WHAT CAN HISTORY CONTRIBUTE TO NON-PROFIT EDUCATION?

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Abstract

The field of non-profit studies and teaching has grown significantly over the past 40 years and is increasingly adopting a cross-disciplinary perspective. However, until recently, history has been largely absent from the curriculum. This paper attempts to redress the imbalance. While acknowledging that the past cannot provide a ready-made template for the future, it argues that history is essential for our understanding of the way in which the non-profit sector has developed and can provide lessons for future courses of action, as well as helping to reconnect voluntary organisations to their founding values and missions. The paper draws on a range of examples from the history of the sector in the UK and the experience gathered by the author in teaching a history of philanthropy module to students on the charity masters' programme at The Business School (formerly Cass), City, University of London.

Keywords: history, voluntary organisations, non-profit sector, voluntary sector.

Introduction

Non-profit studies is a relatively new discipline, although it has expanded significantly in last quarter of a century as the development of the Nonprofit Academic Centers Council illustrates. There are now more academic courses on non-profits than at any time, most at masters' level, but with a smattering for under-graduates (Horton Smith, 2013, Harris, 2016).

Despite this growth, history has been slow to force its way onto the curriculum, although there is a suggestion that things might be changing. History of philanthropy courses have recently been established at the Institute of Education, King's College London and City, University of London, and the HistPhil blog site lists a number of new non-profit history courses in the US. HistPhil was launched in 2015. In an opening blog, the editors identified four aims of the new initiative: To highlight historical work; to use the past to address contemporary issues; to build bridges between academics and practitioners; and to help build the field of non-profit history (Histphil.org, 2015).

At the Centre for Charity Effectiveness within the Business School (formerly Cass), City, University of London, all new students on the charity masters' programme are exposed on their first teaching weekend to an examination of the history of the voluntary sector. It is argued that such an introduction is an essential part of the contextualisation process, and that without a basic understanding of where the sector has come from it is difficult to comprehend the nature of the current opportunities and challenges. Feedback to the module has been extremely positive, despite initial reservations from some students about its relevance. To quote from alumni:

It was very useful to be given a historical lens in which to view the voluntary sector, and it gave us the ability to reflect on how we arrived at our current point and from where the sector was born.

I loved being brought up to speed with more than 400 years of history in just one session. I thought this was excellent and extremely insightful.

This paper contends that it is time to speed up this development and install history as a major feature of non-profit education, drawing on an earlier pioneering study by Hammack (2006). It argues that the study of history can add significantly to non-profit education; respectively suggesting that no serious non-profit studies course can ignore an historical dimension. In doing so it is mindful of the resource constraints within most non-profit courses that work against innovation, and of the highly contested nature of the assertion that history can teach us lessons today. These thoughts are therefore offered as provocations in the hope of starting, or at least quickening, the debate.

History is Bunk?

The question of what history can teach us, if anything, has long preoccupied historians and policy makers (Carr, 1961, Macmillan, 2009, Hobsbawm and Evans, 1997, Cannadine, 2002, Tosh, 2008, 2010). This is not the place to rehearse these arguments in detail. Suffice to say that one should treat with scepticism extreme claims made on both sides of the divide, either that history is bunk and has no relevance to the present, or that a grounding in the past will somehow magically make for better decision making in the future. Neither can stand up to scrutiny.

The premise of this paper is that, while we must be careful not to over claim, history does have a *valuable* role to play in non-profit education as in any other sphere of inquiry. In their classic 1986 analysis, Neustadt and May, of the Kennedy School of Government, argued that the uses of history for decision makers included learning how to reason from historical analogies, critique assumptions, evaluate the histories of specific issues, 'place' strangers and unfamiliar organisations, identify patterns in the actions of significant decision makers, and 'see time as a stream' (Neustadt and May, 1986, p.461). John Tosh (2010), in *The pursuit of history*, among other purposes, suggests history enables us to learn lessons from the familiar, face up to the pain of the past, question assumptions, and challenge notions of the 'natural'.

Drawing on these and similar claims from other historians, this paper argues that the value of history for non-profit studies can be based on three linked assertions. First, that we cannot understand the challenges facing the sector today without understanding its roots. This knowledge might not prevent us making the same mistakes, but it can surely open our eyes to false pathways and new opportunities. Second, that an understanding of the past can provide reassurance to those grappling with seemingly intractable problems such as lack of resources, threats to independence from government encroachment, and choices of organisational form. Knowing that these debates aren't new may not lead directly to new solutions, but can provide comfort to non-profit leaders that others have faced similar dilemmas in the past and survived and often thrived. And third, that when times are tough, inspiration can sometimes be found by focusing inwards, on the founding stories of an organisation, the reasons it was established, and the lives and struggles of its

founders. This is not a call for us to treat history with undue reverence. Individual motives in the past, as in the present, come from a variety of positions, not always palatable to contemporary sensibilities. And founding stories and visions need to adapt and change in light of changing circumstances. But reconnecting with our roots, with our founders and their stories of failure and success, can provide us with inspiration for the challenges we face.

Three contributions of history to non-profit education

The first contribution that history can make to non-profit education is to help us make sense of where we have come from. Lester Salamon and colleagues at Johns Hopkins University have been using an historical approach to shed light on the different welfare trajectories taken by different countries. Drawing on the social origins work of Gosta Esping-Andersen (1990), they have developed a typology of six different welfare regimes: traditional, liberal, welfare partnership, social democratic, statist and transitional, which helps account for the differences in the size and shape of the voluntary sector in different countries (Salamon, Sokolowski, Haddock, and associates, 2017). The work is not without its critics, but as a starting point on any non-profit course, it is crucial that students engage in a debate about where have we come from and why, for example, the non-profit sector in the US or UK has taken a different form to those in the Nordic welfare states, or in Germany or Japan. This is not only because it helps us make sense of where we are as a sector today, but because it opens up avenues for exploration for policy makers and sector leaders interested in developing alternative future scenarios.

These regimes are clearly not fixed in time, and history can also help shine a light on the shifting nature of relations between the state and the sector, what Geoffrey Finlayson (1994) has termed a 'moving frontier'. Early histories of philanthropy in the UK (e.g. Fraser, 1973) were written from a Whig perspective, which argued that voluntary action was simply a staging post on route to the development of the welfare state; that as the state assumed responsibility for welfare services the need for voluntary action would disappear. Recent studies have demonstrated the fallacy of this approach and show how voluntary action and state welfare provision have been engaged for at least 400 years in a process of creative tension about where the boundary between the two should lie (Finlayson, 1994, Thane, 2012, Davis Smith, 2019). In 2010 prime minister, David Cameron came to power in the UK on a promise to build a *Big Society* that would radically shift the boundary from the state towards the voluntary sector. Its failure was at least in part due to the failure to learn from history (Davis Smith, 2019, Alcock, 2016).

History can therefore provide the context for non-profit studies, helping students to understand the bigger picture and why it is that the sector has taken on the form it has in different regions of the world and, perhaps more importantly, where it might go in the future. It can also remind us that the concept of a 'sector' is itself a recent invention, which tells us something important about its standing. For most of its history, the sphere of influence we now call the non-profit or voluntary sector has gone under the terminology of 'movement' or simply been referred to as a conglomeration of individual charities or voluntary organisations. It was not until the late seventies that the term *sector* began to gain common currency on both sides of the

Atlantic. Although there were national differences, the underlying drivers in the two countries were the same, as Perri 6 and Diana Leat (1997) in the UK and Peter Hall (1992) in the US, have made clear. In both countries the 'creation' of the sector was part of a push by the key infrastructure organisations to enhance the legitimacy of the movement and strengthen its negotiating power with the state. Such a development could not have happened earlier as it required a degree of maturity and self-confidence before the *sector* could be formed. In the UK the process was repeated at the end of the twentieth century with the creation of the *third sector*, which widened the sphere of influence still further to take in institutions such as mutuals and social enterprises, not usually seen to occupy the same space as voluntary groups and charities. Again, academics have seen this invention as part of a concerted attempt by the voluntary sector to widen its sphere of influence (Alcock, 2011), although critics have suggested it owed more to a desire on the part of the New Labour government to co-opt these new institutional forms into its 'governable terrain' (Carmel and Harlock, 2008). Without knowledge of the past, and of the processes and forces that led to these changes, it is impossible to make sense of the significance of these shifts in terminology.

It is not just at the macro level that history can help in shedding light on where the sector has come from and why it has taken on its current form. At a micro level an understanding of the past is similarly crucial in our understanding of the present. Take for example the issue of charity law in the UK. There have been numerous attempts to regulate and reform charity law, but all have derived from the first state involvement over 400 years ago. The famous 'preamble on charitable uses' to the 1601 Elizabethan Poor Law, set the foundations for our understanding of charity law and is

still relevant today (Davies, 2016). The original formulation has been refined and reframed several times over the centuries, but no student can hope to understand the current legal framework affecting charities without a solid grounding in history.

The second linked contribution that history can make to non-profit education is to remind us that some of the big issues being debated today are not new and have been the subject of discussion for decades and, in some instances, centuries. To take another couple of topical examples. First, the on-going preoccupation with the shift in government funding of the sector, which has been taking place in many western countries over the past couple of decades from a grants-based model to a contractual one. Academics have examined the reasons for the shift (focusing in the UK context on the development of New Public Management models in the eighties and nineties which pushed the three e's of economy, efficiency and effectiveness as the drivers for statutory funding of the sector) and the implications for the independence of the sector. Writers have argued that the onset of contracts has led to the privileging of large groups at the expense of small ones and has resulted in the reduction of the independence of voluntary groups, and in some instances their co-option by the state (Milbourne, 2013, Hemmings, 2017). The evidence is by no means conclusive, but it has fuelled concerns among the sector's leadership about the danger of over-reliance on statutory funding and the threat of mission-drift, and the importance of developing multiple funding streams to lessen dependency on statutory sources (Maier, Meyer, and Steinbereithner, 2014).

These issues are discussed regularly in the classroom on the masters' programme at The Business School (formerly Cass), City, University of London, and to illustrate the

point we turn to an historical precedent from the eighteenth century. Thomas Coram was a retired sea captain and wealthy businessman, appalled by the abandoned children and babies he saw on route to his work in the City. He became a man with a mission and in 1739 established the first foundling hospital. Early results were mixed but generally positive, with mortality rates falling over the first 15 years. In 1756 Parliament got interested in the project and gave a grant of £10,000, but on the condition that the hospital agree to accept all applicants below one year of age (what we might call today, tough contract conditions). The hospital was overwhelmed, with nearly 2,000 orphans left in the first six months. In four years, the state contributed over half a million pounds, but 68% of the 15,000 children taken in failed to survive. In 1760 Parliament called the experiment off, with the hospital facing financial ruin. Its governors had extended the property to deal with the increased demand, and when the grant ended, were forced to rent out the properties and rapidly scale back its operations. The hospital survived, but the story provides a salutary reminder of the dangers of over-expansion in the face of apparently generous government grants (Finlayson, 1994, Wagner, 2015, Berry, 2019).

A second example is the current concern about bad practice in fundraising, which has bedevilled the UK voluntary sector in recent years and undermined public trust and confidence. It was sparked by the death on 6 May 2015 of Olive Cooke, a 92-year-old grandmother and charity supporter, who it had transpired had been on the receiving end of hundreds of unsolicited charitable requests. That her family later stated her suicide was not caused by this intrusion did little to assuage the press, which castigated the voluntary sector with headlines such as ‘killed by her kindness’ and ‘tormented by cold-callers’ (Davis Smith, 2019). An inquiry established by the

government concluded that poor practice was rife among some larger charities and called for the establishment of a new fundraising regulator. Although the crisis threatened to seriously damage the image of the sector, a cursory look at the past suggests that such concerns are not new and have been preoccupying the press and public for over 150 years. David Owen, for example, has pointed to dubious fundraising practice in the mid nineteenth century, where 'collectors, paid and voluntary, were crossing and recrossing each other's trails … frequently calling on the same individuals on behalf of identical varieties of charitable endeavour' (Owen, 1964, p.480), while Frank Prochaska has described charitable fundraising as a Victorian 'obsession' that 'put the public under unrelenting pressure' (Prochaska, 1988, p.59).

What does this tell us? That issues come around time and again and the sector usually finds a way to survive. In doing so, it provides some measure of reassurance and highlights the importance of adopting a sense of perspective, although not one of complacency. Bad practice is bad practice whenever it takes place, and simply knowing that this generation of voluntary organisations is not the first to cross the line is not an excuse for failing to act. But in the case of the Coram case study, it also flags up how things can quickly go wrong and the pitfalls to be aware of, especially when considering entering into funding relations with the state. Concerns over mission drift and the consequences of resource dependency are not a twenty first century preoccupation, and looking at how the sector responded in the past might just offer some ideas for a better way forward.

History can also shed light on current developments in the sector. One growth area in recent years has been foodbanks. This growth has been highly politicised, with the left arguing that no one should have to turn to charity for the basics of life, and prominent figures on the right suggesting that it shows what a compassionate society we live in that volunteers are prepared to come forward in this way (Wells and Caraher, 2014). It is part of a centuries old debate about whose responsibility is it to relieve poverty, that can only be made sense of if we take the longer view. Such a view could look at the development of the first foodbanks in France in the nineteen eighties, but also at their predecessors, the soup kitchens, which developed at the end of the nineteenth century in the US and UK in response to an increase in poverty caused by rapid industrialisation and urbanisation, and which returned during the inter-war depression in the twenties and thirties (Carstairs, 2017). Such a focus not only raises questions of the strengths and limitations of the charitable response which are still being debated, but about language and values, about concepts of the deserving and undeserving poor, prevalent in the nineteenth century, but which still resonate today. Should the state provide for all basic need with the charity sector providing a complementary role? Or should the community be the first port of call, as in Victorian Britain, with the state intervening only as a matter of last resort? Such fundamental debates are greatly informed by the study of history, and as John Tosh has argued, it is only by 'taking the story back in time' that we can understand the antecedents of today's policies and the alternative choices that might be on offer (Tosh, 2008, p.46).

One final example will suffice of how knowledge of the past can help inform our understanding of the present and the opportunities that might exist in the future. Today's business world is preoccupied with what it means to be a good business at

the beginning of the twenty first century. However, as with concerns over contract funding or poor fundraising practice, Corporate Social Responsibility (CSR) in the UK is not new, but has its origins in the nineteenth century, with the enlightened capitalism of the *Chocolate Quakers* of Fry, Rowntree and Cadbury and the model villages of Saltaire and Port Sunlight (Wagner, 1987, Yallop, 2015). CSR nineteenth century style was imbued with a heady mix of altruism and self-interest, just as today. Concerns in the nineteenth century were for a well-educated, healthy and productive workforce, whereas today the Holy Grail is to attract and retain the millennial generation, who are demanding that the company does its bit in the community. The value of history is not that we should seek to emulate what went on in the past. Rather it is that by acknowledging that our current preoccupations and concerns are not new, we can get an insight into what has been tried before and what might be worth exploring in the future, albeit under very different circumstances.

It is the fact that the past is so different that paradoxically makes it so useful. As John Tosh argues: 'history holds up not a mirror, but a set of counter-images. Some of those images will seem strange and irrelevant, but others may be strongly suggestive, restoring to us a perspective which has been lost for so long that it now comes with all the freshness of a discovery' (Tosh, 2008, p.29). Or as Eric Hobsbawn (1997) has argued, history is at its most valuable when we are looking to innovate.

History can both help us understand how we have got to where we are today and provide a measure of comfort and perspective that issues which seem of overwhelming importance have been debated and worked through in the past. It also has a third role to play in non-profit studies, a role that is perhaps most valuable when

times are hard, when funding is tight or public trust declining, which is to re-connect us to our founding visions and missions. Again, caution is needed. Foundation stories, especially when they become mythologised, can lead to intransigence and resistance to change. However, when viewed in the right light, they can be uplifting and motivating – for staff, volunteers and beneficiaries – helping the organisation see beyond their current travails to the values and purpose that led to their establishment. Telling the stories of our charity founders and campaigners, of William Wilberforce, Elizabeth Fry, Chad Varah and Eglantyne Jebb, and of the struggles they had to overcome in the pursuit of their vision of social justice, can fuel organisational renewal and inspire through non-profit teaching a new generation of social activists and entrepreneurs. Many philanthropists are not well known outside the charitable world, and it is worth reflecting on another valuable role that history can play, which is to give prominence to the lives and work of some of the less well-known figures, and in the words of E.P Thompson, rescue them from the 'enormous condescension of posterity' (Thompson, 1963, p.12).

Not all the sector's history, however, is palatable, and by focusing on the past, we can take a more nuanced view of our contribution to society and acknowledge the dark side of our work as well as the enlightened, and thus help to generate important public conversations about the need for change. The killing of George Floyd in Minneapolis, Minnesota, USA in May 2020, for example, unleashed a wave of protest throughout the world, led by the Black Lives Matter movement, and a focus on the systemic racism and injustice which in society. One of the manifestations of this protest was a spate of statue-toppling of individuals involved in the Atlantic slave trade, and a new public discourse on the conventions of naming public buildings and institutions

drawing on historical analysis from the past (Dresser, 2007). The charity sector was forced to take a look at its own history and in particular at the sources of wealth of leading philanthropists who through their funding power had played a crucial role in its development over many centuries, and who continue to do so through the work of the charitable foundations established in their name. It has generated an important debate about whether 'tainted' money should always be rejected by charities committed to social justice, or whether there is a place for reparations to atone for past sins. In this author's own institution in London, which was named after the philanthropist and (what was newly-discovered information for many) slave trader, Sir John Cass, the crisis has led to a decision to rename on the grounds that being publicly associated with such an individual is inconsistent with the values of the school; it is currently being known as the Business School (formerly Cass) until a permanent name is decided upon. More importantly, it has set in train an important debate about systemic inequality in higher education and what role a modern business school should play in leading the agenda on equality, diversity and inclusion.

Conclusion

History cannot provide a detailed guide or template to the future. However, it can provide lessons that might be useful for today's leaders in the voluntary sector grappling with seemingly intractable problems, offering a sense of reassurance that many of the problems are not new, but have been confronted, and in many cases overcome, by the leaders of the past. It can also offer inspiration and a sense of renewal, reconnecting organisations to their founding values and purpose, which might have got lost in the day-to-day struggle for survival, as well as shining a light

on less savoury aspects of the movement's past, and in doing so help to open up important public debates about inequality and injustice and the need for change.

Perhaps there is one more contribution that history can make, which has more to do with method than content. In a world of 'fake news' and 'post-truth', there has never been a more pressing need to press upon students the importance of evidence gathering, of studying source material with a rigorous and sceptical eye, of the necessity of engagement with postmodernist debates about bias and the limits of objectivity. None of these skills are particular to the historian, but the study of history instils in the student both a reverence for, and a healthy scepticism of, primary sources that all non-profit study students would do well to imbibe. As Margaret Macmillan has argued: 'history demands that we treat evidence seriously, especially when that evidence contradicts assumptions we have already made' (Macmillan, 2009, p.167).

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