

Views on Carnegie's Philosophy on Philanthropy

JIANG Rong^{[a].*}

^[a] English Teaching and Researching Office, Basic Course Department, Wan Jiang University of Technology, Ma'an Shan, China.
*Corresponding author.

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Abstract

In the late 1920s, great American industrial giant, Andrew Carnegie found, Modern American charitable trusts. In Carnegie's "The Gospel of Wealth,"-its' basic principle lays the ideological foundation for modern American foundations. His thoughts on wealth are bold. It challenges, creativity, which inspires scientific administration and application of wealth surplus to benefit society. Society, thus, gains long-term stability and; beneficiaries reap long-lasting social interests. From the late 1930s to the beginning of the 20th century, Americans regarded philanthropy as one of the most effective ways for public figures to build societal image. Some readings and books related to Carnegie's philosophy on Philanthropy. Challenge whether traditional understandings on wealthy individuals' philanthropy were either passively motivated or ill-intentioned. Using Andrew Carnegie's philosophy on philanthropy as a case study, this article studies the most important economic and political figure Andrew Carnegie in the period of American industrialization. This article analyzes his thoughts and practices, its influences on the country's philanthropic culture, as well as continuing developments on socialist democratic society.

Key words: Philanthropy; Distribute; Interest; Philosophy

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In the United States, philanthropy is not only a gift for the people who need it, but it also stimulates individual and national progress. Philanthropy can be understood as a part of the American progressive tradition (Zunz, 2012, p.7). Andrew Carnegie distributed his money before his death-not in the form of charity, but in forms which would, "stimulate the best and most aspiring poor of community to further efforts for their own improvement." (McCloskey, 1951) Different people have different views on Carnegie's philosophy of philanthropy. Some people have deep gratitude for his generosity, while others dispute this behavior. They think it breaks the true order of societal development. It may intervene the order of public citizenship, opportunity, and rights. As far as I am concerned, we should cherish benefactions. Not everyone with wealth is willing to distribute his or her own wealth to benefit the unfamiliar individual or the society as a whole.

CARNEGIE'S PHILOSOPHY OF PHILANTHROPY

For the millionaire who fulfills his social duty this philanthropy need never and should never present itself. For "the man who dies thus rich dies disgraced." (McCloskey, 1951) In Carnegie's "The Gospel of Wealth", he interprets that men die with great enterprise without leaving their surplus of wealth for the public use. Those men pass away "unwept, unhonored, and unsung." (Carnegie, 2016, p.18.)

The Carnegie known as the ruthless King of Industry was now gone. Through a clearly planned and incomparably publicized scheme of great benefactions, a new Carnegie rose. This materialization was a saintly soul, overflowing with love and sympathy for all mankind (Winkler, 1931, p.277). Carnegie gave away most of his millions, which earned him reputation and admiration. Later, he became a symbol of "Saint Andy". He was

described as a bearded little gentleman, consumed by the only desire to alleviate the burdens of his fellow mankind. He provided a beam of hope for the people- and society as a whole. He wanted this group to benefit from his “superior wisdom, experience, and ability to administer.”¹

All aspects of human industry were stimulated and enlarged by the inventions of the Scientific Age (Carnegie, 2016, p.3). It is like an employer and employee’s relationship. They work side by side, the employee subject to the employer. When employees have enough ability to start their own business, their working mode does not change much. This is the so called substantial social equality. It is political equality for those that engage in industrial pursuits with few voices.

Carnegie was a brilliant man who later put much of his energy into philanthropy and “doing good.” His new role was “Mr. Fix-It”. He conducted large-scale philanthropy with the same passion he had in managing his steel business. His philanthropic ways were more or less like his early days of “wise distribution.” Even though he lived in a microcosm of his own- this did not lessen his self-esteem. All his life, he strived to save time and money. It was inevitable that his income exceeded his expenditures, and, thus wealth was accumulated. “To spend money is easy, to spend it well is hard,” wrote economist Wesley Mitchell in the pages of the *American Economic Review* in 1912, elaborating on the “backward art of spending money” that characterized most Americans at that time.² In Carnegie’s philanthropy, he strictly followed his intelligent managerial principles that he gained in his early steel business. The following century, philanthropists and their advisers would follow Carnegie’s philanthropic ways for inspiration on how to spend money for the common good.

By “fortunes”, it is the returns on which are required for the comfortable maintenance and education of families, not moderate sums saved by many years of effort. The latter is not wealth, but only a sign of competence, which should be the aim of all to acquire.³ American philanthropy is not a matter of the rich helping people in need, but of people, rich or not, providing for their own future.⁴ Carnegie’s philanthropic wealth was intended for public purpose (-from which the public reaps the main benefit), which was valuable to society. His main philanthropic task was to inspire the best and most aspiring poor group to further efforts for their own improvement. He wanted this group to have the opportunity to benefit from his “superior wisdom, experience, and ability to administer”. He regarded his surplus revenues as trust funds that could commit to the duty of helping communities that could benefit from

it. In bestowing charity, the main consideration was to help those who would help themselves. For example, to provide part of the means by which those who desired to improve themselves; to give to those who desired to use the aids by which they may rise; to be assisted, but rarely or never to do all.⁵ This implies there are some individuals necessarily limited by their lack of knowledge on connected circumstances. Carnegie wanted to donate his wealth to worthy causes. Those are causes that could help in body and mind. For example, works of art- bring individual pleasure and improve public taste. Public institutions are another worthy cause, as it can improve people’s social conditions.

In this way, Carnegie’s wealth transcends the legacy he had while he was alive. His wealth now lives on in the many manifestations of his philanthropic efforts.

PEOPLE’S RESPONSE TO CARNEGIE’S PHILOSOPHY OF PHILANTHROPY

There are lots of research on Carnegie’s philosophy on philanthropy, both appreciative and critical. In public, it is regarded as roast beef or apple pie. Carnegie put his theory into practice. The gospel of trusteeship was a critical component of Carnegie’s philanthropy. It made him rich and famous, as well as giving him the glory of social heroism. Some people wrote letters to show their gratitude toward his donations. Babies were named after him. His doings and his sayings became world renowned. His chief objection seemed to be that it would cost too much to heat and water.⁶

Another kind of voice appeared during this time- those that did not appreciate Carnegie’s philosophy of philanthropy. Despite continued recognition of philanthropy as a public asset, its history has been contentious. Philanthropists invested their resources in the greater American fight over the definition of the common good. They took sides in all the partisan encounters which divided our society, and strategically intervened in essential debates on citizenship, opportunity, and rights.⁷ They thought Carnegie did it for his own interests in expanding his business and fortune. Carnegie also sponsored the government and government officials that were in line with his interests. This made some people think Carnegie’s own interests were at odds with social justice. His alliance with the government brought huge benefits to his business development. From a critical perspective, some people think he may have intervened in government policy decisions.

¹ Robert, *American Conservatism In the Age of Enterprise*, 1951.

² Oliver, *Philanthropy in America: a history*, 1.

³ Andrew, *The Gospel of Wealth Essays and Other Writings*, 8.

⁴ Oliver, *Philanthropy in America: a history*, 295.

⁵ Andrew, *The Gospel of Wealth Essays and Other Writings*, 17.

⁶ John, *Incredible Carnegie: The Life of Andrew Carnegie(1835-1919)*, 288.

⁷ Oliver, *Philanthropy in America: a history*, 5.

THE INFLUENCE OF CARNEGIE'S PHILOSOPHY OF PHILANTHROPY

Carnegie's large donation amounts in many areas allowed him to be very influential. He hurled immense energy into almost every conceivable activity. He became a sort of adviser emeritus to various governments, individuals, and groups. He had an opinion and a remedy for about, every controversial social, political, or ethical issue—that engaged the mode of thought at the time. He threw himself into these movements with all the enthusiasm and fierce determination with which he had used to fight his way to the top in business. His innate gift of showmanship and intuitive knowledge on how to attract attention garnered as much publicity as a President or a Pope could, and made him perhaps the most celebrated private citizen on Earth.⁸ His influence was wide spread, both at home and abroad. In Russia, India, and even in China, peasants knew his name. More than fifty million people in the English speaking world had used Carnegie libraries. This made Carnegie proud of himself, because he did improve people's spirits through his libraries, where one could find hundreds of books and pleasant reading rooms. He built universities to satisfy children's thirst for education. He sponsored poor students to give them the opportunity of acquiring knowledge, which had the potential to change their destinies.

CONCLUSION

Carnegie wanted the public to know that he had the resolve to become a philanthropist of his own conscious duty. His wealth allowed him to decide he wanted to spend it for the common good. He and his peers worked hard to invest his fortunes within the United States and abroad with minimum risks. Traditional charitable givers had more modest goals and did not expect much in return for their generosity. What may have been true of the traditional giver, however, was no longer true of the modern philanthropic funder. American philanthropy would become a capitalist venture in social betterment, not an act of kindness as understood in Christianity.⁹

Wealthy Americans, built a large number of new libraries, museums, and hospitals across the nation, which

truly benefited the country and the world. Philanthropy was to be for human beings. Philanthropists, however, could not have done this by themselves. Cooperation was needed among the rich, the various progressive elites of the academic world, local governments, the judiciary, and emerging professional associations. With these parties working together, they need to figure out how to put money to work for science, education, and public health. Undoubtedly, private fortunes constituted an important public resource for social progress.

With each successive iteration, participating in mass philanthropy became more firmly established as an American value. It even became a part of the American standard of living in the sense that a greater number of families would routinely budget small contributions for philanthropy.¹⁰ Only when welfare institutions and charitable habits became systematic in the search for the common good did philanthropy become a national commitment. In attempting to characterize American philanthropy, Alexis de Tocqueville's grasp of the relationship between interest and altruism remains an essential starting point.¹¹ All human beings have an impulse of bestowing the weak, but philanthropy is not simply the consequence of universal altruistic impulses. It was the product of a larger organizational revolution in the United States. Philanthropy brought to the public, not only pure changes, but also a type of revolution. The act of generosity also fulfilled some philanthropists' personal interests. In Tocqueville's theory, he labels this mechanism "self-interest properly understood."¹² Philanthropy is the combination of "self-interest" and collective betterment.

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⁸ John, *Incredible Carnegie: The Life of Andrew Carnegie (1835-1919)*, 279.

⁹ Oliver, *Philanthropy in America: a history*, 1-2.

¹⁰ Oliver, *Philanthropy in America: a history*, 72.

¹¹ *Ibid*, 295-296

¹² *Ibid*, 296.