant discourses are evident in the way powerful groups and institutions control their own discourse either by transparent means, or obscuring certain types of communicative information. The power of dominant discourses is underscored by the significant social effects such discourses have on the circumstances of less powerful groups. Hence, a key focus of the present study is to analyse how foundations control their own discourse in order to maintain their power and hegemony.

Social practice, ideology, hegemony and Gramsci

The adoption of Fairclough's (1992, p. 4) three-dimensional discourse analytical framework enables discourse to be conceptualised as simultaneously an instance of text, discursive practice, and social practice. Conceptualising discourse as social practice is especially relevant to the present study because it enables discourse to be analysed in relation to power, ideology, and hegemony (Fairclough 1992, p. 86). For Gramsci (1971, p. 57), hegemony is conceptualised 'as 'domination' and as

‘intellectual and moral leadership’’ that manifests itself across society’s economic, cultural, ideological, and political domains. Moreover, dominant groups exercise hegemony by ‘constructing alliances, and integrating rather than simply dominating subordinate classes, through concessions or through ideological means, to win their consent’ (Fairclough 1992, p. 92). This suggests that one way for dominant groups to maintain their hegemony by ideological means is through discourse.

According to Chiapello and Fairclough (2002, p. 187) ‘an ideology is a system of ideas, values and beliefs oriented to explaining a given political order, legitimizing existing hierarchies and power relations and preserving group identities’. Furthermore, from Gramsci’s (1971, p. 328) perspective, ideology is understood as ‘a conception of the world that is implicitly manifest in art, in law, in economic activity and in all manifestations of individual and collective life’. This suggests that the values and beliefs of individuals are shaped by different ideologies. In turn, some dominant ideologies become naturalised as society’s common sense. In fact, for Gramsci (1985, pp. 420-421):

> [e]very social class has its own ‘common sense’ and ‘good sense’, which are basically the most widespread conception of life and man. Every philosophical current leaves a sedimentation of ‘common sense’: this is the document of its historical reality. Common sense is not something rigid and stationary, but is in continuous transformation, becoming enriched with scientific notions and philosophical opinions that have entered into common circulation…Common sense creates the folklore of the future, a relatively rigidified phase of popular knowledge in a given place and time.

That is to say, ‘common sense is not a single unique conception, identical in time and space…it takes countless different forms’ (Gramsci 1971, p. 419). Thus, for Gramsci, common sense is an accumulation of popular knowledge or truisms accepted within a particular society (Crehan 2016, p. 46). It is heterogeneous but also assumes a certain amount of rigidity. This implies that a key pre-requisite condition for social transformation is a new conception of the world, that is, a new common sense in order ‘to conquer ‘ideologically’ the traditional intellectuals’ (Gramsci 1971, p. 10). In other words, ideologies that form part of discursive practices are most effective when they become society’s common sense.

In turn, the achievement of social transformation and a new common sense necessitates hegemonic struggle. However, while hegemony is a process that operates at a societal level, hegemonic struggle typically occurs through discursive events that occur at a more local level (Fairclough 2010, p. 63). For example, most discourse is located in institutions such as the courts of law, workplaces, and in the offices of philanthropic foundations and NPOs. This suggests that a challenge to the hegemony of a dominant group necessitates the rearrangement of local orders of discourse. In other words,

> the hegemony of a…group over an order of discourse is constituted by a more or less unstable equilibrium between its constitutive discursive practices, which may…[be] restructured in the course of hegemonic struggle (Fairclough 2010, p. 130).

While hegemonic struggle poses a challenge to hegemonic narratives, hegemonic struggle is not confined to the experience of dominated groups. It applies equally to the struggle by dominant forces to renew or preserve their hegemony in the domain of discourse (Fairclough 2010, p. 130). This is because an order of discourse is an open rather than a closed system (Chiapello & Fairclough 2002, p. 194). Consequently, it becomes subject to contestation through actual social interactions, that is, through discourse. In other words, hegemonic arrangements of orders of discourse are produced, reproduced, contested, and changed through discursive practices. This implies that social and cultural change is also reflected in changes in discursive practices. Hence, in order to examine the preservation of elite hegemony it is important for the present study to analyse how changes in discursive practices relate to social change.

The relationship between discourse and hegemony is two-fold. First, hegemonic practice and hegemonic struggle manifest largely as discursive practice such as written and spoken interaction (Fairclough 2010, p. 129). Furthermore, the notion of hegemony suggests that within various spheres of civil society such as philanthropy, certain discursive practices have developed to naturalise particular ideologies and social relations. For example, foundations traditionally give money to NPOs that provide services for marginalised and disadvantaged communities such as people experiencing homelessness.

A traditional form of philanthropy might involve allocating money towards a homeless shelter to address immediate housing needs, albeit on a temporary basis. However, foundations that are driven by a strategy of contributing to social change might fund different types of initiatives to address homelessness. Such initiatives might include training and employment schemes for people experiencing homelessness, or advocating for policies towards more affordable housing. In comparison, the traditional method of directing philanthropic funds to a homeless shelter aligns with conventional hegemonic relations between the rich and poor. Moreover, funding that is limited to providing short-term shelter is premised upon and reproduces the social identities of wealthy and powerful benefactors, and poor homeless people. In other words, the traditional way of enacting philanthropy reinforces the dependence of a person experiencing homelessness to acts of charity. That is, it perpetuates the hegemonic relations inherent to social and economic inequality.

The second aspect of the relationship between discourse and hegemony 'is that discourse is itself a sphere of cultural hegemony' (Fairclough 2010, p. 130). Specifically, the hegemony of a particular group over sections of society is related to the group's ability to shape orders of discourse and discursive practices. In this sense, a dominant social group has the potential to exercise cultural hegemony through means such as educational programs for marginalised communities that extend beyond the domain of schools. In the *Prison Notebooks*, Gramsci describes the attainment of cultural hegemony through his thoughts on languages and dialects. He writes:

> every language contains the elements of a conception of the world and of a culture…from anyone's language one can assess the greater or lesser complexity of his conception of the world. Someone who only speaks dialect, or understands the standard language incompletely, necessarily has an intuition of the world which is more or less limited or provincial…it is at the least necessary to learn the national language properly…a great national language with historic richness and complexity…can translate any other great culture and can be a world-wide means of expression. But a dialect cannot do this (Gramsci 1971, p. 325).

In the preceding passage, Gramsci implies that the discursive practice of speaking a dominant national language is privileged over that of speaking different dialects. As such, speaking the national language achieves dominance in a society's order of discourse.

So too are certain discursive practices in the world of philanthropy. Take for example Arnove's (1980a, p. 1) claim of philanthropy's role in producing and perpetuating cultural hegemony, and its propensity for establishing 'an agenda of what merits society's attention'. Arnove's argument suggests that the discursive practices of foundations such as choosing to fund one cause over another, results in the restructuring of the order of discourse such that 'an agenda of what merits society's attention' becomes accepted and naturalised. In turn, naturalised discourse conventions become an effective instrument 'for sustaining and reproducing cultural and ideological dimensions of hegemony' (Fairclough 2010, p. 129).

However, the view of foundations as producers and perpetuators of cultural hegemony presents only one facet of the social relations of philanthropy (Ostrander & Schervish 1990), and neglects the dialectic dimension of philanthropy discourse. Specifically, this one-sided view of philanthropy discourse obscures the discursive practices of the NPOs that receive philanthropic money. In other words, in an analysis of hegemony within the social practice of philanthropy it is imperative to also examine the discursive practices of grant beneficiaries. After all, in a dialectical relationship discourse is influenced by institutions, situations, and social structures, and discourse also influences them (Fairclough & Wodak 1997, p. 258). Therefore, it is from this perspective that the present study proceeds.

Summary

This study adopts a critical discourse analysis (CDA) methodology in order to examine the philanthropic practices that contribute to maintaining elite hegemony. Its main sources of data are texts in the form of interview transcripts, website content, and documents embedded in websites such as annual reports. These sources of data harmonise with Fairclough's (1992, p. 4) three-dimensional model of discourse, whereby an instance of discourse is conceptualised as simultaneously being a piece of text, an occurrence of discursive practice, and an occurrence of social practice.

Conceptualising discourse as social practice is a crucial part of CDA. This is because discourse as social practice allows discourse to be analysed in relation to the concepts of power, ideology, and hegemony (Fairclough 1992, p. 86). Specifically, discourse figures in social practices in three ways: as ways of interacting (genres), as ways of being (styles), and as ways of representing (discourses) (Chiapello & Fairclough 2002, pp. 193-194). That is to say, different genres, styles, and discourses are networked together as an order of discourse. Based on the discussions presented in this chapter, philanthropy discourse can be regarded as an order of discourse characterised by dominant discourses, and also oppositional discourses. It is, therefore, the aim of this study to elucidate the nature of the dominant and oppositional discourses, and the effects this might have on the social relations of philanthropy. The next chapter will describe how the present study was conducted.

Chapter Four:

Conducting the research

Data selection and collection

This chapter describes how the present study was conducted, specifically, how data was collected and analysed. In Chapter Three, it was established that Fairclough's (1992, p. 4) three-dimensional model of discourse analysis is the most appropriate conceptual framework for investigating the phenomenon of hegemony within philanthropic relationships. With this in mind, this chapter focuses on exploring three dimensions of philanthropy discourse: text, discursive practice, and social practice. This chapter also describes the research sample, and discusses the reasons for conducting interviews with philanthropic elites in addition to analysing internet-sourced data on foundations.

In general terms, this study proceeds according to the analytical steps described by Keith Jacobs (2013, pp. 274-275). First, textual analysis focuses on text structure within interview transcripts, and the contents of websites including annual reports. Second, discursive practice emphasises the strategic devices used by the authors and speakers who contribute to the texts being analysed. Third, social practice highlights the wider context of philanthropy incorporating its relation to ideology, and the theory of hegemony. In practice, it is likely that these three dimensions of analysis overlap, and do not strictly adhere to the sequence presented above. Nevertheless, Fairclough's (1992, p. 4) three-dimensional model of discourse analysis provides a useful framework with which to systematically analyse the corpus of discourse samples.

The crucial first step in this study was the selection and collection of data. This is the process of 'construction of a corpus of discourse samples…[which needs to be] representative of a certain practice…[and] adequately reflects the diversity of practice…both normative and innovative' (Fairclough 1992, pp. 226-227). In discourse analysis, data, referred to as texts, might comprise documents and records, interviews, and newspaper and magazine articles (Phillips & Hardy 2002, p. 9). In addition, texts also include the 'multimodal' texts that mix language and visual elements such as the internet and television (Fairclough 2016, p. 89). In this study, a corpus of discourse samples was created from

publicly available texts from 54 organisations consisting of approximately 216 documents, and 16 face-to-face interview transcripts.

In order to build a solid foundation for analysis the initial focus of the research process was on gathering rich data (Charmaz 2014). For a researcher, collecting rich data implies looking for 'thick description', that is, 'a multiplicity of complex conceptual structures, many of them superimposed upon…one another' (Geertz 1973, p. 10). According to Kathy Charmaz (2014, p. 23) rich data are typically full, detailed, and disclose research participants' perspectives, opinions, feelings, and the structures and contexts of their lives. In this study, collecting rich data involved locating websites and the documents embedded within them, and gathering detailed accounts through interviews. Gathering multiple forms of data was deemed necessary in order to strengthen the validity of this study. Thus, the rich data-gathering process involved two phases. First, relevant websites and documents such as annual reports were located and retrieved from the internet. Second, 16 in-depth semi-structured interviews were conducted, followed by the transcription of interviews.

Data collection and on-going analysis began in February 2015. The collection of publicly available data on philanthropic foundations and philanthropically-funded NPOs occurred over the following twelve months. I began by manually scanning the list of foundations and trusts listed in the Philanthropy Australia directory. The main objective of this task was to select foundations with comprehensive websites, and that also provided access to between three and five consecutive annual reports. In keeping with the notion of philanthropy as a social relation of giving and getting, foundation websites typically list the NPOs they fund. Subsequently, a list of NPOs with comprehensive websites and annual reports was also compiled. This process was necessary in order to provide a corpus of discourse samples that is representative of the social practice of philanthropy. As previously discussed, Australian philanthropic foundations and trusts are legally required to report their annual activities only to the Taxation Office, and not the general public (Cham 2010). As such, the Philanthropy Australia list is a voluntary register, and does not comprise all philanthropic entities operating in the country. In other

words, there is no searchable database of all Australian philanthropic institutions. Hence, the Philanthropy Australia list is not representative of all types of Australian foundations. Nevertheless, the activities of the foundations selected for this study are deemed to be representative of the social practice of philanthropy in Australia.

Documents as data

It is important to note that internet-sourced documents such as annual reports are not merely inert texts. In fact, they are more than 'containers for words, images, [and other] information' (Prior 2008, p. 822). As Lindsay Prior (2008) argues, analysis of documents should focus on both what they contain, and what they function as. Indeed, examining what documents do might involve focusing on what types of audiences the documents are directed at, and how audiences interpret them, and how and when audiences use such documents (Charmaz 2014, p. 46). For instance, the annual reports of foundations and NPOs are documents created within specific social, cultural, historical, and economic contexts. Furthermore, foundation annual reports are written for the consumption of audiences such as grant-seeking NPOs, other foundations, the general public, and researchers alike. Similarly, the annual reports of non-profits are aimed at a general public readership, other non-profits in the same field, and philanthropic institutions wanting to assess their viability as grantees. As Charmaz (2014, p. 46) suggests, in this sense 'documents represent discourses and accounts', and documents such as annual reports adhere to particular conventions that reflect the wider discourse of the philanthropic world. Hence, annual reports provide an important insight into what Fairclough (1992, p. 73) defines as the discursive practice dimension of discourse.

In addition, annual reports typically contain information that describes the work that organisations do. Moreover, through high quality production values and professional copywriting, annual reports are generally very effective in shaping an organisation's public image and reputation (Charmaz 2014, p. 50). In other words, annual reports and other website content tend to convey an idealised picture of the way

organisations operate. Hence, while such documents offer valuable information, relying solely on them for analysis would have been a considerable limitation of the present research (Charmaz 2014, p. 49).

In order to overcome this limitation, a list of interviewees was created by the following process. Twenty-five trusts and foundations with comprehensive websites were selected out of the approximately 350 philanthropic entities that comprise the Philanthropy Australia list. This list consists of a combination of philanthropic institutions that fall into the broad categories of private, family, and community foundations. From the list of foundations, 29 NPOs that regularly receive philanthropic grants were also chosen for analysis. Therefore, the first part of the data collection process yielded a purposive non-probability sample (Tranter 2013, p. 110) consisting of texts and other relevant information from the websites of 25 foundations, and 29 non-profit organisations.

The second part of data collection consisted of in-depth semi-structured interviews with senior management personnel from philanthropic foundations and philanthropically-funded NPOs. Interviews were conducted in order to enhance the corpus of discourse samples (Fairclough 1992, p. 227). Furthermore, interviews were crucial in order to obtain participants' interpretations of discourse samples such as annual reports. However, the process involved in recruiting interview participants was difficult. Following the formal approval of the University Human Research Ethics Committee (Ethics Approval No. H-2015-230), the recruitment process began by examining the 54 websites previously selected. From these websites, a list comprising the names of 40 chief executives was compiled. Each chief executive was then sent a letter written on University of Adelaide letterhead stationery inviting them to participate as research interviewees. When no reply was forthcoming, several people were sent reminder letters or emails. Reminders were only sent once. Eventually, out of the 40 letters sent, 17 chief executives or their senior management representatives replied to indicate their willingness to participate in this study. In sum, the second phase of the data collection process produced a self-selected non-probability sample (Tranter 2013, p. 112) of interview participants comprising senior management representatives of ten foundations and seven NPOs. Out of this sample of interviewees permission was granted for 16

interviews to be audio-recorded, and subsequently transcribed. Therefore, the overall research sample consists of texts from 25 philanthropic foundations, and 29 NPOs. The sample of interviewees consists of 17 individuals, of whom 16 gave permission to be audio-recorded.

Description of research sample

All interviewees were assured of anonymity. However, as foreshadowed in the Participant Information Sheets addressed to participants from foundations and NPOs (see Appendix A and Appendix B respectively), participants were also informed that due to the small sample size interviewees may still be identifiable within the philanthropic and non-profit community. To this end, care has been taken in the write-up of this thesis to de-identify any unique features relating to interviewees such as their names, geographic location, and the names of the organisations they represent. Hence, in an effort to preserve the anonymity of participants a description of the overall research sample is presented in general terms as follows: Table 1 describes the philanthropic foundation sample in terms of grants distributed in 2017; Table 2 shows how foundations articulate their mission statements; and Table 3 gives an overview of the sample of NPOs according to the social issues they address.

Table 1. Description of foundations by grants distributed in 2017

Total giving in 2017 $	Number of foundations	Percent of foundation sample
$100,000 to $500,000	6	24%
$501,000 to $1 million	3	12%
$1.1 million to $5 million	5	20%
$5.1 million to $10 million	5	20%
$10.1 million to $15 million	1	4%
$15.1 million to $25 million	2	8%
Giving not publicly declared	3	12%
Total	25	100%

Most foundation annual reports and websites are consistent in the types of information that they present. For instance, most foundations in the overall sample provide information on their funding priority areas, their grant application criteria, how much they give annually, and to which organisations. In addition, all foundations provide an indication of the vision or mission of their philanthropy. However, not all foundations make explicit statements of the strategy they use to achieve their stated mission or objective. Nevertheless, in order to better understand the practice of philanthropy it is useful to get a broad indication of what foundations want to achieve with their philanthropy. To do so, the stated mission statement of each foundation has been allocated into one of eight categories, notwithstanding that some mission statements might actually fall into more than one category.

Table 2 describes the foundations according to the key words used to declare their mission statements.

Table 2. Description of foundations by stated vision/mission statements

Key words used in vision/mission statements	Number of foundations	Percent of foundation sample
Lasting positive social impact/change	11	44%
Social cohesion/inclusion	2	8%
Policy change/advocacy	3	12%
Catalytic philanthropy	3	12%
Excellence/quality of life	2	8%
Full potential/change lives	2	8%
Equity	1	4%
Maintain environment	1	4%
Total	25	100%

Table 3 describes the philanthropically-funded NPOs included in the research sample by the social issues they focus on.

Table 3. Social issues targeted by non-profit organisations (NPOs) in research sample

Social issue	Number of NPOs	Percent of NPO sample
Human rights (including asylum seekers & refugees)	4	13.79%
Social services (poverty & disadvantage)	3	10.34%
Indigenous education & youth opportunities	3	10.34%
Homelessness (including youth homelessness)	4	13.79%
Youth cultural activities	1	3.45%
Biodiversity	1	3.45%
Criminal justice system	2	6.90%
Migrants & refugees	4	13.79%
Child protection	1	3.45%
Climate change	1	3.45%
Disadvantaged children's education	1	3.45%
Indigenous, refugee & asylum seeker legal rights	3	10.34%
Public policy research	1	3.45%
Total	29	99.99%

Interviews

Annual reports and other documents from websites can go into great detail about philanthropic organisational practices such as grant-making, and income producing investment strategies. Most foundations typically provide detailed information on how much money is given to various NPOs that meet their funding criteria. Furthermore, foundation annual reports often contain stories about how their grants have enhanced the operation of the NPOs that have received their philanthropy. In addition, annual reports reveal trends such as the number of single-year grants and multi-year grants allocated in any given year. In this sense, texts within the research sample are typically rich in information on the allocation of philanthropic money, and positive impact stories. However, they generally do not convey details of the social processes that constitute the interaction between foundations and NPOs. One way to address this limitation of using documents as data is by conducting in-depth semi-structured interviews.

According to Max Travers (2013, p. 229), 'the indepth interview seeks to answer social questions through the subjective meanings and understandings people bring to their interpretation of the social world'. In this study, interviews provided rich insight into participants' everyday experiences of the process of giving and getting within the world of philanthropy. Importantly, interviews were a means of entering participants' domains in order to gather rich and sufficient data. According to Charmaz (2014, p. 33), there are four broad criteria for evaluating whether data is rich and sufficient, and these criteria were used as a guide in this study. In particular, steps were taken to ensure that interviews: (i) elicit detailed descriptions of a variety of participants' views; (ii) reveal insights into what lies beneath the surface of public relations rhetoric typically associated with organisational annual reports; (iii) produce data that allow for the development of analytic categories; and (iv) produce enough data to reveal changes over time in relation to some philanthropic practices. Thus, with Charmaz's (2014, p. 33) four criteria in mind, interviews were conducted to generate what is believed to be rich and sufficient data.

In order to encourage open and frank discussions about the experience of giving and receiving philanthropic funds, participants were assured that their responses will remain anonymous. To this end, the identities of interview participants are protected through the use of pseudonyms. Participants from philanthropic foundations were assigned pseudonyms beginning with the letter 'P' followed by a number, that is, P1 to P10. Likewise, participants from NPOs were given pseudonyms beginning with the letter 'N' followed by a number, that is, N1 to N6.

Interviewing elites

In-depth interviews provided participants with the opportunity to engage in a face-to-face dialogue about philanthropic processes by drawing on their own experiences. Consequently, all participants provided me - in varying degrees - with a detailed and rich understanding of the processes of giving and getting, and their perspectives of the effects of these processes. All participants were interviewed in their capacity as leaders or senior representatives of philanthropic foundations and NPOs. As such, they were considered to be from an elite group within their respective fields of expertise.

Interviewing elites comes with several considerations, one of which is the importance of their time limits. This was particularly so because all interviews occurred within working hours, and at participants' workplaces. The interviews ranged in duration from about 45 minutes to 90 minutes. Therefore, extensive preparation was carried out prior to the interviews by researching extant information about the participants' organisations through their respective websites.

During the recruitment phase, all potential participants were given a succinct description of the research project explaining the aims and risks associated with it. Participants were given ample time to ask questions about the project prior to the interviews. In addition, before each interview I studied the three most recent annual reports of the organisation whose representative I was interviewing. It was important to do this to avoid asking basic questions for which answers were easily available through the organisations' websites. It was also felt that being familiar with the organisations' activities accorded me the credibility and trustworthiness expected of a researcher. While the majority of the interviewees were

open and frank with their responses it is assumed that they, at times, exercised self-censorship. After all, most interviewees have a public profile associated with their senior managerial roles. From brief discussions prior to the interviews, it was understood that participants would refrain from divulging confidential and specific details of individuals or organisations that could potentially compromise their or their organisation's reputation.

My subject position as a middle-aged woman of Southeast Asian origin was in stark contrast to the participants, all of whom were Caucasians of Anglo or European heritage. According to Charmaz (2014, p. 74), the social locations of interviewer and interviewee, in addition to factors such as race, gender, and age can influence the way interviews unfold. These factors can affect interviewees' willingness to participate, their impression of the researcher, and also their preconceptions about the interview. Understandably, the participants' perceived me to be an outsider, albeit one who was an interested would-be learner of their organisational processes. However, I did not experience any resistance on the part of participants to my interview questions, nor did I encounter any uncooperative organisational gatekeepers. In fact, most participants appeared at ease by responding to my open-ended questions with descriptive, reflexive, and sometimes lengthy accounts (Brinkmann 2013). Their acceptance of me as an interviewer may be due to factors such as being of a similar age to most of them, and their past professional encounters with people similar to me. Hence, all interviews were conducted in an environment of mutual respect and professionalism.

Face-to-face interviews were conducted in April, May, July and September 2016 of which four were conducted in Adelaide, eight in Melbourne, four in Sydney, and one using Skype. The sample of interviewees consisted of representatives from ten philanthropic foundations, and seven NPOs. Of the 17 participants 12 were women, five were men, and ranged in age from about 30 to 65 years. Signed consent was obtained from all participants prior to the start of the interviews. In addition, all participants except one gave their signed consent for the interviews to be audio recorded. As previously noted, all interviews occurred at the participants' workplaces. Interestingly, the offices of the foundations being

studied were generally housed in discreet urban locations, contrary to what might be expected of influential and privileged social institutions.

Interviewees were asked open-ended questions on a broad range of topics. Prior to the interviews, interview guides were developed by drawing on information from the existing literature on philanthropy, annual reports, and other documents retrieved from organisational websites and the internet. For instance, foundation representatives were asked about how they select the social issues and NPOs to support, the types of grants they provide, and their experience of the social relations of philanthropy. The main aim of these questions was to uncover the ideology that underpins their actions. Correspondingly, NPO representatives were asked about why philanthropic donations are crucial to their work, the nature of their encounters with foundations, and how these encounters affected their work and themselves. The key objective of these questions was to understand the processes involved in applying for and receiving philanthropic grants, and the oversight methods and conditions attached to such grants. Further examples of interview questions are given in Appendix C and Appendix D. At the completion of the interviews, the audio-recorded ones were transcribed by the researcher. Thus, the corpus of discourse samples for this research project consists primarily of 16 interview transcripts. These are supplemented by the multimodal texts of the internet (Fairclough 2016, p. 89) comprising approximately 216 annual reports, including images, newsletters, videos, news reports, media releases, and project reports retrieved from 54 websites. Importantly, the corpus of discourse samples satisfies Charmaz's (2014, p. 33) criteria of rich and sufficient data consisting primarily of an insight into a wide variety of participants' viewpoints and experiences, and that allow for the emergence of thematic categories that lend themselves well to a Gramscian theoretical framework.

Once all the interviews were transcribed they were analysed by categorising them into themes. Interview data were categorised using an open coding system that allowed thematic categories to develop out of the data (Brinkmann 2013). According to Anselm Strauss and Juliet Corbin (1990, p. 62) 'open coding is the part of analysis that pertains specifically to the naming and categorizing of

phenomena through close examination of data'. Hence, in this sense, coding is deep analysis and interpretation of the data's meanings (Miles, Huberman & Saldana 2014, p. 72).

In keeping with a Gramscian theoretical framework, thematic categories that arose from the data were aligned with pre-determined categories related to Gramsci's notion of hegemony. As Crehan (2009, p. 33) observes:

> Gramsci never provides us with ready-made theoretical templates which we can apply in any simple way to our times and our questions…[But] it is above all, the roads down which Gramsci sends us, not necessarily the particular destinations at which he arrives, that are so useful.

What Crehan appears to suggest is that the most valuable aspect of Gramsci's writings are the conceptual tools he provides, particularly for the study of how power works. To this end, the main themes that arose out of participant interviews were: impact, crises within capitalism, inequality, educational projects, and philanthropic leadership. In order to conduct an analysis of elite hegemony each theme was discussed in relation to some of Gramsci's (1971) ideas such as passive revolution, subaltern groups, and relations of forces. For example, crises and impact are discussed in relation to passive revolution; inequality is elaborated on in terms of subaltern groups; and the overall philanthropic process is analysed from the perspective of Gramsci's (1971, pp. 181-182) notes on the relation of forces. Throughout the interview process, thematic saturation (Brinkmann 2013, p. 97) was attained around the eighth philanthropic interview, and around the sixth NPO interview.

In summary, this thesis analyses the process whereby philanthropic elites, as a hegemonic group, creates alliances with other non-hegemonic groups through philanthropic endeavours aimed at the betterment of society. By drawing on some of Gramsci's ideas about the achievement and maintenance of hegemony, this thesis elaborates on the themes that arose from the research data. To this end, the following chapter will discuss the idea of impact and what is perceived as crises in philanthropy, in relation to Gramsci's (1971, p. 105) notion of passive revolution.

Chapter Five:

Money, crises, passive revolution, and impact

The relevance of money in Gramsci

This chapter discusses how acts of philanthropy are essentially responses to crises as perceived by philanthropic elites. In order to explain the nature and consequences of responses to crises, I draw on the Gramscian notion of passive revolution (Gramsci 1971, p. 105). By locating acts of passive revolution within the discourse of philanthropy I argue that the idea of making an impact through philanthropy is a manifestation of how foundations respond to crises. Before delving into a discussion of Gramsci's passive revolution, I shall briefly address Gramsci's apparent omission of the social purpose of money, particularly since the accumulation and distribution of money forms the basis of contemporary philanthropy. To do this, I draw on the work of the German philosopher Georg Hegel (1770 - 1831) to gain an insight into why Gramsci might have overlooked the issue of money.

In discussing the power and influence of philanthropic institutions, the idea of money as an instrument of elite hegemony has been taken for granted. While Gramsci writes extensively about the operation of hegemony, one striking omission in his works is a discussion of money. This is surprising because money is the manifestation of hegemony, and its very existence attests to a broad popular consent (Mann, G 2013, p. 105). According to Geoff Mann (2013, p. 117), 'money is an instrument of hegemony par excellence', and performs a superlative social function in making the operations of bourgeois capitalism universal, natural and stable. Moreover, as Buttigieg (1995, p. 26) asserts, the locus of hegemony is civil society, where 'civil society is the arena wherein the ruling class extends and reinforces its power by non-violent means'. Yet, what is missing from Gramsci's study of hegemony is the social function of money within his unique conception of civil society, for which he maintains 'in actual reality civil society and State are one and the same' (Gramsci 1971, p. 160).

The ensuing discussion will briefly trace the origin of Gramsci's notion of civil society to that of Hegel, and focuses on Hegel's ideas on commodity exchange (Mann, G 2013, p. 111). As Mann (2013, pp. 105-106) argues, money serves as the common element of civil society and the state. This suggests

that civil society and the state are equivalent, which supports Gramsci's (1971, p. 160) assertion that they 'are one and the same'.

Gramsci does write about economic activity within civil society, though not specifically about money, as his appraisal of free trade in Italy suggests:

> The ideas of the Free Trade movement are based on a theoretical error whose practical origin is not hard to identify; they are based on a distinction between political society and civil society, which is made into and presented as an organic one, whereas in fact it is merely methodological. Thus it is asserted that economic activity belongs to civil society, and that the State must not intervene to regulate it. But since in actual reality civil society and State are one and the same, it must be made clear that *laissez-faire* too is a form of State 'regulation', introduced and maintained by legislative and coercive means (Gramsci 1971, pp. 159-160).

Gramsci (1971, p. 261) asserts that 'by 'State' should be understood not only the apparatus of government, but also the 'private' apparatus of 'hegemony' or civil society'. How then do we reconcile Gramsci's civil society as the site of hegemony with his apparent omission of the social relation of money? One way to understand this lacuna lies in Gramsci's own acknowledgement of how his concept of civil society is closely connected to that of Hegel. In the *Prison Notebooks* Gramsci acknowledges the Hegelian heritage of his conception of civil society by emphasising that:

> one must distinguish civil society as Hegel understands it and in the sense it is often used in these notes (that is, in the sense of the political and cultural hegemony of a social group over the whole of society; as the ethical content of the state) (Gramsci 2007, pp. 20-21).

As Mann (2013) asserts, Hegel's civil society comprises 'a more complex and dynamic set of relations' (p. 105) than the liberal conceptualisation of civil society in which it is viewed 'as distinct from the state' (p. 104). The complex set of relations in Hegel's civil society suggests that the workings of private markets and contracts would be impossible without money (Mann, G 2013, p. 105). In fact, Hegel (1991, p. 236) insists that civil society is reliant on 'the business of exchanging separate commodities for one another, chiefly through the universal means of exchange, namely money, in which the abstract value of

all goods is actualized'. Thus, for Hegel, the workings of civil society are evidently intertwined with the social purpose of money.

In addition, Mann (2013, p. 111) argues that money and value is connected inexorably to 'the state's capacity to govern, in and through civil society' in that money mediates the relationship between civil society and the state. Moreover, Hegel (1991, p. 338) asserts that the state 'lays claim only to the *one* resource which assumes the shape of *money*', and it does so for one particular reason. As Mann (2013, p. 117) contends, the reason the state in modern bourgeois-capitalist society lays claim to money is for the exercise of hegemony. However, this does not suggest that money is solely concentrated within the institutions of the state. After all, state-privileged institutions such as philanthropic foundations are also repositories of substantial monetary assets. Instead, Mann's (2013, p. 117) claim implies that money in the hands of society's powerful and influential institutions, is a potent instrument of hegemony.

With money as the common element, civil society and the state are rendered equivalent, a claim that resonates with Gramsci's (1971, p. 160) assertion that 'in actual reality civil society and State are one and the same'. Given money's standing as 'an instrument of hegemony par excellence' (Mann, G 2013, p. 117) it is puzzling as to why Gramsci apparently ignores its role in civil society. Yet, with Gramsci's conceptualisation of civil society having its basis in Hegel, it can be assumed that Gramsci acknowledges the role that money plays in the achievement and maintenance of hegemony. In sum, the concepts that Gramsci generates in his writings allow for a close scrutiny of the social function of money in an analysis of hegemony within civil society.

Society's needs and responses to crises

While money is undeniably a potent instrument of hegemony within civil society, being an apparatus of hegemony is, of course, not the only function of money. Money is also an essential element in fulfilling everyday human needs, and undoubtedly, lies at the heart of the dialectical social relations of philanthropy. In addition, money fulfils the needs of actors involved in giving and receiving philanthropic funds in different ways. For example, a philanthropic foundation that is legally tasked with providing

grants for the benefit of society satisfies its need to generate an annual income through shrewd market investments using its own property. Moreover, a foundation must generate an annual income to fulfil its legal requirement of distributing at least five percent of the value of its assets. In contrast, most people who receive help from philanthropic foundations do so through the efforts of NPOs that specialise in addressing the needs of specific marginalised communities. For instance, some non-profit participants in this study work to address the needs of communities experiencing conditions such as homelessness, unemployment, and poverty.

According to C. J. Pereira Di Salvo (2015, p. 109) poverty is a condition in which people in civil society, as conceptualised by Hegel, cannot satisfy their needs through their own property, or by performing work in service of others' needs. In addition, people experiencing poverty are also socially excluded. Exclusion occurs because without property or work, impoverished people are blocked from being a part of institutions that integrate individuals' particular interests into the universality of the state (Whitt 2013, p. 261). Therefore, the dynamics of civil society produce significant social inequality whereby impoverished people co-exist with wealthier individuals, and yet are socially excluded (Whitt 2013, p. 261).

As Leigh (2013) points out, one of the detrimental effects of poverty is economic inequality. Inequality has an impact on factors such as social mobility and democracy, which means it is more difficult for the poor to accumulate wealth, and to engage in political activity (Leigh 2013, pp. 88-89). That is to say, if left unchecked the effects of inequality has the potential to develop into something that might constitute a social crisis.

While Hegel (1991) discusses poverty within civil society extensively, he does not offer concrete solutions to the ensuing crisis of inequality. In contrast, Gramsci's analysis of hegemony draws considerably on concepts such as subalternity and common sense in order to understand and mitigate the myriad forms of social and economic inequality (Crehan 2016). In fact, Gramsci's emphasis is on the methods by which subaltern or subordinate groups rise to hegemony in order to overcome their lived

experience of inequality. Crucially, the point of departure in Gramsci's analysis of hegemony begins by his observations of crises experienced by different social groups, and their consequences. This suggests that crises are constructed in different ways for different groups.

For example, in Gramsci (1971, p. 184), endemic poverty within civil society gives rise to a 'crisis of impoverishment'. Yet in another passage, Gramsci (1971, pp. 275-276) writes of the 'crisis of authority' that arises 'if the ruling class has lost its consensus', meaning 'that the great masses…no longer believe what they used to believe previously'. Evidently, for Gramsci, different groups experience crises in different ways. This implies that the responses to crises also differ across different groups.

It is important to note that Gramsci does not elaborate on charity or philanthropy as a possible response to a crisis of impoverishment brought on by poverty. Rather, the approach taken by some modern day non-profit practitioners who work towards addressing of the effects of poverty resonates with Gramsci's approach to overcoming social inequality (Crehan 2016). For example, in a contemporary context, people experiencing poverty might be put through programs aimed at education and new skills training so that they can undertake new forms of work. Indeed, a recurring theme that emerged from interviews with NPOs in this study is their efforts to address the structural factors that underpin poverty such as the lack of education and training.

For example, Participant N1, who heads a NPO that provides services to people experiencing homelessness explains the importance of training and education programs provided by her/his organisation. S/he begins her/his account by describing the social need that led to the establishment of her/his organisation seven decades ago by a religious order:

> [There was a] need in those days for men only…so lots of men…they were living in doss-houses, like boarding houses, in the south east corner of the city…Men used to line [up], come down all the back lane, [and the nuns] used to come out and…give them a sandwich and a jar of tea.

Participant N1 explains that besides addressing the immediate needs of people experiencing homelessness, her/his organisation runs numerous other programs that attempt to meet other client needs:

> Homelessness is still a structural issue and that's what we try to focus on: lack of affordable housing, lack of employment opportunities, access to health care, poverty…The day centre…is the first point of contact, people coming in off the street, living in their cars, in boarding houses, we've housed people who have come back. Sometimes they come have lunch here because it's the only conversation for the day which…addresses the loneliness and isolation from the community, from their families. And we have a…[service program]…which is our homeless program funded by the state and federal governments.

Social exclusion, brought on by homelessness and poverty, is reflected in the above commentary. Participant N1 then proceeds to highlight her/his organisation's innovative approach to the crisis of impoverishment brought on by homelessness:

> One of our programs we love [focuses on]…education and employment…[but] we've often been told, 'No, you can't do those things'…People tell us that it won't work: you can't get homeless people into employment…you can't do this…We're told that it's about housing first…It often comes from government and different bureaucrats, and I get some of it because the 'housing first' model was a model in the [United] States and it works, and you need to get people into housing. But people are still lost in their housing. That's why they keep coming back…sometimes they'll give up housing because they feel isolated out in the community. Sometimes we never really ask the question of 'what would you really like?' And often it's the connection in different ways, and sometimes it's just the bloody work.

For Participant N1, providing opportunities towards training and work plays a vital role in addressing the problem of homelessness. More pertinent to this study, innovative training and work programs have been successful in attracting philanthropic funding, as Participant N1 elaborates:

> In February 2015…30 of our clients got casual work…[where] they basically work full-time for the next two to three months. So they got work through [major cultural and sporting events]. They set up the staging, they set up the scaffolding. Women climbing up and down doing things. The group they were working with said they were one of the greatest groups they've ever worked with because they were so hard working. Had to tell them to take a break. What it did for the client group was it enabled them to get some serious dollars back in their pockets. They felt great about themselves. In many ways they started paying tax again. They felt good about things. They started thinking about their housing options in a different way…So we got one of our clients into a…private rental property on the train line, tram line, by the buses. He can just jump on whatever he needs to get to work this way. Still working three years later full-time…[So] he actually wanted to work before he got housing, which is really interesting for that 'housing first' strategy. That link for us as well

> was that we…ended up getting a grant from [a] trust in Sydney and they gave us a two-year funding grant…[For] our [work and training] program last year we had seven different funding grants.

Evidently, the NPO that Participant N1 heads up has developed innovative steps to address the experience of homelessness. Rather than using a palliative approach, this NPO works to restore the advantages of society that people experiencing homelessness and poverty are deprived of such as the ability to earn an income through work, and the opportunity to engage in educational programs. With the help of philanthropy, excess personal wealth is channelled through this NPO to fund ways to restore the advantages of society for people deprived of them because of a crisis of impoverishment.

Crisis of authority

The response to a crisis of impoverishment such as poverty and homelessness typically involves the provision of resources aimed at reducing the factors that lead to or exacerbate such conditions. In fact, the provision of money aimed at addressing the root causes of many social problems lies at the heart of progressive philanthropic giving. However, as a product of capitalism, philanthropy itself is not immune from events that pose as a threat to its very existence and longevity. For instance, lower interest rates and returns from investments in shares affect the income of trusts and foundations, which means they have less to give away as grants. Since 'money is an instrument of hegemony' (Mann, G 2013, p. 117), it can be said that the amount of money foundations give out is a manifestation of philanthropy's hegemony. Moreover, many foundations are created to operate in perpetuity which means they also have to maintain their philanthropy over a very long time. Thus, from philanthropy's perspective, giving less is akin to losing its grasp on elite hegemony, and the leadership and authority it entails.

Roger Simon (2015, p. 35) reminds us that the achievement of hegemony is a constant struggle, and is not to be taken for granted. This means that leading social groups such as the wealthy elite need to be continually strengthening and maintaining their social authority throughout civil society. One way to achieve this is through their philanthropic activities. In fact, the process of maintaining their hegemony is

most evident when wealthy elites perceive it to be under threat, such as when the ability of their philanthropic foundations to disburse monetary grants is diminished. In Gramscian terms, this constitutes a crisis of authority.

Gramsci is careful to distinguish between crises that are permanent, and those that are occasional, or conjunctural. He explains:

> [that] a crisis occurs, sometimes lasting for decades. This exceptional duration means that incurable structural contradictions have revealed themselves (reached maturity), and that, despite this, the political forces which are struggling to conserve and defend the existing structure itself are making every effort to cure them, within certain limits, and to overcome them. These incessant and persistent efforts…form the terrain of the 'conjunctural', and it is upon this terrain that the forces of opposition organise (Gramsci 1971, p. 178).

The crux of the above paragraph is Gramsci's emphasis on the 'incessant and persistent efforts' necessary in order 'to conserve and defend the existing structure'. That is, if a crisis is organic or permanent, the persistent efforts required to defend the existing system must be strong enough to withstand the challenge posed by the threat of oppositional forces. Thus, in order for a hegemonic group to re-establish and maintain its hegemony a new system of alliances must be developed (Simon 2015, p. 36). For foundations, this implies a careful choice of grantees.

In his writings, Gramsci frames a crisis of authority experienced in 1930s Italy in terms of the threat to capitalist hegemony by the expansion of communism (Achcar 2012). He writes:

> The aspect of the modern crisis that is deplored as a 'wave of materialism' is related to the so-called 'crisis of authority'. If the ruling class has lost consensus, that is, if it no longer 'leads' but only 'rules' – it possesses sheer coercive power – this actually means that the great masses have become detached from traditional ideologies, they no longer believe what they previously used to believe, etc. The crisis consists precisely in the fact that the old is dying and the new cannot be born (Gramsci 1996, pp. 32-33).

According to Gilbert Achcar (2012), the above passage needs to be interpreted in the context of its historical circumstances, specifically to the expansion of communism in Italy in the 1930s. For Achcar, the connection of the 'wave of materialism' to the 'crisis of authority' is Gramsci's way of articulating the threat that communism presents to the hegemony of capitalism. In other words, the advancement of

communism would eventually lead to a crisis of capitalist legitimation. Therefore, Gramsci's (1996, pp. 32-33) assertion that the crisis of authority 'consists precisely in the fact that the old is dying and the new cannot be born', is effectively a crisis of hegemony.

Philanthropy's crisis of hegemony

Yet another recurring theme that emerged from research interviews was how the effects of decreasing levels of philanthropic disbursements was constructed by participants. The amount of money that a foundation disburses in a particular year depends, of course, on the income derived from its investments. Moreover, for most foundations, the value of grants distributed fluctuates from year to year due to factors such as varying interest rates. One philanthropic executive, Participant P9, articulates her/his apparent disappointment in having to distribute a lesser value of grants:

> With this economic climate, we would normally give away $5 million per annum. This year it's $4 million. And I…look at that and I go, that's fine. We will add a minimum of an additional million worth of, we will value add. We will value add to that. That's fine. We're going to get to over five [million dollars]… (laughter).

For Participant P9, the prospect of giving away less compared to the previous year is disappointing, and s/he feels compelled to somehow make up for the million dollar shortfall by what s/he calls value adding:

> We spend a lot of time with grantees…and…a lot of time with grant seekers…we will tend to see people even if we know we can't fund them because they inform us. We are constantly learning. Everything is changing so rapidly. And it…helps us. And then we'll go into another meeting saying…have you spoken with X or Y. For example, I am for ever doing email introductions to people. Honestly, (laughter) it's just you're doing this. Do you know what - you really need to be talking to Y over there…And, it's deeply satisfying when you see one of these connections actually lead to something. And it happens all the time.

Thus, compensating the shortfall in grant distributions with non-monetary assistance is a crucial part of maintaining Foundation P9's reputation within the social relations of philanthropy.

Reference to issues concerning the prevailing economic climate was also evident in other interviews. One non-profit executive, Participant N5, believes that decreasing interest rates has led to a change in

the way some foundations provide grants. Changes in philanthropic giving patterns are of great concern to her/his organisation:

> I think there's been a general change in attitude across philanthropic trusts…There are a couple of things, I think. One is the interest rate. [It] has dropped dramatically, which has severely impacted their ability to disburse funds. And we've noticed there's been a tightening. So a lot of philanthropic trusts now are…creating a little cohort of organisations that they support. So they will take on providing funds for three to five years now instead of that one year period. So…a lot of us lurched from year to year with funding, which made it really difficult to plan. And there was always a lot of enthusiasm for pilot projects. And now the philanthropic trusts [are] saying…we don't want to see something built over a year and then just fall apart. And I think that's very sensible; that's been a good move. So they're now saying, ok, given we want to support organisations for three to five years, we will only have a small number that we'll support. And they'll be chosen because they're specialists in working with children or the homeless or whatever. So they'll have their criteria, and a lot of us are having to fit into that criteria. And a lot of organisations now are building specific relationships with philanthropic trusts knowing that that will be ongoing.

Evidently, having less philanthropic dollars affects grantors and grantees in different ways. Unsurprisingly, fewer available grants curtail the ability of NPOs to carry out some of their projects. Somewhat surprisingly, having less money to distribute leads some foundations to re-invent their patterns of funding, and instead fund a smaller group of grantees for a longer period.

From a Gramscian perspective, the elites whose wealth underpins philanthropy achieve hegemony through a system of alliances which forms the basis of that hegemony (Simon 2015, p. 38). The system of alliances for philanthropy includes prominent civil society institutions such as banks, other philanthropic organisations, and also the NPOs they fund. However, this hegemony is never stable, and requires the system of alliances to be constantly re-negotiated and re-adjusted. In a capitalist economy, an organic crisis might periodically occur so as to challenge the hegemony of rich elites by curtailing their ability to accumulate additional wealth. Since the philanthropic sector depends on investment income to maintain its wealth and uphold its hegemony, a prolonged period of depressed interest rates would indeed constitute a crisis. This is a crisis that threatens its raison d'etre as an enabler of the operations of many non-profit programs. In other words, having less money to distribute as grants constitutes a crisis of hegemony for philanthropy.

Gramsci's elaboration of the concept of an organic crisis largely concerns a crisis of hegemony of the industrialists in Northern Italy in the years prior to and following the First World War. According to Simon (2015, p. 37) an organic crisis developed in Italy between 1910 and 1921 whereby the system of alliances underpinning the hegemony of the industrialists started to collapse. This organic crisis was finally resolved following the rise of Mussolini's fascism. The key point of Gramsci's analysis is that an organic crisis presents the opportunity for different social groups to either rise to or re-establish hegemony. In the interregnum following a crisis where 'the old is dying and the new cannot be born' (Gramsci 1971, p. 276), two events might occur. First, a subordinate social class might challenge the existing order and rise to hegemony. If this does not occur, the opportunity then shifts to the dominant class, which, on the basis of a new system of alliances, will re-establish its hegemony (Simon 2015, p. 38). In the world of philanthropy, a crisis of hegemony is unlikely to result in a subordinate social group or NPO launching a broad movement to challenge its hegemony. Instead, as Participant N5 implies, a crisis of hegemony for philanthropy is more likely to lead to the creation of a new system of alliances in the form of a smaller group of philanthropic grantees. This suggests the exclusion of a larger group of NPOs from receiving philanthropic grants for their projects.

An alternative source of funding for NPOs is the government. However, government funding for NPOs may not be easily available, particularly for more innovative and experimental programs. As the head of a large social services NPO (Participant N6) insists, philanthropy, rather than government grants, is crucial in funding innovative programs. S/he explains why philanthropy, rather than government, has funded one such experimental program in her/his organisation.

> Government will never fund [it]. It's too weird. It's too way out. It's too innovative. So government…funding tends to be very conservative. Tried and true. There's very little funding for innovation of any scale.

This suggests that some NPOs with ideas for innovative projects might experience great difficulty in seeking project funding. In this sense, a crisis of hegemony for philanthropy potentially curtails the

effectiveness of some NPOs such as those that work towards addressing the root causes of social disadvantage. Crucially, a crisis of hegemony for philanthropy leads to the creation of a new pattern of alliances (Simon 2015). In other words, this is one way that philanthropy responds to such a crisis. As this study will reveal, the new pattern of alliances that philanthropy creates comprises not only the types of non-profits that receive grants, but also the way these grants are structured, and the type of engagement philanthropy has with their grantees. In Gramscian terms, the response to an organic crisis is a concept known as passive revolution (Simon 2015, p. 49), and this is the next topic to be discussed.

The concept of passive revolution

The condition of passive revolution is characterised by at least two distinct but interconnected processes. As Adam David Morton (2010) writes, one process refers to a revolution that is devoid of mass participation and a national-popular base. Without democratic mass participation, this is a ''revolution from above', involving elite-engineered social and political reform' (Morton 2010, p. 317). Gramsci illustrates the idea of revolution from above by analysing the events surrounding the Italian Risorgimento. The Risorgimento was the Italian national liberation movement that led to the country's unification in the nineteenth century, and to the rise of the bourgeoisie (Simon 2015, p. 32). Crucially, the key instrument for the unification of Italy was the intervention of the state of Piedmont, rather than the democratic action of the masses. As such, Gramsci surmises:

> The important thing is to analyse more profoundly the significance of a 'Piedmont'-type function in passive revolutions – i.e. the fact that a State replaces the local social groups in leading a struggle of renewal. It is one of the cases in which these groups have the function of 'domination' without that of 'leadership': dictatorship without hegemony (Gramsci 1971, pp. 105-106).

In the above passage, Gramsci emphasises how passive revolution manifested as a method of statecraft during the Risorgimento, whereby a new state was established without democratic participation (Morton 2010, p. 318). In this sense, modern philanthropy can be said to be an expression of a type of passive revolution. After all, philanthropic foundations are necessarily non-democratic

institutions (Dowie 2001, p. 249), and the social causes foundations choose to fund are not the result of public consultation. Instead, most foundations are constrained by their charters to preserve and honour the wishes, interests, and values of the original founders. In fact, the social causes that benefit from a foundation's largesse are a reflection of its founder's values and beliefs, as Participant P5 articulates:

> It's more about what areas the foundation supported from day one which included in particular the arts and medical research, as well as what we now describe as community wellbeing. And they're probably the three areas…[The founder] had a genuine love of the arts, a genuine interest in medical research, a genuine interest in supporting our best and brightest to assist the most needy in the community…[From] small donations in the early days…$300 here, $1,000 there, to now more sophisticated giving using…well designed and clearly articulated funding objectives. But still with the focus of supporting the most needy through the community wellbeing program.

Participant P5 is careful to stress that her/his foundation's areas of interest have stayed true to its founder's wishes. Only the manner in which grants are given have changed to what is currently seen as more 'sophisticated giving'.

The wishes of foundation founders are usually incorporated into the foundation's charter. The charter guides foundation executives in their grant-making, as Participant P3 explains:

> [The founder established the foundation] to make sure her few different areas of interest were going to be catered for and not just leave a bequest to one organisation. So, by setting up the foundation she could set up the charter as she wanted at the time…and to have a foundation going in perpetuity…It was easy for the foundation to set up areas of focus because [the founder and her husband] were very passionate…about [the] visual and performing arts. They were both [also] very connected to the medical profession, and youth at risk…So they're the three focus areas we support…[and] it's great to have that charter.

Evidently, founders of philanthropic foundations have the freedom to choose the areas that will benefit from their philanthropy. Importantly, the process of choosing where to direct their excess wealth is an arbitrary one, and not conducted in a democratic fashion. As Dowie (2001, p. 248) points out, it is extremely difficult to challenge a foundation's ''original intent', sometimes referred to as *mortmain* – the dead hand of the foundation's creator'. Subsequent foundation trustees are, thus, constrained by original intent in their efforts to change some aspect of society according to the wishes of a minority,

and not the needs of a majority. Therefore, viewed as passive revolution, the establishment of most philanthropic foundations 'express the historical fact that popular initiative is missing from…[their] development' (Gramsci 2007, p. 252).

Another way to understand passive revolution is by:

> the fact that 'progress' occurs as the reaction of the dominant classes to the sporadic and incoherent rebelliousness of the popular masses – a reaction consisting of 'restorations' that agree to some part of the popular demands and are therefore 'progressive restorations', or 'revolutions-restorations', or even 'passive revolutions' (Gramsci 2007, p. 252).

From the preceding passage, the idea of revolutions-restorations suggests the need for capitalism and its philanthropic offspring to be resilient in the face of organic crises. According to Xing Li and Jacques Hersh (2002, p. 199), 'resiliency implies a reciprocal and dialectical reform process of compromises and negotiations between the dominant bourgeoisie and subordinate classes'. Furthermore, resiliency manifests as the process whereby capitalism re-organises itself. This process of re-structuring is, of course, Gramsci's notion of passive revolution. In this instance, passive revolution describes capitalism's response to organic crises in the form of societal modifications and compromises in order to appease the demands of the masses. For example, responses to organic crises might involve the implementation of economic restructuring, social reorganisation, and political reforms in order to uphold the dominant mode of production, 'and to reduce the potentials for radical revolutionary changes' (Li & Hersh 2002, p. 194). In other words, passive revolution involves acts of compromise while at the same time preserving the political balance of power.

To illustrate the preceding point, Sassoon (1987, p. 207) states that:

> the acceptance of certain demands from below at the same time encouraging the working class to restrict its struggle to the economic-corporative terrain is part of this attempt to prevent the hegemony of the dominant class from being challenged at the same time as changes in the world of production are accommodated within the current social formation. The passive revolution is in fact a technique which the bourgeoisie attempts to adopt when its hegemony is weakened in any way.

The hegemony of dominant social groups may be diminished as a consequence of major social and political upheavals such as the First and Second World Wars. For example, following the First World War the long-established apparatuses of hegemony such as capitalist industrialists, and traditional political parties faced a deep crisis (Sassoon 1987, p. 208). In order to re-establish their hegemony, a process of re-organisation, and re-structuring of capitalism was needed. The imperative, then, was to preserve the hegemony of the traditional forces and relations of production through a process of passive revolution. Therefore, passive revolution, as a response to major crises such as the First World War, was a strategy to re-organise and preserve the dominance of capitalism. This suggests that when the mechanisms of capitalism such as low interest rates produce a diminished return on foundation investments, philanthropy's response can be said to be one of passive revolution.

Passive revolution in philanthropy

Gramsci's concept of passive revolution helps to explain philanthropic processes in two ways: as non-democratic determination of social causes to fund, and as a response to a crisis of hegemony in light of diminished funds for distribution. First, foundations exercise a type of passive revolution in the process of selecting their preferred grantees. This is evident from the fact that it is primarily their founders' interests that shape the criteria for giving rather than input from democratic participation. In this context, philanthropic giving is what Morton (2010) describes as a revolution from above. It is a revolution in the sense that some foundations want to see change in the circumstances of the people who benefit from their largesse. However, the revolution is distinctly one-sided in that, from the outset, it does not involve democratic participation in the same way general elections do. The decision to award grants to particular social projects is subjective, according to Participant N3 who represents a large social welfare NPO. When asked what types of projects typically attract funding from foundations Participant N3 responds:

> Changing people's lives. So how you can demonstrate that this is going to actually achieve a change in somebody's life. What's the benefit…and demonstrating that benefit…that's the key. But…like everything else in this world it goes a bit in fashion. So you'll find…this

> year everybody's wanting to do a certain thing…But…whatever it is it's about change…making change, beneficial change, in whatever their guidelines are.

However, when asked how foundation executives find out about the social issues that need to be addressed in the first place Participant N3's response was surprising:

> Well, they don't necessarily. How can they? They meet amongst themselves. Some of the CEOs meet amongst themselves. But the CEOs aren't on the ground. You need to be in the [grantee] organisation [and] actually talk to the people that work to really know. So otherwise…it's what's in the media sometimes. Different people, oh, really concerned about asylum seekers. But I know there is a group of CEOs of trusts that meet. And they would talk together and decide what they think is important…And really my view is, it's up to them. They don't have to [have solid evidence]. They've got the money. They've got the control. (laughter)

Participant N3's comments suggest that the allocation of philanthropic grants towards particular areas of social need is determined subjectively, albeit within foundations' stated guidelines. Furthermore, from her/his perspective, foundation executives seldom take the time to investigate the specific needs of potential non-profit grantees, and the disadvantaged communities they help. Yet, foundations apparently want their philanthropy to effect change in the lives of disadvantaged people. In other words, some foundations readily respond to the crisis of impoverishment in society but do so without sufficient and effective consultation with the people who have in-depth knowledge of the crisis. In this sense, Gramsci would surely concur that the philanthropic practice of selecting grant recipients is a form of passive revolution.

Second, foundations themselves run the risk of facing a crisis of authority/hegemony. Here, we are reminded that many foundations are chartered to exist in perpetuity. This means that they must preserve the ability to fulfil their benevolent role in society by continuing to reproduce their philanthropic acts. However, the unpredictable aspects of the market such as decreasing interest rates, and the volatility of investment returns precede a crisis of authority/hegemony. In response to such an impending crisis foundations seek measures that validate their authority. This requires a re-organisation of the way foundations distribute grants. As previously highlighted by Participant N5:

> [Foundations] will take on providing funds for three to five years now instead of that one year period…[Foundations] don't want to see something built over a year and then just fall apart…So they're now saying…given we want to support organisations for three to five years, we will only have a small number that we'll support.

This suggests that foundations are narrowing rather than broadening their targets of grants. In addition, a re-organisation of the way foundations distribute grants is accompanied by foundations expressing a desire to see results arising from their funded projects. In other words, the validation of foundations' authority, legitimacy, and hegemony is achieved by funding non-profit projects that have an identifiable impact. Thus, Gramsci's passive revolution features in philanthropy as both a giving strategy, and a response to a perceived crisis of hegemony. The next section will explore the link between foundations' giving strategies and their construction of the idea of impact, and the significance of this link in the discourse of philanthropy.

Philanthropy's idea of impact

Throughout the research process, the notion of impact features prominently in participants' accounts, and the wider discourse of philanthropy that manifests as texts such as annual reports. Often, the areas that a foundation has chosen as its granting foci are also the areas it wants to have an impact in. More to the point, when foundations speak about having impact or maximising impact, they are implicitly acknowledging the limitations of their philanthropy. Participant P4 articulates what maximising impact implies for philanthropy:

> [About five years prior, the CEO] did a…strategic refreshment…and it was just felt that having some strategic themes to guide us would be useful. So what…was come up with was [one strategic theme, in particular] which is about recognising the limitations of our giving. We distribute [approximately] $12 million a year…[and] I guess we used to be one of the bigger foundations. We're not by any means the biggest anymore…So recognising that…we want to maximise our impact. To have as great an impact as possible with the funds that we have available to distribute. So [the strategic theme] means maximising impact, trying to put the funds where they can have the greatest impact where we can leverage other effects.

Participant P4's comments articulate how one foundation attempts to circumvent the consequences of a perceived limitation in its capacity to distribute philanthropic funds. With less funds to distribute as

grants Foundation P4 wants to ensure that those funds have as great an impact as possible. From Gramsci's (1996, pp. 32-33) perspective, Foundation P4's perceived diminished ability to distribute funds constitutes a crisis of authority, and hence a crisis of hegemony. In order to avert a crisis of hegemony, Foundation P4's strategy is to fund social projects that are likely to produce the most impact. As Participant P4 explains, this has meant narrowing the foundation's focus areas:

> That has manifested in a refinement of the focus areas of our programs. So for example I manage a program called Poverty and Disadvantage, and it has previously had…a very broad focus area. And narrowing of the focus area…down to what…is currently…young people and out of home care, means that we can be very, very targeted in our grant making in that area. That program has $1.2 million a year to distribute…and it means that all of that money is distributed to projects that are doing different things in different ways but are really working towards the same sort of outcome which is improved outcomes for young people in out of home care. Rather than, for example, youth at risk…which is really broad. So that's [maximising impact].

For Foundation P4, the idea of maximising impact is associated with narrowing its focus for granting. This implies that NPOs that fall outside its granting criteria must constantly search for grants from other sources in order to fund their projects. Crucially, Foundation P4 has decided on narrowing its grants focus areas, not because of an identified demand from NPOs, but because of its arbitrary decision to maximise the impact of its philanthropy. Thus, the idea of maximising philanthropic impact is yet another manifestation of Gramsci's (1971, pp. 105-106) concept of passive revolution.

Other foundations, too, have adopted the idea of creating impact through their giving. In fact, the granting strategy of many foundations in this study is formulated around the concept of impact. Foundation P2 is one example, and its perspective on funding for impact is articulated by Participant P2:

> There's four [focus areas]…So the granting strategy, and…the language is about choosing to have impact. And the wonderful thing…about funding in a defined geographic area…[is] you know you can build a body of work over a period of time. So the majority of our funding...goes to general charitable purposes which is to improve the lives of disadvantaged and vulnerable [people], and also young people and children at risk…The [foundation] set on this granting strategy over about ten years ago.

Participant P2 continues by explaining what granting for impact entails for her/his foundation:

> We grant for impact, and…we do that in [a number of] ways. We always have open grants so anyone who is eligible to apply can apply to us…Sixty percent we consider through open grants. The other forty percent are through relationships we call 'collaborations', which are long term, deep relationships on…fairly intractable issues, things that we want to persist in helping with. And then we run a number of programs where it's almost [an] outsourcing arrangement…for instance in the environment [area].

Foundation P2's strategy for giving is intrinsically linked to its wish to have social impact. Participant P2's articulation of impact conveys her/his foundation's desire to contribute to the process of changing the life circumstances of disadvantaged communities who ultimately benefit from its grants. Thus, a key component of her/his foundation's giving strategy is a strategy for change, as s/he elaborates below:

> The strategy for change, the extent to which it's articulated is…about picking hard issues…So, investing in things like prisoners and their families. Some of them [are] unsexy topics, a lot of the time; the capacity of organisations, all of those sorts of things. The [foundation] has always…prided itself on picking fairly difficult issues and being prepared to do it. And the strategy of change…is really about a high level of involvement. So, this is through our collaboration in those issues…and larger grants for long periods of time. So sticking with an issue but also making sure that we know those things that we're investing in, they have evaluations that form part of the monitoring [of] the data, all of those sorts of things. [But] to say we've sort of fixed all the problems of the world would be…ridiculous. And the other strategy is…actually backing emerging leaders and good people in the community who really know their business.

Evidently, Foundation P2's strategy for change entails a high level of engagement with NPOs that it collaborates with to address complex social issues, and involves bigger grants over multiple years. Moreover, its strategy for change is an important element of its overarching strategy for achieving impact. In other words, narrowing its grants focus by 'picking hard issues' and 'unsexy topics' enables Foundation P2 to contribute to a process of change for the communities it helps.

However, while most foundations in this study emphasise the importance of impact, this does not suggest the existence of a universal construct of what impact is, as Participant P2 explains:

> [The foundation targets its] resources to the areas [of] highest priority need where there is greatest potential for impact…[namely] disadvantage, inequity, social inclusiveness,…health and well-being. All those sorts of things that matter deeply to us...We do a lot of funding in education, and…for…refugees and asylum seekers. So really, *the* most marginalised [people]: ex-prisoners,…women who are excluded, that sort of thing…[The foundation has] never been an organisation that just found it easy to give it

> to just large major charities, I don't think. Or more straightforward things like medical research, the arts. Some of those things which tend to…sit more comfortably…with other people's value systems, I think. Over time this [foundation] has always thought it wants to work on the more difficult issues. And we think there is greater need to put the investment there.

Evidently, the meaning attributed to the idea of impact is a contested one. Scholars from the Australia-based Centre for Social Impact (CSI), for example, insist that outputs, outcomes, and impact are all different constructs. The CSI's Kirsty Muir and Stephen Bennett (2014, p. 6) define outputs as the direct products resulting from a particular program or intervention activity, whereas 'outcomes are changes in attitudes, values, behaviours or conditions' that 'can be immediate, intermediate or long-term'. Impact, on the other hand, usually refers to longer-term effects, and is defined as the longer-term outcomes resulting from the outputs, outcomes, and activities of an intervention program. Moreover, Muir and Bennett (2014, p. 6) stress that impact may happen directly or indirectly, can be positive or negative, and may even be intended or unintended. Furthermore, it is important to note that impact may not always be attributable to a single intervention such as a grant from a philanthropic foundation. Thus, the impact of the work that a NPO does to address a particular social problem is more likely the result of several factors, only one of which might be philanthropic funding.

One type of impact is positive social change. In fact, most foundations in the present research sample claim to promote some form of positive change through their grant-making, as publicly articulated by their mission statements. However, in reality, most of the foundation representatives interviewed were circumspect in describing how their foundations' grant-making might achieve social impact in their specific focus areas. That is to say, foundations do not measure their success by long-term social impact. Rather, foundations' success is typically described in realistic and relatively modest terms.

For example, Participant P9 links foundations' desire to have social impact with the ability to measure the extent of that impact:

> We're…at a watershed time where we all want to be more strategic in our funding. We want to have social impact. We want to be able to measure.

Participant P9 suggests that social impact arises from strategic philanthropy on which s/he elaborates:

> Strategic philanthropy means that we can…measurably make a positive difference. So…[with] any strategy…there's an end point. And you…build a strategy to get to that end point. And…in order to get there you need to have your milestones. You need to understand, are you succeeding? What's working, what's not working? So, for example, if we want to make a difference, go straight to the heart of our [foundation's] vision…So what strategies can we build [to achieve our vision]?...[Since] we granted $5 million last year, and X number of grants in so many program areas, addressing these objectives, to what degree have they worked or haven't they worked? Measuring social impact, I think, is impossible. Because social impact is long term. You cannot measure social impact in 12 months or two years or three years.

By conceding that social impact is impossible to measure, Participant P9 acknowledges that being strategic with their philanthropy does not guarantee social impact after all. This suggests that the idea of social impact within the discourse of philanthropy has less to do with measuring impact, and more to do with how philanthropic dollars are allocated. That is to say, when foundations speak of impact they imply the types of projects their philanthropy is channelled towards.

For example, some foundations insist on funding preventative rather than palliative social projects to help the disadvantaged, as Participant P7 explains:

> One [aspect of strategic philanthropy] is funding these preventative programs. We could define it that by funding this program, it puts an end to that issue. So that money has been successful in that. So someone is unemployed. They [go] through the program. They're employed. That issue is gone. So that money is being used strategically rather than continuing to give hand-outs to this person so that they can survive. We've empowered them. So they no longer need that support from the government anymore because they are employed now. So that's one way of defining strategic.

By specifying the types of projects that they will and will not fund, foundations openly declare their funding priorities. Having funding priorities allows foundations to restrict their funding to NPOs that match their priority criteria, as Participant P9 explains:

> The sharper our focus, the more strategic we can be. So under each program area…[we have] three focus areas. And frankly…we keep saying to grant seekers, don't push a

> square peg in a round hole. If you don't match our priorities, we're not the funder for you. It's not that you don't have a worthy project. It's simply, it's not our current focus…Every single funder is different. We all have different priorities. We all have different ways of assessment. Before you even go down that path, you need to do your homework. You need to understand our priorities, who we are, what we do, why we fund.

Participant P9 insists that:

> [for a foundation] the only way that you can make a difference, and do it well is by actually sharpening your focus. There is no other way.

Evidently, the narrowing of foundations' grants focus areas appears to justify foundations' desire for achieving social impact. Moreover, foundations' idea of impact is associated with their own vision of positive change. However, for some foundations, impact does not necessarily mean large scale social change. There is a subtle difference between philanthropy that is directed at advocating for change, and philanthropy that contributes to the process of social change as Participant P2 points out:

> I would never stand up and say we will fund advocacy. But…we know trusts and foundations that are known for wanting to make social change. Whereas I think we want to make society better for those who live in it…and I think they're quite different sorts of things. But certainly we will fund and have funded peak [community services sector organisations] for their organisational capacity or to deliver programs, to create an influence, to educate the not-for-profit sector…But we would never be known as a funder of…pure advocacy to create large scale social change. However, we will fund projects that can be influential in creating social change.

While most foundations in the research sample give grants in more than one predetermined focus area, some foundations choose to concentrate on only one area of social concern. For example, some foundations only fund causes that address environmental degradation, while others might only grant to causes that help new migrants settle into Australian society. One such singular-focused foundation is Foundation P8 whose mission is to effect systemic change in its one chosen area of philanthropic funding. Participant P8 explains her/his foundation's approach to creating impact:

> We also look for ways to continually improve our ability to have an impact. So, where we do a lot of place-based activities and we do the research at the top end, we've just introduced projects that fit at the community level because what we want to do is to ensure that we have systemic change that will actually enable this to be more successful than it

> has been in the past. So we do a fair amount of analysis along those sorts of things. And ideally over time, but not immediately, you would look within the local government areas where we choose to operate that maybe there's some improvement. But as…there [are] so many different elements that play into…[the foundation's single overarching social objective]…it's very difficult to say that one activity would actually have an impact.

The accounts presented in this section suggest that the foundations in this study want to create change for the communities they allocate grants to. Yet, as Participant P8's comments imply, even with only one area of philanthropic focus it is difficult to link impact with any one specific activity such as the injection of philanthropic funds. This suggests that there are different meanings attributed to the idea of impact in the discourse of philanthropy. For Foundation P8, impact is about contributing to systemic change, while for Foundation P2, it is about making society better for those who live in it. In addition, for Foundation P9, impact is linked to specific NPO outcomes:

> We fund because…we want to enable a grantee to do what they do better…and to deliver outcomes.

In other words, participants' accounts suggest that social impact is about being able to measure outcomes, making society better, and contributing to systemic change. This implies that social impact is a philanthropic construct that ties in with the stated mission of individual foundations. Interestingly, the common thread that links these constructs is foundations' apparent desire to enact change in the lives of their beneficiaries for the better. Therefore, when foundations talk about having impact, they are indicating both the limitations of their philanthropy, and their intention to contribute to some type of positive social change.

While impact is a conspicuous feature of philanthropic discourse, the meaning attributed to it differs across foundations. Rather than taking on the more rigid academic definition of impact as proposed by Muir & Bennett (2014), foundations construct their own meaning of impact. For some foundations impact suggests systemic change, while for others impact implies an outcome that can lead to social change. Importantly, from the comments analysed in this section, there is no suggestion that foundations consider their philanthropy to be the sole determinant of long-term social change in the areas they

declare as their grant-making niche. Instead, the philanthropic notion of impact relates more to the attainment of smaller, yet identifiable milestones along the path to achieving social change.

Nevertheless, a desire for impact is potentially problematic for some NPOs, because above all, philanthropic accounts of impact help to justify why foundations give grants to certain social causes and not others. For foundations to have impact, they have to be strategic in their grant-making practices. In order to be strategic, foundations have to narrow the focus of their giving with granting priorities. Consequently, some NPOs miss out despite having projects that are worthy of philanthropic funding. Furthermore, when foundations speak of granting for impact they are articulating their desire for an identifiable and measurable outcome from their giving. This implies a need for successful grantees to comply with a process of accountability for the grants they received. Thus, while the notion of philanthropic impact can significantly boost the capacity for some NPOs to deliver social projects, it greatly disadvantages others that do not fit philanthropy's giving criteria.

Summary

This chapter began with a discussion of the social function of money, the central element of philanthropic processes. Money performs multiple roles in civil society including as an instrument of hegemony, and as part of a response to crises of impoverishment. In this light, philanthropy mediates the social functions of money. From a discussion of the role of money, this chapter then elaborated on Gramsci's (2007, p. 252) notion of passive revolution to explain foundations' granting selection processes that are largely determined by the arbitrary whim of their founders. Crucially, a key manifestation of passive revolution is philanthropy's quest for impact. Passive revolution features in philanthropy as both a giving strategy, and a response to a perceived crisis of hegemony. This is evident in the way foundations arbitrarily set their granting priorities in order to ensure that their philanthropy is linked to particular outcomes that are constructed as impact. For foundations faced with the constraints of finite resources and the imperative to exist in perpetuity, the achievement of measurable impact, however defined, helps to preserve their philanthropic authority, and legitimacy. In

this sense, the re-organisation of grant-making practices by narrowing grants focus areas is akin to the re-structuring of capitalism in the wake of major economic crises (Sassoon 1987, p. 208). Interestingly, the main beneficiaries of this re-organisation of grant-making appears to be NPOs that work to improve and change the circumstances of people's lives. That is to say, at the heart of philanthropy's desire for impact is its objective of contributing to social change. In other words, philanthropic narratives about impact indicate the willingness of some foundations to take into account the interests of people in society by improving their lives in general, and contribute to changing the lived experiences of some disadvantaged communities in particular. As the next chapter will explore, the process of taking into account the interests of people whose life circumstances differ significantly from that of wealthy philanthropists resonates with Gramsci's (1971, pp. 175-185) idea of the relation of forces, and the maintenance of hegemony.

Chapter Six:

Hegemony, relation of forces, and the philanthropic process

Hegemony and the relation of forces

From a theoretical Gramscian perspective, the path to achieving hegemony for an ascending social group requires it to be concerned with not just its own immediate interests, but also the interests of other groups (Gramsci 1971, pp. 181-182). In other words, for Gramsci, the connection between fundamental social groups such as the working class and the capitalists is never simply a dichotomous relation, but instead involves other groups and social forces in a complex network of relations (Simon 2015, p. 27). For instance, the philanthropic process is characterised by the interactions among multiple groups: the wealthy individuals who create their own foundations, their representatives in the form of foundation staff and board members, the people who work in philanthropically-funded NPOs, and of course, the people who benefit from philanthropy. Evidently, philanthropy concerns not only the relationship between the rich and the poor. More accurately, the social relations of philanthropy can be said to constitute a complex network of relations.

The focus of this chapter is on the processes of philanthropic practice. It is framed by Gramsci's theoretical perspective of how a dominant social group takes into account the interests of other groups in an effort to maintain its hegemony. Through interview accounts this chapter traces the beginnings of the philanthropic process with a discussion of foundation founders' wishes, and how these wishes translate to foundation goals. The discussion then proceeds to analyse the contemporary interpretation of founders' wishes, and concludes with an account of how granting decisions are made.

For Gramsci (1971, pp. 175-185), a complex network of relations involves multiple social groups and social forces, and is referred to as the 'relation of forces'. Gramsci discusses these relations in one of the most important sections of the *Prison Notebooks* in a note titled 'Analysis of situations: relations of force' (Gramsci 1971, p. 175). In this extensive note, Gramsci writes about three distinct moments or levels of relations of forces. The first moment is the relation of social forces, followed by the relation of political forces, and finally, the relation of military forces.

Most germane to the present research on philanthropy is Gramsci's analysis of the relation of political forces which he expresses as:

> [A]n evaluation of the degree of homogeneity, self-awareness, and organisation attained by the various social classes. This moment can in its turn be analysed and differentiated into various levels, corresponding to the various moments of collective political consciousness, as they have manifested themselves in history up till now (Gramsci 1971, p. 181).

To illustrate his ideas on the relation of political forces Gramsci draws on the experience of an ascending group comprising capitalists such as manufacturers and tradesmen. In his analysis, Gramsci theorises the rise of the capitalist group to occur over three separate phases in its development of collective organisation and political consciousness (Simon 2015, p. 27).

The first stage is economic-corporate. At this level, 'a tradesman feels *obliged* to stand by another tradesman, a manufacturer by another manufacturer, etc., but the tradesman does not yet feel solidarity with the manufacturer' (Gramsci 1971, p. 181). As Simon (2015, p. 28) explains, at this elementary stage the members of a professional group are aware of their common interests, and the need to organise. But they do not yet acknowledge the need to form alliances with other groups in the same class.

The second level is a more advanced economic-corporate stage where:

> consciousness is reached of the solidarity of interests among all the members of a social class – but still in the purely economic field. Already at this juncture the problem of the State is posed – but only in terms of winning politico-juridical equality with the ruling groups: the right is claimed to participate in legislation and administration, even to reform these – but within the existing fundamental structures (Gramsci 1971, p. 181).

Interestingly, in charting the rise of the capitalist group, Gramsci's assertion that 'the right is claimed to participate in legislation…even to reform these', resonates with the expansion of organised philanthropy in Australia. The combination of business success, great wealth, and personal connections with government legislators has been invaluable for some foundation founders to advocate for legislative change. One example is Sir Ian Potter who established his eponymous philanthropic foundation in

1964. According to his biographer, Peter Yule (2006), he had close links with the government of the day, and was instrumental in the process of reforming taxation laws that subsequently led Australian philanthropy to flourish. Sir Ian's influence among senior government officials was evident when, in the early 1960s, he sought to introduce amendments to the *Income Tax Assessment Act* prior to setting up his foundation (Yule 2006, p. 260). He wanted to ensure that donations to his foundation would be tax-deductible, but found that Federal and State laws at the time were unclear and in need of reform. Finally, after approximately two years of protracted negotiations with the Australian Treasury and Taxation Office, the following amendment was made to:

> Section 78 (1) (a) of the *Income Tax Assessment Act* 'to authorise deductions for gifts to a public fund established and maintained under a will or instrument of trust exclusively for the purpose of providing money or other property for any fund, authority or institution referred to in that Section' – that is, to a body with tax-deductible status (Yule 2006, pp. 263-264).

Sir Ian Potter's effort in negotiating for changes in the taxation laws surrounding philanthropic foundations has had a significant effect on Australian philanthropy. It was due to these legal changes that philanthropic trusts and foundations proliferated since the 1960s, in terms of both size and number (Yule 2006, p. 266). The expansion of philanthropic vehicles enables more private wealth to be allocated to causes that benefit the community. At the same time, foundations benefit from their own generosity through tax-deductibility legislated by the state. Thus, philanthropy is not a purely private endeavour. Rather, philanthropy is an endeavour that co-exists with the involvement of the state which provides tax incentives for charitable endeavours, and ultimately reinforces the hegemony of private wealth. Thus, from Gramsci's perspective, it can be said that the wealthy founders of philanthropic foundations have won 'politico-juridical equality with the ruling groups…but within the existing fundamental structures' (Gramsci 1971, p. 181) of a capitalist economy.

The third phase of Gramsci's relation of political forces, and the phase that is most relevant to the present study is that of hegemony:

> in which one becomes aware that one's own corporate interests, in their present and future development, transcend the corporate limits of the purely economic class, and can and must become the interests of other subordinate groups too. This is the most purely political phase…it is the phase in which previously germinated ideologies…come into confrontation and conflict, until only one of them, or at least a single combination of them, tends to prevail…bringing about not only a unison of economic and political aims, but also intellectual and moral unity, posing all the questions around which the struggle rages not on a corporate but on a 'universal' plane, and thus creating the hegemony of a fundamental social group over a series of subordinate groups (Gramsci 1971, pp. 181-182).

Throughout the *Prison Notebooks* Gramsci makes numerous references to 'a fundamental social group', as in the preceding paragraph. For Gramsci, there are two fundamental social groups, which essentially represent capital and labour (Simon 2015, p. 20). Since philanthropy is a product of capitalism, the elite social group that administers and distributes philanthropic funds can be regarded as a type of 'fundamental social group'. In the preceding note, Gramsci (1971, p. 181) alludes to an alignment of the dominant social group's ideology with 'the interests of other subordinate groups', including the social practices that characterise subordinate groups. He contends that this alignment is necessary for a dominant group to maintain its position within society, and 'to gain the upper hand, to propagate itself throughout society' (Gramsci 1971, p. 181). In order for this to happen, the dominant group needs to progress beyond exercising economic and political control. They must also ensure that there is 'intellectual and moral unity…not on a corporate but on a 'universal' plane, and thus creating the hegemony of a fundamental social group over a series of subordinate groups' (Gramsci 1971, pp. 181-182). In other words, in order to secure their position in society, dominant groups must sacrifice their own economic self-interests, and accede to accommodate some of the interests of subordinate groups (Buttigieg 1995, p. 30). Thus, it can be inferred that a philanthropic fundamental social group achieves and maintains its hegemony by looking beyond its own self-interests, and taking into account the interests of other subordinate groups by providing monetary resources.

To illustrate Gramsci's (1971, pp. 181-182) relation of political forces as in the preceding discussion, we shall briefly focus on the wealth accumulation trajectory of two Australian businessmen. Both men

arrived in Australia as immigrants of modest means but eventually rose to prominence and became major philanthropists. Of course, these two examples do not describe the wealth accumulation trajectory of every rich person in Australia. However, Gilding's (2002, p. 176) research on fifty individuals who appear in the *Business Review Weekly* Rich Lists reveal a noteworthy trend. Most people on the Rich Lists come from modest or poor backgrounds, did not inherit their fortunes, and are largely self-made. To this end, we first consider Alfred Felton, who upon his death in 1904, bequeathed the majority of his £500,000 worth of assets into creating a charitable foundation called the Alfred Felton Bequest (Poynter 2003). Felton arrived in Australia as an immigrant in 1853, and first began working as an itinerant trader in the Victorian goldfields. Later in life he built his fortune through establishing successful businesses in the pharmaceutical, chemical and glass industries. Another example is Simcha Baevski, who immigrated to Australia in 1899, and later changed his name to Sidney Myer (Liffman 2004). According to Michael Liffman (2004, p. 6), Sidney Myer's life story is:

> a classic 'rags to riches' tale of a young Russian Jewish immigrant…who by the time he died in 1934, had revolutionised retailing in Australia and become one of the nation's most acclaimed businessmen and philanthropists.

In considering the wealth accumulation trajectory of both Felton and Myer, it can be said that their rise to economic hegemony is what Gramsci might describe as a path from a position of subalternity to one of autonomy. Through their business successes they gained autonomy, and substantial economic power. In other words, a rags-to-riches tale such as Sidney Myer's describes how Gramsci understands the way hegemony works. That is, business elites become 'dominant in two ways, namely it is 'leading' and 'dominant'. It leads the allied classes, it dominates the opposing classes' (Gramsci 1992, p. 136). For instance, from 1929 onwards, Sidney Myer demonstrated an innovative and generous style of commercial and philanthropic leadership with his employees at the Myer store (Liffman 2004, p. 11). At the same time, the store's success meant it dominated its competitors such that it became, at one time, six times the size of its nearest competitor. Hence, for business elites such as Myer, their rise to

hegemony is premised on the exercise of leadership over their allies, and domination of their competitors.

Within the context of philanthropy, Gramsci's (1971, pp. 181-182) note on 'the relation of political forces' illuminates some key points. Specifically, in setting aside part of their accumulated fortune for philanthropic purposes, business elites such as Felton and Myer can be said to have risen above their economic class interests, and aligned their interests with the needs of subordinate groups. In other words, through philanthropic acts, business elites create 'the hegemony of a fundamental social group over a series of subordinate groups' (Gramsci 1971, p. 182). Moreover, for the fundamental social group of business elites, their:

> development and…expansion are also viewed concretely as universal; that is, they are viewed as being tied to the interests of the subordinate groups, as a development of unstable equilibriums between the interests of fundamental groups and the interests of the subordinate groups in which the interests of the fundamental group prevail - but only up to a certain point; that is, without going quite as far as corporate economic selfishness (Gramsci 1996, p. 180).

Therefore, by Gramsci's conception, wealthy business elites both create and maintain their hegemony by accommodating some of the interests of less advantaged groups, and one way this is achieved is through the practice of philanthropy.

It is important to note that Gramsci does not write about philanthropy as it is practised today. In particular, Gramsci does not discuss philanthropy as a means to maintain hegemony. Yet, the way philanthropy is practised makes sense in light of Gramsci's elaborations on the relation of forces. In order to defend their own hegemony, dominant social groups with substantial economic power understand the imperative to associate with other subordinate social groups. For Gramsci, such dominant social groups achieve this by exercising economic hegemony. He writes:

> Undoubtedly the fact of hegemony presupposes that account be taken of the interests and the tendencies of the groups over which hegemony is to be exercised, and that a certain compromise equilibrium should be formed…the leading group should make sacrifices of an economic-corporate kind…for though hegemony is ethical-political, it must also be

> economic, must necessarily be based on the decisive function exercised by the leading group in the decisive nucleus of economic activity (Gramsci 1971, p. 161).

While Gramsci does not specifically write about philanthropy, as the preceding passage suggests, he recognises the importance of the economic dimension of hegemony such as that imbued by philanthropy.

Building alliances

Another way to understand Gramsci's articulation of the hegemonic phase in the relation of political forces is through the concept of alliance building. For Gramsci, it is crucial for leading social groups to build alliances with other subordinate groups in order to gain their consent, and to lead. In an essay written from the perspective of the Italian working class and its struggle against capitalism, he writes:

> The proletariat can become the leading [*dirigente*] and the dominant class to the extent that it succeeds in creating a system of alliances which allows it to mobilize the majority of the working population against capitalism and the bourgeois State. In Italy, in the real class relations which exist there, this means to the extent that it succeeds in gaining the consent of the broad peasant masses (Gramsci 1978, p. 443).

The point that Gramsci makes here is that a social group can only become hegemonic if it takes into account the interests of other social groups in addition to its own interests, and gains the other groups' consent to be their leader. As Simon (2015, p. 20) asserts, a leading social group must transcend its own interests if it wants to 'achieve national leadership, and become hegemonic'. That is, the ascending social group 'must take into account the popular…demands and struggles of the people' which is not characterised only by class, that is, which do not arise directly from the relations of production (Simon 2015, p. 20). Philanthropy is, therefore, the perfect example of this because by giving to various social causes wealthy philanthropists take into account the popular struggles of people in society.

In the present discussion, the leading social group in question is, of course, the group comprising philanthropic elites. One way for a leading group to expand its hegemony is by taking into account the aspirations and needs of the wider society that are not necessarily characterised by class. As the

present research attests, philanthropic funds are typically directed towards community causes characterised by the struggle for civil liberties and democratic rights, rather than class struggles. For example, philanthropy supports NPOs that promote environmental conservation, protect the legal rights of asylum seekers and refugees, provide educational opportunities for marginalised communities, offer employment programs to people experiencing homelessness, and so on. While social class is linked to some forms of struggle for democratic rights, the community causes that philanthropy supports cannot be reduced to class struggles. For example, organisations that receive philanthropic support typically reflect the aspirations of people who lack access to education, employment, healthcare, housing, the right to live in Australia, and so on. From an analytical perspective, these are the aspirations of groups that are subordinate to elite groups that practise philanthropic giving. They are subordinate not necessarily because of their social class. Instead, they are subordinate or subaltern, to use Gramsci's terminology, because of a variety of factors such as multi-generational poverty, race, religion, gender, indigeneity, previous incarceration experience, and social exclusion. Many of these experiences of subalternity reflect struggles between people and a prevailing social structure that marginalises them. They are not synonymous with the struggles between the working class and the capitalists that stem directly from the relations of production. However, it is important to note that Gramsci does not differentiate between class struggles, and the aspirations of social groups that are not characterised by class (Simon 2015, p. 44). Instead, this distinction is implicit in his notion of national-popular, as he suggests by stating that 'it is in the concept of hegemony that those exigencies which are national in character are knotted together' (Gramsci 1971, p. 241). In other words, hegemony as conceived by Gramsci has a class dimension as well as a national-popular dimension (Simon 2015, p. 20), and it is the latter concept that resonates with this thesis.

Evidently, the achievement and maintenance of philanthropic hegemony is a complex process that involves a subtle dynamic of giving to take into account the interests of subordinate groups. However, according to Gramsci (1971, p. 182), hegemony is never to be taken for granted for it is always in a

state of 'unstable equilibria'. As implied by Gramsci's (1971, pp. 181-182) analysis of the relation of political forces, one way to stabilise and maintain elite hegemony in society is through organised philanthropic giving. Organised philanthropy, in turn, requires the development of a network of alliances with NPOs that work to express the aspirations of subordinate social groups. In Gramscian terms, these NPOs help to express a national-popular collective will (Simon 2015, p. 20). As interview accounts in this study suggest, the building of alliances is achieved through means such as collaborations between foundations and NPOs whose values and objectives align with one another. Furthermore, through collaborations, foundations aim to achieve impact by lifting the circumstances of marginalised communities. Thus, from a Gramscian perspective, philanthropy is a means by which wealthy people take into account the interests of groups other than their own such as society in general, and subordinate groups in particular by improving their life circumstances. In order to carry out their philanthropic endeavours wealthy elites must exercise leadership to build alliances with groups outside of their own such as NPOs, and in doing so, gain their consent. It is through the subordinate groups' consent to lead that wealthy philanthropic elites maintain their hegemony.

It is, therefore, important to investigate the nature of social relations in the philanthropic world, as the remaining sections of this chapter will attempt to accomplish. In keeping with Gramsci's (1971, pp. 181-182) assertion on the relation of forces, the remainder of this chapter will explore the ways in which philanthropic elites take into account the interests of groups other than their own. To this end, the next section will briefly explore the role Australian philanthropy plays in the operations of NPOs. This will be followed by an analysis of the overall philanthropic process from the perspectives of both NPOs and foundations.

Role of Australian philanthropy

For the NPOs included in this study, philanthropic grants are crucial in funding two key areas: community services that do not receive government funding, and innovation and experimentation in the delivery of social services. According to Reich (2016a, p. 73) these areas of philanthropic funding are

indicative of philanthropy's role in promoting 'pluralism' and 'discovery' in civil society. Reich reminds us that as foundations are sources of private funds, they are uniquely positioned to fund public goods that are not produced by the state or the marketplace (p. 74). Moreover, since foundations are not accountable to the marketplace or the democratic state, their choice to fund 'minority public goods' can help to promote pluralism in civil society by catering to more diverse and lesser known social needs (Reich 2016a, pp. 74-75). In addition, foundations have the advantage of longer time horizons. By a similar accountability logic of the state and market, longer time horizons allow foundations to assume the role of private funders for experimentation and innovation in social services policy (Reich 2016a, p. 77).

One of the lesser known areas of philanthropic funding is for the provision of support services to people who come into contact with the criminal justice system, and their families. In an example of what Reich (2016a, p. 74) might refer to as 'minority public goods', Participant N5 explains the services this NPO provides:

> There are very few organisations in [the state] that support prisoners. And [our organisation] is exceptional in that it actually has taken on the families and children of prisoners as well, as part of our mission…So we work primarily with prisoners and with families…and we've decided to specialise in that area. We're recognised by Corrections and people in the judiciary as specialists in our field.

Participant N5 continues by explaining that despite providing a vital community service in preventing a vulnerable section of the community from experiencing the criminal justice system, her/his NPO does not receive government funding:

> There is a service gap because for [the state government department], the families and children are not their core business. It's actually the prisoner that's their core business. And for [another government department]…the point they're picking them up at is in child protection. And they won't put a lot of preventative money into these kids because they say they'll be picked up by other services. So what we're able to say to a [philanthropic organisation]…is that, if you provide this funding…20 families will be supported to actually stay out of the system. And we've just had a program…that's been running for three years as a pilot. It's very successful because what it was doing was capturing families as they were coming into the system and diverting them out. So a lot of those families were first-timers. You know, losing a partner in to the system. [They] had young children. With the

> partner going into prison they can end up homeless. There's a whole cycle that occurs when people go to prison. You know, if people aren't well versed, and many aren't, in the system itself and how to work it, their families will be severely disadvantaged and traumatised. And…that's what we specialise in. Working with those families to get them out of the system.

For Participant N5, philanthropic grants are crucial in order to fund the work that her/his NPO does:

> [Philanthropic] trusts are able to fill gaps…for us…the families and children are the gap. A lot of trusts would say that is a fair dinkum gap that they're prepared to fill. But if they believe that…a government instrumentality should be funding it, they may not step in. So they're pretty discerning about where their money goes, and rightly so.

As Participant N5 suggests, having an unrestricted revenue stream rarely manifests in reality for many NPOs. Instead, NPOs derive their operating income and capital funds from a wide range of sources. In comparing for-profit and non-profit organisations, Mark Lyons (2001, p. 138) explains that for-profit organisations obtain their operating income from the sale of goods and services, and capital income from their own funds, loans or the sale of shares. Similarly, government agencies are generally allocated funds for operating purposes through the budget process. By contrast, NPOs might derive their operating income from membership fees and fundraising, and capital funds from government grants or donations. Thus, in general, NPOs have a higher reliance on funds from outside of their organisations.

Indeed, Lyons's (2001, p. 138) observations are consistent with what we know about the income sources of the NPOs in this study. For the majority of the NPOs in this study, the main sources of income are philanthropic contributions, government funding, and corporate funding. However, the proportion of revenue from the main income sources differ among NPOs. Where relevant information is available, philanthropic funding ranges from less than 1% of total revenue for some large social services providers to over 50% for some small NPOs that provide support for groups such as family members of prisoners. By comparison, government funding to non-profits range from over 85% of revenue for some large social services providers to less than 1% for a small charity that helps asylum seekers. Therefore,

the proportion of income from philanthropy is indicative of the different roles philanthropy might play in the operations of NPOs.

While philanthropy serves as a major funder of some non-profits, other non-profits might rely on philanthropy to fulfil a smaller but equally vital role as a funder of innovation. Participant N2, from a large social services provider elaborates on the income sources for her/his organisation:

> The biggest income stream is government grants. Government revenue from the tenders that we submit to provide services on behalf of the government. The second tier would be revenue that we receive from…provision of service where we get paid to deliver services by people. There's also a stream…[from] a large endowment…that generates a return...and we then use those returns, moving forwards those returns will be used more in innovation and growing our business. And the final one is the philanthropy side of things, which is quite small - private revenue at the moment. But we do have an objective in our strategic plan to grow that.

Despite philanthropy contributing to a very small proportion of this NPO's income stream, it is considered important for a number of reasons. The first one is philanthropy's contribution to innovation in its service delivery, as Participant N2 explains:

> Philanthropy [is] like acupuncture. In that what you're actually doing is…going in with a very precise area of focus and doing something that looked quite small. But actually had a really large impact across the whole system. And that's probably the best way to describe what we're trying to do here in [the organisation]. By revenue, philanthropy may only be a small percentage of our total revenue. And as we grow as a business it could proportionally become a lot smaller. However, the impact that it has, that [would] enable us to potentially do more innovation. It enables us to look at those points between programs that the government potentially misses. And it looks at the things that link programs together [and] look at the support services.

Participant N2 also points out that while philanthropy forms a small proportion of her/his organisation's total income, it has the potential for leverage:

> Philanthropy is an opportunity to make good programs, great programs…Better research and evaluation…enable us…to use the same services to access different markets. And those sorts of opportunities, I think, is where philanthropy can really play a difference…I certainly want the dialogue internally to be less about the revenue of philanthropy and more about the outcome of philanthropy. What did it actually achieve? And even if it's only a $10,000 gift, it could actually be the thing that actually consolidates or brings together part of our business that actually enhances at a multiplier effect well beyond the $10,000 that we got in.

For Participant N2, a relatively small amount of philanthropy allows his organisation to experiment and be more innovative with some types of service delivery. Thus, philanthropy is seen as a way for her/his organisation to improve and expand the reach of its services.

The claim that philanthropy enables innovation is also supported by the chief executive of another large social services provider, Participant N6. Similar to Participant N2's account, Participant N6 states that the amount of philanthropic dollars received by her/his organisation is also relatively small:

> Philanthropic [dollars] in terms of identified philanthropic entities or high wealth individuals...that's a fairly small amount of our funding. We have one large continuing contribution of something like $300,000 per annum for a specific program. And probably that's our greatest experience of the pure[ly] philanthropic.

For Participant N6, while philanthropy comprises a relatively small percentage of income, it is perceived as vital to the operations of her/his organisation for its role in promoting innovation:

> Yes, that's an ongoing [grant]…and I think it's a five-year program. So it's a significant contribution…and [the philanthropists are] investing in a particular program which is about using dance to assist parenting, but where there is a severe family difficulty. So it's highly innovative and it's highly measured, and the investors, if I can put it that way, the philanthropists, are close to us and there is a real excitement and openness about working together in the way we're working.

Participant N6 stresses that it is crucial for philanthropy to fund this creative program because of the limitations imposed by government funding for innovation:

> So government…funding tends to be very conservative. Tried and true. There's very little funding for innovation of any scale…they're quite constrained in terms of areas where you're going to be able to see a large scale saving of money for government. Whereas some of these innovations are really about really improving lives for people which essentially over many years will undoubtedly reduce reliance on government interventions. But…quality of parenting is a much more subtle measure…and this is philanthropy. People are wanting to see if something can improve rather than…government funding where they want to see fairly short-term results. They want to see a community benefit, recognised in the community fairly quickly, and for there to be a political return. Philanthropists don't need a political return.

For Participant N6, philanthropy fulfils the role of a long-term funder of innovation in service delivery. In addition, philanthropy can potentially leverage much larger government funding if a particularly innovative program is proven to be successful:

> The issue will be that we generate a little bit of capacity to self-fund. And the nature of that often means that which is innovative no longer is. But people want to continue a particular program. Short term or limited term philanthropy allows experimentation of the weird and whacky, the unproven, the untried, and that is its great advantage. And then you can justify investment by government and others and build a business case. But when it's untried, you don't have a business case.

In this sense, philanthropy plays a vital role as a long-term funder that enables NPO N6 to gather enough evidence to justify more permanent implementation of new services. Thus, while philanthropic contributions are relatively small in proportion to NPO N6's total income, through leverage, philanthropy helps to improve social services delivery for the benefit of disadvantaged communities.

As the comments in this section suggest, Reich's (2016a, p. 73) claim that philanthropy plays a role in promoting pluralism and discovery in civil society is supported. However, in order to grasp the rationale behind philanthropic giving and its effects on society, it is necessary to understand the complexity of the overall philanthropic process. Thus, the analysis in the following sections will focus on the elements that precede and underlie the practice of philanthropic giving.

Philanthropic foundations as professionalised institutions

As vehicles for the distribution of an individual's or a family's excess wealth, philanthropic foundations are essentially professionalised institutions that facilitate the giving process. Participant P10 describes how her/his foundation is structured like a business, and how it has evolved over time:

> [We've] definitely become more strategic…we've had staff for seven years. And we've become more professional…we have a head count of four now. And so we would see our philanthropy as engaged philanthropy or strategic philanthropy. So we've become a lot more thoughtful about how we do distribute the money…So in [the founder's] day, there was gifts to the school that the kids went to and now there's not. Because we see that as a personal thing. Not something that a big foundation that essentially has public benefits should be part of…so that's a good example, I think, the way things have changed. And we have staff now. We didn't have staff [before]. [The founder] used to make decisions sitting

> around his kitchen table. We don't do that anymore…our last set of board papers was 181 pages. You know, he used to occasionally ring his children up and say, 'I'm thinking about giving to this organisation. What do you think?' So it's quite different [now]…More sophisticated. It's like a business. Yeah. It *is* a business. Definitely.

Likewise, Participant P4 describes what a professionalised foundation entails:

> We're an example of a professionalised family foundation. So the way it's established is that we have our governing bodies. We have committees, and there are delegations to the staff to do the work around developing the strategy, developing the focus area, and then finding the relevant things to fund or from which to choose. And developing the mechanisms for how we do that. The committees review everything and we discuss all the applications at committees…and every grant is approved by the directors…or the trustees…as appropriate. So…staff make recommendations and the committees and the…Boards review, and approve or not.

The preceding comments suggest that the professionalisation of philanthropy underscores four key ideas. First, professionalised philanthropy adopts a more strategic rather than ad hoc approach to giving. Second, a professional approach implies an aspiration on the part of foundations to achieve longer lasting social impact (Frumkin 2006, p. 6). Third, the evolution of professionalised foundations has seen the gradual transfer of philanthropic responsibility from the foundation founder to trustees and paid professionals (Frumkin 2006, p. 90). Fourth, a professional approach imparts an equivalence to the processes of both philanthropy and business.

Within the wider discourse of philanthropy, it is unsurprising for philanthropic practices to be described using language that reflect the primacy of capitalist business techniques. After all, philanthropy is the result of wealth accumulation within capitalist economic systems (Zunz 2012). For instance, a news article in the Australian Financial Review Magazine on businessman Andrew Forrest proclaims that he 'applies business know-how to philanthropic causes' (Sprague 2018). In this article, journalist Julie-anne Sprague (2018) writes of how Forrest established his Minderoo Foundation in the same way that he built Fortescue Metals Group into a company with a market value in excess of $13 billion. Thus, it is hardly surprising when a foundation executive such as Participant P10 likens a professionalised foundation to a sophisticated business.

What is surprising is the extent to which business-related thinking appears to be accepted, and business language is imbued within the narratives of not just philanthropic, but non-profit participants. That is to say, representatives of NPOs consistently refer to their organisations as businesses, and use words such as 'investment' in place of 'donation'. In the following narratives, three non-profit participants articulate the seemingly unproblematic acceptance of language borrowed from the business world.

Participant N2 refers to her/his organisation as 'our business':

> Probably the best way to look at [our organisation] is that we've got two core areas to our business: child and the family, and ageing and disability.

For Participant N6, it is important for philanthropists to see themselves as investors into her/his organisation rather than donors. S/he perceives that such a distinction is essential in her/his working relationship with philanthropists:

> As a sector we're a long way off [from] where we should be. We have to be much more accountable and transparent about things we do. And the philanthropists driving us in that by seeing themselves as investing rather than donating is a really important part of it. So it's shifting the sector and that's a good thing. It's mutual. I think we're much more able to work with, and have a relationship with philanthropists that is much less about donation and much more about investment.

Participant N4 attributes her/his organisation's success in attracting philanthropic grants to the organisation's past performance, and also its use of terms like 'investment' rather than 'donation' in its interactions with philanthropists. In fact, Participant N4 insists that using language borrowed from business discourse is essential in dealing with private funders:

> I think it's our proven track record which is probably the biggest thing [that attracts philanthropic funding]…So, yeah, proven track record of our progression results and proven track record being…more cost efficient every year that we work…So obviously [the philanthropists'] investment is making even more of an impact no matter how much they're giving…It made a key difference into our conversations to explain how it wasn't necessarily a donation. It was an investment. And so we prefer using those types of words. And I think philanthropy will prefer that. I think typically they are men who we are talking to who are ex-financiers. So that definitely helped with our discussions with them. And then with our existing philanthropists it just, we did have a few investments go up after that because it

> validated what they were doing…Absolutely…[speaking the language of funders has] made a big difference.

In summary, the professionalisation of philanthropy through the creation of foundations enables individual donors to be more strategic about their giving practices. Furthermore, foundations allow for a donor's philanthropic vision to continue long after the donor's demise through the work of trustees and other professionals. In particular, the establishment of foundations implies a desire for philanthropy to achieve lasting social impact. The evolution of philanthropic practice to be more professional and business-like is unsurprising, given philanthropy's roots in capitalist wealth accumulation. However, a surprising effect of professionalised philanthropy appears to be non-profit organisations' acceptance and embrace of business-derived language use in their interactions with philanthropy. Thus, in a theoretical Gramscian sense, it can be said that non-profit organisations' appropriation of business language in philanthropic interactions denotes their consent to internalising a hegemonic social practice framed by capitalist business methods.

Remit of philanthropic foundations

At the heart of the operations of the foundations studied for this thesis are several broad goals generally embodied in the foundations' mission statements. These goals reflect the general remit of foundations, and function as guidelines within which foundations operate. A foundation's goals are determined by the wishes of its founder, and are generally specified in the trust deed at the time of its creation. Founders' wishes are often specified in their wills released upon their death, as Participant P1 states:

> [The founder] was a very particular kind of person. He left no stone unturned in establishing the trustees, establishing his will, establishing the organisation that was to be the [foundation]. In that sense he was a person who was quite far sighted…First of all…the [foundation] was established through his will. He was quite specific. The language is a bit dated and grating now but it was for people above the labouring class, of good character and in poor or reduced circumstances. So that was…the context [when the foundation was established]…it was the time before pensions or any kind of social security.

Founders' wills can be very specific about how their money is to be spent and invested. Participant P9 elaborates that her/his foundation's founder specified an investment plan for the money used to create the foundation so that it can exist in perpetuity:

> In the will, [the founder] left…[a large sum of money]…for the benefit of the people of [the state]. And it was a very, very well written will…It was quite specific…in a number of areas. Firstly, it was specific that two thirds of the corpus would be reinvested for 21 years…So it was always an intention to be in perpetuity. It wasn't simply, here's [a large sum of money], spend it out…It was quite specific in terms of its reference to supporting charitable institutions situated in [the state]. Now there was a reason for that. [The state], in terms of probate law. So that was a driver behind it…She had [also] supported specifically…institutions [in the state] and it was very much where the focus was…[which] included her six favourite charities.

The goals of a foundation are also a reflection of the values and beliefs of the foundation's founder, and sometimes those of their descendants too, as Participant P4 explains:

> It's certainly driven by the interests of the extended [founder's] family who, not all of them, but our Board, the directors of the…foundation are mostly…family members. So direct descendants and spouses of direct descendants. And there are at various times a small number of non-family…members of the Board…So they are our authorising environment, our governing bodies. So they are really driving the strategic directions of…the foundation...And our grant making committees are also primarily made up of [the founder's] family members as well and each committee might have one or two external community members depending on the focus area of the program for some content expertise or general expertise. So the family's interests and wishes very much influence the grant-making now. However, there is always a harking back…and a reference to the [founder's] will…and to what the [founder's descendants]…were interested [in], what they cared about, how they would have felt about things as well.

While the creation of foundations is generally driven by founders' passions and interests, it is also about leaving a legacy. Participant P3 explains:

> [The founder] turns ninety this week and seven years ago she started thinking about her legacy and knew that she was passionate about the organisations she was supporting at the time…[She] was starting to think that she would like to make sure her few different areas of interest were going to be catered for and not just leave a bequest to one organisation. So by setting up the foundation she could set up the charter as she wanted at the time…and to have a foundation going in perpetuity.

Some foundations claim that their founders' philanthropic legacy define their foundations by determining the specific areas their philanthropy is directed to, as Participant P9 states:

> So in terms of what we fund and how our [foundation] actually operates, the [founder's] will was certainly a blueprint for that, both legally and in terms of the spirit of the will… And I'm personally a great believer that it's very important to understand your history as a roadmap for going forward…So basically, we are looking at the spirit of [the founder's] will. There's not that much that we know about her [and]…it was her money that underpins this extraordinary legacy. And…her family's wealth was predominantly made on the land…so rural and regional [areas in the state] has been, and continues to be a key underlying priority of the [foundation]. So who we are is very much defined by the legacy. And that's how we have in fact structured what we do support…As the stewards of [the founder's] legacy, it's incumbent on us to maintain that link to that history.

In sum, foundation founders' wishes, interests, values and beliefs provide a blueprint for their foundations' grant-making. As discussed in Chapter Five most foundation founders make decisions on where to direct their philanthropy in an arbitrary manner. Founders' wishes determine the types of social causes that their foundations will or will not support. This suggests that the people charged with continuing founders' legacy such as staff and board members are required to interpret founders' wishes in order to fulfil their philanthropic duties. The following section focuses on how the interpretive task is accomplished.

Interpretation of founders' wishes

Once foundations' goals are established, the next task in the philanthropic process involves the interpretation of founders' wishes. During the period when interviews were conducted for this study, the founders of six family foundations were deceased, while four were still living. Regardless of whether the founders were deceased or otherwise, all foundations included in this study employ professional staff members who are answerable to a board of trustees or directors. Thus, the task of interpreting and realising founders' wishes is primarily that of foundation staff under the guidance of their respective boards of trustees.

Participant P2 provides some historical insight into the creation of her/his foundation, and explains how it interprets its founder's wishes:

> When [the founder] set it up…he named in his will, the first five trustees which were all business associates. So, a group of men that he knew and he trusted. And then thereafter, the trustees recruit their replacements. So the family association is not strong…[The founder] was self-made…He came from a family that had some wealth…and…when he died, he had no children and so he decided to leave his wealth to the people of [this state] through a charitable trust. And at that time there was no death duty payable if you left things for charitable purposes. So it was tax effective…And in his will, it's for general charitable purposes in [this state] which is a great gift to any trustees because it means you can keep contemporary what you're trying to achieve through the [foundation].

In this respect, the founder's will was not restrictive. Perhaps because of this, and in the absence of any family connections, present day staff and trustees have relatively more flexibility with the interpretation of the founder's will. This is an important consideration for the evolution of their foundation's giving, and being relevant to contemporary social needs, as Participant P2 stresses:

> I think for the original five trustees, because they knew him personally and knew his interests…[the interpretation of his will] would have been a lot more straightforward. But…[after] 46 years [of the foundation]…now the role of the trustees is certainly about interpreting things in terms of what contemporary social issues are and how the [foundation] can best go about addressing some of those [issues].

For another long-established foundation, the contemporary interpretation of its founder's wishes has more to do with how it currently engages with its grantees while the social issues it supports remain unchanged. That said, its Chief Executive (Participant P5) insists that her/his foundation's goals have always been relevant to evolving societal needs throughout its existence. For Participant P5, a contemporary interpretation of her/his founder's wishes largely concerns its role as a philanthropic leader through methods it perceives to constitute best practice philanthropy:

> We've gone from giving to, in small amounts, to worthy recipients to a giving process which is governed by the establishment of formal funding objectives in seven main program areas now. So we have…the arts, medical research and community wellbeing. In addition to those, we have environment conservation, health and disability, education and science. The education component has a focus on supporting the development of teachers, parental engagement with the school community and the kids and young children. So it's more about the foundation evolving to ensure that we are practising what many might regard as best practice philanthropy, if you like. But in doing so, being true to the areas that [the founder] had a genuine interest in and passion in, as well.

While founders' wishes generally set the granting parameters for philanthropic foundations, those same wishes also help to define, and differentiate foundations according to their granting niches. In addition, some foundations periodically review their granting strategy in an effort to stay relevant to contemporary social needs. But their fundamental granting strategy of focusing on certain key areas remains unchanged, as Participant P9 relates:

> What we do is we review our grant-making strategy every three years…it doesn't mean we change it. We review it…[because] obviously we need to be relevant to today's causes. And so, you need that level of flexibility and again, that's one of the reasons why we undertake a review…So, again, [as foundations] we are…all different. And we're different for a reason, which has to come from the benefactor, you know, who they were. That…defines the niche that you fit in that makes us different to [other foundations].

The preceding comments suggest that the process of interpreting the wishes of foundation founders is vital in shaping the goals of philanthropic foundations. With the professionalisation of philanthropic practices the task of interpretation falls on boards of trustees and staff members. Crucially, the longevity of foundations hinges on the work of their staff and board members in perpetuating the legacy of their founders. Evidently, the composition of boards of trustees differ in that some might comprise descendants of founders while others do not. Regardless, the staff and trustees of contemporary foundations can be said to fulfil the role of a 'dominant group's 'deputies' exercising the subaltern functions of social hegemony' (Gramsci 1971, p. 12). For Gramsci (1971, p. 5), people who function as deputies of a dominant social group such as philanthropic elites are referred to as 'intellectuals'. In reality, the people Gramsci refers to as the intellectuals are the professionals who work in the philanthropic domain. In the final section of this chapter, we explore how the professionals of philanthropy experience the process of making granting decisions.

Making granting decisions

The end point of a philanthropic foundation's activities in any given year is the selection of grant recipients. For foundations, the selection of grant recipients occurs in a number of ways. Most foundations in this study encourage eligible NPOs to apply for grants through an open application

process. By this method, foundations adopt a responsive approach to grant applications. At the same time, foundations may also seek out potential recipients through a proactive approach by asking a select few to submit grant proposals for projects.

Most often, foundations adopt both responsive and proactive methods of selecting grant recipients, as Participant P10 explains:

> There are responsive grants for people who come to us. And then there are internal generated grants. The people that we say we really like the look of this, can you come and talk to us.

For Participant P3, it is important to be both responsive to open grant applications, and proactive in selecting grant recipients because they want to be sure that their grantees produce the outcomes they have previously agreed on:

> It is a combination of the two [open applications and being proactive], because even though we're just about at capacity with our funding at the moment, we like to keep a small window open because we do want to hear about new things. So while we promote long term relationships with our existing partners, they still have to perform. You know, we're funding over four, five years and we're not getting the outcomes - we don't feel the organisation has perhaps the expertise or the passion, or [are] driven…[then] we may have an exit strategy.

Some foundations insist that their open small grants applications provide them with valuable knowledge about society's needs, as Participant P9 explains:

> Those small grants are, for us, a barometer of what's going on. It's open grants. They enable us, they give us an insight into new organisations. What organisations are doing…There are lots of grassroots organisations…and that's fantastic. You know, those small grants can actually feed our knowledge.

Similarly, for Participant P2, the open application process functions as a way to survey and understand the changing needs of the community:

> The open grants is really important to us because that's like for us a little barometer of community need. And you will see themes and trends come through that. You'll see what's happening with government policy and that's why I think we will always be an open grant maker.

Importantly, Participant P2 stresses that while her/his foundation has very specific grant-making guidelines, they are sufficiently flexible to accommodate some changing community needs:

> We have published guidelines which we constantly refine. And we do that annually. We have an annual strategy day where we say these have been our priorities. This is what we're doing. Are they still our priorities? So we do an annual review process as part of that. And really for trusts and foundations, your guidelines are really your levers in a way. So…we ask anyone applying for an open grant to ring us first. So we screen…You'll say now, you know, that might fit better with someone else than fit with us…if it's a good project, worthwhile project, you want to maximise their chances of success…And the guidelines are crafted sufficiently [flexibly]…[for example] previously we used to fund aged care. We no longer fund aged care…So you go through a refinement process.

The overall goals of individual foundations, determined by their founders' idiosyncratic wishes, may seem inflexible. However, evidence suggests that current foundation staff do respond to changing societal needs as long as they are within the foundation's set granting parameters. Thus, in a Gramscian sense, the undemocratic passive revolution (Gramsci 1971, pp. 105-106) that characterises a foundation's granting parameters is somewhat tempered by the actions of professional foundation staff who listen to society's changing needs, and respond accordingly.

Typically, most foundations have very specific criteria for grant applicants. By explicitly providing exact granting criteria foundations are able to target the types of NPOs they really want to fund, as Participant P8 relates:

> So…[when our grant application round] open[s]…we will have a set of criteria we're looking for which is around employment pathways, literacy, applied English practice, engagement with local business. Those sorts of criteria, and then we'll give some examples. And then we'll be very precise about which local government areas…we will actually say these are the areas we want to fund. So you'll have to say that your project is actually based or delivering into that particular local government area. And then we specify that it has to be around [the theme of] belonging and participation. So those things are quite specific about what it is that we're looking for and why.

At the same time, very specific granting criteria excludes many NPOs from obtaining a grant. However, specific granting criteria are seen to be crucial for foundations because it enables them to focus on projects that have the potential for maximum impact. As Participant P8 states, a combination of specific

granting criteria and a proactive approach helps to maximise the impact her/his foundation seeks through its funding:

> And lots of people won't fit the bill unfortunately. But we want to make sure that we're really having the impact. We would want to, which is where that proactive nature comes. I think, the other thing is more around the creation of projects that we believe will actually support the type of work that we want to do. So, [a migrant integration initiative] was a project that we developed. And we then sought the partners that we wanted to have work with us on that. And then they're the people that we developed this project with and we've put in place and we'll support for the next three years.

Making granting decisions by responsive and proactive means is evidently widely adopted by the foundations in this study. Ultimately, foundations direct their philanthropy to fulfil social needs in specific areas where they want to have impact. In this sense, whether foundations adopt the responsive or proactive approach in grant-making decisions is immaterial. The key message is that foundations exercise leadership in deciding which social causes they want to support, and those they do not.

The exercise of philanthropic leadership is particularly evident in the following account. Participant P8's foundation concentrates solely on issues concerning the integration of immigrants into Australian society. In order to achieve its goals, Participant P8 proactively seeks out organisations s/he believes will fulfil those outcomes:

> I think the fact that we've got a very singular focus helps us to know what we're working on. And we don't necessarily look for projects that might be funded by other organisations as well. So we look particularly for ones that are trying to make a difference around social cohesion…We meet with lots of people to get some idea of the types of activities. But we also seek them out and go and talk to them particularly if we think they're doing the sorts of things that we'd be interested in. And we have an annual granting round where we probably get well over 200 applications and that's just reviewing every application…Now we're focused…far more on specific things. So the specific local government areas where we want to build up the momentum and…we ask them to address particular criteria that help us to make that analysis. Other than that, it's just a thinking through…from our perspective. Where are the areas we think are [of] greatest need at the moment, and what type of a project would we be looking for. And sometimes we just bring people together in order to create that project.

In stating that, 'sometimes we just bring people together in order to create that project', Participant P8 epitomises both the passive revolution (Gramsci 1971, pp. 105-106), and leadership aspects that

philanthropy imbues in its relationship with NPOs. Like other foundation representatives quoted in this chapter, Participant P8's comments suggest that philanthropy can be described as a process whereby a dominant social group takes into account the interests of other subordinate groups by distributing excess wealth to social causes in need of funds. As Gramsci (1971, p. 181) states, for a group ascending towards hegemony, this is a stage:

> in which one becomes aware that one's own corporate interests, in their present and future development, transcend the corporate limits of the purely economic class, and can and must become the interests of other subordinate groups too.

Ultimately, this is a phase that brings 'about not only a unison of economic and political aims, but also intellectual and moral unity…thus creating the hegemony of a fundamental social group over a series of subordinate groups' (Gramsci 1971, pp. 181-182). More to the point, philanthropic elites 'can become the leading [*dirigente*] and the dominant class to the extent that [they succeed] in creating a system of alliances' among its grantees, and in gaining their consent (Gramsci 1978, p. 443). In other words, philanthropic elites can only become hegemonic, and indeed maintain that hegemony if they take into account the interests of other social groups in addition to their own interests, and gain their consent to lead.

Yet, philanthropic elites, with their objective of achieving impact through philanthropy take into account only a narrow band of other groups' interests. As Participant P9 insists, in order to ensure that their giving makes an impact foundations increasingly focus on attracting fewer rather than more grant applications:

> We can always do things better. Nothing is ever just right…[and] it's about…totally staying relevant. And that's part of strategy because the strategy is…for us to be able to attract fewer and better applications that match our areas of interest and objectives.

Thus, in order to maintain their hegemony, philanthropic elites must gain the consent of NPOs to lead them in tackling social issues that the elites themselves have prioritised. The discussion in this and the

previous chapter indicates that foundations are more inclined to support fewer NPOs over a longer period, than more NPOs over a shorter term. With this in mind, Chapter Eight will explore the ways in which philanthropy fosters consent among its grantees by focusing on how leadership is manifested in the social relations of philanthropy. But first, Chapter Seven will discuss the juxtaposition of the seemingly contradictory issues that underpin the practice of philanthropy with a discussion of capitalism, inequality, and subaltern groups.

Chapter Seven:

Capitalism, inequality, and subaltern groups

The paradox of economic growth and inequality

In Chapter Six, the discussion focused on an analysis of philanthropic processes through the idea of a leading social group taking into account its own interests and those of non-hegemonic groups as a means of propagating, and maintaining its hegemony. Indeed, this is the subject of Gramsci's (1971, pp. 181-182) note on the relation of political forces in the context of the ascent of a capitalist social group to hegemony. Implicit in Gramsci's note is the suggestion of inequality between a hegemonic group and the non-hegemonic groups whose interests it takes into account. A key implication of the aforementioned note by Gramsci is that inequality, philanthropy, and economic growth are interrelated phenomena. This chapter aims to elaborate on the ideas that underlie what Jagpal and Schlegel (2015) describe as social justice philanthropy. It will attempt to reconcile the fact that philanthropy as a manifestation of inequality, functions as a means to address some of the consequences of that inequality. It will do so by situating philanthropy within its capitalist roots, and drawing on the Gramscian concept of subalternity. This chapter will conclude with a discussion of how the notion of subalternity is a useful construct in the analysis of the social relations of philanthropy.

As previously discussed in Chapter Two, a higher level of income inequality is positively correlated with economic growth (Andrews, Jencks & Leigh 2011). In turn, economic growth spurs increased levels of philanthropy (Reich 2016a). However, the consequences of inequality extend beyond economic growth to also include a potentially negative impact on social mobility and democracy (Leigh 2013, pp. 87-90). According to Heather Rolfe (2017), one indicator of low social mobility is the lack of movement across social class, both between generations and within a single generation. Furthermore, a cross-sectional analysis by Miles Corak (2016, p. 6) concludes that in 22 countries including Australia, USA and United Kingdom, higher levels of inequality are associated with less generational mobility. Doubtless, the conclusions arrived at by Rolfe and Corak concern the consequences of social and economic inequality produced by a capitalist economic system. Thus, in this respect, philanthropy lies at the intersection of two paradoxical phenomena. That is, on the one hand, contemporary philanthropic practice is generated

and sustained by a capitalist economic system. Yet, on the other hand, some acts of philanthropy attempt to address the causes and consequences of social and economic inequality that is produced by the same economic system.

In addition to the negative impact of inequality on social mobility, research suggests a similar trend in the effect of inequality on democracy. Specifically, inequality within some democratic societies might tip political outcomes in favour of wealthier constituents. As the American political scientist Larry Bartels (2012, p. 5) points out:

> political influence seems to be limited entirely to affluent and middle-class people. The opinions of…citizens in the bottom third of the income distribution have *no* discernible impact on the behaviour of their elected representatives.

Furthermore, inequality may influence political outcomes by creating different understandings of what is considered the common good (Leigh 2013, p. 89). For example, according to Leigh, wealthy people may not appreciate the need for a strong safety net to protect the interests of society's disadvantaged communities. Conversely, for Leigh, some low-income constituents may be excluded from supportive networks that might enable social mobility. In sum, philanthropy finds itself at the cross-roads of the consequences of inequality in that the economic growth associated with inequality is likely to stimulate higher levels of philanthropy. At the same time, inequality is associated with negative social outcomes such as the lack of social mobility and access to political processes, and a partisan view of what constitutes the common good. Therefore, it is paradoxical that some philanthropic foundations, as a product of capitalism, have adopted a mission of trying to help people who are disadvantaged by the negative consequences of inequality.

Capitalism and philanthropy

The fact that philanthropy is essentially a product of capitalism was emphatically conveyed by Henry Ford II in a letter to his fellow trustees upon his resignation from the Ford Foundation in 1976. He writes:

> The foundation exists and thrives on the fruits of our economic system. The dividends of competitive enterprise make it all possible. A significant portion of all abundance created

> by U.S. business enables the foundation and like institutions to carry on their work. In effect, the foundation is a creature of capitalism…[and] that the system that makes the foundation possible very probably is worth preserving. Perhaps it is time for the trustees and staff to examine the question of our obligations to our economic system and to consider how the foundation, as one of the system's most prominent offspring, might act most wisely to strengthen and improve its progenitor (Ford II 1977).

When Ford describes his namesake philanthropic foundation as 'a creature of capitalism' he, doubtless, had one perspective of capitalism in mind. On the one hand, most politicians, business leaders and the mass media define capitalism primarily in terms of free markets and free enterprises (Wolff 2015). On the other hand, as the economist Richard Wolff (2015) argues, this definition of capitalism is incorrect in that it is only partly accurate. Conflating capitalism and free markets/enterprise reinforces the notion that capitalism is primarily associated with choice, freedom and democracy (Chun 2017, p. 10). Moreover, as Wolff (2015) asserts, free markets and free enterprises do not distinguish capitalism from other economic systems such as feudalism, slavery or a post-capitalist socialism. Instead the distinguishing feature of capitalism is in the way it organises the production, appropriation and distribution of its surplus (Wolff 2015).

In this light, Ford's take on capitalism is, doubtless, one where workers are regarded as surplus producers. For Ford, surplus producers are workers such as those who helped build his family's automobile empire into the Ford Motor Company (Ford Foundation 2020). As surplus producers in capitalism, the workers have supposedly voluntarily entered into contracts with the Ford Motor Company who own the material means of production. As Wolff (2015) explains:

> The contracts, usually in money terms, specify 1) how much will be paid by the…[owners] to buy/employ the producer's labor power, and 2) the conditions of the producers' actual labor processes. The contract's goal is for the producers' labor to add more value during production than the value paid to the producer. That excess value added by worker over value paid to worker is the capitalist form of the surplus, or surplus value…[In the capitalist] system the individuals who produce surpluses are not identical to the individuals who appropriate and then distribute those surpluses.

The idea that 'workers are free to choose which job, where, and when it suits them' perpetuates the construction of capitalism as a free enterprise system (Chun 2017, p. 10). However, employees in

capitalist-based organisations that appropriate their surplus labour value do not have a say in how their surplus is distributed. For instance, in corporations, it is not the workers who decide how to distribute and appropriate the surplus value that they produced. Instead, it is determined by a board of directors on behalf of the corporation's shareholders. Hence, from this perspective of capitalism, the distribution and appropriation of surplus value enable the owners of capitalist-based organisations to increase the value of their means of production. In other words, this is how capitalist owners of the means of production build their wealth.

It is not the intent of this thesis to provide an in-depth analysis of capitalism. Suffice to say that capitalism is the main economic system in the world today (Wolff 2015), and is the basis of philanthropy in Australia and countries such as the United Kingdom and USA. At the same time, it is crucial to locate philanthropy within the capitalist economic system in order to understand why philanthropic foundations are 'creature[s] of capitalism' (Ford II 1977). The brief account of capitalism in this section suggests that a description of a capitalist economy in terms of free markets and free enterprises is inadequate. The free markets/enterprise perspective which implies that capitalism operates on fair-minded principles is, in fact, not the case (Chun 2017, p. 8). In contrast, by viewing capitalism as 'the class structure of the workers' production of surplus value which is then appropriated and distributed by capitalists' (Chun 2017, p. 9), we can begin to comprehend the inequality that underlies the process of production between capitalist owners and surplus producers. By extension, philanthropic foundations are the result of inequality in the processes of wealth accumulation. That is, by appropriating and distributing the surplus value of production, owners and shareholders of capitalist-based businesses accumulate and multiply their wealth at a greater rate than surplus value producers. Therefore, this is the context in which philanthropy needs to be understood.

In Henry Ford II's (1977) resignation letter, he criticises the professional philanthropic staff for their apparent lack of recognition of capitalism's role in creating and perpetuating philanthropy. He writes that:

> It is hard to discern recognition of this fact in anything the foundation does…[and] in many of the institutions, particularly the universities, that are the beneficiaries of the foundation's grant programs (Ford II 1977).

However, professional philanthropic staff who were interviewed for this study showed that this is no longer the case. As their comments suggest, contemporary professional foundation staff clearly understand how their philanthropic wealth is generated, and multiplies in value. Their accumulated wealth, of course, correlates with their present ability to disburse grants. Instead, interviewees readily acknowledged the role and benefits of capitalism in perpetuating their respective foundations, as Participants P5 indicates:

> [The foundation is]…over fifty years old. The vision of the…Foundation is to create an Australia that's available for all Australians to enjoy and participate...[The founder] was a self-made man. Very successful. And for the subsequent 30 years of his life until he passed [away]…he distributed in excess of $30 million and it turned the corpus at the time of his passing into [tens of millions of dollars] of value. And it's now [six times that value].

Participant P9 was more to the point in accrediting the growth of her/his foundation down to compound interest, a financial mechanism that helps to sustain a capitalist economic system. In addition, Participant P9 emphasises the expertise of a particular trustee in creating a substantial asset base for her/his foundation to enable it to exist in perpetuity:

> It's the magic of compound interest…It was [also one trustee's] extraordinary stewardship…and his brilliance at investment that actually turned this corpus which…was a significant amount of money, but it wasn't that much money, into what it is today. And so we have distributed $113 million [since inception]. And we have a corpus…in perpetuity.

By acknowledging the crucial role of the concept of compound interest, Participant P9 describes how a significant but relatively modest initial endowment was invested and reinvested to ensure that her/his foundation remains a perpetual philanthropic institution. For money that is invested, compound interest means interest is earned on the principal and on the interest earned, that is, 'interest on interest' (Alhabeeb 2012, p. 93). Indeed, MJ Alhabeeb (2012, p. 94) relates how the international banker Baron Rothschild once described compounding as 'the eighth wonder of the world', while the economist John

Maynard Keynes called it 'magic'. In other words, compound interest enables wealth to be accumulated exponentially.

Put simply, foundations that have been endowed with a large accumulated capital base continue to earn more interest, and more income from their investments. Compound interest built the substantial wealth of the founders of philanthropic foundations in the first place, and long after their demise, sustain the foundations' operations. Thus, philanthropy and capitalism are inextricably linked. This also implies that the maintenance of elite hegemony through philanthropy is synonymous with the maintenance of the supremacy of capitalism. In summing up the nexus between capitalism and philanthropy, Darren Walker, the current President of the Ford Foundation reflects:

> [W]e were established by a market system and endowed by the money of the past century's one percent. We are stewards of enormous resources – participants in and beneficiaries of a market system. As a result, our work is quite literally enabled by returns on capital. In turn, I believe we are obligated 'to strengthen and improve' the system of which we are part (Walker 2015).

It would seem that in order for philanthropy to flourish, so too must capitalism. Yet there is the paradox of economic growth and inequality, specifically, the contradiction between the structural conditions that enable philanthropic foundations to exist in the first place, and the work they do to address inequality. Drawing, once again, on Gramsci's (1971, pp. 181-182) notes about the propagation of hegemony, a leading group such as philanthropic elites takes into account its own interests through means such as strategic investments to exponentially multiply its wealth. At the same time, Gramsci (1971, p. 182) implores leading social groups to also take into account the interests of subordinate groups. In the philanthropic world this takes the form of grants to NPOs that work to improve society's well-being. Yet, many foundations such as those analysed in this study were established as perpetual institutions which implies that capitalism must, and is expected to continue to flourish to sustain the work of philanthropy. In other words, the maintenance of elite hegemony goes hand in hand with the maintenance of capitalism. By this reasoning, if philanthropy is one way to conserve elite hegemony, it must also

contribute to conserving the capitalist economic system that sustains philanthropy. This suggests that philanthropy takes into account the interests of subordinate groups by also promoting the inclusion of market-derived concepts into solutions to social problems that are the focus of NPOs. In the following sections, the discussion will centre on how philanthropy achieves the objective of being 'coordinated concretely with the general interests of the subordinated groups' (Gramsci 1971, p. 182). The discussion will begin with an account of the notion of subalternity, and conclude with a concrete example of how philanthropy addresses contemporary conceptions of subalternity.

The notion of subalternity

Following Richard Howson and Kylie Smith (2008a, p. 2) the point of departure for the present study of hegemony within philanthropy is the concept of subalternity, rather than the notions of domination and power. At this juncture it is important to remember that, for Gramsci, hegemony is never imposed upon any specific social group. Rather, hegemony 'is always developed within the social, economic, and political relations of a particular situation' (Howson & Smith 2008a, p. 3). As such, an analysis of hegemony entails understanding the social relations between people with power, and people without. To this end, this section explains and elaborates why subalternity is crucial to an analysis of hegemony.

References to subaltern groups are scattered throughout the *Prison Notebooks*. For instance, in various notes in the third notebook Gramsci (1996, pp. 18-95) identifies peasants, women, slaves, people of different races and nationalities, the proletariat, and the bourgeoisie before the Italian Risorgimento as subaltern social groups. By these categories, we might deduce that the condition of subalternity broadly characterises people who are oppressed, and subordinate to other social groups. At the same time, the diversity of subaltern categories such as peasants, slaves, and the proletariat suggests that different subaltern groups experience different levels of subordination. Crucially, Gramsci (1996, p. 24) asserts that 'the subaltern class lacks political autonomy'. Therefore, by Gramsci's formulation subaltern groups are diverse in their composition, lack political autonomy, and experience subordination at different levels and in different ways.

It follows that in order to analyse the activities of subaltern groups, it would be erroneous to consider them as being one homogeneous entity (Crehan 2016, p. 16). Indeed, Crehan (2016, p. 16) argues that in order to accurately define subalternity, researchers need to know which specific subaltern groups are being studied at which specific historical moments. In other words, subalternity is a useful tool with which to analyse different forms of inequality in society because it is not restricted to a specific type of subordination.

As Gramsci (1996, p. 21) writes:

> The history of the subaltern classes is necessarily fragmented and episodic; in the activity of these classes there is a tendency toward unification, albeit in provisional stages, but this is the least conspicuous aspect, and it manifests itself only when victory is secured. Subaltern classes are subject to the initiatives of the dominant class, even when they rebel; they are in a state of anxious defense.

Gramsci's observation in the preceding passage that 'subaltern classes are subject to the initiatives of the dominant class' implies their subordination to the activities undertaken by dominant groups. These activities might be interpreted as the laws, policies, and other leadership initiatives implemented by dominant groups. Another implication of Gramsci's note is that the process of liberation from the experience of subordination occurs gradually over a period of time. More importantly, he highlights the potential for social transformation for subaltern groups from a position of subordination to one in which they achieve autonomy. In fact, Gramsci (1971, p. 52) states that in order to understand subaltern development, 'the historian must record, and discover the causes of, the line of development towards integral autonomy, starting from the most primitive phases'. By stating that the path to gaining autonomy starts 'from the most primitive phases', Gramsci alludes to a starting point in which subaltern groups have a diminished ability to promote their interests through political means. In other words, from a purely political perspective the notion of subalternity relates to social groups that lack autonomous political power (Smith 2010).

By acknowledging that some social groups lack political autonomy, we begin to recognise the nexus between subalternity, and social groups that ostensibly benefit from social justice philanthropy. Indeed, many foundations in this study attempt to address some of the causes of inequality through their philanthropy, as Participant P10 relates:

> We call them priority beneficiaries…everything we do has a disadvantage lens…we have a strong equity belief. So I guess the people that we're trying to help are those that are most disadvantaged in the community…[It's about] lifting them up…[to have equal access].

In fact, the desire to address the needs of disadvantaged communities is a common theme in the mission statements of foundations in this study. While the constituents of disadvantaged communities, and the methods used to help them vary among foundations, the intention behind foundations' mission statements is generally consistent with wanting 'to improve the wellbeing of humanity and the community' (Philanthropy Australia n.d.-a). In other words, at the heart of every philanthropic endeavour is a social purpose, and this includes the desire to change a particular human condition.

Several foundations in this study achieve their stated missions by funding NPOs that work to improve the circumstances of marginalised and disadvantaged communities, and operate within a broad social justice framework. Following the definition offered by the peak American philanthropic body, the Foundation Center (Candid), social justice philanthropy is described as 'the granting of philanthropic contributions to non-profit organizations…that work for structural change in order to increase the opportunity of those who are the least well off politically, economically and socially' (Jagpal & Schlegel 2015, p. 1). Implicit in this definition is the understanding that people who are 'the least well off politically, economically and socially' are likely the same people whose circumstances are shaped by the negative consequences of inequality. That is, 'the least well off' in society are what Gramsci would have described as subaltern social groups.

However, it is important to note that the idea of subalternity is not always an expression of a negative condition based on a lack or a state of victimhood. In fact, Kylie Smith (2010, p. 45) cautions that a

victimhood perspective of subalternity misses the nuances evident in Gramsci's concept of hegemony. As Marcus Green (2002, p. 15) argues, some representations of subaltern groups such as in literary or historical documents, portray them 'as humble, passive or ignorant, but their actual lived experience may prove the contrary'. One example that illustrates Green's argument lies in a study of forced migration from North Africa to Italy in 2009 (Apitzsch 2016). In her analysis, Ursula Apitzsch (2016, p. 38) uses Gramsci's concept of subalternity to characterise a group of migrants who succeeded in challenging the Italian government of the day for violating their human rights. For Apitzsch, migrants from North Africa are very diverse in terms of their level of education, social class, and nationality. Many are well educated and affluent in their countries of origin. Apitzsch argues that neither social class nor education levels assign them to a condition of subalternity. Instead, the migrants are subaltern because of 'the ex-colonial and postcolonial history they have gone through and whose consequences they suffer' (Apitzsch 2016, p. 38). This implies that for there to be real change in the circumstances of the said migrants, it is crucial to understand the processes that produce and reproduce their condition of subalternity, and their specific historical contexts. Importantly, for philanthropy to play an effective role in cases of forced migration, it is vital that philanthropy understands the conditions under which subalternity is produced and propagated. In other words, it is imperative that philanthropic processes incorporate the specific historical context of subaltern groups in addressing their experience of subalternity. From an analytical perspective, doing so requires engaging with Gramsci's notion of the integral state.

Gramsci's integral state

The concept of integral state is crucial to understanding the empirical and theoretical significance of subalternity in relation to hegemony (Howson & Smith 2008a, p. 3). Indeed, Gramsci's (1996, p. 21) assertion that 'subaltern classes are subject to the initiatives of the dominant class' indicates the nature of the relationship between subordinate groups, and socially dominant ones. Specifically, the phrase 'initiatives of the dominant class' suggests that the nature of subalternity is defined by the particular

ways in which subaltern groups 'are incorporated into the state' (Crehan 2016, p. 16). In this instance, 'by 'State' should be understood not only the apparatus of government, but also the 'private' apparatus of 'hegemony'' (Gramsci 1971, p. 261). Furthermore, Gramsci (1971, p. 244) contends that:

> the State is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules.

We are also reminded that by Gramsci's conceptualisation of hegemony dominant social groups exercise power as consensus and not purely as coercion (Modonesi 2014, p. 15). Additionally, the State, conceived by Gramsci as 'the entire complex of practical and theoretical activities' implies a combination of separate elements that together form the integral state. In fact, it was during Gramsci's incarceration by Italy's fascist regime that he expanded his conception of state to include civil society (Green 2002, p. 4). That is, an expanded integral state comprises both civil society and political society as Gramsci (1971, p. 263) explains:

> the general notion of State includes elements which need to be referred back to the notion of civil society (in the sense that one might say that State = political society + civil society, in other words hegemony protected by the armour of coercion).

Stated another way, Gramsci (1971, p. 56n) provides a more succinct description of:

> the concept of State, which is usually understood as political society (or…coercive apparatus to bring the mass of people into conformity with the specific type of production and the specific economy at a given moment)…as an equilibrium between political society and civil society.

In the preceding passage, political society in the expanded notion of State corresponds 'to that of 'direct domination' or command exercised through the State and 'juridical government'' (Gramsci 1971, p. 12). That is, for Gramsci, political society refers only to the coercive dimension of state apparatuses. Thus, the Gramscian perspective of political society reflects the coercive relations embodied in state institutions such as the judiciary, military, police, prisons and administrative departments that oversee taxation, social security, and so on (Simon 2015, p. 72).

In contrast, Gramsci's (1971, p. 12) civil society 'is the ensemble of organisms commonly called 'private''. Civil society comprises 'the so-called private organisations, like the Church, the trade unions, the schools, etc.' (Gramsci 1971, p. 56n). Moreover, in reality, Gramsci's 'so-called private organisations' focus on associational life, and might consist of voluntary organisations such as cultural associations and political parties (Green 2002). In addition, civil society is the sphere of association for social movements, NPOs, and non-government organisations, some of which play a role in challenging hegemonic relations (Matsuda & Ohara 2008, p. 55). In sum, all the organisations that constitute civil society are the culmination 'of a complex network of social practices and social relations' (Simon 2015, p. 71).

According to Simon (2015, p. 71), a capitalist society is made up of three sets of social relations: the coercive relations embodied by state apparatuses; the relations of production between capital and labour; and all other relations that constitute civil society. Civil society is the domain where capitalists, workers in private and non-profit organisations, and others engage in ideological and political struggles. Specifically, civil society is the sphere of popular-democratic struggles that result from the myriad ways in which people come together in groups. This might be by ethnicity, religious affiliation, socio-economic status, citizenship status, and so on. Thus, in this light, Gramsci's conception of civil society is the sphere of the struggle for hegemony (Simon 2015, p. 71).

In many ways, Gramsci's civil society more accurately describes the domain of the social relations of philanthropy, rather than the liberal conception of civil society. According to Buttigieg (1995, p. 27), Gramsci's civil society is not a neutral or benign zone 'where different elements of society operate and compete freely and on equal terms, regardless of who holds a predominance of power in government', as in the liberal conception of civil society. However, as with the concept of hegemony, Gramsci does not give a concise definition of civil society. Thus, readers of Gramsci may be justifiably confused by his unique conceptualisation until he clarifies that 'in reality, the distinction is purely methodological and not organic; in concrete historical life, political society and civil society are a single entity' (Gramsci 1996, p.

182). Indeed, the 'single entity' as reflected in Gramsci's idea of integral state mimics contemporary social reality. After all, in real life, private civil society organisations exist alongside the governmental and public institutions of political society (Green 2002, p. 6). To put this in context, philanthropic foundations, NPOs, and government organisations all co-exist in the same sphere. Therefore, one can say that from a Gramscian perspective political society and civil society are two dimensions of one social unity.

The relevance of the preceding discussion to philanthropy is that civil society for Gramsci is the sphere whereby dominant social groups reinforce their social power not through coercion but by non-violent means (Buttigieg 1995, p. 26). As Gramsci (1971, p. 12) asserts, ''civil society'…correspond[s]…to the function of 'hegemony' which the dominant group exercises throughout society'. In other words, civil society is the locus of hegemony. Furthermore, as the domain of hegemony, it is also a site of cultural conformity whereby the ideology and values of dominant social groups becomes society's predominant values (Green 2002, p. 7). In fact, Gramsci (1971, p. 242) maintains that:

> civil society…operates without 'sanctions' or compulsory 'obligations', but nevertheless exerts a collective pressure and obtains objective results in the form of an evolution of customs, ways of thinking and acting, morality, etc.

This implies that while the focus of hegemony is consensus rather than coercion, hegemony is still a form of power. As Buttigieg (1995, p. 27) explains, when a particular social group achieves hegemony, it means it has both 'acquired control of the politico-juridical apparatus of the state', and 'permeated the institutions of civil society'. Thus, in a Gramscian sense, the hegemonic group can be said to have assumed leadership in the cultural domain. Likewise in the world of philanthropy, foundations and philanthropic elites can be said to play a leadership role in civil society by choosing to prioritise and fund some community-orientated projects, and not others.

Conceptions of subalternity

From the discussion thus far, we can appreciate that Gramsci's integral state is an abstraction of a domain comprising among others, the concepts of hegemony, and subalternity. The term *subaltern* entered mainstream academic discourse over the past three decades. This is largely due to the influence of research by the Indian historian Ranajit Guha and the South Asian Subaltern Studies Group (Green 2011). However, the concept of subalternity originates from Marxian thought. According to Massimo Modonesi (2014, pp. 9-10) it was 'created to speak of the subjective condition of subordination in the context of capitalist domination'. Ironically, Marx did not use the term *subaltern*, although writers such as Trotsky and Lenin often used it in its conventional sense to refer to subordinate relations within a command hierarchy like the army, and among public administration officials.

Gramsci, on the other hand, elaborated on the notion of subalternity vis a vis his formulation of hegemony in various passages in the *Prison Notebooks.* However, the Gramscian category of *subaltern* differs from the original Marxian formulation in that Gramsci offers greater inclusivity and diversity compared to the more rigid 'Marxist concepts of 'the proletariat' and 'the working class'' (Liguori 2015, p. 118). As Guido Liguori (2015, p. 188) points out 'the proletariat' and 'the working class' relate to relations between social classes and the system of production. In contrast, Liguori insists that Gramsci's notion of subalternity extends outside of socio-economic relations to encompass relations of force and power. Nevertheless, despite its flexibility as a conceptual analytical tool the idea of subalternity and subalterns is often misappropriated and misunderstood.

As with most of Gramsci's theoretical concepts, his use of the term *subaltern* (or *subalterns*) lacks a concise definition. Without a precise definition of *subaltern* in the Gramscian sense some scholars appear to have misconstrued Gramsci's original conceptual context. According to Liguori (2015, p. 119) a key reason for scholarly misunderstanding of Gramsci's subalterns relates to a case of missing translated notes. Liguori explains that many English-reading scholars have relied almost exclusively on a volume of selected Gramsci's writings, edited and translated in 1971 by Quintin Hoare and Geoffrey

Nowell Smith. This volume entitled *Selections from the prison notebooks* contains only a few notes on 'the subaltern classes' and are grouped under the title 'Notes on Italian history' specifically on the Italian Risorgimento (Gramsci 1971, pp. 52-118). This gives the misleading impression that Gramsci's concept of subalterns only relates to a specific period in Italian history, and conceals its connection to civil society and hegemony. As a result of misunderstanding the crux of Gramsci's context, some scholarly interpretations of *subalterns* deviated substantially to include any social group struggling for its rights such that 'the concept became little more than a loose equivalent of 'the oppressed'' (Liguori 2015, p. 120).

However, more recent English versions of Gramsci's complete works such as the anthology edited and translated by Joseph Buttigieg (Gramsci 1992, 1996, 2007) reveal a different picture. Buttigieg and his collaborators found that Gramsci had in fact written extensively about subaltern groups. Furthermore, the notion of subalternity was, for Gramsci, crucial to his investigation into hegemony, and the relationship between state and civil society. As Green (2011, p. 388) elucidates, Gramsci developed the notion of 'subaltern social groups' as a means to analyse and identify the activities of marginalised social groups in Italian history. This is evident from Gramsci's (1996, pp. 18-95) analysis of particular historical contexts in which he identifies social groups such as people of different races, slaves, peasants, women, or the proletariat as subaltern groups. Evidently, subaltern groups are diverse, and people categorised as oppressed are only a subset of Gramsci's subalterns. In fact, a more extensive reading of Gramsci reveals that he views subalternity as being constructed not just through domination, but also marginality and exclusion (Green 2011, p. 388). Thus, by understanding subaltern groups to include communities that are marginalised, excluded, and oppressed, the utility of the concept of subalternity as a theoretical tool in scholarly research is expanded. In other words, it can be said that much of the philanthropic effort of the foundations in this study is aimed at finding solutions to alleviate various conditions of subalternity in order to transform the lives of subaltern groups.

To be sure, Gramsci's main thesis on subaltern groups is that there are different phases of subaltern development (Gramsci 1996, p. 91), whereby they can progress from 'primitive phases' of subordination to one of autonomy through the action of a party (Gramsci 1971, p. 52). In other words, subaltern groups have the potential to be autonomous, challenge hegemony, and reverse their subaltern status. Thus, by assigning subaltern groups with a singular and undifferentiated identity, such as oppressed people exclusively, the idea of a phased development is obscured. Consequently, the utility of the concept of subalterns as a theoretical base for tangible analysis is diminished.

Gramsci's theoretical insight into the notion of subalterns is grounded in historical observation. For Gramsci (1971, p. 201), 'ideas are…a continually renewed expression of real historical development'. According to Green (2002, p. 8), Gramsci insists on studying the historiography of subaltern groups in order to understand their lineage and development process. That is, how they came into being, and how some subaltern groups ascended from a subordinate social position to a dominant one, while other groups continue to exist in the margins of society. To this end, his writings reveal a methodology of researching the history of subaltern classes, and 'a political strategy of transformation based on the historical development and existence of the subaltern' (Green 2002, p. 3).

Gramsci asserts that evidence from the past is crucial in the process of social transformation. He articulates this sentiment in an article he wrote in 1923 to explain why the fascists in Italy had won over the communists (Liguori 2015, p. 124). Gramsci (1978, p. 170) writes:

> We do not know Italy. Worse still: we lack the proper instruments for knowing Italy as it really is. It is therefore impossible for us to make predictions, to orient ourselves, to establish lines of action which have some likelihood of being accurate. There exists no history of the Italian working class. There exists no history of the peasant class.

In this study one philanthropic example, in particular, resonates with Gramsci's assertion of the importance of historical evidence in the process of social transformation. Foundation P8 has funded a series of surveys for about a decade to gauge community attitudes on various aspects of social integration of immigrants to Australia. Among the topics of the survey are community attitudes that

constitute barriers to integration such as immigrant experiences of discrimination on the basis of religion or ethnic origin. The key aspect of the surveys that Foundation P8 funds is that they are conducted annually, using the same set of questions every year. The survey results, thus, provide the foundation's founder with a rationale to fund the development of selected programs aimed at addressing issues pertaining to immigrants such as their exclusion and marginalisation. In other words, evidence from longitudinal surveys helps Foundation P8 to focus on funding projects aimed at socially transforming the circumstances of immigrants, as Participant P8 explains:

> When [the founder] decided to set up the foundation he…[decided to focus on]…the transition of migrants into Australian society…But he likes to make sure he knows his stuff. So he then engaged people to do some research for him into immigration…particularly to do with the integration requirements. And then that research has continued, [and]…it's been ongoing for the last nine years or so…and that has continued to inform the work that we do.

Gramsci's notes on subaltern groups arose from particular events and observations that he made about Italian society during the early twentieth century. It was from these observations that he formulated generalised conclusions and theories about the process of subaltern development, that is, the steps by which subaltern groups develop to a position of autonomy (Green 2002). Several notes in the *Prison Notebooks* are fundamental to understanding the process of development of subaltern groups. In a note on the history of the subaltern classes Gramsci (1996, p. 21) foreshadows that for 'these classes there is a tendency toward unification, albeit in provisional stages'. In another note, he writes 'the subaltern classes, by definition, are not unified and cannot unite until they are able to become a 'State'' (Gramsci 1971, p. 52). Seen in this light, it can be said that subaltern groups are not just oppressed and marginalised groups. Groups that have not yet achieved hegemony such as the working class can apparently also be categorised as subalterns. In other words, Gramsci recognises that subaltern groups develop in stages, and thus, delineates advanced and marginal subaltern groups.

For Gramsci, the distinction between advanced and marginal subaltern groups, is based on their different levels of consciousness, organisation, and leadership (Green 2015, p. 157). For example, in a

note entitled 'The collective worker' Gramsci (1971, pp. 201-202) writes about the lived experience of factory workers, a subaltern class which he describes as 'emerging from its subordinate position'. Gramsci (1971, p. 202) asserts that:

> The entire work-force of a factory should see itself as a 'collective worker'…But…[the] junction…between technical development and the interests of the ruling class is only a historical phase of industrial development, and must be conceived of as transitory. The nexus can be dissolved; technical requirements can be conceived in concrete terms, not merely separately from the interests of the ruling class, but in relation to the interests of the class which is as yet still subaltern…Such a process is understood by the subaltern class – which precisely for that reason is no longer subaltern, or at least…emerging from its subordinate position. The 'collective worker' understands that this is what he is.

Thus, the organisation of factory workers as a collective represents a level of consciousness through which the industrial working classes might transcend their subordinate position.

Such is Gramsci's (1971, p. 52) conviction of the potential for subaltern groups to escape their condition of subordination that he introduces a 'Methodological Criteria' to study their history. Specifically, he elaborates on the process of 'unification, albeit in provisional stages' (Gramsci 1996, p. 91), by detailing six phases of subaltern development. He insists:

> [o]ne must study: (1) the objective formation of the subaltern classes through the developments and changes that took place in the economic sphere; the extent of their diffusion; and their descent from other classes that preceded them; (2) their passive or active adherence to the dominant political formations; that is, their efforts to influence the programs of these formations with demands of their own; (3) the birth of new parties of the ruling class to maintain control of the subaltern classes; (4) the formations of the subaltern classes themselves, formations of a limited and partial character; (5) the political formations that assert the autonomy of the subaltern classes, but within the old framework; (6) the political formations that assert complete autonomy, etc.' (Gramsci 1996, p. 91).

In addition, Gramsci (1996, p. 91) acknowledges that 'these phases can be listed in even greater detail, with intermediate phases or combinations of several phases.' By this, we might understand that his articulation of the six phases of subaltern development is neither an essentialist nor a complete methodology. Importantly, the researcher of a subaltern group's history 'must record, and discover the causes of, the line of development towards integral autonomy, starting from the most primitive phases'

(Gramsci 1971, p. 52). Hence, from Gramsci's perspective, subaltern groups develop in a sequential process with some groups progressing more quickly than others. Crucially, the six phases of development allow for an analysis into how a subaltern group can develop into a dominant social group, or is curtailed in its rise to dominance by other dominant social groups (Green 2002, p. 10). In the context of the present study, it can be said that the 'intermediate phases or combinations of several phases' (Gramsci 1996, p. 91) of subaltern development manifest as philanthropic grant-making to relevant NPOs. In turn, NPOs act as proxies for subaltern groups such as marginalised, excluded, and disadvantaged communities. Therefore, philanthropy, in concert with NPOs enables the development of subaltern groups according to where the groups are located within Gramsci's (1996, p. 91) phases of subaltern development.

To illustrate the process of subaltern development Gramsci uses the example of how the bourgeoisie rose to power during the Risorgimento, that is, when Italy unified to become a single state. Gramsci (1996, p. 92) observes that the bourgeoisie's ascension to power is a consequence of their struggle against dominant groups with the help of other groups they were in alliance with. As such, he stresses the importance of examining:

> the phases through which [the bourgeoisie as a subaltern class]…acquired autonomy from the future enemies it had to defeat…and the support of those forces that have actively or passively helped it (Gramsci 1996, p. 92).

Implicit in the above passage is the importance, for subaltern groups, of forming alliances with 'forces that have actively or passively helped' them. In this study, the idea of alliance formation takes on a particular relevance if the groups that ultimately benefit from philanthropy are conceptualised as subaltern groups. Therefore, a crucial element in their rise to a position of autonomy is the formation of alliances with other social groups. In the present context, it is vital for subaltern groups to form alliances with other groups as represented by individuals who work for philanthropic and non-profit organisations.

Contemporary conceptions of subaltern groups

Gramsci's notion of subaltern groups remains relevant as an analytical tool to the present day. The idea of subaltern groups particularly resonates with scholars who wish to understand the condition of subalternity, and draw on Gramsci's ideas on the process required to overcome the condition (Liguori 2015, p. 217). For example, in recent times, scholars such as Crehan (2016), Green (2015), and Jan Rehmann (2013) have drawn on the concepts of subalterns and hegemony to explore the effects of the Occupy Wall Street popular uprising of September 2011. Yet, what are the intrinsic themes concerning Gramsci's notion of subalternity that scholars deem of value as an analytical tool?

As alluded to in the previous section, the answer lies in the ways that Gramsci characterises subaltern groups themselves. In fact, Liguori (2015, p. 129) claims that 'a careful philological reading of Gramsci's use of the concept [of] subaltern' reveals that he uses the terms subalterns/subaltern in a variety of ways throughout his writings. First, subaltern groups refer to a heterogeneous mix of culturally and politically marginalised people, who Gramsci deems to exist at the margins of society. In addition, Gramsci (1996, p. 91) stresses that subaltern groups differ according to a hierarchy of levels of political organisation. Second, Gramsci (1971, p. 202) utilises the term subaltern to refer to the industrial proletariat. This group is situated higher in the hierarchy of subaltern groups than marginalised communities, and has the capacity to challenge the existing hegemony in favour of establishing its own hegemony. Third, in Gramsci's later writings, he replaces the plural adjective 'subaltern social groups' with the singular noun 'the subaltern' (Liguori 2015, p. 127). In this instance, rather than indicating social oppression, the use of subaltern relates to a person who lacks 'the subjective requirements to confront ideologies' (Liguori 2015, p. 128). That is, Gramsci uses 'subaltern' to signify a person's cultural limitations.

Evidently, Gramsci's uses the term subalterns/subaltern in a very broad sense. Furthermore, Gramsci's usage of the term extends beyond the context of social oppression to include conditions such as that experienced by some ethnic minorities and people struggling for their rights (Liguori 2015, p. 120).

Thus, from an analytical perspective it is incorrect to assume that the notion of subalternity is somehow synonymous only with people who are oppressed. Instead, the analytical utility of the concept of subalternity is enhanced by both the lack of a rigid definition, and the heterogeneous nature of groups conceptualised as subaltern.

However, it should also be noted that the way in which subaltern groups are perceived by dominant social groups is vital to the former's development from subalternity to hegemony. For example, in one note Gramsci (1996, p. 18) studies the leader of a religious-political resistance movement from the 1860s named David Lazzaretti. Lazzaretti rose from relatively humble beginnings to leading a social movement founded in 1868 that attracted many supporters from the peasant community. One of Gramsci's major insights from Lazzaretti's activities concerns the manner in which Italian intellectuals of the day portrayed Lazzaretti, and interpreted his movement (Green 2013, p. 122). For instance, one intellectual named Giacomo Barzellotti constructs Lazzaretti as a social deviant, and subsequently succeeds in shaping public opinion on him. As Gramsci (1996, p. 19) sums up, rather than investigating 'the causes of the general discontent that existed in Italy', Barzellotti resorts, instead, to 'providing narrow, individual, pathologic, etc., explanations of single explosive incidents'. As such, the significance of Lazzaretti's political movement was ultimately obscured. Thus, Gramsci (cited in Smith 2010, p. 44), upon reflection of Lazzaretti's fate, concludes that to social elites 'the members of subaltern groups always have something of a barbaric or pathological nature about them'.

Gramsci's primary argument in the preceding account is that the perspectives of intellectuals such as Barzellotti are crucial to the construction of subalternity. Specifically, a negative construction of subaltern groups means that intellectuals can be actively complicit in preventing particular subaltern groups from rising to hegemony, and escaping their condition of subalternity. In contrast, a positive construction of subaltern groups opens up pathways for such groups to transcend their experience of subordination. One pathway comes in the form of financial resources provided by philanthropic channels to address the needs, and help transform the lives of marginalised and disadvantaged groups.

Thus, for Gramsci, the positive representation of subaltern groups is crucial on their path to social transformation. In turn, the work of representing subaltern groups such as that performed by NPOs is largely attributable to the professionals of the non-profit sector.

In a contemporary context, subaltern groups comprise 'large bodies of marginalised people at the periphery of society' (Meret & Della Corte 2016, p. 207). Examples of marginalisation include being deprived of voice within hegemonic discourses, being excluded from participating in dominant social institutions and positions of power, and being denied access to rights. In this respect, subaltern groups might include refugees and asylum seekers, people experiencing homelessness and poverty, families affected by incarceration, and Indigenous communities lacking access to education and health programs.

For Gramsci, the lived experience of subalternity can be the impetus to form collective efforts that aim at eroding the perimeters of power, and gaining autonomy (Meret & Della Corte 2016, p. 207). In fact, he observes that '[t]he modern state abolishes many autonomies of the subaltern classes…but certain forms of the internal life of the subaltern classes are reborn as parties, trade unions, cultural associations' (Gramsci 1996, p. 25). This quotation suggests that for some subaltern groups the formation of associations or alliances is a crucial part of the process of attaining autonomy. Notably, it reaffirms Gramsci's thinking behind the sixth phase of subaltern development, that is, the importance of forming associations or 'the political formations that assert complete autonomy, etc.' (Gramsci 1996, p. 91).

Implications of Gramsci's stages of subaltern development

Aside from charting a process of achieving autonomy, Gramsci's stages of subaltern development reflect his thinking behind a practical political strategy for change from the condition of subalternity. In this respect, Gramsci's thinking parallels the mission statements that typically appear in foundation publications such as annual reports and websites. For instance, the Minderoo Foundation (2017, pp. 4-5) adopts a 'model of social change [that] begins with developing better ways to solve persistent

problems', and is focused on driving change such as 'ending modern slavery, [and] creating parity for Indigenous Australians'. Minderoo's strategy for achieving change emphasises projects that provide evidence of better solutions to 'persistent problems'. With appropriate evidence, Minderoo (2017, pp. 4-5) will then work to ensure that 'these new approaches are embedded in mainstream policy and practice'.

Another example is the Reichstein Foundation (n.d.) whose 'mission is to stimulate and invest in policy change and inspirational organisations…to achieve a more equitable distribution of wealth and power'. Furthermore, Reichstein 'practices social change philanthropy and grows this approach to philanthropy through partnerships and funding collaborations with individuals, donors and trusts and foundations'. Similarly, Gandel Philanthropy (n.d.) has a vision 'to create a lasting and positive difference in people's lives'. Evidently, foundations such as Minderoo, Reichstein and Gandel wish to achieve some form of change in the lived experience of communities that receive their philanthropic dollars. Interestingly, foundations such as Minderoo (2017, p. 5) and Reichstein (n.d.) also explicitly state a desire to influence policy change through their philanthropic activities. Moreover, they highlight the importance of collaborations and partnerships as an essential means to achieving their objectives. Thus, one might deduce that for foundations that aim to achieve some form of social change, alliances with other groups or organisations is crucial to their success.

Perhaps the most salient aspect of Gramsci's process of subaltern development in an analysis of philanthropic hegemony is the implication that different subaltern groups emerge out of conditions of subordination at different times. After all, Gramsci (1996, p. 91) acknowledges that for subaltern classes progressing towards a goal of non-subordination, 'there is a tendency toward unification, albeit in provisional stages'. Furthermore, stage five of subaltern development that calls for 'the political formations that assert the autonomy of the subaltern classes, but within the old framework' (Gramsci 1996, p. 91), suggests a process that produces selective outcomes. That is, at any one time, only some subaltern groups will succeed in achieving a higher level of autonomy, political organisation, and

influence on established dominant institutions (Green 2011, p. 400). This infers that Gramsci understood subaltern groups to be unequal, and that they differ according to the extent of their political engagement and organisation.

However, the idea of a hierarchy of subaltern groups suggests that the resolution of group marginalisation is not solely dependent on group organisation. Instead, Gramsci contends that group marginalisation can only be resolved by the transformation of the relations of subordination (Green 2002, p. 18). This implies that Gramsci's conception of overcoming subalternity involves a more protracted sequence of events that requires an alliance of interests among disparate social groups.

Of particular relevance to this thesis is the fact that some subaltern groups exercise a higher level than others of autonomy, initiative, and political engagement and organisation. In fact, these are groups that have evolved to be influential within civil society due to having accumulated specialised knowledge about social issues and conditions concerning other groups' processes of subaltern development. As Gramsci (1996, p. 25) writes, 'certain forms of the internal life of the subaltern classes are reborn as parties, trade unions, cultural associations'. As such, a NPO that looks after the interests of marginalised groups such as refugees and asylum seekers would surely qualify as being constitutive of 'parties, trade unions, cultural associations'. Indeed, it was evident that all NPOs comprising this study's interview sample were staffed by educated professionals with a high level of knowledge, engagement, and organisation in relation their organisations' issues of concern. Yet, in an analysis of hegemony philanthropically-funded NPOs are subaltern to foundations simply because they rely on foundations to fund their operations. At the same time, the disadvantaged communities that philanthropy ostensibly helps are, by dint of their marginal status, subaltern groups who lack representation and political organisation. In the present study, disadvantaged and marginalised communities are subaltern due to a combination of factors such as lacking in political autonomy, experiencing social exclusion or suffering the consequences of poverty. Neither NPOs nor disadvantaged communities are subaltern because they are oppressed (Liguori 2015, p. 120). Instead, they are subaltern because of their dependence on

financial resources that philanthropy can fulfil. In other words, for analytical purposes it is useful to conceptualise the NPOs that represent and protect the interests of disadvantaged communities to be at a higher level of subaltern development than the communities they aim to help. The next chapter will discuss the nature of philanthropic influence and leadership, and how philanthropy helps groups that are conceptualised as subaltern.

Chapter Eight:

Philanthropic leadership, education, and hegemony

Philanthropy as leadership

This chapter discusses how elite hegemony is maintained by bringing together previously discussed Gramscian concepts such as subaltern groups and alliance formation with the idea of leadership as embodied in philanthropic practices. Intrinsic to philanthropic leadership is the exercise of influence. The present discussion attempts to explain the nature of philanthropic leadership and influence through an analysis of philanthropic practice. By referencing concrete examples of philanthropic activity, this chapter also aims to elaborate on the importance of educational activities in the task of maintaining hegemony.

For Gramsci, a crucial element in the social transformation of subaltern groups is a political party capable of leading and uniting an alliance of social groups. In fact, Gramsci (1996, p. 49) insists that 'conscious leadership' is a vital element of effective organisation for social transformation. Previous discussions in Chapter Seven indicate that philanthropy is an organised process that largely mirrors the processes characteristic of a capitalist economic system. As Zunz (2012, p. 2) reflects, modern philanthropy as pioneered by the likes of Andrew Carnegie has evolved to become 'a capitalist venture in social betterment'. Importantly, an organised form of benevolence for the public good implies giving to equally organised NPOs that represent the interests of a wide variety of human endeavour. This suggests that philanthropy itself is a form of leadership that enables the betterment of society.

The lived experiences of disadvantaged, marginalised, and excluded groups is the concern of a variety of NPOs, some of which are articulated by research participants in this study. From Gramsci's (1996, p. 49) perspective, 'conscious leadership' is manifested in the processes of philanthropic practice. That is to say, philanthropic leadership in alliance with the work of NPOs constitutes the 'conscious leadership' of collective efforts that address the experiences of human marginalisation, exclusion, and disadvantage.

In discussing leadership, we are reminded that for Gramsci (1971, p. 57) hegemony has two facets in that 'the supremacy of a social group manifests itself in two ways, as 'domination' and as 'intellectual

and moral leadership''. This suggests that Gramsci's concept of hegemony is both dominant and leading. Furthermore, Gramsci (1971, p. 57) elaborates that 'a social group dominates antagonistic groups, which it tends to 'liquidate', or to subjugate perhaps even by armed force; it leads kindred and allied groups'. Gramsci's elaboration of the concept of hegemony is significant for two reasons. First, Gramsci's formulation of hegemony is remarkably similar to the distinction articulated by the ancient Greek scholars, Aristotle and Isocrates, with respect to the exercise of political power. Fontana (2008, p. 85) explains that for Aristotle and Isocrates:

> leadership or *hegemonia* is exercised over equals and allies in the interest of those over whom power is exercised, and domination or *despoteia* is exercised over…unequals…in the interest of those who exercise power.

The social relations of philanthropy can be described as an alliance comprising various subaltern groups, the NPOs that represent these groups, and philanthropic foundations that provide grants to NPOs for projects that address the needs of the subaltern groups concerned. From this perspective, philanthropic hegemony is the manifestation of leadership of different groups that are united in accomplishing a goal of helping to change the lives of marginalised and disadvantaged groups.

Second, the emphasis on leadership contrasts sharply with the way the idea of hegemony is used within past critical studies of philanthropy. For instance, Arnove (1980a) has linked the activities of philanthropic foundations in the academic research and education arenas with cultural imperialism, and by extension, the propagation of cultural hegemony. Doubtless, Arnove invokes Gramsci's formulation of hegemony in his argument. However, his articulation of hegemony in relation to philanthropy is distinctly negative. This is evident in Arnove's (1980a, p. 2) main argument in which he contends that cultural hegemony ultimately defines the boundaries of what is possible within society, and limits alternative possibilities from being realised. Arnove's (1980a) linkage of cultural hegemony to the cultural imperialism of philanthropic foundations is evidently contentious. Not only does his articulation

of hegemony as, primarily, domination ignore the leadership dimension, it also obscures the positive consequences of philanthropic activities on society.

A further insight into Gramsci's (1971, p. 57) dual faceted notion of hegemony is the connection he makes between 'kindred and allied groups' to 'moral and intellectual leadership'. The relationship between alliances and leadership can be explicated by conceptualising 'hegemony…[as] a relation, not of domination by means of force, but of consent by means of political and ideological leadership' (Simon 2015, p. 17). Therefore, hegemony is about the organisation of consent, which is generated through persuasion and compromise, and by merging the interests of different social forces in order to tackle social issues (Engel 2008, p. 160). As the discussions in Chapter Six attest, the philanthropic process is very much about incorporating the interests of non-hegemonic groups, in addition to those of the hegemonic philanthropic elites. Thus, in order for a hegemonic group to take into account the interests of non-hegemonic groups, it must have the consent of such groups to do so.

In Gramsci (1971, pp. 5-23), the people who perform the role of organisers of consent in the relations between hegemonic and non-hegemonic groups are known as the intellectuals. However, Gramsci's formulation of intellectuals rejects 'the traditional and vulgarised type of the intellectual [that] is given by the man of letters, the philosopher and the artist' (Gramsci 1971, p. 9). Instead, intellectuals are characterised by the function that they accomplish, rather than the inherent activity of thinking that they undertake (Simon 2015, p. 94). In particular, Gramsci (1971, p. 3) emphasises that intellectuals do not form a social group but different groups give rise to their own intellectuals. Moreover, each social group produces intellectuals from its own group whose function it is to develop the hegemony of that particular group (Carnoy 1984, p. 85). As Gramsci (1971, p. 5) writes, capitalist entrepreneurs establish alongside themselves a group of specialists or intellectuals such as 'the industrial technician, the specialist in political economy, the organisers of a new culture, of a new legal system, etc'. In this sense, the professionals who work in foundations are the intellectuals of the philanthropic elites who established the foundations. The key task of foundation professionals is to administer and organise the distribution

of philanthropic dollars on behalf of their foundation's benefactor. Thus, it can be said that foundation professionals are the deputies of wealthy philanthropic elites, and one of their main tasks is to exercise 'social hegemony' (Gramsci 1971, p. 12).

Crucially, from a Gramscian perspective, foundation professionals are the intellectuals who organise consent. As Susan Engel (2008, p. 160) points out, consent can be obtained by taking into account the interests of non-hegemonic groups such as their struggles for rights, and access to education and health services. Consent can also be achieved through persuasion and compromise (Engel 2008, p. 160), activities that are essential for foundations to engage in with their grantees in order to achieve their joint social objectives. Therefore, as organisers of consent, foundation 'intellectuals exercise hegemony, which presupposes a certain collaboration, i.e. an active and voluntary (free) consent' on the part of the organisations that receive philanthropic funds (Gramsci 1971, p. 271). To put the Gramscian idea of intellectuals in context, when foundations decide to fund non-profit projects it presupposes a collaboration between the intellectuals of the philanthropic world and the people who work for NPOs to jointly work on a potentially socially transformative initiative. What is required for the intellectuals to gain the consent of non-hegemonic groups is the exercise of influence, and this will be discussed next.

The exercise of influence

The subject of philanthropic influence is typically taken for granted. Yet, in an analysis of elite hegemony, it is vital to understand how foundations exercise influence, and the effects influence produces. Before proceeding with a discussion of philanthropic influence, we shall first focus on the way power manifests within civil society. For Gramsci, society is conceptualised as having 'two major superstructural 'levels'':

> One…can be called 'civil society', that is the ensemble of organisms commonly called 'private', and that of 'political society' or 'the State'. These two levels correspond on the one hand to the function of 'hegemony' which the dominant group exercises throughout society and on the other hand to that of 'direct domination' or command exercised through the State and 'juridical' government (Gramsci 1971, p. 12).

What is of interest to the present discussion is the activities that occur within civil society. According to Gramsci (1971, p. 56n), civil society consists of the 'so-called private organisations, like the Church, the trade unions, the schools, etc.', and that the 'hegemony of a social group over the entire national society [is] exercised through' such organisations. Gramsci's definition of civil society suggests that it is the domain of a broad spectrum of organisations that arise out of the myriad ways that people are grouped together. For example, people form groups according to ethnic and religious background, citizenship status, socio-economic background, gender, region, and so on. As Peter Mayo (2015, p. 43) points out, 'in the Gramscian sense, civil society is understood as the entire complex of knowledge and culture' that encompasses religious, educational, political, and media institutions as well as organisations like 'the Red Cross, Oxfam, [and] Caritas'. In the complex of knowledge and culture that is civil society, philanthropic foundations too find their niche along with the organisations they provide grants to. Thus, from this perspective, civil society is the domain where each group pursues its own interests and struggles whether they be ideological, political, or popular-democratic. Crucially, the diversity of groups in civil society suggest that struggles occur among people who have power and people who do not.

Gramsci further develops his ideas on power through his concept of the integral state. As previously discussed, the integral state for Gramsci (1971, p. 244):

> is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules.

This implies the dual nature of power, in that power is characterised by persuasion and consent, and conversely as domination or coercion.

Moreover, according to Simon (2015, p. 72) Gramsci's conception of the integral state comprises social relationships that are embodied in a wide spectrum of institutions. Simon (2015, p. 74) asserts that, for Gramsci, the social relationships of civil society and that of political society are relations of power, albeit different types of power. Just as power is embodied in the state's coercive apparatuses, power is

diffused throughout the institutions of civil society. The latter insight, in particular, resonates with the location of power within the sphere of philanthropy and NPOs. To this end, Michel Foucault's insight on how power is understood as a relation is helpful.

Foucault (1980) conceptualises power in terms of systems of power relations rather than as a form of homogeneous coercive control. According to Foucault (1980, p. 98):

> power is not to be taken to be a phenomenon of one individual's consolidated and homogeneous domination over others, or that of one group or class over others…Power must be analysed as something which circulates…never localised here or there…[Instead] power is employed and exercised through a net-like organisation. And not only do individuals circulate between its threads; they are always in the position of simultaneously undergoing and exercising this power…In other words, individuals are the vehicles of power, not its points of application.

Evidently, Foucault's conception of power as a relation concurs with how Gramsci sees power as being diffused throughout civil society. Furthermore, Foucault's idea of power is understood 'in terms of the *techniques* through which it is exercised' (McHoul & Grace 1993, p. 65). For example, multiple forms of power exist in society such as economic, political, scientific, religious, and legal power. Each form of power is exercised through specific techniques. That is to say, philanthropic foundations epitomise economic power, and they exercise power within civil society through leadership by methods such as arbitrarily determining the types of social causes to fund.

A net-like organisation of power (Foucault 1980, p. 98) within civil society implies that the more powerful civil society institutions play a vital role in the transmission of power. In fact, powerful civil society institutions like foundations enable a dominant ideology to permeate people's quotidian experiences through various techniques of persuasion. After all, acts of persuasion rather than those of domination are more amenable to the process of generating of consent. In turn, methods that generate consent concern hegemonic practices and discourses.

As discussed in previous chapters, it can be said that philanthropic foundations as hegemonic institutions are concerned with the process of gaining consent (Gramsci 1971, p. 12). In fact,

foundations exercise hegemony by gaining the consent of subordinate groups such that their interests are 'coordinated concretely with the general interests of the subordinate groups' (Gramsci 1971, p. 182). Implicit in the exercise of hegemony and the process of gaining consent is the exercise of influence (Mayo 2015, p. 45). Philanthropic foundations are influential because of the power they wield by virtue of their control of substantial wealth destined for projects that benefit the public. Moreover, their wealth and social position provides an elevated platform from which they can seek to maximise the impact they wish to have in a particular area of funding.

Over five decades ago, the sociologist Richard Colvard (1964) recognised the effective way in which foundations exercise their influence. This technique resonates with Foucault's (1980, p. 98) idea of a net-like organisation of power because foundations typically distribute grants to a number of different NPOs. As Colvard (1964, p. 728) observes:

> as prominent…symbols…of the deliberate investment of surplus wealth in efforts at social improvement…[foundations'] influence is exerted more through the giving of a wide variety of grants to other organizations than through the direct carrying out of operations themselves.

Indeed, foundations exercise influence 'through their giving and in ways that go beyond giving' (Buchanan 2019, p. 160). For Participant P5, philanthropic giving is more than fiscal giving, and includes support such as networking and providing advice for projects:

> We are taking more of a leadership role…in being very visible in supporting not-for-profits in ways other than just through pure funding. So you're talking about…contemporary life and support needed by not-for-profits. We're assisting them in setting realistic objectives for their particular projects. We're assisting them in connecting to other philanthropic funders. We're assisting them in connecting to prospective state or federal government funders...We're assisting in connecting with other not-for-profits to leverage up each other's experience as well. So that facilitation…in a connecting role in addition…[to] the role of a straight funder, is a good example of us practising best practice philanthropy in a contemporary environment.

Participant P5 highlights the leadership role that her/his foundation plays in enabling the work of NPOs that it funds. Thus, for Participant P5, best practice philanthropy is manifested in the leadership and facilitation that her/his foundation provides to NPOs.

For Foundation P1, influence takes the form of an indirect advocacy role. Its Chief Executive, Participant P1, frames her/his foundation's influence with other influential organisations in terms of non-adversarial engagement:

> Whilst we're interested in [the] cost benefit [of one of our focus areas] and all that kind of stuff and it does help inform us, it's the human outcomes that we're really interested in. Financial counselling, we did one there that was a cost benefit analysis and we did that simply because it gave us a vehicle for lobbying to government around it. Because wrapped up in here is…an advocacy role. However…we're not people that are…into advocacy with a capital 'A'…we don't do it in a big public way. For example, this week I'm meeting with [the government minister] about some stuff in relation to prisons. We don't go out there beating a drum so much. So we'll engage with the Premier's office or the guys from Department of Premier and Cabinet…[about] social impact investment. We're quite involved in that whole process but…we operate under the radar…[because] the personality of the [foundation] is that it sees itself as being able to…help shape things best by…non-adversarial engagement.

In light of Participant P1's comments, it is important to note that in the sphere of NPOs and charities, advocacy has a precise meaning. According to the Australian Charities and Not-for-profits Commission, advocacy describes an activity whereby a charitable organisation speaks on behalf of a particular group about a specific issue (Commonwealth of Australia 2014). A charity is legally allowed to advocate and advance public debate on the issues that concern its charitable cause. Moreover, a charity may also promote or oppose a change to any matter of law, policy or practice that is related to its charitable cause. Thus, when charitable organisations engage in advocacy, there is a potential for their advocacy to be adversarial in nature.

However, it is to be noted that the foundations included in this study do not engage in direct advocacy. That said, several foundations fund NPOs that do engage in advocacy in relation to their respective charitable causes. However, the potential for advocacy to be oppositional in nature likely explains foundations' avoidance of direct advocacy. As Participant P1 insists, her/his foundation is not 'into

advocacy with a capital 'A''. Nevertheless, as the comments from Participants P1 and P5 suggest, the positive reputation of foundations enable their representatives to easily access other influential organisations and individuals. In doing so, foundation executives exercise influence in order to advance some of their foundations' objectives.

In another example, Participant P8 emphasises how crucial it is for her/his foundation to have good relations with government in order to achieve its objectives. S/he explains why this is so, and how the reputation of her/his foundation allows it to exercise influence:

> I would say, yes, we do have very strong relationships with government. We see them as being absolutely essential to this process. But they are not, I wouldn't say that many of our projects are with them. All our annual grants are all with local community-based activity organisations…[But] the [community project A] is probably an exemplary example of a foundation working in conjunction with the federal government, state government and local government. So that's possibly one that sits out there. But [community project B] doesn't have the government involved at all. So there's quite a lot of them that don't. But the [community project A] which is the place-based activity…they started by us funding three of their [community locations]. And now it's grown to 42, and will very shortly grow to 70 [locations]. So it is a very major activity of ours. So we stay very close to those. But [community project C] is similar, which is working with local government. So we generally are a part of whatever the governance, committee, board, whatever that is that's set up. We remain very closely involved in that to make sure that it is actually true to what the intent is.

Participant P8's comments suggest that her/his foundation is influential not only because of its immense private resources. Her/his foundation is also influential because of the output of projects it funds, and the social research it commissions to inform its grant-making:

> But that said, we're lucky in that we get to…talk to people at all levels of government and that…the research [that informs our giving] is something that is keenly sought after by lots of people. So our opportunity is then to share that research and to talk about what the implications are and why we are supportive of particular activities. So people are always very interested in those choices…and want to weigh it up with what they're doing as well. For us it's very important that we not try to be government. That we work in a complementary fashion with what government is doing. And so we continue to ensure that [we] have a dialog both ways.

In addition, Participant P8 stresses that the work of her/his foundation is more than providing grants to previously unfunded or under-funded social endeavours. It also concerns the potential to educate the

wider public about the social issues it has chosen to dedicate its philanthropy to in its effort to create an impact:

> What we look for [to fund] is where the gaps are. So where we can be more flexible, more nimble, we can be faster at being able to have an impact in a particular area. That's what we look to. But we also see we've got an opportunity to educate and to bring people along. We try to inform and work with local government, with government at all levels, state and federal, so that they have more awareness of the impact of the variety of different things. Because I don't, I'm not government and I don't think like government. But they have all sorts of different things pulling on their ability to make choices. And we have a different set. So we try to work together with them.

Participant P8 also indicates that that her/his foundation's approach to philanthropy is different to that of other foundations, as s/he explains:

> [Our approach to philanthropy] highlights the difference we are as a foundation to other foundations. So I spend most of my time thinking about social cohesion, thinking about migrants, their experience, thinking about the receiving communities. I spend very little of my time thinking about the actions of philanthropy, if you like. So I have one part-time person that works with me and that's it. So we don't do, sit back and do lots of due diligence. I don't have program managers looking into different areas and that sort of thing. The amount of admin in that regard from the philanthropy perspective is minimal compared to actually trying to ensure that the work that we do is meaningful.

Participant P8's comments provide a clear example of how foundations exercise influence 'in ways that go beyond giving' (Buchanan 2019, p. 160). By immersing her/himself in issues that her/his foundation wants to have an impact on, Participant P8 essentially leads an alliance of government and community organisations whose input is crucial to achieving that impact.

The organisation of philanthropy

Philanthropic leadership typically manifests in its overall approach to managing the disbursement of money for charitable purposes. In this section, the focus of discussion is on the organisation of philanthropic practices. The purpose of elaborating on philanthropic practices is to highlight the mechanisms by which foundations lead in order to obtain the consent of other non-hegemonic organisations they are allied with. The emphasis of this section is a discussion on how foundations construct giving as a risk, and the steps they take to mitigate that risk. Following this section, the final

segments of this chapter will elaborate on the specific activities foundations typically fund, and the effects this funding has on the maintenance of hegemony.

Most foundations in the research sample support a wide range of beneficiaries through their grant-making. While each foundation has its own unique set of grant-making criteria, the criteria themselves are guided by the foundations' original trust deeds created at the time of the foundations' establishment, as Participant P5 explains:

> We are bound by trust deed. The trust deed requires us to be true to [the founder's] passion. It's as simple as that.

That said, Participant P5 then summarises the approach to giving typically adopted by foundations:

> The primary mission of the [foundation] is to do as much good as possible for as many Australians as possible. I just say to give our money away effectively…We [also] support the best and brightest [in medical research] to do the best they can for all Australians. We support those in need to achieve as much as they can as a member of our society, and we support those who we believe will innovate, to also benefit…members of our society.

While foundations are bound by their original trust deeds to give away money, they do not tend to approach this process with nonchalance. Instead, philanthropic executives indicate that the grants they distribute constitute a risk. Foundations distribute grants that vary in value from relatively modest ones worth thousands of dollars to much larger ones worth tens or hundreds of thousands of dollars, depending on the grantees' needs. Regardless of the value of grants, foundations view each grant as a risk. Participant P1 articulates why this is so, and explains how risk associated with grant-making is mitigated:

> Every grant is 100% risk because it's a grant. You give that money away [and] you never see it again. In terms of risk there are different ways that we mitigate the risk. The first is that in the small grants program everything is assessed. We receive the applications. It's means tested. It's assessed. We see the Centrelink statement. We…are able to substantiate…does that mean that anyone that gets the grant was truly entitled to it? In terms of risk mitigation we take all the steps that you can reasonably [take]. We're certainly not laissez faire with our approach there.

In the case of larger grants, Participant P1 insists that a thorough process of due diligence is required to mitigate the higher level of risk:

> In terms of the partner groups, a lot of the risk mitigation is tied to the due diligence process…The grants manager will…outline what the project involves. Then they'll do a due diligence report on the organisation. Once they've done the due diligence report, they'll bring that to me first...Then it will go to the grants committee…[where] Board members predominate. I'm on it. We'll assess and discuss it. And then that partnership is either approved or not approved [and] it then goes to the Board for final approval of partnerships.

For Participant P1, part of the risk mitigation procedure involves an annual reporting process where grantees are assessed according to pre-determined performance indicators:

> [The] other part for that is the reporting process. There's reporting each year against the KPIs (key performance indicators). The Board is provided with the report of performance of each contract against the KPIs…You see quite easily where things are not working well. In terms of fraud [and] misuse, the risks are…pretty low. Because you've got not only our processes. But [also]…organisational internal processes. It doesn't mean that nothing ever goes wrong of course…But the potential for…widespread fraud is very low…As we move up into the high impact grant areas, the risk mitigation becomes much more significant.

As Participant P1 relates, while her/his foundation does not deliver the projects it funds, it subjects the projects to thorough due diligence and assessment procedures:

> The contracts [for larger projects] are negotiated very robustly…They have benchmarks set in them, [and] a timetable. We sit on steering groups for them. We're not involved in the delivery but we're intimately involved in the monitoring and the assessment. We're part and parcel of those processes. What we do is imperfect but…there's pretty robust governance around. And of course we have auditors. We have an internal auditor for the Board. The Board has a financial consultant that reports to [it] every month on the financials. I might be the CEO but I don't report on the financials. I answer all the difficult questions about the financials (laughter) but we have an independent…financial consultant who gives an independent view of things. So, the processes are pretty robust.

The practice of conducting extensive due diligence before a grant is given is common to the majority of philanthropic participants in this study. As Participant P1's comments suggest, in an effort to mitigate risk, much effort is devoted to selecting and assessing projects that are approved for funding.

However, ultimately for foundations, the decision to award grants to specific NPOs is subjective, as Participant P5 states:

> It's…a smell test. It's a touch test. It's go out and meet the company. Meet the organisation. Understand who the Board is. Understand who the key people are within the organisation. Speak to other funders. Speak to other organisations who know them. Have a look at their history of grant-making with us. Have they had previous grants? Have they been successfully acquitted? Have they successfully acquitted other grants from other funders? So, you gather as much information as you can on the organisation.

For Participant P5, conducting extensive due diligence on particular NPOs is crucial before they are awarded grants:

> We tend to focus our due diligence efforts at the organisation level to minimise our risk, and to effectively take our risk at the project level. Because if you get the organisation wrong, the project is irrelevant. The project will fail because the organisation doesn't have the capacity to actually deliver for whatever reason. So we prefer to spend [time], and I'm encouraging my program managers to spend time doing due diligence more so on the organisation. And…the organisation passes that test or gets to a point where we're saying, we think this is a quality organisation for the following reasons. It means that we can just assess the project. Is it worthwhile taking a risk at this level with this project? [If it is] 'yes'…[then] off you go.

The concern foundations have with risk minimisation seems contrary to the commonly held view that philanthropy is a vehicle for creative problem solving in that creative approaches necessitate a certain tolerance for risk (Anheier & Leat 2006). To this end, Participant P5 attempts to reconcile the meanings attributed to risk:

> We are a form of philanthropic risk capital. I get that. So, I'm not saying for a moment that should not take risks. We need to try and minimise our risk. But taking risks is very, very important. It really is. Because without our funding a lot of organisations or a lot of projects won't get up. [But]…just because you're a high quality organisation, whatever project that is you're presenting to us will still carry significant risk. That's just a given.

Evidently, an element of financial risk is associated with any activity that a foundation funds. As Participants P1 and P5 suggest, philanthropic risk is mitigated by an extensive due diligence process before a grant is awarded. Yet, other participants suggest that at the heart of philanthropic risk management lies the desire to minimise the potential for reputational damage to foundations. As Participant P2 remarks, the potential for reputational risk is one of the most common reasons to reject a grant application:

> [When] we have not recommended [an applicant], generally, it's about organisation capacity and credibility, [and]…if we feel there would be a reputational risk association. So, you know, you get people out there, lone rangers who've got a fabulous idea but don't have any organisation that wraps around them, unknown to you. So…you've got a few outliers…[that] we would be highly unlikely to support…It's mainly about values alignment and, you know, in honesty, reputational risk. We would not necessarily want to be associated with the type of work that they might be doing. And so, that's why those exclusions [in our grant-making criteria] is quite clear…We want to create a broader community benefit. We're not looking to create a very narrow benefit.

In addition, underlying the cautious stance on philanthropic grant-making is the imperative to give away money well, as Participant P9 explains:

> At the end of the day we're investing in good people to do good work. And that's part of our risk analysis. So, yes, you've got a good person but…what underpins that good person, we don't fund an individual. We fund an organisation. And so, what is the risk profile of that person leaving and then that initiative falling over? And that goes into our thinking. It's very hard giving away money, can I tell you?...Because to give money away is easy. But to give money away well is really hard.

The preceding participants' comments help to explain why foundations place a significant focus on risk mitigation. For foundation employees, managing reputational risk is a crucial aspect of their operations, and is consistent with the idea of giving away money well. Once foundations satisfy their requirement to mitigate financial and reputational risk, they decide on the types of non-profit activity they want to fund. Some foundations allocate most of their giving towards capacity building activities while others prefer to fund more defined projects. Each foundation has its preference for the types of activities it wants to fund, as Participants P5 elaborates:

> We don't fund what you might describe as turn the lights on, stay in business, op-ex (operating expense) for an organisation. And that's just a view we have as a foundation. Very different from [another foundation], for example, who very happily fund that capacity building of an organisation. We tend to fund specific project opportunities or enable expansion. Within that though, we'll happily fund necessary expenditure on additional staff or…IT resources or motor vehicles or whatever it might be in a particular area…Therefore our assessment of the effectiveness of the [non-profit] organisation is wrapped up in our assessment of the effectiveness and impact of that particular project.

In contrast, other foundations prefer to give grants for the general operations of NPOs, as Participant P2 describes:

> Well, it's a bit of both. We're not a trust that says we will only fund projects, you know. So it doesn't have to be a brand new idea or anything like that…[It's] what we call capacity building grants. So, general operations we would fund - a large portion of our grants would be that…And then the others [are] programs. Particularly our programs and collaborations, we will make a grant and leave it up to the organisations to apply the funds in the way that they think they need to be applied. So, with [a NPO] which we've been funding for probably 13 years, their funding goes towards staffing positions there. Yeah. So, we're…quite comfortable with that. We've even done, like, bridging finance and…have on occasions funded the gap that people will experience. So, that's very much about organisational capacity. And because a lot of trusts and foundations actually don't fund it…we're more inclined to do it…And we fund really boring things like database systems and stuff like that, that will increase the organisational capacity as well…[Such funding] makes the organisation more capable to…fulfil their mission.

As the comments in this section suggest, grant-making processes are typically preceded by extensive measures by foundations to mitigate financial and reputational risk. While it is understandable that foundations undertake risk management, the process of risk management itself is a means to conserve the integrity of foundations, one that is based on substantial financial resources. In other words, risk management is a means to maintain the integrity of a crucial instrument of hegemony – money.

Community development as a response to social problems

While different foundations might fund NPOs for different purposes, be they for specific projects or organisational capacity, what unites foundations is their desire to provide benefits to a broad spectrum of society. In many instances, the activities that philanthropy funds are responses to various aspects of contemporary social problems. These problems might be associated with social exclusion due to homelessness, ethnic and religious discrimination, poverty, unemployment, lack of access to educational opportunities, contact with the criminal justice system, and so on. In fact, many of the activities that philanthropy funds might be generalised as community development initiatives aimed at addressing social issues.

According to Margaret Ledwith (2012, p. 23), 'community development is funded on principles of social justice and environmental sustainability'. For Ledwith, the process of community development entails popular education, through which people learn to question their taken-for-granted but paradoxical quotidian experiences. One example of a paradoxical social phenomena is the rise of wealth inequality in rich countries which enhances social divisions. Thus, education provides the necessary tools for the development of a critical awareness of social crises such as poverty, homelessness, and racial discrimination, and ways to alleviate them. In turn, critical awareness of the link between social crises and social divisions provides the motivation for collective action in order to improve the quality of life for all in society (Ledwith 2012, p. 23).

Applying a critical lens to community development initiatives requires learning to question the ideas that frame people's day-to-day experiences (Ledwith 2012, p. 31). In Gramscian terms, this is a process of interrogating and analysing the common sense of people's everyday lived experiences (Gramsci 1971). Gramsci's approach to social transformation centres on the idea of turning a subordinated group's 'incoherent common sense to coherent political narratives' (Crehan 2016, p. 31). This implies that by learning to question currently held common sense, people come to experience different ways of knowing and being. In other words, interrogating the taken-for-granted aspects of social life is a necessary first step in changing epistemologies and ontologies in order to engage differently with the world (Ledwith 2012, p. 36).

Learning to challenge long-held epistemologies underlies the idea of critical consciousness, a concept developed by the Brazilian scholar and educator Paulo Freire (1972). His 1972 book, *Pedagogy of the oppressed,* is widely acknowledged as a seminal text by scholars in fields such as community development, education, and political mobilisation (Mayo 2013, p. 7). For such scholars, Freire's work is important because of his elaboration of the notion of critical consciousness. According to Freire (1972, p. 19) critical consciousness involves 'learning to perceive social, political, and economic contradictions, and to take action against the oppressive elements of reality'. For example, in the course of helping

marginalised Brazilian peasants acquire literacy Freire made an interesting observation. He saw that as marginalised people developed an understanding of their own social conditions, their perception of themselves in relation to the wider society also developed (Diemer et al. 2016, p. 216). In other words, education for marginalised people has the potential to enhance their understanding of social structures, and their place within them. Through education, marginalised and oppressed people develop the capacity and agency to challenge their social conditions in order to improve their lives. Therefore, this suggests that critical consciousness is a vital tool for the development of marginalised communities (Diemer et al. 2016).

In many ways, the ideas that underlie community development and critical consciousness form the basis of the work done by community orientated NPOs. However, as Ledwith (2012, p. 34) points out, the process whereby marginalised communities achieve critical consciousness only becomes transformative when it becomes a collective process, which is consistent with Gramsci's thoughts. In fact, collective action for change is the raison d'être of many NPOs that work to address issues faced by marginalised communities. Thus, it can be said that community-orientated NPOs, such as the ones interviewed in this study, are a manifestation of a collective transformative process.

One important role of collective action is to create awareness of existing conditions experienced by disadvantaged groups. According to Ledwith (2012, p. 34) creating awareness of the injustice of marginalised lived experiences 'is sufficient to empower a collective movement for change', but a more structured approach is required to achieve the goal of social transformation. To this end, Ledwith (2012, pp. 34-35) proposes a model of four inter-related theories for transformative change: a 'theory of false consciousness', a 'theory of crisis', a 'theory of education', and a 'theory of transformative action'. According to Ledwith, a theory of false consciousness articulates how people understand their lived experiences to be incomplete yet accept these understandings uncritically. Next, a theory of crisis expresses the nature of crises such as poverty, and how it might relate to access to education. Once the nature of social crises is determined, a theory of education is required. Crucially, a theory of

education has to provide the methods and approaches that are essential for achieving critical consciousness. Finally, it is vital to have a theory of transformative action to underscore a strategic plan of action for the specific aspects of society that need to be changed. Importantly, the plan of action must identify the catalysts needed for transformative action. In the present context, manifestations of Gramsci's notion of the intellectuals (Ledwith 2012, p. 35), and sources of funding such as philanthropy can surely be categorised as catalysts. In sum, a structured approach to transformative change requires that the aforementioned theories must be systematically related to one another. That is to say, all four theories must be consistently and systematically interwoven in practice to ensure that 'there is a structure capable of explaining, criticising and mobilising for transformative change' (Ledwith 2012, p. 35).

In the course of conducting the present investigation it was evident that the work of NPOs included in this study was informed by an implicit theoretical framework resembling the model proposed by Ledwith (2012, pp. 34-35). For example, each NPO focuses on specific social issues such as poverty, integration of migrants and refugees, Indigenous education, re-integration of former prisoners, and so on. Most of the said organisations primarily work to provide services to help ameliorate some of the effects of disadvantage. In addition to providing services most of the NPOs in this research also run programs to test more innovative approaches to service provision. This involves identifying a social crisis, and testing out new solutions to the crisis. Innovative approaches to tackling such crises might involve using media like theatre and storytelling, or creating social enterprises, all aimed at promoting different ways of knowing. In addition, some of the non-profits included in this study conduct research and advocacy that aims to influence public policy. That said, community-orientated activities are not restricted to NPOs. Some philanthropic organisations in this study have even established their own programs in order to tackle emerging social issues such as climate change and loss of social cohesion. In sum, the projects undertaken by NPOs in collaboration with funding provided by philanthropic

foundations attempt to achieve the goal of social transformation for some marginalised groups from the injustice of their current lived experiences.

As Ledwith (2012, pp. 34-35) points out, the goal of transformative change can only be achieved through processes that enlighten, empower, and emancipate as captured by her previously discussed theories of transformative change. One of Ledwith's theories of change is a theory of education that is crucial for the educational context necessary for transformative action. Indeed, the data collected from participant interviews, and analysis of their organisational websites reveal a common element in the community development activities undertaken by NPOs.

This common element is a pronounced educational theme interwoven through the said projects. As Mayo (2015, p. 42) argues, education plays a role in configurations of power such as Gramsci's notion of hegemony. Moreover, Mayo states that in addition to political economy, Gramsci emphasises the importance of educational elements such as language and culture in the process of contesting or strengthening hegemonic relations. With this in mind, the remainder of this thesis will focus on the theme of education, and how the inter-relation of education and philanthropy serves to maintain hegemony.

Education and hegemony

At the heart of Gramsci's work is the connection he makes between social transformation, hegemony, and education. That said, the essence of Gramsci's thoughts on the role of education is captured in the following passage where he asserts that an educational relationship is essentially a hegemonic relationship:

> The educational relationship should not be restricted to the field of the strictly 'scholastic' relationships by means of which the new generation comes into contact with the old and absorbs its experiences and its historically necessary values and 'matures' and develops a personality of its own which is historically and culturally superior. This form of relationship exists throughout society as a whole and for every individual relative to other individuals. It exists between intellectual and non-intellectual sections of the population, between the rulers and the ruled, *élites* and their followers, leaders [*dirigenti*] and led, the vanguard and the body of the army. Every relationship of 'hegemony' is necessarily an educational

> relationship and occurs not only within a nation, between the various forces of which the nation is composed, but in the international and world-wide field, between complexes of national and continental civilisations (Gramsci 1971, p. 350).

The above passage is important because it suggests 'how a broader educational relationship sheds light upon the workings of hegemony' (Pizzolato & Holst 2017, p. 17). Crucially, this passage references five key points that summarise Gramsci's thoughts on education. First, education is conceived in its broadest context. Second, an educational relationship is a hegemonic relationship. Third, an educational relationship exists between people with power, and those with less power. Fourth, the function of society's intellectuals is to maintain or challenge the prevailing hegemony. Fifth, Gramsci's insistence of an educational relationship as a hegemonic relationship implies that the resulting pedagogical knowledge constitutes a form of 'powerful knowledge' (Young & Muller 2013, p. 229).

In considering the social relations of philanthropy, it can be said that the network of relations encompasses a broad and inter-connected educational relationship. That is to say, many philanthropically-funded activities aim to address specific aspects of social problems, and consistent with Gramsci's (1971, p. 350) pronouncement, the approach taken to achieve this involves education conceived in the broadest sense. In the present study, four granting categories emerged from an analysis of interviews and the content of annual reports. These categories represent grants aimed at: (1) improving personal capacity, (2) improving organisational capacity, (3) instilling aspiration, and (4) enhancing research and knowledge production. Importantly, the methods of achieving the aforementioned aims involve educational activities targeted at communities whose life circumstances might be improved by philanthropy, and also the general public including decision-makers within the ranks of government.

Data from the present study indicate that there are two main approaches by which philanthropically-funded activities aim to educate. First, grants are often directed towards providing access to educational opportunities for people from disadvantaged and marginalised communities. This might take the form of

scholarships, fellowships, providing access to cultural experiences, and so on. Second, some grants are allocated towards educating the public and creating awareness of specific social issues. In the latter case, these grants might be categorised as capacity-building grants to help sustain the operations of NPOs that, among other tasks, work to build awareness of the social issues they specialise in. Alternatively, some philanthropic grants might enable the production of new knowledge through academic research based in universities, policy institutes or large social welfare providers. In turn, evidence-based knowledge is used to guide further philanthropic giving, or in some instances form the basis of public policy advocacy. To summarise, Table 4 lists the types of educational projects that received philanthropic support during the course of the present study. The educational projects are categorised according to their respective objectives, that is, for the purposes of: improving personal capacity, improving organisational capacity, creating aspiration, and knowledge production.

Table 4. Philanthropically-funded educational projects in study sample

Personal capacity	Organisational capacity	Aspiration	Research & knowledge production
Employment & training programs	Creating awareness	Access to arts & culture	Science/medicine
Social enterprises	Advocate for policy change		Social & environmental issues
Work experience/internships	Innovation & experimentation for service delivery		Policy papers
Mentorship			Evidence base for philanthropy
Scholarships/fellowships			

While Table 4 suggests that the project objectives fall into discrete categories, in reality, some project aims may overlap. Nevertheless, the categories suggested are indicative of the specific types of activities that philanthropy funds, some of which will be discussed forthwith.

For Participant P4, her/his foundation trustees have emphasised a desire to make a philanthropic impact through a process of knowledge production, as s/he explains:

> Often what we're funding is service provision…but…the [granting] committee that I work with is keen that the things that we fund have a legacy in terms of policy or practice influence. Some trusts and foundations are much more focused on direct policy influencing work [than we are]...[But] you're not able to say…[if a single grant] is going to have a lasting legacy, because who knows what comes out of it…it is difficult to say. [However]…the trustees are…making a three-year commitment to [an independent policy institute]…They've made a commitment to asylum seeker issues over four years, and that three-year commitment is…pretty out there for them because it's about policy influence. And it's bringing together academics, civil society, government, in a personal capacity to have these series of meetings over three years and more, to try and think about some policy and practice alternatives for governments in the [Asian] region around asylum

> seeker movements, which is such a big thing for us in Australia. And…everybody's hoping that that will have significant outcomes in terms of policy influence.

Evidently, for Foundation P4, funding policy institutes is one avenue in which it might contribute to public policy. Foundation trustees also seek policy outcomes by funding the more conventional area of social service delivery through experimentation and innovation, as Participant P4 remarks:

> It's been a bit of a departure for the [foundation] trustees [to give to a policy institute] because they generally like direct service [delivery]. Although having said that, in [addressing] poverty and disadvantage, they're certainly looking for policy outcomes but it's in a different way. It's through prototyping, and piloting different models. It's…testing new things. If it is direct service delivery, then we've built in some pretty robust evaluations so that what works and what doesn't work is really well documented and that [grantee] organisation can take that to government and say, we want this funded. So yes, they do want long lasting change but for the trustees, that [policy institute] project was, yeah, a little bit out there for them.

Participant P4's comments suggest that knowledge production is a desired outcome of some of her/his foundation's grant-making, whether in the form of policy-related reports, or the results of social services experimentation. For instance, policy papers provide a platform for robust discussions pertinent to social issues such as the plight of asylum seekers that Foundation P4 deems important. According to a qualitative study on policy institutes by Yousef Jabareen and Rebecca Vilkomerson (2014, p. 46), what constitutes best practices in such organisations 'include high-quality research, strategic use of the media and the dissemination of timely and relevant information'. Crucially, policy institutes seek to inform public discourse, and gain the attention of policy-makers. Furthermore, sustained funding in the form of consecutive multi-year grants such as that from Foundation P4 is vital for policy institutes (Jabareen & Vilkomerson 2014, p. 57). Doubtless, by their very nature policy institutes differ in terms of ideology. While a deeper discussion of the ideological leanings of policy institutes is outside the scope of the present study, it is clear that any philanthropic funding they receive enables an educational relationship. That is to say, an educational relationship is created between the philanthropic funder in collaboration with the policy institute, and consumers of policy-related knowledge produced by the institute. Similarly, as Participant P4 suggests, knowledge is also produced as a result of philanthropic

involvement in testing out new ideas and solutions in addressing specific social issues. Thus, philanthropic funding such as that practised by Foundation P4 produce, in Gramsci's (1971, p. 350) words, an educational relationship between '*élites* and their followers, leaders [*dirigenti*] and led', and as such constitute a 'relationship of 'hegemony''.

Gramsci's (1971, p. 350) conceptualisation of education in its broadest sense implies that education is not restricted to schooling. This suggests that Gramsci's notion of the educator embraces a wide range of practitioners that goes beyond classroom teachers. For Gramsci, educators include activists involved in workers' education, factory council supervisors, or people considered 'public intellectuals' in the present day such as high profile representatives of lobby groups and social movements, journalists, and politicians (Mayo 2015, pp. 47-48). According to Mayo (2014, p. 387) the role of contemporary 'public intellectuals' is to shape public opinion, and promote 'particular conceptions of the world through their affirmations, strictures and actions'. Moreover, Mayo (2014, p. 387) argues that public intellectuals fall within the umbrella of Gramsci's notion of organic intellectuals who perform a vital role in either supporting or challenging existing hegemonic relations. Thus, in keeping with Gramsci's notion of education in its broadest sense, people considered educators in the Gramscian sense also come from a wide section of society. Crucially, this broad notion of educators is best captured by the concept of 'public pedagogy' introduced by the education scholar, Henry Giroux (Mayo 2014, p. 387).

In essence, Giroux's work elaborates on the broad conception of education implied by Gramsci's writings. For Giroux (2005, p. 4) the idea that education extends beyond the school classroom is denoted by his concept of 'public pedagogy'. Public pedagogy describes a process where 'the production, dissemination, and circulation of ideas emerges from the educational force of the entire culture' (Giroux 2005, p. 4). This suggests that underlying public pedagogy is a set of influential institutional and ideological forces.

According to Giroux (2005, p. 6), public pedagogy operates across a wide variety of social institutions and media such as the Internet, churches, television, and advertising. As such, it can be said that

educational activity is carried out by not just traditional academics but also people who work in influential social institutions that engage in public pedagogy. For Giroux, educators that engage in public pedagogy comprise people such as social and community activists, journalists, religious leaders, and advertisers (Mayo 2014, p. 387). In this light, there appear to be similarities in the characteristics of individuals involved in public pedagogy (Giroux 2005), educators as conceived by Gramsci (1971), and public intellectuals as elaborated by Mayo (2014, p. 387). These individuals are associated with influential institutions, and as such have the capacity to be leaders in shaping public opinion and upholding particular views of the world. They also engage in educational activity that extends beyond the traditional classroom. Moreover, Mayo's (2014, p. 387) argument that opinion leaders can be categorised as Gramsci's organic intellectuals imply that the professionals of the philanthropic world are, in a sense, involved in public pedagogy. That is to say, the people who work in the philanthropic and non-profit fields, engage in a variety of educational initiatives for community benefit in the form of projects carried out by NPOs. Therefore, it can be said that individuals who work for NPOs, and the staff of philanthropic institutions that support them are involved in the production and dissemination of what Giroux (2005) conceptualises as public pedagogy.

Content of public pedagogy

In this study, foundations engage in public pedagogy in a number of ways. One of them is by funding social experimentation in the form of pilot projects from which the results are eventually publicly disseminated. Participant P5 explains the steps involved in funding pilot projects:

> It's…true that we look to support organisations, a lot of the time in a two-step process. Or we might back them to a pilot that gives us the opportunity to get to know an organisation. It gives us the opportunity to assess them on a small scale…particularly in terms of our financial commitment to them. And if the pilot works, invite them back to then scale it and expand it, knowing that they have delivered to a certain extent. And we can assess them then on their ability to scale that particular project as well….[For a pilot program to go to scale] Government is really important. Buy-in from government. Connection to…other service providers that allow you to actually penetrate a market on a larger scale whether that's state based or national…Really good and comprehensive evaluation of the pilot and dissemination of that evaluation assuming that it's successfully acquitted. And understanding there can be a lag between that measurement and dissemination. So

> measurement, assessment and dissemination of a pilot and then moving it into the next phase, if you like.

Another way that foundations and the NPOs they fund engage in public pedagogy involves initiatives whereby marginalised communities acquire what some scholars refer to as 'powerful knowledge' (Young & Muller 2013, p. 229). According to Michael Young and Johan Muller (2013, p. 246), 'powerful knowledge' is a sociological concept that assigns knowledge as being 'specialised and differentiated from everyday thinking'. Indeed, for Young and Muller (2013, p. 245), certain types of knowledge are considered ''powerful' because it frees those who have access to it and enables them to envisage alternative and new possibilities'. In this sense, the notion of powerful knowledge resonates with Gramsci's emphasis on the importance of learning the dominant culture, particularly the dominant language. Gramsci insists that learning the standard national language is crucial for the integration of minority groups into society 'so that people are not kept at the margins of political life' (Mayo 2015, p. 50). As Gramsci (1971, p. 325) states:

> If it is true that every language contains the elements of a conception of the world and of a culture, it could also be true that from anyone's language one can assess the greater or lesser complexity of his conception of the world. Someone who only speaks dialect, or understands the standard language incompletely, necessarily has an intuition of the world which is more or less limited and provincial, which is fossilised and anachronistic in relation to the major currents of thought which dominate world history. His interests will be limited, more or less corporate or economistic, not universal. While it is not always possible to learn a number of foreign languages…it is at the least necessary to learn the national language properly.

In the preceding passage, Gramsci (1971, p. 325) stresses that learning the national language enables the social mobilisation of people from the margins of political and economic life by expanding their minds to embrace 'the major currents of thought which dominate world history'. Hence, by emphasising the imperative to learn the standard national language, Gramsci's message implies how crucial it is for people at the margins of society to acquire powerful knowledge in order to improve their life circumstances (Mayo 2014, p. 390).

Gramsci's assertion on the importance of learning the national language comes into sharp relief in the case of educating new, non-English speaking immigrants in Australia. For example, some community initiatives aim to ease the integration of new immigrants to Australia by providing access to English lessons. Non-profit organisations such as the River Nile Learning Centre or RNLC (n.d.) offer programs to 'develop essential English language, literacy, numeracy, life and work skills for young refugee and asylum seeker women' to equip them for employment or further education. What is pertinent here is that RNLC is entirely dependent on private donations, and typically receives annual funding from at least six philanthropic foundations. Thus, philanthropy enables non-profits like RNLC to help young refugee and asylum seeker women in acquiring powerful knowledge in the form of English language skills.

Another example of a successful philanthropically-funded community program focuses on providing migrant women with young children with tools for social engagement. Operating within local schools, this particular community program provides access to powerful knowledge by helping participants build a social network. Participant P8 explains the rationale behind this program:

> The [community program] is typically about focusing on isolated mothers and their very young children, and getting them engaged in the local community. And [also] developing social networks, helping them to access government services, [and] helping the women to start on particular employment pathways…The vast majority of our work has been in regard to helping those new and arriving migrants to understand the Australian community, to be able to become more adept…in their English language skills, to be able to look for employment pathways, those sorts of things.

The work of the River Nile Learning Centre and the community program funded by Foundation P8 emphasises the development of crucial English language skills among refugee and asylum seeker women. As Gramsci (1971, p. 325) suggests, people such as immigrants with little or no command of English 'necessarily [have] an intuition of the world which is more or less limited and provincial'. This implies that for new immigrants, poor English language skills might be associated with social exclusion, and consequently a diminished potential to be economically productive. After all, developing English language skills is akin to developing 'a form of materially rewarding cultural capital' (Mayo 2015, p. 53).

In the case of Foundation P8, the development of human productivity is considered crucial in achieving its major aim of enabling the successful integration of migrants into Australian society. Participant P8 explains why this is so:

> [The foundation's founder] certainly believes that anybody, the more productive Australians are, the better it is for Australia. So if we've got this many people coming across through immigration, the more we help them to become as productive as possible, the better it is for everybody…The quicker it is possible for new arrivals [or] in actual fact people who have been here for any length of time, to get employment, to be able to become productive members of society, everything increases…And research in the US and Europe both reinforce this. Although we don't have Australian data…in actual fact migrants make a net positive impact on the number of jobs available, on the type of jobs that are available, on overall lifting people in the level of the type of work that they are doing. There's a whole variety of different statistics that you could use…that really underpin how important it is that we just get people in and working within the workforce as quickly as possible.

Thus, for Foundation P8, allocating grants towards developing the English language skills of new immigrants is a means to hasten the process of economic productivity, and their own self-sufficiency.

However, powerful knowledge such as a good command of the English language is often insufficient for new immigrants to thrive. After all, not all new immigrants lack English language skills or indeed professional skills. Yet, following migration to Australia many such immigrants struggle to gain employment in their fields of expertise (Correa-Velez, Barnett & Gifford 2015, p. 322). To this end, Mayo (2014, p. 390) refers to 'invisible pedagogies' to describe a type of knowledge usually associated with privileged elites, but is not readily accessible to non-elites and people at the margins of society. For instance, the offspring of society's elites gain a form of knowledge through their social environment and cultural milieu such as through exclusive private schools. Moreover, friendships and contacts formed in such privileged circles enable society's elites to produce and reproduce a social network that helps to ease their pathway to future professional employment. In contrast, some new immigrants such as refugees generally experience barriers to professional employment despite having appropriate tertiary qualifications from their home countries. Furthermore, without local work experience professionally qualified refugees face the prospects of a prolonged period of underemployment. That is to say, they

face barriers to appropriate professional employment because they lack the so-called 'invisible pedagogies' (Mayo 2014, p. 390).

One example of an initiative to address the potential wastage of talent among humanitarian entrants with tertiary qualifications is the work of a NPO called CareerSeekers (2019). According to Brigid Delaney (2019) just 17 percent of humanitarian entrants are in paid employment after being in Australia for 18 months. The main barriers to migrants finding work commensurate with their tertiary qualifications are the lack of local work experience and references. With support from several prominent philanthropic foundations, CareerSeekers coordinates internships for humanitarian entrants with major Australian employers such as Lendlease and GHD. In turn, these internships provide participants with local work experience, local employment referees, and opportunities to build social and professional networks. Hence, with philanthropic support, humanitarian entrants who initially struggle with finding appropriate employment are provided with opportunities to acquire 'invisible pedagogies' (Mayo 2014, p. 390) through exposure to Australian employment experiences.

Other philanthropically-funded non-profit initiatives that can be said to impart 'powerful knowledge' (Young & Muller 2013, p. 229) include the establishment of social enterprises. By funding social enterprises philanthropy plays an important role in encouraging human productivity. For instance, the NPO N5 established a food and coffee outlet as a social enterprise with the aim of providing work experience for ex-prisoners. Participant N5 explains the rationale behind setting up the social enterprise in an outer suburb of a large city:

> We approached [the relevant government departments]…and they said, yup, great idea, there's no good coffee at [the outer suburb] and everyone's interested in that. We were then able to go to [a philanthropic foundation] and they are supporting it as well as the manager for a year. So they put a fair bit of money into it. But the idea is that we wanted women coming out of [a maximum security women's prison] who are within their last 12 months of release, come and get real life working experience…And also there's the men's [correction] centre…and we would like them to work as well…on different days. But the idea is that they are able to get an employment history, earn some income and then get a job. And for the women, that's especially important because a lot of them will have children. So it's building a skills base, an employment history and a future.

The concept of social enterprise in Australia has traditionally focused on work integration opportunities for individuals from disadvantaged groups. The group of ex-prisoners mentioned in Participant N5's comments is a case in point. While there is no singularly agreed definition of social enterprise in Australia, one definition in particular encapsulates its unique features. In this definition attributed to Jo Barraket et al. (2017, p. 347) social enterprises are organisations that:

> are led by an economic, social, cultural or environmental mission consistent with a public or community benefit;
>
> trade to fulfil their mission;
>
> derive a substantial portion of their income from trade; and
>
> reinvest the majority of their profit/surplus in the fulfilment of their mission.

By Barraket et al.'s definition, social enterprises are market-based ventures that have a community benefit. Specifically, as Participant N5 points out, the key benefit of the social enterprise is to provide employment pathways for ex-prisoners who face extreme disadvantage in the labour market. Yet, the nature of their work experience within the social enterprise consists of training in the way a business operates and trades through market-based exchange. In other words, a social enterprise uses the power of the marketplace within a capitalist economic system to address social disadvantage. Much like the emphasis placed on human productivity by CareerSeekers (2019) with respect to disadvantaged migrant professionals, Participant N5's social enterprise provides its constituents with access to powerful knowledge. In both instances, powerful knowledge manifests as the key element in helping disadvantaged groups to integrate as productive members of a capitalist economic system.

Aside from funding knowledge production, social experimentation, and initiatives for marginalised communities to access powerful knowledge, foundations also provide grants to aspire disadvantaged communities. For Foundation P3, giving grants to the arts sector is more about creating aspiration for less privileged young people than indulging the passions of the wealthy. Participant P3 explains her/his foundation's rationale for funding the performing arts such as the ballet and opera:

> [One of the founders] describes it as, and I hope this doesn't sound elitist, she says…without the arts, you are nothing. There's no culture, there's no history about who we are as a community. Besides that she loves the quality, the performances, especially from the ballet, and just giving the young people the opportunity to pursue their dreams. So it's not just about us sitting in the audience appreciating the ballet. It's giving those dancers that's their dream to perform for the Australian Ballet or be a ballerina. To pursue their dreams as well. And then for [the founders], it's giving back to the organisations that gave them joy. That was their philosophy…And [our] latest funding with the Australian Ballet, I just saw [on] stage…it's called Storytime Ballet. So, ballet is often…three hours, not conducive to children…So we helped with some seed funding for the ballet to design a ballet specifically for children which they've done,…performed it here…and it's a fifty-minute ballet. And the theatre was full of three to five year olds and it was narrated…A narrator with [the] same ballet dancers…but Australian Ballet quality, a shorter version of the story so kids can understand it. And…it was just…really magical. They had these coloured wands that lit up and the whole theatre was just flashing with their magic wands…Again that's making [the] arts accessible to young people. Without being there to touch and feel it, I think you don't realise the impact it has. Three shows sold out in [an outer metropolitan area] and three [in the city]. So that's thousands and thousands of kids because I think 1,500 x 3 [in the city] on Saturday, and [in the outer metropolitan area]…about 1,800…And the idea is also that it will tour regionally. So that's the focus for us, because they are already disadvantaged…we're taking it out to them. So there's a lot of thought that goes [into] what is behind our funding.

From Participant P3's account, her/his foundation's funding for the ballet achieves two key objectives. One objective is the provision of powerful knowledge, in the form of artistic aspiration, to young audiences from diverse geographic areas. In this instance, Foundation P3 has made a sophisticated art form usually associated with elite audiences, accessible to audiences that may be described as atypical. A second objective conforms with Gramsci's (1971, pp. 181-182) pronouncement of the moment of hegemony in his note on the relation of political forces. By funding an art form that is in the interests of the foundation founders, Foundation P3 reached a stage whereby it:

> becomes aware that…[its] own corporate interests, in their present and future development, transcend the corporate limits of the purely economic class, and can and must become the interests of other subordinate groups too…thus creating the hegemony of a fundamental social group over a series of subordinate groups (Gramsci 1971, pp. 181-182).

In other words, the effect of Foundation P3 taking into account its own interests as well as the aspirational interests of less advantaged groups is one of hegemonic maintenance.

As a final example of philanthropic engagement in activities concerning public pedagogy, we consider N4, a NPO that offers structured mentoring programs for Indigenous high school students. By involving student mentors from participating universities, NPO N4 aims to enable more Indigenous students to undertake post-secondary education. According to Participant N4, the organisation has been successful in attracting philanthropic funds for the following reason:

> I think it's our proven track record which is probably the biggest thing…So, yeah, proven track record of our progression results. And proven track record being cost efficient or more cost efficient every year that we work. So every year of working the cost per student is decreasing.

For NPO N4, philanthropic funds contribute to the successful running of its mentoring programs. On one level, the major objective of NPO N4 is ensuring that Indigenous students complete their high school education, and progress to tertiary education. On another level, the focus of NPO N4 is to change public perceptions of the academic capability of Indigenous students, as Participant N4 explains:

> In addition to the…educational [objective]…it is shifting…the mind set of what Aboriginal and Torrens Strait Islander people are unfortunately typically known for. So the social issues of drugs, alcohol abuse, not finishing school ever, let alone finishing school at the same rate as non-Indigenous people. So there's a number of different social issues. And what we do tackle…throughout the content of the sessions that we run, racism is a big issue that we try to tackle. And I suppose it's going back to the individual. We definitely tackle the fact that these students haven't been provided with the opportunity to take control and show other Australians or the world [of] what they're capable of. I think the past has painted an unfortunate picture and what these people are expected. The expectations of them are probably a big social issue. Changing the expectations of, you know, the oldest surviving culture on Earth which comes with a number of positive connotations like resilience, etc. So…rather than an issue that we're tackling, it's probably more about a shifting of the expectations of both Indigenous and non-Indigenous people.

When asked if the work of NPO N4 is about shifting the boundaries for Indigenous students, Participant N4 states in agreement:

> Absolutely. It's shifting the boundaries or not even saying that there are any boundaries. You know, taking them away completely. And, you know…we've got a few sayings at [the organisation]. One of them [is] Indigenous equals success.

For NPO N4, philanthropy contributes to the process whereby Indigenous high school students acquire powerful knowledge by completing their formal school education at the same rate as non-Indigenous students. According to Mayo (2014, p. 391) Gramsci believed 'in a participatory and collective kind of education (where education is interactive and older students help the younger ones in a form of peer tutoring)', much like the process adopted by NPO N4. By completing their schooling, Indigenous students are better equipped to undertake tertiary studies that can potentially lead to more highly remunerated employment. In addition, Indigenous students also engage in 'invisible pedagogies' (Mayo 2014, p. 390) through which they learn that formal education can help to transform not only their mindsets, but the mindsets of society about the capability of Indigenous students. In other words, the approach to education adopted by NPO N4 helps to transform young Indigenous experiences by changing society's common sense.

Summary

This chapter aimed to elaborate on some types of philanthropically-funded activities that have the potential to produce socially transformative outcomes. By grounding discussions in the interview comments of research participants, this chapter has attempted to translate abstract theoretical concepts introduced in Chapters Five through Seven into concrete real-life examples. This chapter's discussion focused on how professionals from the philanthropic world select and carry out educational activities in collaboration with staff from NPOs for the benefit of marginalised communities. In Gramscian terms, this describes a situation whereby a hegemonic group takes into account its own interests, and those of other subaltern groups. In other words, by providing grants to carefully selected NPOs, foundations take into account their own interests in addition to those of NPOs and the subaltern communities they represent.

The imperative to create impact leads some foundations to fund projects that aim to educate not just marginalised communities represented by NPOs, but also the general public and people who formulate public policy. Such philanthropically-funded educational projects generally aim to create a new common

sense that has the potential of transforming the lived experiences of subaltern groups. In doing so, foundations establish an educational relationship which, as Gramsci (1971, p. 350) states, is a relationship that 'exists between…*élites* and their followers, leaders [*dirigenti*] and led'. In other words, foundations take into account their own interests by exercising leadership over an alliance comprising NPOs that represent subaltern groups, and also government agencies, if appropriate. Since 'every relationship of 'hegemony' is necessarily an educational relationship' (Gramsci 1971, p. 350), the overall effect of philanthropic leadership in the activities they promote is one where elite hegemony is maintained.

Chapter Nine:

Discussion and concluding remarks

Overview

The premise of the present study is that Australian philanthropy has the potential to play a role in addressing some aspects of contemporary social problems, and making society better for all. In particular, it critically examined whether philanthropy has the potential to transform the lives of disadvantaged communities that benefit from philanthropic grants, and if so, in what way. It focused on the power and influence of the Australian philanthropic sector, and its propensity or resistance to embracing the principles of social justice for the disadvantaged groups it ostensibly helps. By examining publicly accessible documents and conducting in-depth interviews, this study sought to answer the question of whether elites in the philanthropic world reproduce and maintain their hegemony through their philanthropic endeavours.

Philanthropy is inherently the manifestation of inequality. As such, it is ironic that philanthropic foundations work to give away money accumulated by a few individuals within a capitalist economic system. It is ironic because the workings of modern capitalism have contributed to circumstances of inequality to arise in the first place (Stiglitz 2013). What comes to mind are instances such as older workers previously employed in the now greatly diminished Australian manufacturing industry experiencing unemployment and increasing risk of poverty. Other examples of inequality include lack of opportunities in higher education, employment, and health care for communities such as Indigenous youths, and asylum seekers and refugees. That is, circumstances that lead to unequal access to economic, and also political power, result in some communities experiencing various forms of disadvantage, including social exclusion and marginalisation. Through the reflections of professional practitioners in the domain of philanthropic giving and receiving, this study was able to train a lens on philanthropy that claims to lift and improve the lives of such disadvantaged communities.

In many ways the model of contemporary Australian philanthropy differs little from that conceived by the titans of American capitalist entrepreneurship such as Rockefeller, Carnegie and Ford. This implies that the term ‘philanthrocapitalism’ used by some authors to describe the increasingly large amounts of

philanthropic money allocated towards solving modern social problems is somewhat redundant. All philanthropy, that is philanthropy as practised in western countries, is a product of capitalism. Thus, the phenomenon of philanthrocapitalism is not new. As the results of this study suggest, capitalism and capitalist business methods are crucial not just in enabling the creation of philanthropic foundations, they are vital in maintaining the viability of foundations to exist in perpetuity. Hence, in examining the preservation of elite hegemony through philanthropy, this study essentially explicated one way to preserve capitalism.

At the same time, the maintenance of capitalism allows philanthropic foundations' already vast reserves of money to flourish. Clearly, this is the point that Henry Ford II (1977) was trying to convey upon his resignation from the board of the Ford Foundation four decades ago. In his letter of resignation, Ford wrote 'the system that makes the foundation possible very probably is worth preserving'. Preserving a capitalist economic system makes sense since many philanthropic foundations are established as perpetual foundations. While the present research did not focus on the histories of the foundations studied, it would seem that creating foundations to exist in perpetuity is no accident of choice. A foundation that has to exist in perpetuity provides the imperative for the professionals of the philanthropic world to act in ways that they believe best preserves the longevity of their foundations. In doing so, philanthropy's professionals help to maintain the capitalist economic system that makes foundations possible in the first place. As representatives of philanthropic elites, the professionals achieve this dual goal by the mandate accorded to foundations, and that is through their annual giving. In sum, philanthropic wealth that is accumulated and multiplied within a capitalist economic system act as a proxy for elite hegemony that is the central topic of analysis in this thesis.

The point of departure for this study converged with that of past critical studies in that it drew upon Antonio Gramsci's conception of hegemony to support a critique of philanthropy. However, from this common starting point it diverged to address several limitations evident in past studies. First, the research methodology employed by past studies relied heavily on archival material from large,

established American philanthropic foundations such as Rockefeller, Ford and Carnegie. As such, the research findings cannot be generalised to smaller American foundations or indeed foundations from other countries including Australia. Second, the focus of past critical studies has almost exclusively been on foundations and foundation staff. Consequently, researchers have obscured the perspectives of grantee organisations, portraying them instead as dependent and passive receivers of grants. Third, in explaining the consequences of foundation grant-making, past studies typically contend that foundations behave in self-interested ways to produce hegemony, and thus, conserve the social order. Specifically, the Gramscian rationale adopted by past researchers is overly narrow in focus in that it uses the concept of hegemony to explain a social relation that is conceived primarily as subordination and domination. In fact, Gramsci's conceptualisation of hegemony comprises the dimensions of both domination, and intellectual and moral leadership. Thus, past studies have neglected to analyse the leadership dimension of hegemony embodied by philanthropic institutions.

This study is as much about an exploration of the under-researched topic of Australian philanthropy as it is about the explication of Gramsci's work to analyse philanthropy as a capitalist phenomenon. In this sense, Gramsci's ideas, while complex and somewhat counter-intuitive as devices to analyse philanthropy, play a surprising role in the present study. At this point, we are reminded that Gramsci's analysis of events in early twentieth century Italy is based, in part, on his observations of the apparent resilience of capitalism. Yet, Gramsci's overarching goal was social transformation albeit from the socio-political order of a capitalist society to one of socialism. In this sense, his writings on the achievement and maintenance of hegemony applies to different groups regardless of ideology.

Additionally, previous studies on philanthropy have neglected to apply Gramsci's thoughts to articulate a strategy for social change. This, too, is surprising considering many philanthropic foundations claim to want to create a positive change for society. This study has attempted to challenge the main premise of past critical philanthropic studies that have conceived foundations as constructors of dominant hegemony, and largely ignored the leadership dimension of hegemony. Moreover, by examining the

Australian philanthropic landscape through the perspectives of staff from foundations, and philanthropically-funded NPOs, this study has tried to gain a more balanced view of the processes involved. Through a wider and more nuanced engagement with Gramsci's writings on the notion of hegemony, this study suggests that philanthropy can contribute to processes of social transformation for disadvantaged and marginalised groups. In one sense, this thesis infers that philanthropic elites are not opposed to embracing the principles of social justice in order to help transform the lives of communities that benefit from philanthropy. But the overriding implication of this study is that philanthropy is largely concerned with achieving social impact. Social impact, in the present context, is conceptualised by most foundations as a process that results in the changed and improved circumstances of disadvantaged social groups. Crucially, in order to achieve social impact, foundations need to exercise philanthropic leadership.

Complementary or supplementary?

Previous studies have raised the possibility of philanthropy having potentially harmful effects on the provision of social welfare services in an age of neoliberalism (Faber & McCarthy 2005b). As discussed in earlier chapters of this thesis, the proliferation of philanthropic vehicles such as PAFs is a consequence of neoliberal policies aimed at social welfare reform initiated by former Prime Minister John Howard (2001a) twenty years ago. Indeed, several major non-profit welfare providers included in this study attest to subsequent governments' policy of divesting themselves of direct involvement in welfare services. However, an analysis of the said welfare providers' annual reports reveals that the majority of their income streams comprise government funding. Philanthropic funding comprises a relatively small percentage, around ten percent, of the welfare providers' total income. Yet, the representatives of non-profit welfare organisations in this study insist that philanthropic contributions are crucial because they enable welfare service providers to experiment and test out new programs to improve their service delivery. In this sense, philanthropy enables social experimentation and innovation

in order to improve the lives of disadvantaged communities. Thus, the role of philanthropy with regard to social welfare service provision in an age of neoliberalism is complementary to that of government.

To this end, the results of this study do not confirm Faber and McCarthy's (2005b, p. 8) argument that a retreating welfare state exposes the social sector to the economic requirements of corporate capital through an increased reliance on philanthropy. Yet, from the interview accounts of participants from NPOs, there is evidence to suggest that the methods and language used within such organisations is derived from the business world. But it cannot be said that exposure to philanthropy is the cause for NPOs adopting practices and techniques from the business sector. In addition, many non-profit participants in this study were understandably reluctant to criticise philanthropic foundations. Even so, the interviews disclose little evidence of acts of dominance on the part of foundations. Instead, most philanthropic foundations acknowledge that NPOs are the experts in their respective fields, and do not prescribe how philanthropically funded projects should be carried out.

While there is little evidence of dominant and prescriptive acts by foundations, their control over vast financial resources accord them with substantial power in their interactions with NPOs. After all, money is a superlative instrument of hegemony. The key finding of this thesis concerns the way philanthropic hegemony is exercised, and that is through leadership rather than domination.

Even when philanthropy is a major funder of non-profit social initiatives, and it fulfils a funding gap, philanthropic funding is still complementary to that of government. Government may fund one part of an essential social program but not another. In instances like these, philanthropic funding is vital for the survival of NPOs while performing the role of a complementary funder. One example of social innovation started as a small-scale philanthropically-funded program aimed at the integration of new migrants. This program was so successful that it has now expanded into a national program that receives substantial funding from the Australian government. Indeed, some philanthropic participants in this study have emphasised that the ultimate goal for some philanthropically-funded projects is for them to, eventually, receive long-term government funding. This ensures the longevity of the said projects,

and further underscores philanthropy's role as an early supporter and enabler of innovative social projects.

Philanthropy and social impact

Several themes that emerged from this study concur with those of previous philanthropy scholars. These themes concern the intended purposes of Australian foundations, and the way they are organised and operate. For instance, most foundations included in this study appear to practise a form of 'scientific philanthropy', an approach pioneered by the prototypical foundations created by Carnegie and Rockefeller. Similar to Carnegie and Rockefeller's approach, evidence from this study suggests that some Australian foundations adopt a proactive strategy in directing where their philanthropic money goes. That is, Australian foundations adopt a rational approach in addressing the causes of social problems rather than focusing on their symptoms through the more traditional practice of charity. Doubtless, all the foundations included in this study demonstrated concern for making society better, commensurate with the wishes of their respective founders. With regard to controversial assertions such as foundations' propensity for social agenda setting and corrosive effects on democracy (Arnove 1980a; Roelofs 2003), no evidence emerged from this study to support such claims.

Yet, this study provides evidence of a professionalised Australian philanthropy whereby the process of selecting recipients of philanthropic funds is managed by professional foundation staff. This is consistent with the way many foundations operate in other western countries such as the USA. However, this does not suggest a lack of involvement by living foundation founders or their descendants. Their influence is still evident at the board level of some foundations. Nevertheless, foundation staff members carry out much of the day-to-day interactions with recipients and potential recipients of philanthropy.

Most importantly, the role of foundation staff is to interpret their foundation founders' wishes in order that their philanthropy conforms to their founders' vision. This suggests that foundation staff perform the function of intellectuals of the philanthropic elites (Gramsci 1971, p. 12). At the same time, foundation

staff must ensure that their philanthropy achieves what they believe to be social impact in their chosen areas of interest. In fact, most foundation representatives interviewed in this study identified achieving impact as a key aim of their funding. Interestingly, the objective of creating impact is linked to a perceived crisis of diminished philanthropic funds due to factors related to investments such as low interest rates. In general, philanthropic foundations are legally bound by the charters drawn up at the time of their establishment. These include the requirement for some foundations to exist in perpetuity. In addition, according to some philanthropic participants, it is crucial for foundations to protect their reputations. In short, the results of this study suggest that from a holistic perspective philanthropic operations are constrained by factors such as the need for perpetual existence, reputation maintenance, and diminished philanthropic funds. Thus, it is unsurprising that the foundations studied emphasised the importance of achieving impact. In other words, with a finite pool of philanthropic resources, it is vital that foundations to seek out projects whereby their funding is seen to create the most impact.

Key research findings

Two key themes emerged from the present study: (1) philanthropic foundations' desire to make a social impact through their grant-making practices, and (2) philanthropic leadership. That is, foundations achieve their goal of making an impact primarily by exercising leadership over NPOs that they consider to be experts in achieving that impact. Furthermore, underlying foundations' philanthropic processes for creating impact is a social relationship that can broadly be described as educational. For an asymmetrical relationship between grantor and grantee to be regarded as educational is consistent with Gramsci's (1971, p. 350) assertion that an educational relationship is a hegemonic relationship.

Gramsci conceived education in its broadest context. Moreover, as a hegemonic relationship, an educational relationship is one that exists between people with power, and those with less power. Crucially, for Gramsci, the task of maintaining or challenging society's prevailing hegemony falls on its intellectuals, in the present context, a role fulfilled by philanthropic professionals. Hence, as this study

suggests, it is through educational projects that the professionals of the philanthropic world conserve the hegemony of the philanthropic elites.

The results of this study concur with Gramsci's idea of an educational relationship being a hegemonic relationship. The analysis conducted in this thesis suggests that the social relations of philanthropy encompass a broad and inter-connected educational relationship. That is to say, many philanthropically-funded activities aim to address particular aspects of social problems, and the approach taken to achieve this involves activities that aim to educate both grantees, and the wider public. In fact, the present study indicates that philanthropically-funded activities aim to educate in two main ways. First, grants are often directed towards providing access to educational opportunities for people from disadvantaged and marginalised communities. This might take the form of scholarships for formal school and tertiary education. Other forms of education include exposure to the performing arts or work experience within private organisations and social enterprises. Second, philanthropic foundations might allocate grants towards educating the public including policy makers about specific social problems by creating awareness of such issues. One way to create awareness is by ensuring that NPOs dedicated to particular social issues are able to sustain their operations. In order to achieve this objective, philanthropic foundations typically provide funds categorised as capacity-building grants. In addition, some grants might also enable the production of new knowledge through commissioned research conducted by academics and experts based in universities, policy institutes or large social welfare providers. In turn, evidence-based knowledge is used to guide further philanthropic giving, or in some instances form the basis of public policy advocacy. Thus, the grant-making practices of philanthropic foundations can be summarised as practices that enable the following: providing disadvantaged communities with access to formal and informal education, educating the public about specific social issues, and generating an evidence base for further philanthropic giving, or public policy formulation.

This thesis draws on Gramsci's idea of subaltern groups as an analytical construct to describe a contemporary phenomenon comprising 'large bodies of marginalised people at the periphery of society'

(Meret & Della Corte 2016, p. 207). In the context of this study, subaltern groups include communities such as refugees, asylum seekers, people experiencing poverty, homelessness and social exclusion, and people who lack access to employment commensurate with their educational qualifications. In turn, the NPOs included in this study are committed to improving the lived experiences of people who comprise subaltern groups. Thus, from an analytical perspective philanthropic funding generally enables NPOs to help subaltern groups overcome their subordinated conditions. It follows that a strategy for social transformation and impact entails the creation of alliances among the professionals of the philanthropic world, and NPOs who represent and advocate for marginalised groups.

In Gramsci's elaboration of hegemony, he articulates the difference 'between a class which 'dominates' and a class which 'leads' (Hall 1986, p. 16). We are reminded that 'a social group dominates antagonistic groups…; it leads kindred and allied groups' (Gramsci 1971, p. 57). That is, 'leadership…is exercised over equals and allies in the interest of those over whom power is exercised, and domination…is exercised over…unequals…in the interest of those who exercise power' (Fontana 2008, p. 85). The findings of this study reveal that philanthropic foundations that aim to achieve social impact within a particular social cause, also aim to create alliances with NPOs that can deliver that impact. After all, a measure of the success of foundations is the effectiveness of the organisations they fund (Frumkin 2006). By dint of their substantial asset base, philanthropic foundations comprise a hegemonic and economically powerful group that wields significant influence in society. When foundations select to fund particular NPOs, they create alliances with organisations they believe are best able to deliver their idea of social impact. In other words, foundations lead their allies towards their objective of achieving social impact. Therefore, rather than dominating the non-profits they fund, philanthropic foundations exercise hegemony through leadership.

Social transformation

Many foundations included in this study insist that their grants to selected NPOs aim to make society better. The research conducted for this thesis provides evidence of the significant contribution of

philanthropy towards some social projects aimed at improving the circumstances of society's marginalised and disadvantaged communities. Indeed, a crucial product of the educational relationship between grantor and grantee is knowledge that contributes to what Gramsci calls a new common sense. A case in point is a philanthropically-funded program aimed at providing crucial English language skills for new immigrants to Australia. This program, funded by Foundation P8, provides a conducive community environment for new immigrants to learn English and build a social network, with the aim of making them economically productive and self-sufficient as quickly as possible. In one sense, Foundation P8's program helps to change new immigrants' common sense of their own lived experience from one of isolation to one of social integration. In another sense, their potential to be economically productive helps to change the common sense of some sections of Australian society who perceive new immigrants as being largely dependent on government benefits. Thus, by funding activities that are educational in nature philanthropy plays an important role in creating cultural change through the promotion of a new common sense about new immigrants.

The philanthropic foundations studied for this thesis appear to strive to fund progressive causes that embrace the principles of social justice. However, it must be noted that the educational activities philanthropy funds always conform to the parameters set by the interests, beliefs, and values held by foundations' founders. In other words, for foundation founders, board members, and staff, the said educational activities essentially reflect processes and an ideology that is 'natural' in their social sphere. Educational activities such as the creation of social enterprises, and providing access to corporate internships do not offer beneficiaries an alternative ideological framework in which to be productive. In fact, this study offers evidence to suggest that philanthropic foundations tend to champion social programs that support market principles. Hence, instances of funding for activist causes are exceptions rather than the rule. Therefore, this supports the notion that in the philanthropic sphere the actions of philanthropic professionals contribute to the reproduction of hegemonic processes and ideologies.

Limitations of the study and further research

The scope of this study was constrained by a lack of comprehensive data on all philanthropic giving in Australia. As previously noted, the basis of this study was data obtained from foundations who have voluntarily provided information about their activities in the public domain. That is, these foundations have voluntarily listed themselves on the Philanthropy Australia directory, created a website, and published annual reports. Hence, the list of foundations compiled for analysis is not representative of all philanthropic institutions in Australia.

That said, the research design for the present study enabled me to compile a list of participants from foundations that are strongly committed to improving the well-being of society. Consequently, participants' interviews provided the basis for analysing philanthropy's role in the social transformation of certain disadvantaged groups. However, since foundations have the freedom to choose the types of social causes to fund, a comprehensive list of philanthropic activity will likely reveal a greater diversity of grant-making patterns. After all, philanthropy does not only benefit projects that can be ascribed to the realm of social justice. Indeed, past research suggests that philanthropy is not restricted to improving the lives of the marginalised and excluded. American philanthropy, in particular, plays an important role in funding prestigious cultural and educational institutions. In this respect, a comprehensive set of data on Australian philanthropic giving would allow for an analysis into the different ideological perspectives that underpin philanthropic institutions.

At this point in time, there is no legal requirement to report all philanthropic activities in the public domain. In other words, philanthropic institutions including Private Ancillary Funds continue to publicly report on their activities on a voluntary basis. Yet, this should not curtail future research in Australian philanthropy. The present study has set the path for future explorations into philanthropy's role in promoting social change by embracing the principles of social justice. It has done so through a theoretical engagement with Gramsci's concept of hegemony. By engaging with the work of Gramsci and other social theorists, analyses can also be conducted on the social effects of foundations'

engagement with specific issues such as climate change, problem gambling, and family violence. Philanthropy as it is currently practised is, as Henry Ford II (1977) once described it, very much a creature of capitalism. It is also ironic that philanthropy, as a manifestation of inequality in a capitalist economic system, is completely reliant on the rewards of capitalism to ensure its legitimacy, power, and longevity. At the same time, philanthropy as an expression of successful private enterprise, cannot solve all of society's complex problems by itself. The answer quite possibly lies in the bridge that philanthropy can build with public policy-makers by dint of its influence and authority. Thus, while imperfect as a solver of social problems, the strength of philanthropy lies in its potential in expressing a more caring, responsible and humane form of capitalism.

Summary

The analysis presented in this thesis challenges the way the concept of hegemony is usually understood in critical accounts of sociological phenomena. Through popular usage, the concept of hegemony is typically associated with acts of domination, and the negative consequences that ensue (Howson & Smith 2008b). In this sense, it is unsurprising that hegemony formed the basis of earlier critical studies of philanthropy. However, past approaches to studying philanthropy within the context of hegemony as domination presents a one-sided view of the power associated with philanthropic institutions. This limits an analysis of the potential of philanthropy in processes of social transformation of the people that philanthropy ostensibly helps. By engaging more widely with the theoretical roots of the concept of hegemony this thesis reveals another dimension of power associated with philanthropy aside from domination. Indeed, the use of Gramsci's complex ideas on hegemony to analyse philanthropy is surprising in that it is counter-intuitive. Yet, the Gramscian analysis conducted in this thesis provides a more nuanced understanding of the nature of the authority exercised by philanthropic foundations.

To this end, the most prominent theme that arose out of this study's data was one of philanthropic leadership. In concurrence with Gramsci's (1971, p. 57) claim that dominant groups also provide

'intellectual and moral leadership', philanthropic leadership features in three important ways. First, foundations lead through the types of social causes they choose to fund or not fund. Second, foundations are not subject to a protest vote in that the public cannot formally register its objection to philanthropic funding of a particular social cause. Third, foundations exercise leadership by creating alliances and collaborations with NPOs that operate specific programs targeting the welfare of disadvantaged groups or, in some instances, society as a whole. Therefore, foundations see themselves primarily as social impact leaders, and exercise their leadership in seeking out specific NPOs tasked with achieving their vision of social impact.

In this study, most foundations conceptualise social impact as a process that results in the changed and improved circumstances of disadvantaged social groups. Typically, philanthropic money funds specific projects, or general operations of the NPOs that mediate this gradual process of social change. Most NPOs have to ask for philanthropic funding, and it is not a common practice for them to receive unsolicited funding. As such, many non-profit participants were understandably reluctant to criticise philanthropic foundations. Even so, the interviews disclose little evidence of acts of dominance on the part of foundations. Instead, most philanthropic foundations acknowledge that NPOs are the experts in their respective fields, and do not prescribe how philanthropically-funded projects should be carried out. In summary, the key finding from this study is the importance of the leadership dimension of hegemonic relations within Australian philanthropic practice. That is, for some foundations, the desire to achieve social impact necessitates leadership rather than domination. This is because philanthropic authority expressed as domination cannot acquire the full consensus of the organisations they fund (Howson & Smith 2008a). Instead, the process of achieving social impact requires foundations to exercise leadership. In doing so, philanthropy maintains and reproduces the Gramscian notion of hegemony of philanthropic elites.

APPENDIX A
PARTICIPANT INFORMATION SHEET

PROJECT TITLE: Philanthropy and social justice: an analysis of the social impact of Australian philanthropy
HUMAN RESEARCH ETHICS COMMITTEE APPROVAL NUMBER: H-2015-230
PRINCIPAL INVESTIGATOR: Associate Professor Susan Oakley
STUDENT RESEARCHER: Zurina Simm
STUDENT'S DEGREE: PhD

Dear Participant,

You are invited to participate in the research project described below.

What is the project about?
This research is an inquiry into the experience of philanthropic giving by Australian foundations and trusts, and that of receiving philanthropic grants by non-profit organisations. The project aims to examine the role of Australian philanthropic foundations in society, and how their donations to some non-profit organisations can potentially contribute to social change. The project will involve investigating how foundations allocate their funds to address issues that affect the neediest communities in our society. Since foundations contribute greatly to various non-profit organisations, the project will also involve examining the relationship between foundations and non-profit organisations. A key part of the research is to understand what change strategies are used by foundations to accomplish their missions. At the same time, this project aims to find out how non-profit organisations interact with foundations in order to fund activities aimed at increasing the opportunity of people in society that are the least well off socially, economically, and politically. It is hoped that the results of this study will help the wider Australian society understand the important role that philanthropic funding of some non-profit organisations can have in addressing some of our most pressing social issues.

Who is undertaking the project?
This project is being conducted by Zurina Simm. This research will form the basis for the degree of PhD at the University of Adelaide under the supervision of Associate Professor Susan Oakley and Professor Lisa Hill.

Why am I being invited to participate?
You represent or work for an Australian philanthropic foundation or trust that funds Australian community projects, in a senior management capacity.

What will I be asked to do?
This project involves you participating in an interview with the student researcher at your office, the University of Adelaide or at another mutually convenient public place. In some circumstances and if it is more convenient for you, the interview could take place via the Internet using applications such as Skype. With your consent, the researcher will record the interview using a digital audio device.

How much time will the project take?
The interview will take approximately forty minutes to one hour. You will be asked to participate in one interview only.

Are there any risks associated with participating in this project?
Aside from the inconvenience, and perhaps discomfort of being interviewed, there are no foreseeable risks associated with participating in this project. However, due to the small sample of participants, it may be impossible to guarantee the confidentiality or anonymity of participant identity, and some participants may be identifiable by members of the philanthropic and non-profit community. Consequently, pseudonyms for participants will be used, and every effort will be made to de-identify individuals, organisations and geographic locations. In the event that you wish to withdraw yourself or your information during or after an interview, please inform the researcher immediately. If you choose to withdraw your participation, any transcripts arising from the interview will be removed from the dataset and securely stored, unless you specifically request that they be deleted.

What are the benefits of the research project?
The current project is unlikely to directly benefit participants. However, the research results may benefit the wider community by increasing public awareness of the importance of philanthropic funding of non-profit organisations that work for structural change in order to address some of society's most pressing social issues.

Can I withdraw from the project?
Participation in this project is completely voluntary. If you agree to participate, you can withdraw from the study at any time. Please note that it will be possible to withdraw your data only up until 31 December 2017, that is, just before the submission of the thesis.

What will happen to my information?
In order to protect the anonymity of participants, all identifying details of participants such as names, organisations, and locations will be given a pseudonym. However, due to the small interviewee sample size, it may not be possible to guarantee the anonymity or confidentiality of participant identity. Therefore, any unique features relating to participants' circumstances will be handled in a way that protects them from being identifiable by readers of the final thesis.

All information provided by participants will be kept confidential, and will only be accessible to the researcher and her supervisors. Throughout the duration of the research this information will be securely stored within the Department of Gender Studies and Social Analysis at the University of Adelaide. At the conclusion of the research project, the information will be retained for a minimum of five years from the thesis submission date. The research results will be reported in the researcher's PhD thesis, and some parts of it may be published in publications such as journal articles and conference proceedings. A summary of the key findings of the research will be mailed to participants.

Who do I contact if I have questions about the project?

Principal Investigator & Supervisor
Associate Professor Susan Oakley

Telephone: (08) 8313 3352

Co-Supervisor
Professor Lisa Hill

Telephone: (08) 8313 4608

Student Researcher
Ms Zurina Simm

Telephone:

What if I have a complaint or any concerns?

The study has been approved by the Human Research Ethics Committee at the University of Adelaide (approval number H-2015-230). If you have questions or problems associated with the practical aspects of your participation in the project, or wish to raise a concern or complaint about the project, then you should consult the Principal Investigator. Contact the Human Research Ethics Committee's Secretariat on phone +61 8 8313 6028 or by email to hrec@adelaide.edu.au. if you wish to speak with an independent person regarding concerns or a complaint, the University's policy on research involving human participants, or your rights as a participant. Any complaint or concern will be treated in confidence and fully investigated. You will be informed of the outcome.

If I want to participate, what do I do?

After reading the Participant Information Sheet and you decide to participate in this study, please inform the student researcher of your decision to do so by email or telephone. The researcher will then make arrangements to conduct the interview either at your place of work or other public space, at a mutually convenient time.

Yours sincerely,

Principal Investigator & Supervisor
Associate Professor Susan Oakley

Telephone: (08) 8313 3352

Co-Supervisor
Professor Lisa Hill

Telephone: (08) 8313 4608

Email: susan.oakley@adelaide.edu.au Email: lisa.hill@adelaide.edu.au

Student Researcher
Ms Zurina Simm

Telephone:

Email: zurina.simm@adelaide.edu.au

APPENDIX B
PARTICIPANT INFORMATION SHEET

PROJECT TITLE: Philanthropy and social justice: an analysis of the social impact of Australian philanthropy
HUMAN RESEARCH ETHICS COMMITTEE APPROVAL NUMBER: H-2015-230
PRINCIPAL INVESTIGATOR: Associate Professor Susan Oakley
STUDENT RESEARCHER: Zurina Simm
STUDENT'S DEGREE: PhD

Dear Participant,

You are invited to participate in the research project described below.

What is the project about?
This research is an inquiry into the experience of philanthropic giving by Australian foundations and trusts, and that of receiving philanthropic grants by non-profit organisations. The project aims to examine the role of Australian philanthropic foundations in society, and how their donations to some non-profit organisations can potentially contribute to social change. The project will involve investigating how foundations allocate their funds to address issues that affect the neediest communities in our society. Since foundations contribute greatly to various non-profit organisations, the project will also involve examining the relationship between foundations and non-profit organisations. A key part of the research is to understand what change strategies are used by foundations to accomplish their missions. At the same time, this project aims to find out how non-profit organisations interact with foundations in order to fund activities aimed at increasing the opportunity of people in society that are the least well off socially, economically, and politically. It is hoped that the results of this study will help the wider Australian society understand the important role that philanthropic funding of some non-profit organisations can have in addressing some of our most pressing social issues.

Who is undertaking the project?
This project is being conducted by Zurina Simm. This research will form the basis for the degree of PhD at the University of Adelaide under the supervision of Associate Professor Susan Oakley and Professor Lisa Hill.

Why am I being invited to participate?
You represent or work for an Australian non-profit organisation that receives funding from Australian philanthropic foundations and trusts, in a senior management capacity.

What will I be asked to do?
This project involves you participating in an interview with the student researcher at your office, the University of Adelaide or at another mutually convenient public place. In some circumstances and if it is more convenient for you, the interview could take place via the Internet using applications such as Skype. With your consent, the researcher will record the interview using a digital audio device.

How much time will the project take?
The interview will take approximately forty minutes to one hour. You will be asked to participate in one interview only.

Are there any risks associated with participating in this project?
Aside from the inconvenience, and perhaps discomfort of being interviewed, there are no foreseeable risks associated with participating in this project. However, due to the small sample of participants, it may be impossible to guarantee the confidentiality or anonymity of participant identity, and some participants may be identifiable by members of the philanthropic and non-profit community. Consequently, pseudonyms for participants will be used, and every effort will be made to de-identify individuals, organisations and geographic locations. In the event that you wish to withdraw yourself or your information during or after an interview, please inform the researcher immediately. If you choose to withdraw your participation, any transcripts arising from the interview will be removed from the dataset and securely stored, unless you specifically request that they be deleted.

What are the benefits of the research project?
The current project is unlikely to directly benefit participants. However, the research results may benefit the wider community by increasing public awareness of the importance of philanthropic funding of non-profit organisations that work for structural change in order to address some of society's most pressing social issues.

Can I withdraw from the project?
Participation in this project is completely voluntary. If you agree to participate, you can withdraw from the study at any time. Please note that it will be possible to withdraw your data only up until 31 December 2017, that is, just before the submission of the thesis.

What will happen to my information?
In order to protect the anonymity of participants, all identifying details of participants such as names, organisations, and locations will be given a pseudonym. However, due to the small interviewee sample size, it may not be possible to guarantee the anonymity or confidentiality of participant identity. Therefore, any unique features relating to participants' circumstances will be handled in a way that protects them from being identifiable by readers of the final thesis.

All information provided by participants will be kept confidential, and will only be accessible to the researcher and her supervisors. Throughout the duration of the research this information will be securely stored within the Department of Gender Studies and Social Analysis at the University of Adelaide. At the conclusion of the research project, the information will be retained for a minimum of five years from the thesis submission date. The research results will be reported in the researcher's PhD thesis, and some parts of it may be published in publications such as journal articles and conference proceedings. A summary of the key findings of the research will be mailed to participants.

Who do I contact if I have questions about the project?

Principal Investigator & Supervisor
Associate Professor Susan Oakley

Telephone: (08) 8313 3352

Co-Supervisor
Professor Lisa Hill

Telephone: (08) 8313 4608

Student Researcher
Ms Zurina Simm

Telephone:

What if I have a complaint or any concerns?

The study has been approved by the Human Research Ethics Committee at the University of Adelaide (approval number H-2015-230). If you have questions or problems associated with the practical aspects of your participation in the project, or wish to raise a concern or complaint about the project, then you should consult the Principal Investigator. Contact the Human Research Ethics Committee's Secretariat on phone +61 8 8313 6028 or by email to hrec@adelaide.edu.au. if you wish to speak with an independent person regarding concerns or a complaint, the University's policy on research involving human participants, or your rights as a participant. Any complaint or concern will be treated in confidence and fully investigated. You will be informed of the outcome.

If I want to participate, what do I do?

After reading the Participant Information Sheet and you decide to participate in this study, please inform the student researcher of your decision to do so by email or telephone. The researcher will then make arrangements to conduct the interview either at your place of work or other public space, at a mutually convenient time.

Yours sincerely,

Principal Investigator & Supervisor
Associate Professor Susan Oakley

Telephone: (08) 8313 3352

Co-Supervisor
Professor Lisa Hill

Telephone: (08) 8313 4608

Email: susan.oakley@adelaide.edu.au Email: lisa.hill@adelaide.edu.au

Student Researcher
Ms Zurina Simm

Telephone:

Email: zurina.simm@adelaide.edu.au

APPENDIX C

INDICATIVE QUESTIONS FOR CHIEF EXECUTIVES OF PHILANTHROPIC FOUNDATIONS

Name of foundation: Age of foundation:

Name and title of interviewee:

Objective: to find out the underlying values and beliefs of the foundation's original founder, and what the foundation's change strategy is, if there is one.

1. What was the reason for establishing this foundation? How is it a reflection of the founder's values and beliefs?
2. What were the key things that the foundation's founder wanted to accomplish?
3. How does the foundation define 'success'? How does it go about achieving this?
4. In what areas does the foundation aspire to make an impact?
5. What are the foundation's strategies for change and for achieving social impact? [Possible answers: (a) delivery of social services such as youth development, housing, etc; (b) funding grassroots organisations; (c) advocacy; (d) creation and application of new knowledge].

Objective: to find out how the foundation determines which social issues to support, and why.

1. What kind of social impact does your foundation want to make?
2. What causes or groups of people do you care most about helping? How would you describe the groups of people that benefit the most from your philanthropic contributions?
3. How do you determine which social issues or causes to support?
4. Which method do you think more accurately determines the foundation's philanthropic priorities: conducting your own social research to provide the evidence base for your grant-making or making grants in response to applications that you receive? Why do you believe this is so?
5. When you consider the areas that you have funded over the last three years, which of these areas would you regard as more important, and which ones are less important in terms of your funding dollars and goals? Why is this so?
6. I understand that your foundation makes grants to disadvantaged community groups such as lower income families, people without permanent housing, young people with limited access to education, people with disabilities, ethnic minorities, and refugees. Why do you believe it is important to provide grants to organisations that help disadvantaged and marginalised groups?
7. As for funding the arts, university research centres and scientific research projects, why do you consider it important to fund these areas?

8. Most Australian foundations seem to favour making grants towards medical and scientific research. Relatively few foundations fund social research in areas such as sociology, economics, politics, or social welfare. In your opinion, why is this so?
9. How does providing funding for advocacy and community grassroots organising fit in with your foundation's mission? Do you believe that your foundation provides adequate support to grassroots organisations?

Objective: to find out what types of non-profit organisations the foundation funds, and why.

1. What types of non-profit organisations do you mostly fund? [Possible answers: (a) well established non-profits, (b) less well known non-profits, (c) non-profits that work towards structural change (d) all non-profits that apply for funds, (e) non-profits with professional staff only, (f) non-profits with no staff, just a volunteer board of directors.]
2. Why do you provide grants to these types of non-profit organisations, and not to other non-profits?
3. Please describe the due diligence process in determining which non-profit organisations you wish to support.
4. What organisational factors do you look for in the non-profits that you support?
5. Your ability to achieve results largely depends on the performance of the non-profit organisation you choose to fund. How do you ensure the effectiveness of the non-profit organisation?

Objective: to find out what type of grants the foundation provides, and why.

1. What types of grants do you typically provide? [Possible answers: general operating support; project-specific support; leadership training programs; technical assistance for marketing and fund raising, etc.]
2. Are all grants subject to approval by the Board or are there smaller grants that can be authorised at a lower level in the foundation?
3. I understand that you provide some grants on a multi-year basis and some grants on a single-year basis. What are the key factors that would determine whether grants are provided on a multi-year or single-year basis?
4. If capacity building of grantee organisations is a priority for the foundation, why is it that most grants go towards specific programs, instead of general operating support for the non-profit?
5. What level of risk do you take in your grant-making?

Objective: to find out the nature of the social relations of philanthropy.

1. What types of reporting methods do you require your grantees to adopt? Do you believe that these reporting requirements are reasonable?
2. How do you maintain communications and interactions with the non-profits that you fund?
3. What are the most common reasons for not providing grants to non-profits that apply for funding?
4. In general, do you believe that there is a strategic alignment of your goals and those of your grantees?
5. How do you achieve strategic alignment between your foundation and your grantees, in cases where it is lacking?
6. How would you describe your best relationship with a grantee non-profit organisation?
7. How would you describe your most disappointing relationship with a grantee non-profit organisation?

APPENDIX D

INDICATIVE QUESTIONS FOR CEOS OF NON-PROFIT ORGANISATIONS

Name of organisation: Age of organisation:

Name and title of interviewee:

Objective: to determine the major activities of the organisation, the priority of activities, and the organisation's primary constituencies.

1. What was the reason behind the establishment of this organisation?
2. I understand that your organisation is involved in activities such as research and policy advocacy, and also delivery of services. Would you add any other activities to this list? If so, how would you rank them?
3. What are the major social issues that your organisation focuses on?
4. Approximately what percentage of your organisation's budget is allocated to each major activity?
5. How would you describe your organisation's primary constituencies?

Objective: to determine how much of the non-profit's income comes from philanthropic contributions.

1. According to your annual report, some of your funding comes from government agencies and the corporate sector, and some comes from philanthropic foundations. Thinking about your organisation's funding over the last three years, how has the proportion of income from philanthropy changed over this time? Approximately what percentage of your current funding comes from philanthropy?
2. How many philanthropic foundations do you regularly receive grants from? Would you care to name them?
3. In the last year, how many foundations did you submit grant applications to?
4. Which ones gave you grants? Why do you think you received this funding?
5. Which foundations rejected your grant applications? Why do you think you were unsuccessful?

Objective: to determine if and why philanthropic donations are crucial to the work of NFP organisations.

1. Although many NFPs receive government funding, they often state that support from the philanthropic and corporate sectors is critical to the success of their work. Is this true in the case of your organisation? Why or why not?

2. What activities or programs are funded by philanthropy? Why is it crucial for philanthropy to fund these activities or programs?
3. Thinking back to three years ago, what were your organisation's key objectives? Now three years down the track, to what extent have those goals been achieved?
4. To what extent have philanthropic grants contributed towards the achievement of those objectives?
5. Did achievement of those goals produce benefits for your organisation's primary constituencies, or were the benefits more general, or both? Please elaborate.
6. By how much would the amount of philanthropic dollars have to increase as a percentage of your income stream in order to make a major positive impact on your organisation?
7. What would that impact be?
8. What would the impact be if you ceased to get major philanthropic donations?

Objective: to determine what types of philanthropic grants the NFP organisation receives.

1. What types of grants do you typically receive? [Grants can be for (a) general operating support, (b) project-specific support, (c) technical assistance for marketing, fund raising, management, direct services, etc.]
2. On what basis are these grants provided? Are they provided on a multi-year basis, or on a single year basis, and what factors determine whether the grants are multi-year or single year grants?
3. Thinking back over the last three years, what percentage of philanthropic grants received were for general operating support, and what percentage were for specific projects?
4. What are the limitations of the single year grants? Can you keep applying for these grants every year?
5. Do you typically receive grants from the same philanthropic foundations every year, or are they different every year?

Objective: to determine what type of oversight and control methods are used by grant-making philanthropic foundations.

1. What type of oversight methods do these foundations impose upon your organisation? [Oversight methods can be: (a) performance-based grants, (b) progress reports, (c) asking for donor representation on NFP Board of Directors, etc]. How often do you have to provide reports to the donor(s)?

2. If grants are given for specific projects, do donors prescribe the issue that the grant should address? For instance, do donors set strict timelines, specify the organisations that you must work with, or specify the activities that you must undertake?
3. Social change is more likely to happen as a result of a long-term collective effort by many non-profits working on a particular social issue. What factors enhance your organisation's ability to obtain philanthropic funding?
4. Have donors made any conditions on the grants they give that you think are unreasonable? If so, can you give some examples? How has this impacted on the work of your organisation or the objectives of your projects?

Objective: to find out how NFP organisations negotiate the social relations with philanthropic donors

1. Describe your organisation's best relationship with a philanthropic foundation.
2. Describe your organisation's most disappointing relationship with a philanthropic foundation.

References

Achcar, G 2012, 'Morbid symptoms: what did Gramsci mean and how does it apply to our time?', *International Socialist Review*, no. 108, pp. 30-37.

Adam, T 2004, 'Introduction', in T Adam (ed.), *Philanthropy, patronage, and civil society: experiences from Germany, Great Britain, and North America*, Indiana University Press, Bloomington, ProQuest Ebook Central, pp. 1-12.

Alborough, L 2017, 'Lost in translation: a sociological study of the role of fundraisers in mediating gift giving in non-profit organisations', *International Journal of Nonprofit and Voluntary Sector Marketing*, vol. 22, no. 4, pp. 1-6.

Alexander, V 2014, 'Art and the twenty-first century gift: corporate philanthropy and government funding in the cultural sector', *Anthropological Forum*, vol. 24 no. 4, pp. 364–380.

Alhabeeb, MJ 2012, 'Compound interest', *Mathematical finance*, John Wiley & Sons, Hoboken, New Jersey, Wiley Online Library Online Books.

Anderson, G 2013a, 'Where the money goes: private wealth for public good', viewed 10 March 2017, <http://www.csi.edu.au/media/uploads/Where_the_Money_Goes_-_June_2013.pdf>.

Anderson, G 2013b, 'Why philanthropy matters', viewed 10 March 2017, <http://www.abc.net.au/news/2013-10-17/anderson-why-philanthropy-matters/5027774>.

Andrews, D, Jencks, C & Leigh, A 2011, 'Do rising top incomes lift all boats?', *The B.E. Journal of Economic Analysis & Policy*, vol. 11, no. 1, pp. 1-43.

Anheier, HK & Leat, D 2006, *Creative philanthropy: towards a new philanthropy for the twenty-first century*, Routledge, London.

Anthonissen, C 2008, 'The sounds of silence in the media: censorship and self-censorship', in R Wodak & V Koller (eds), *Handbook of communication in the public sphere*, De Gruyter, Berlin, ProQuest Ebook Central, pp. 401-428.

Apitzsch, U 2016, 'Gramsci's 'philosophy of praxis' and the topic of migration', in OG Agustín & MB Jørgensen (eds), *Solidarity without borders : Gramscian perspectives on migration and civil society alliances*, Pluto Press, London, pp. 23-39.

Arnove, R 1980a, 'Introduction', in R Arnove (ed.), *Philanthropy and cultural imperialism: the foundations at home and abroad*, Indiana University Press, Bloomington, pp. 1-23.

Arnove, R (ed.) 1980b, *Philanthropy and cultural imperialism: the foundations at home and abroad*, Indiana University Press, Bloomington.

Arnove, R & Pinede, N 2007, 'Revisiting the "Big Three" Foundations', *Critical Sociology*, vol. 33, no. 3, pp. 389-425.

Australian Bureau of Statistics 2013, *Household Wealth and Wealth Distribution Australia 2011–12*, cat. no. 6554.0, viewed 28 August 2017, <http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/FB162A8CBB41033DCA257BCD001A5725/$File/65540_2011_12.pdf>.

Australian Bureau of Statistics 2015, *Australian national accounts: non-profit institutions satellite account 2012-13*, cat. no. 5256.0, viewed 17 May 2017, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5256.0Main+Features12012-13?OpenDocument>.

Australian Bureau of Statistics 2019, *Household income and wealth Australia 2017-18*, cat. no. 6523, viewed 9 July 2020, <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0>.

Australian Environmental Grantmakers Network 2009, *Green philanthropy 2009: an analysis of funding by members of the Australian Environmental Grantmakers Network and of other related philanthropic trends*, Australian Environmental Grantmakers Network, Melbourne.

Australian Taxation Office 2016, *Private ancillary funds*, Australian Taxation Office, Australian Government, viewed 22 March 2017, <https://www.ato.gov.au/Non-profit/Getting-started/In-detail/Types-of-DGRs/Private-ancillary-funds/>.

Baker, C, Barraket, J, Elmes, A, Williamson, A, Scaife, W & Crittall, M 2017, *Philanthropy and philanthropists Giving Australia 2016*, Australian Government Department of Social Services, Melbourne, viewed 5 May 2017, <http://www.communitybusinesspartnership.gov.au/wp-content/uploads/2017/04/giving_australia_2016_philanthropy_and_philanthropists_report.pdf>.

Balnaves Foundation 2018, *What we fund*, The Balnaves Foundation, Sydney, viewed 9 October 2019, <https://balnavesfoundation.com/what-we-fund/>.

Barraket, J, Douglas, H, Eversole, R, Mason, C, McNeill, J & Morgan, B 2017, 'Classifying social enterprise models in Australia', *Social Enterprise Journal*, vol. 13, no. 4, pp. 345-361.

Bartels, L 2012, *The new gilded age: from 'Unequal democracy'*, Princeton University Press, Princeton, ProQuest Ebook Central.

Bartley, T 2007, 'How foundations shape social movements: the construction of an organizational field and the rise of forest certification', *Social Problems*, vol. 54, no. 3, pp. 229-255.

Bishop, M & Green, M 2010, *Philanthrocapitalism: how giving can save the world*, Bloomsbury, London.

Bishop, M & Green, M 2015, 'Philanthrocapitalism rising', *Society*, vol. 52, no. 6, pp. 541-548.

Brest, P & Harvey, H 2008, *Money well spent: a strategic plan for smart philanthropy*, Bloomberg Press, New York.

Brilliant, EL 2000, *Private charity and public enquiry: a history of the Filer and Peterson Commissions*, Indiana University Press, Bloomington, Proquest Ebook Central.

Brinkmann, S 2013, *Qualitative interviewing*, Oxford University Press, New York, ProQuest Ebook Central.

Buchanan, P 2019, *Giving done right: effective philanthropy and making every dollar count*, Public Affairs, New York.

Buttigieg, JA 1995, 'Gramsci on civil society', *boundary 2*, vol. 22, no. 3, pp. 1-32.

Buttigieg, JA 2005, 'The contemporary discourse on civil society: a Gramscian critique', *boundary 2*, vol. 32, no. 1, pp. 33-52.

Candid 2020, *Foundation Center: foundation stats*, Candid, New York, viewed 9 July 2020, <http://data.foundationcenter.org/>.

CareerSeekers 2019, *New Australian internship program*, CareerSeekers, Sydney, viewed 9 December 2019, <https://www.careerseekers.org.au/>.

Carnegie, A 1889, *The gospel of wealth*, Carnegie Corporation of New York, New York, viewed 1 March 2017, <https://www.carnegie.org/media/filer_public/82/1e/821e3089-cb1d-4c7d-be2f-03f56f028ab5/the_gospel_of_wealth-ebook-082415-fin-3.pdf>.

Carnoy, M 1984, *The state and political theory*, Princeton University Press, Princeton, New Jersey.

Cham, E 2010, 'Is philanthropic money solely private?', *Dissent*, vol. 33, no. Spring, pp. 1-11.

Charmaz, K 2014, *Constructing grounded theory*, 2nd edn, Sage, London.

Chernow, R 1998, *Titan: the life of John D Rockefeller, Sr*, Random House, New York.

Chiapello, E & Fairclough, N 2002, 'Understanding the new management ideology: a transdisciplinary contribution from critical discourse analysis and new sociology of capitalism', *Discourse & Society*, vol. 13, no. 2, pp. 185-208.

Chuang, JA 2015, 'Giving as governance? Philanthrocapitalism and modern-day slavery abolitionism', *UCLA Law Review*, vol. 62, no. 6, pp. 1516-1556.

Chun, C 2017, *The discourses of capitalism: everyday economists and the production of common sense*, Routledge, New York.

Clair, RP 1993, 'The use of framing devices to sequester organizational narratives: hegemony and harassment', *Communications Monographs*, vol. 60, no. 2, pp. 113-136.

Colvard, R 1964, 'Risk capital philanthropy: the ideological defense of innovation', in G Zollschan & W Hirsch (eds), *Explorations in social change*, Routledge & Kegan Paul, London, pp. 728-748.

Commonwealth of Australia 2008, *Improving the integrity of prescribed private funds (PPFs): discussion paper*, Commonwealth of Australia, Canberra, viewed 10 March 2017, <http://www.treasury.gov.au/~/media/Treasury/Consultations%20and%20Reviews/Consultations/2008/Improving%20the%20integrity%20of%20Prescribed%20Private%20Funds%20Discussion%20Paper/Key%20Documents/PDF/Prescribed_Private_Funds.ashx>.

Commonwealth of Australia 2014, *Charitable purpose*, Australian Charities and Not-for-profits Commission, Melbourne, viewed 1 March 2017, <http://www.acnc.gov.au/ACNC/Register_my_charity/Who_can_register/What_char_purp/ACNC/Reg/Charitable_purpose.aspx>.

Commonwealth of Australia 2018, *About us*, Australian Charities and Not-for-profits Commission, Melbourne, viewed 10 July 2020, <https://www.acnc.gov.au/about>.

Connell, RW & Irving, TH 1977, 'Yes, Virginia, there is a ruling class', in H Mayer & H Nelson (eds), *Australian politics: a fourth reader*, rev. edn, Longman Cheshire, Melbourne.

Connell, RW & Irving, TH 1992, *Class structure in Australian history: poverty and progress*, Longman Cheshire, Melbourne.

Coopers Brewery Foundation 2019, *General giving guidelines*, Coopers Brewery Foundation, Regency Park, South Australia, viewed 10 October 2019, <https://coopers.com.au/docs/default-source/default-document-library/general-giving-guidelines-2019.pdf?sfvrsn=0>.

Corak, M 2016, *Inequality from generation to generation: the United States in comparison, discussion paper no. 9929*, Institute for the Study of Labor, Bonn, Germany, viewed 12 April 2018, <http://ftp.iza.org/dp9929.pdf >.

Correa-Velez, I, Barnett, A & Gifford, S 2015, 'Working for a better life: longitudinal evidence on the predictors of employment among recently arrived refugee migrant men living in Australia', *International Migration*, vol. 53, no. 2, pp. 321-337.

Cortis, N, Powell, A, Ramia, I & Marjolin, A 2018, *Australia's grant-making charities in 2016: an analysis of structured philanthropy and other grant-makers*, Centre for Social Impact and Social Policy Research Centre, UNSW Australia, viewed 9 July 2020, <file:///C:/Users/a1007722/Downloads/australias-grant-making-charities-in-2016_final-20180306_0.pdf>.

Crehan, K 2002, *Gramsci, culture and anthropology*, University of California Press, Berkeley, California.

Crehan, K 2009, 'Sinking roots: using Gramsci in contemporary Britain', in J Francese (ed.), *Perspectives on Gramsci: politics, culture and social theory*, Routledge, London, Taylor & Francis eBooks, pp. 33-49.

Crehan, K 2016, *Gramsci's common sense: inequality and its narratives*, Duke University Press, Durham.

Crimm, NJ 2002, 'Shortcomings in US federal tax regulatory regime of private foundations: insights for Australia', *Vanderbilt Journal of Transnational Law*, vol. 35, no. 3, pp. 749-799.

Crotty, M 1998, *The foundations of social research: meaning and perspective in the research process*, Allen & Unwin, Crows Nest.

Delaney, B 2019, *How do refugees create professional networks in a new country?*, CareerSeekers, viewed 9 December 2019, <https://www.careerseekers.org.au/mid-career-professionals/how-do-refugees-create-professional-networks-in-a-new-country/>.

Delfin, FG & Tang, S-Y 2007, 'Elitism, pluralism, or resource dependency: patterns of environmental philanthropy among private foundations in California', *Environment and Planning A*, vol. 39, no. 9, pp. 2167-2186.

Delfin, FG & Tang, S-Y 2008, 'Foundation impact on environmental nongovernmental organizations: the grantees' perspective', *Nonprofit and Voluntary Sector Quarterly*, vol. 37, no. 4, pp. 603-625.

Department of Social Services 2016, *Civil society*, Department of Social Services, Australian Government, Canberra, viewed 21 February 2018, <https://www.dss.gov.au/our-responsibilities/communities-and-vulnerable-people/programs-services/civil-society>.

Diemer, M, Rapa, L, Voight, A & McWhirter, E 2016, 'Critical consciousness: a developmental approach to addressing marginalization and oppression', *Child Development Perspectives*, vol. 10, no. 4, pp. 216-221.

Domhoff, GW 2014, *Who rules America? The triumph of the corporate rich*, 7th edn, McGraw-Hill Education, New York.

Dorsett, J & Hayne, J 2017, 'Andrew 'Twiggy' Forrest donates $400m, the 'biggest single philanthropic gift' by living person', *ABC News*, 22 May, viewed 23 May 2017, <http://www.abc.net.au/news/2017-05-22/andrew-twiggy-forrest-unveils-huge-donation/8546206>.

Dowie, M 2001, *American foundations: an investigative history*, The MIT Press, Cambridge, Massachusetts.

Dremel, A & Matic, R 2014, 'Discourse and/as social practice - the analysis of the problem of resistance and hegemony', *Meditterranean Journal of Social Sciences*, vol. 5, no. 22, pp. 155-166.

Drew, P & Sorjonen, M 1997, 'Institutional dialogue', in T van Dijk (ed.), *Discourse as social interaction: discourse studies: a multidisciplinary introduction volume 2*, Sage Publications, London, pp. 92-118.

Economist 2006, 'The birth of philanthrocapitalism', vol. 378, no. 8466, p. 9.

Eikenberry, A 2006, 'Philanthropy and governance', *Administrative Theory and Praxis*, vol. 28, no. 4, pp. 586-592.

Eisenberg, P 2002, 'Philanthropy at the crossroads', in NCRP (ed.), *The state of philanthropy 2002*, National Committee for Responsive Philanthropy, Washington DC, viewed 1 March 2017, pp. 1-5, <https://www.pdffiller.com/jsfiller/?projectId=99175733#93a37032c4fb47028bcfcbf012bd933d>.

Encel, S 1970, *Equality and authority: a study of class, status and power in Australia*, Cheshire Publishing, Melbourne.

Engel, S 2008, 'The World Bank and neoliberal hegemony in Vietnam', in R Howson & K Smith (eds), *Hegemony: studies in consensus and coercion*, Routledge, New York, pp. 159-183.

Ezzy, D 2013, 'The research process', in M Walter (ed.), *Social research methods*, 3rd edn, Oxford University Press, South Melbourne, pp. 50-71.

Faber, DR & McCarthy, D 2005a, 'Breaking the funding barriers: philanthropic activism in support of the environmental justice movement', in DR Faber & D McCarthy (eds), *Foundations for social change: critical perspectives on philanthropy and popular movements*, Rowman & Littlefield, New York, pp. 175-209.

Faber, DR & McCarthy, D 2005b, 'Introduction', in DR Faber & D McCarthy (eds), *Foundations for social change: critical perspectives on philanthropy and popular movements*, Rowman & Littlefield, New York.

Fairclough, N 1992, *Discourse and social change*, Polity Press, Cambridge.

Fairclough, N 2010, *Critical discourse analysis: the critical study of language*, 2nd edn, Routledge, London.

Fairclough, N 2016, 'A dialectical-relational approach to critical discourse analysis in social research', in R Wodak & M Meyer (eds), *Methods of critical discourse studies*, 3rd edn, Sage, London, pp. 86-108.

Fairclough, N & Wodak, R 1997, 'Critical discourse analysis', in T van Dijk (ed.), *Discourse as social interaction: discourse studies: a multidisciplinary introduction volume 2*, Sage Publications, London, pp. 258-284.

Filer, JH 1975, *Giving in America: toward a stronger voluntary sector: report of the Commission on private philanthropy and public needs*, Commission on Private Philanthropy and Public Needs, USA, viewed 4 May 2017, <https://archives.iupui.edu/bitstream/handle/2450/889/giving.pdf?sequence=1>.

Fish, S 1980, *Is there a text in this class? The authority of interpretive communities*, Harvard University Press, Cambridge, Massachusetts.

Fisher, D 1983, 'The role of philanthropic foundations in the reproduction and production of hegemony: Rockefeller foundations and the social sciences', *Sociology*, vol. 17, no. 2, pp. 206-233.

Fleishman, JL 2009, *The foundation: a great American secret: how private wealth is changing the world*, PublicAffairs, New York.

Fontana, B 2006, 'Liberty and domination: civil society in Gramsci', *boundary 2*, vol. 33, no. 2, pp. 51-74.

Fontana, B 2008, 'Hegemony and power in Gramsci', in R Howson & K Smith (eds), *Hegemony: studies in consensus and coercion*, Routledge, New York, pp. 80-106.

Ford Foundation 2020, *Our origins*, Ford Foundation, New York, viewed 22 February 2020, <https://www.fordfoundation.org/about/about-ford/our-origins/>.

Ford II, H 1977, 'Letter of Resignation by Henry Ford II upon his departure from the board of trustees of the Ford Foundation', *The Philanthropy Roundtable*, March/April 1977, viewed 16 October 2019, <https://www.philanthropyroundtable.org/home/resources/donor-intent/donor-intent-resource-library/when-philanthropy-goes-wrong/the-ford-foundation-and-safe-guarding-donor-intent/letter-of-resignation-by-henry-ford-ii>.

Foucault, M 1972, *The archeology of knowledge and the discourse on language*, trans. AM Sheridan Smith, Pantheon Books, New York.

Foucault, M 1980, *Power/knowledge: selected interviews and other writings 1972-1977*, trans. C Gordon, L Marshall, J Mepham & K Soper, Vintage Books, New York.

Foundation Center 2011, *Key facts on social justice grantmaking*, Foundation Center, New York, viewed 1 March 2017, <http://www.issuelab.org/resource/key_facts_on_social_justice_grantmaking_2011>.

Foundation Center 2017, *Foundation Stats*, Foundation Center, New York, viewed 10 March 2017, <file:///C:/Users/a1007722/Downloads/foundation_stats.pdf>.

Freire, P 1972, *Pedagogy of the oppressed*, trans. MB Ramos, Herder & Herder, New York.

Frumkin, P 2006, *Strategic giving: the art and science of philanthropy*, The University of Chicago Press, Chicago.

Gandel Philanthropy n.d., *Gandel philanthropy*, Gandel Philanthropy, Chadstone, Vic, viewed 8 February 2018, <https://www.gandelphilanthropy.org.au/>.

Gardner, J 2014, 'Paul Ramsay's billions left to charity', *The Sydney Morning Herald*, 2 May, viewed 10 October 2019, <https://www.smh.com.au/business/paul-ramsays-billions-left-to-charity-20140502-37m6t.html>.

Geertz, C 1973, *The interpretation of cultures*, Basic Books, New York.

Giddens, A 1981, *A contemporary critique of historical materialism: vol. 1 power, property and the state*, The Macmillan Press Ltd, London.

Gilding, M 2002, *Secrets of the super rich*, HarperCollins, Sydney.

Gilding, M 2004, 'Entrepreneurs, elites and the ruling class: the changing structure of power and wealth in Australian society', *Australian Journal of Political Science*, vol. 39, no. 1, pp. 127–143.

Gill-Atkinson, L, Vaughan, C & Williams, H 2014, 'Sexual and reproductive health and philanthropic funding in Australia', *Sexual Health*, vol. 11, no. 4, pp. 298-304.

Giroux, H 2005, *Border crossings: cultural workers and the politics of education*, 2nd edn, Routledge, New York

Gramsci, A 1971, *Selections from the prison notebooks*, trans. Q Hoare & G Nowell-Smith, eds Q Hoare & G Nowell-Smith, Lawrence & Wishart, London.

Gramsci, A 1978, *Selections from political writings (1921-1926)*, trans. Q Hoare, ed. Q Hoare, Lawrence & Wishart, London.

Gramsci, A 1985, *Selections from cultural writings*, trans. W Boelhower, eds D Forgacs & G Nowell-Smith, Harvard University Press, Cambridge, Massachusetts.

Gramsci, A 1992, *Prison Notebooks Volume I*, trans. JA Buttigieg & A Callari, ed. JA Buttigieg, Columbia University Press, New York.

Gramsci, A 1996, *Prison Notebooks Volume II*, trans. JA Buttigieg, ed. JA Buttigieg, Columbia University Press, New York.

Gramsci, A 2007, *Prison Notebooks Volume III*, trans. JA Buttigieg, ed. JA Buttigieg, Columbia University Press, New York.

Grant, P 2012, *The business of giving: the theory and practice of philanthropy, grantmaking and social investment*, Palgrave Macmillan, Basingstoke.

Green, M 2002, 'Gramsci cannot speak: presentations and interpretations of Gramsci's concept of the subaltern', *Rethinking Marxism*, vol. 14, no. 3, pp. 1-24.

Green, M 2011, 'Rethinking the subaltern and the question of censorship in Gramsci's Prison Notebooks', *Postcolonial Studies*, vol. 14, no. 4, pp. 387-404.

Green, M 2013, ' Race, class, and religion: Gramsci's conception of subalternity', in C Zene (ed.), *The political philosophies of Antonio Gramsci and B.R. Ambedkar: itineraries of Dalits and subalterns*, Routledge, London, pp. 116-128.

Green, M 2015, 'Gramsci and subaltern struggles today: spontaneity, political organization and Occupy Wall Street', in M McNally (ed.), *Antonio Gramsci*, Palgrave Macmillan, Basingstoke, Hampshire, ProQuest Ebook Central, pp. 156-178.

Hall, S 1986, 'Gramsci's relevance for the study of race and ethnicity', *Journal of Communication Inquiry*, vol. 10, no. 2, pp. 5-27.

Hall, S & Jefferson, T (eds) 2006, *Resistance through rituals: youth subcultures in post-war Britain*, 2nd edn, Routledge, London, Taylor & Francis eBooks.

Harada, Y 2008, 'Hegemony, Japan, and the victor's memory of war', in R Howson & K Smith (eds), *Hegemony: studies in consensus and coercion*, Routledge, New York, pp. 218-236.

Haralambos, M & Holborn, M 2000, *Sociology: themes and perspectives*, 5th edn, Collins Educational, London.

Hart, K & Ortiz, H 2014, 'The anthropology of money and finance: between ethnography and world history', *Annual Review of Anthropology*, vol. 43, pp. 465-482.

Harvey, D 2005, *A brief history of neoliberalism*, Oxford University Press, Oxford, ProQuest Ebook Central.

Hay, I & Muller, S 2014, 'Questioning generosity in the golden age of philanthropy: towards critical geographies of super-philanthropy', *Progress in Human Geography*, vol. 38, no. 5, pp. 635–653.

Hegel, GWF 1991, *Elements of the philosophy of right*, trans. HB Nisbet, ed. AW Wood, Cambridge University Press, Cambridge.

Helen Macpherson Smith Trust 2016, *Annual Report*, Helen Macpherson Smith Trust, Melbourne, viewed 25 August 2017, <http://hmstrust.org.au/wp-content/uploads/2016/12/2016-HMST-Annual-Report.pdf>.

Higley, J, Deacon, D & Smart, D 1979, *Elites in Australia*, Routledge & Kegan Paul, London.

Hodgkinson, V & Foley, M (eds) 2003, *The civil society reader*, Tufts University Press, London, ProQuest Ebook Central.

Holmes, G 2012, 'Biodiversity for billionaires: capitalism, conservation and the role of philanthropy in saving/selling nature', *Development and Change*, vol. 43, no. 1, pp. 185-203.

Horvath, A & Powell, WW 2016, 'Contributory or disruptive: do new forms of philanthropy erode democracy?', in R Reich, C Cordelli & L Bernholz (eds), *Philanthropy in democratic societies: history, institutions, values*, The University of Chicago Press, Chicago, pp. 87-122.

Howard, J 2001a, *Community-Business Partnership develops new tax initiatives to promote philanthropy*, Department of Premier and Cabinet, Australian Government, viewed 22 March 2017, <http://pmtranscripts.pmc.gov.au/release/transcript-12842>.

Howard, J 2001b, *Transcript of the Prime Minister the Hon John Howard MP address to ACOSS Congress Melbourne*, Department of Premier and Cabinet, Australian Government, viewed 19 April 2017, <http://pmtranscripts.pmc.gov.au/release/transcript-12373>.

Howe, B 1980, 'The emergence of scientific philanthropy, 1900-1920: origins, issues and outcomes', in R Arnove (ed.), *Philanthropy and cultural imperialsim: the foundations at home and abroad*, Indiana University Press, Bloomington, pp. 25-54.

Howson, R & Smith, K 2008a, 'Hegemony and the operation of consensus and coercion', in R Howson & K Smith (eds), *Hegemony: studies in consensus and coercion*, Routledge, New York, pp. 1-15.

Howson, R & Smith, K (eds) 2008b, *Hegemony: studies in consensus and coercion*, Routledge, New York.

Huang, HJ & Hooper, K 2011, 'New Zealand funding organisations: how do they make decisions on allocating funds to not-for-profit organisations?', *Qualitative Research in Accounting & Management*, vol. 8, no. 4, pp. 425 - 449.

Hyland, A 2017, *Philanthropy 50*, Australian Financial Review, Melbourne, viewed 23 May 2017, <https://www.jbwere.com.au/content/dam/jbwere/documents/afr_magazine_philanthropy_50.pdf>.

Ian Potter Foundation 2017, *The Ian Potter Foundation*, Ian Potter Foundation, Melbourne, viewed 13 April 2017, <http://www.ianpotter.org.au/>.

Jabareen, Y & Vilkomerson, R 2014, 'Public policy in divided societies: the role of policy institutes in advancing marginalized groups', *Innovation: The European Journal of Social Science Research*, vol. 27, no. 1, pp. 46-66.

Jacobs, K 2013, 'Discourse analysis', in M Walter (ed.), *Social research methods*, 3rd edn, Oxford University Press, South Melbourne, pp. 270-291.

Jagpal, N & Laskowski, K 2013, *Real results: why strategic philanthropy is social justice philanthropy*, National Committee for Responsive Philanthropy, Washington DC, viewed 28 April 2017, <https://www.ncrp.org/wp-content/uploads/2016/11/Real_Results_Why_Strategic_Philanthropy_is_Social_Justice_Philanthropy.pdf>.

Jagpal, N & Schlegel, R 2015, *Families funding change: how social justice giving honors our roots and strengthens communities*, National Committee for Responsive Philanthropy, Washington DC, viewed 24 April 2017, <http://www.ncrp.org/wp-content/uploads/2015/10/Families_Funding_Change.pdf>.

Jamrozik, A 2009, *Social policy in the post-welfare state: Australian society in a changing world*, 3rd edn, Pearson, Frenchs Forest, NSW.

Jenkins, GW 2011, 'Who's afraid of philanthrocapitalism?', *Case Western Reserve Law Review*, vol. 61, no. 3, pp. 1-68.

Jenkins, JC & Eckert, CM 1986, 'Channeling black insurgency: elite patronage and professional social movement organizations in the development of the black movement', *American Sociological Review*, vol. 51, no. 6, pp. 812-829.

Jensen, C 2013, 'Foundations and the discourse of philanthropy', *Administrative Theory & Praxis*, vol. 35, no. 1, pp. 106-127.

Jupp, J 1988, *The ethnic composition of Australian elites: an option paper for the Office of Multicultural Affairs*, Office of Multicultural Affairs, Canberra.

Kaldor, M, Anheier, H & Glasius, M 2003, 'Global civil society in an era of regressive globalisation', in M Kaldor, H Anheier & M Glasius (eds), *Global civil society 2003*, London School of Economics and Political Science, London, viewed 2 October 2019, pp. 3-33, <http://www.gcsknowledgebase.org/wp-content/uploads/2003ch1.pdf>.

Karl, BD & Katz, SN 1987, 'Foundations and ruling class elites', *Daedalus*, vol. 116, no. 1, pp. 1-40.

Katz, H 2010, 'Civil society theory: Gramsci', in HK Anheier & S Toepler (eds), *International encyclopedia of civil society*, Springer US, SpringerLink Books, pp. 408-412.

Kendall, G & Wickham, G 1999, *Using Foucault's methods*, Sage Publications, London.

Korten, AE 2009, *Change philanthropy: candid stories of foundations maximizing results through social justice*, Jossey-Bass, San Francisco.

Krehely, J, House, M & Kernan, E 2004, *Axis of ideology: conservative foundations and public policy*, National Committee for Responsive Philanthropy, Washington DC, viewed 15 May 2017, <https://www.ncrp.org/wp-content/uploads/2016/11/AxisofIdeology.pdf>.

Lagemann, EC 1987, 'The politics of knowledge: the Carnegie Corporation and the formulation of public policy', *History of Education Quarterly*, vol. 27, no. 2, pp. 205-220.

Lagemann, EC 1992, *The politics of knowledge : the Carnegie Corporation, philanthropy, and public policy*, University of Chicago Press, Chicago.

Lagemann, EC (ed.) 1999, *Philanthropic foundations: new scholarship, new possibilities*, Indiana University Press, Bloomington.

Leat, D 2004, 'What do Australian foundations do - who knows and who cares?', *Australian Journal of Public Administration*, vol. 63, no. 2, pp. 95-104.

Leat, D 2005, *Theories of social change Paper 4*, International Network on Strategic Philanthropy, Gütersloh, Germany, viewed 24 April 2017, <http://wings.issuelab.org/resources/14013/14013.pdf>.

Leat, D 2009, 'Social change grant-making: a failure of innovation?', *Third Sector Review*, vol. 15, no. 1, pp. 63-83.

Leat, D 2016, *Philanthropic foundations, public good and public policy*, Palgrave Macmillan, London, SpringerLink (eBook).

Ledwith, M 2012, 'Community development's radical agenda: social justice and environmental sustainability', in A Azzopardi & S Grech (eds), *Inclusive communities: a critical reader*, Sense Publishers, Rotterdam, SpringerLink Books, pp. 23-39.

Leigh, A 2013, *Battlers and billionaires : the story of inequality in Australia*, Redback, Collingwood, Victoria, ProQuest Ebook Central.

Li, X & Hersh, J 2002, 'Understanding capitalism: crises and passive revolutions', *Competition & Change*, vol. 6, no. 2, pp. 193-212.

Liffman, M 2004, *Seventy-five years of Myer family philanthropy: a tradition of giving*, Melbourne University Press, Carlton, Victoria.

Liguori, G 2015, 'Conceptions of subalternity in Gramsci', in M McNally (ed.), *Antonio Gramsci*, Palgrave Macmillan, Basingstoke, Hampshire, ProQuest Ebook Central, pp. 118-133.

Liu, H & Baker, C 2016a, 'Ordinary aristocrats: the discursive construction of philanthropists as ethical leaders', *Journal of Business Ethics*, vol. 133, no. 2, pp. 261–277.

Liu, H & Baker, C 2016b, 'White knights: leadership as the heroicisation of whiteness', *Leadership*, vol. 12 no. 4, pp. 420–448.

Lyons, M 2001, *Third sector: the contribution of nonprofit and cooperative enterprise in Australia*, Allen & Unwin, Crows Nest.

Madden, K 2006, 'Giving and identity: why affluent Australians give - or don't - to community causes', *Australian Journal of Social Issues*, vol. 41, no. 4, pp. 453-476.

Madden, K & Scaife, W 2008, *Good times and philanthropy: giving by Australia's affluent*, Queensland University of Technology, Brisbane, viewed 10 March 2017, <http://eprints.qut.edu.au/27262/1/Good_Times_and_Philanthropy_Giving_By_Australias_Affluent_March_2008.pdf>.

Madden, K & Scaife, W 2010, 'Philanthropy in Australia', in HK Anheier & S Toepler (eds), *International encyclopedia of civil society*, Springer US, SpringerLink Books, pp. 1192-1196.

Mann, G 2013, 'State of confusion: money and the space of civil society in Hegel and Gramsci', in M Ekers, G Hart, S Kipfer & A Loftus (eds), *Gramsci: space, nature, politics*, John Wiley & Sons, Oxford, ProQuest Ebook Central, pp. 104-120.

Mann, M 1993, *The sources of social power: volume II: the rise of classes and nation-states, 1760-1914*, Cambridge University Press, Cambridge.

Mann, M 2012, *The sources of social power: volume 3: global empires and revolution, 1890-1945*, Cambridge University Press, New York.

Manwaring, R 2017, 'New developments: recalibrating civil society-the case of Australia', *Public Money and Management*, vol. 37, no. 2, pp. 121-125.

Matsuda, H & Ohara, K 2008, 'Hegemony and the elaboration of the process of subalternity', in R Howson & K Smith (eds), *Hegemony: studies in consensus and coercion*, Routledge, New York, pp. 51-62.

Mauss, M 1990, *The gift: the form and reason for exchange in archaic societies*, trans. WD Halls, Routledge, London.

Mayo, P 2013, *Echoes from Freire for a critically engaged pedagogy*, Bloomsbury, New York, ProQuest Ebook Central.

Mayo, P 2014, 'Gramsci and the politics of education', *Capital & Class*, vol. 38, no. 2, pp. 385-398.

Mayo, P 2015, 'Gramsci, education and power', in A Kupfer (ed.), *Power and education: contexts of oppression and opportunity*, Palgrave Macmillan, Basingstoke, UK, SpringerLink Books, pp. 41-57.

Mayr, A 2015, 'Institutional discourse', in D Tannen, H Hamilton & D Schiffrin (eds), *The handbook of discourse analysis*, John Wiley & Sons, West Sussex, ProQuest Ebook Central, pp. 755-774.

McCarthy, JD & Zald, MN 1977, 'Resource mobilization and social movements: a partial theory', *American Journal of Sociology*, vol. 82, no. 6, pp. 1212-1241.

McGoey, L 2012, 'Philanthrocapitalism and its critics', *Poetics*, vol. 40, no. 2, pp. 185-199.

McGoey, L 2014, 'The philanthropic state: market–state hybrids in the philanthrocapitalist turn', *Third World Quarterly*, vol. 35, no. 1, pp. 109–125.

McGregor-Lowndes, M & Critall, M 2014, *An examination of tax deductible donations made made by individual Australian taxpayers in 2011-12*, Queensland University of Technology, Brisbane, viewed 10 March 2017, <http://eprints.qut.edu.au/72596/1/Tax_stats_2011-12_Working_Paper_ACPNS_63.pdf>.

McHoul, A & Grace, W 1993, *A Foucault primer: discourse, power and the subject*, Melbourne University Press, Carlton, Victoria.

Meachen, V 2009, *A grantseeker's guide to trusts and foundations*, Philanthropy Australia, Melbourne, viewed 21 March 2017, <http://www.philanthropy.org.au/images/site/misc/Tools__Resources/Publications/PA_Grantseekers-Guide-Trusts-Foundations.pdf>.

Meachen, V 2010a, *A guide to giving for Australians*, Philanthropy Australia, Melbourne, viewed 24 August 2017, <https://www.philanthropy.org.au/images/site/misc/Grant_Maker_Tools/PA_A-Guide-to-Giving.pdf>.

Meachen, V 2010b, *An introductory guide to grantmaking* Philanthropy Australia, Melbourne, viewed 21 March 2017, <https://www.philanthropy.org.au/images/site/misc/Grant_Maker_Tools/PA_An-Introductory-Guide-to-Grantmaking.pdf>.

Meret, S & Della Corte, E 2016, 'Spaces of resistance and re-actuality of Gramsci in refugees' struggles for rights? The 'Lampedusa in Hamburg' between exit and voice', in OG Agustín & MB Jørgensen (eds), *Solidarity without borders: Gramscian perspectives on migration and civil society alliances*, Pluto Press, London, pp. 203-220.

Miles, M, Huberman, A & Saldana, J 2014, *Qualitative data analysis*, 3rd edn, Sage, London.

Minderoo Foundation 2016, *Annual report*, Minderoo Foundation, Nedlands, WA, viewed 29 May 2017, <https://s3-ap-southeast-2.amazonaws.com/annualreport2016.minderoo.com.au-assets/content/uploads/2016/11/10114852/Minderoo-Annual-Report-20161.pdf>.

Minderoo Foundation 2017, *Annual report*, Minderoo Foundation, Nedlands, WA, viewed 8 February 2018, <https://cdn.minderoo.com.au/content/minderoo-annual-report-2017.pdf>.

Minderoo Foundation n.d., *Minderoo Foundation*, Minderoo, Nedlands WA, viewed 24 April 2017, <https://www.minderoo.com.au/>.

Modonesi, M 2014, *Subalternity, antagonism, autonomy: constructing the political subject*, trans. A Rendon Garrido & P Roberts, Pluto Press, London, ProQuest Ebook Central.

Morton, AD 2010, 'The continuum of passive revolution', *Capital & Class*, vol. 34, no. 3, pp. 315-342.

Muir, K & Bennett, S 2014, *The compass: your guide to social impact measurement*, The Centre for Social Impact, Sydney, viewed 7 August 2019, <https://www.csi.edu.au/media/uploads/CSI_The_Compass.pdf>.

Muller, D 2016, *'Islamisation' and other anxieties: voter attitudes to asylum seekers*, The University of Melbourne, Melbourne, viewed 28 September 2017, <http://socialequity.unimelb.edu.au/__data/assets/pdf_file/0009/1986201/MULLER-D-Islamisation-and-other-anxieties.pdf>.

Mumby, DK & Clair, RP 1997, 'Organizational discourse', in T van Dijk (ed.), *Discourse as social interaction: discourse studies: a multidisciplinary introduction volume 2*, Sage Publications, London, pp. 181-205.

Murray, G & Chesters, J 2012, 'Economic wealth and political power in Australia, 1788-2010', *Labour History*, no. 103, pp. 1-15.

Musgrove, F 1978, 'Book reviews: Resistance Through Rituals and Working Class Youth Culture', *Sociology*, vol. 12, no. 1, pp. 161-163.

National Committee for Responsive Philanthropy 2005, *Social justice philanthropy: the latest trend or a lasting lens for grantmaking*, National Committee for Responsive Philanthropy, Washington DC, viewed 22 June 2015, <https://www.ncrp.org/>.

O'Connor, A 1999, 'The Ford Foundation and philanthropic activism in the 1960s', in EC Lagemann (ed.), *Philanthropic foundations: new scholarship, new possibilities*, Indiana University Press, Bloomington , Indiana, pp. 169-194.

O'Halloran, K, McGregor-Lowndes, M & Simon, KW 2008, *Charity law & social policy: national and international perspectives on the functions of the law relating to charities*, Springer Netherlands, Springer eBooks.

Odendahl, T 1989, 'The culture of elite philanthropy in the Reagan years', *Nonprofit and Voluntary Sector Quarterly*, vol. 18, no. 3, pp. 237-248.

Orosz, JJ 2000, *The insider's guide to grantmaking: how foundations find, fund, and manage effective programs*, Jossey-Bass, San Francisco.

Ostrander, SA 2005, 'Legacy and promise for social justice funding: charitable foundations and progressive social movements, past and present', in DR Faber & D McCarthy (eds), *Foundations for social change: critical perpectives on philanthropy and popular social movements*, Rowman & Littlefield, New York, pp. 33-59.

Ostrander, SA & Schervish, PG 1990, 'Giving and getting: philanthropy as a social relation', in J van Til (ed.), *Critical issues in American philanthropy: strengthening theory and practice*, Jossey-Bass, San Francisco, pp. 67-98.

Oxfam Australia 2018, *Growing gulf between work and wealth-Australian fact sheet*, Oxfam Australia, Carlton, Victoria, viewed 22 January 2018, <https://www.oxfam.org.au/wp-content/uploads/2018/01/2018-Davos-fact-sheets.pdf>.

Paul Ramsay Foundation n.d., *How we invest*, Paul Ramsay Foundation, Darlinghurst, New South Wales, viewed 28 January 2020, <https://paulramsayfoundation.org.au/how-we-invest/>.

Pecheux, M 1982, *Language, semantics and ideology*, trans. H Nagpal, St Martin's Press, New York.

Pereira Di Salvo, CJ 2015, 'Hegel's torment: poverty and the rationality of the modern state', in A Buchwalter (ed.), *Hegel and capitalism*, State University of New York Press, Albany, New York, ProQuest Ebook Central, pp. 101-116.

Philanthropy Australia n.d.-a, *Fast facts and statistics on giving in Australia*, Philanthropy Australia, Melbourne, viewed 13 August 2018, <http://www.philanthropy.org.au/tools-resources/fast-facts-and-stats/>.

Philanthropy Australia n.d.-b, *Types of foundation: a Philanthropy Australia fact sheet*, Philanthropy Australia, Melbourne, viewed 13 August 2018, <http://www.philanthropy.org.au/images/site/misc/Tools__Resources/Types_of_Foundations_in_Australia.pdf>.

Phillips, N & Hardy, C 2002, *Discourse analysis: investigating processes of social construction*, Sage Publications, London.

Phillips, N, Sewell, G & Jaynes, S 2008, 'Applying critical discourse analysis in strategic management research', *Organizational Research Methods*, vol. 11, no. 4, pp. 770-789.

Pizzolato, N & Holst, J 2017, 'Gramsci, politics and pedagogy: an interpretative framework', in N Pizzolato & J Holst (eds), *Antonio Gramsci: a pedagogy to change the world*, Springer International Publishing, Cham, Switzerland, SpringerLink Books Education, pp. 1-32.

Power, M 2011, 'Foucault and sociology', *Annual Review of Sociology*, vol. 37, pp. 35-56.

Poynter, J 2003, *Mr Felton's bequests*, The Miegunyah Press, Carlton, Victoria.

Prewitt, K 2006, 'Foundations', in WW Powell & R Steinberg (eds), *The nonprofit sector: a research handbook*, 2nd edn, Yale University Press, London, ProQuest Ebook Central, pp. 355-377.

Prime Minister's Community Business Partnership 2017, *Giving Australia 2016*, Prime Minister's Community Business Partnership, Australian Government, viewed 5 May 2017, <http://www.communitybusinesspartnership.gov.au/about/research-projects/giving-australia-2016/>.

Prior, L 2008, 'Repositioning documents in social research', *Sociology*, vol. 42, no. 5, pp. 821-836.

Raddon, M 2008, 'Neoliberal legacies: planned giving and the new philanthropy', *Studies in Political Economy*, vol. 81, no. 1, pp. 27-48.

Rehmann, J 2013, 'Occupy Wall Street and the question of hegemony: a Gramscian analysis', *Socialism and Democracy*, vol. 27, no. 1, pp. 1-18.

Reich, R 2011, 'Toward a political theory of philanthropy', in P Illingworth, T Pogge & L Wenar (eds), *Giving well: the ethics of philanthropy*, Oxford University Press, New York, pp. 177-195.

Reich, R 2016a, 'On the role of foundations in democracies', in R Reich, C Cordelli & L Bernholz (eds), *Philanthropy in democratic societies: history, institutions, values*, The University of Chicago Press, Chicago, pp. 64-81.

Reich, R 2016b, 'Repugnant to the whole idea of democracy? on the role of foundations in democratic societies ', *PS: Political Science & Politics*, vol. 49, no. 3, pp. 466-472.

Reich, R, Cordelli, C & Bernholz, L (eds) 2016, *Philanthropy in democratic societies: history, institutions, values*, The University of Chicago Press, Chicago.

Reichstein Foundation 2016, *Report 2013-2016*, Reichstein Foundation, Melbourne, viewed 2 June 2017, <file:///C:/Users/a1007722/Downloads/Reichstein-Report-2013-2016.pdf>.

Reichstein Foundation n.d., *Reichstein Foundation*, Reichstein Foundation, Melbourne, viewed 26 May 2017, <https://www.reichstein.org.au/>.

Rich, A 2005, 'War of ideas: why mainstream and liberal foundations and the think tanks they support are losing in the war of ideas in American politics', *Stanford Social Innovation Review*, vol. 3, no. 1, pp. 18-25.

River Nile Learning Centre n.d., *The River Nile Learning Centre*, River Nile Learning Centre, North Melbourne, viewed 29 February 2020, <https://www.rnlc.org.au/>.

Roelofs, J 2003, *Foundations and public policy: the mask of pluralism*, State University of New York Press, Albany, New York.

Roelofs, J 2005, 'Liberal foundations: impediments or supports for social change?', in DR Faber & D McCarthy (eds), *Foundations for social change: critical perspectives on philanthropy and popular movements*, Rowman & Littlefield, New York, pp. 61-87.

Roelofs, J 2007, 'Foundations and collaboration', *Critical Sociology*, vol. 33, no. 3, pp. 479-504.

Rogers, R 2011, 'Why philanthro-policymaking matters', *Society*, vol. 48, no. 5, pp. 376-381.

Rolfe, H 2017, 'Inequality, social mobility and the new economy: introduction', *National Institute Economic Review*, vol. 240, no. 1, pp. R1-R4.

Sandfort, J 2008, 'Using lessons from public affairs to inform strategic philanthropy', *Nonprofit and Voluntary Sector Quarterly*, vol. 37, no. 3, pp. 537-552.

Sassoon, AS 1987, *Gramsci's politics*, 2nd edn, University of Minneapolis Press, Minneapolis.

Scaife, W, Williamson, A, McDonald, K & Smyllie, S 2012, *Foundations for giving: why and how Australians structure their philanthropy*, Queensland University of Technology, Brisbane, viewed 17 May 2017, <https://eprints.qut.edu.au/48801/1/48801.pdf>.

Scott, J 2014, 'Collective and distributive power', in J Scott (ed.), *A dictionary of sociology*, Oxford University Press, Oxford, Oxford Reference Library Premium.

Sievers, BR 2010, *Civil society, philanthropy, and the fate of the commons*, University Press of New England, Lebanon, New Hampshire.

Silber, I 1998, 'Modern philanthropy: reassessing the viability of a Maussian perspective', in W James & NJ Allen (eds), *Marcel Mauss: a centenary tribute*, Berghahn Books, New York, pp. 134-150.

Silver, I 1997, 'Constructing 'social change' through philanthropy: boundary framing and the articulation of vocabularies of motives for social movement participation', *Sociological Inquiry*, vol. 67, no. 4, pp. 488-503.

Simon, R 2015, *Gramsci's political thought: an introduction*, 3rd edn, Lawrence & Wishart, London.

Smith, K 2010, 'Gramsci at the margins: subjectivity and subalternity in a theory of hegemony', *International Gramsci Journal*, vol. 1, no. 2, pp. 39-50.

Smyllie, S, Scaife, W & McDonald, K 2011, 'That's what governments do: exploring fundamental barriers to public–philanthropic interaction: the example of indigenous well-being', *Public Management Review*, vol. 13, no. 8, pp. 1139–1154.

Sprague, J-a 2018, 'Andrew Forrest applies business know-how to philanthropic causes', *AFR Magazine*, 27 April, viewed 1 November 2019, <https://www.afr.com/life-and-luxury/how-andrew-forrest-applies-business-knowhow-to-philanthropic-causes-20180313-h0xemt>.

Steinberg, R 2006, 'Economic theories of nonprofit organizations', in WW Powell & R Steinberg (eds), *The nonprofit sector: a research handbook*, 2nd edn, Yale University Press, London, ProQuest Ebook Central, pp. 117-139.

Stiglitz, J 2013, *The price of inequality*, Penguin Books, London.

Strauss, A & Corbin, J 1990, *Basics of qualitative research*, Sage Publications, London.

Suarez, DF 2012, 'Grant making as advocacy: the emergence of social justice philanthropy', *Nonprofit Management & Leadership*, vol. 22, no. 3, pp. 259-280.

The Myer Foundation 2017, *Sidney Myer Fund and The Myer Foundation*, The Myer Foundation, Melbourne, viewed 24 April 2017, <http://myerfoundation.org.au/>.

The Rockefeller Archive Center n.d., *100 years the Rockefeller Foundation: Beardsley Ruml*, The Rockefeller Archive Center, New York, viewed 13 April 2017, <http://rockefeller100.org/biography/show/beardsley-ruml>.

The Treasury 2016, *Private Ancillary Fund Guidelines 2009: as amended*, Australian Government, Canberra, viewed 21 March 2017, <file:///C:/Users/a1007722/Downloads/F2016C00435%20(4).pdf>.

The Wyatt Trust 2017, *Annual report 2016/2017*, The Wyatt Trust, Adelaide, viewed 8 February 2018, <http://wyatt.org.au/wp-content/uploads/2018/02/Wyatt-Annual-Report-16-17-FINAL.pdf>.

Tranter, B 2013, 'Sampling', in M Walter (ed.), *Social research methods*, 3rd edn, Oxford University Press, South Melbourne, pp. 99-118.

Travers, M 2013, 'Qualitative interviewing methods', in M Walter (ed.), *Social research methods*, 3rd edn, Oxford University Press, South Melbourne, pp. 227-253.

Unwin, J 2014, *Poverty, inequality and a modern social contract relevant for a changing world*, Reichstein Foundation, Melbourne, viewed 24 April 2017, <https://www.philanthropy.org.au/images/site/misc/NEWS/RF_Discussion_paper_web.pdf>.

van Dijk, T 1993, 'Principles of critical discourse analysis', *Discourse & Society*, vol. 4, no. 2, pp. 249-283.

van Dijk, T 2008, *Discourse and power*, Palgrave Macmillan, Hampshire.

van Dijk, T 2015, 'Critical discourse analysis', in D Tannen, H Hamilton & D Schiffrin (eds), *The handbook of discourse analysis*, John Wiley & Sons, West Sussex, ProQuest Ebook Central, pp. 466-485.

van Dijk, T 2016, 'Critical discourse studies: a sociocognitive approach', in R Wodak & M Meyer (eds), *Methods of Critical Discourse Studies*, 3rd edn, Sage, London, pp. 62-85.

von Münchow, P 2018, 'Theoretical and methodological challenges in identifying meaningful absences in discourse', in M Schröter & C Taylor (eds), *Exploring silence and absence in discourse: empirical approaches*, Palgrave Macmillan, Cham, Switzerland, SpringerLink Books Social Sciences, pp. 215-240.

Walker, D 2015, 'Toward a new gospel of wealth blog post', *Equals change blog,* 1 October, viewed 15 January 2019, <https://www.fordfoundation.org/ideas/equals-change-blog/posts/toward-a-new-gospel-of-wealth/>.

Webb, D 2013, *Foucault's archeology: science and transformation*, Edinburgh University Press, Edinburgh, DOAB Directory of Open Access Books.

Weber, M 1985, 'The Protestant ethic and the spirit of capitalism', trans. T Parsons, Unwin Paperbacks, London.

Whitt, M 2013, 'The problem of poverty and the limits of freedom in Hegel's theory of the ethical state', *Political Theory*, vol. 41, no. 2, pp. 257-284.

Wilson, J 1983, 'Corporatism and the professionalization of reform ', *Journal of Political and Military Sociology*, vol. 11, no. 1, pp. 53-68.

Wolff, R 2015, 'Critics of capitalism must include its definition', *Truthout*, 26 May, viewed 15 October 2019, <https://truthout.org/articles/critics-of-capitalism-must-include-its-definition/>.

Yeend, P 2000, *Welfare review*, Parliament of Australia publications archive, Canberra, viewed 19 April 2017, <http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/archive/welfarebrief>.

Young, M & Muller, J 2013, 'On the powers of powerful knowledge', *Review of Education*, vol. 1, no. 3, pp. 229-250.

Yule, P 2006, *Ian Potter: a biography*, The Miegunyah Press, Carlton, Vic.

Zunz, O 2012, *Philanthropy in America: a history*, Princeton University Press, Princeton.