From donor motivation to recipient welfare: A philosophical assessment of corporate philanthropy

Abstract: The article sheds a new light on the study of corporate philanthropy by analyzing the philosophical grounds of the two major conceptual approaches found in the literature: "altruistic" and "strategic" philanthropy. The exploration of the debates in moral philosophy on benevolence and self-interest allow us to show the respective limitations of both conceptions and the hazy boundaries between them. It is argued in this article that it is neither possible nor important to set aside and measure the shares of "altruism" and "self-interest" that are involved in the decision to engage in corporate philanthropy. Hence, we propose to switch our attention from the motivations of donors to the welfare of recipients as a more promising way to study corporate philanthropy.

Keywords: altruism, beneficence, benevolence, consequences, corporate philanthropy, donor, motivations, recipient, self-interest.

Corporate philanthropy (CP) has grown substantially over the past 30 years, both as a practice and as an area of academic inquiry (Gautier & Pache, 2013). Commonly understood as voluntary and unconditional transfers of corporate assets for public purposes (Godfrey, 2005), CP has become a widely accepted feature of modern firms across the world. Many firms give cash and in-kind support to charitable organizations on a regular basis or in the wake of important events (Tilcsik & Marquis, 2013), while a growing number set up their own philanthropic vehicle: the "corporate foundation" (Prewitt, 2006). Both as a practice and a concept, CP has been controversial (Daly, 2011; Porter & Kramer, 2002). Among several debates permeating the field, the most enduring may be summarized by a single question: is CP genuinely altruistic or does it disguise for-profit activities (Dennis, Buchholtz, & Butts, 2009; Fry, Keim, & Meiners, 1982; Sanchez, 2000)?

As expected, the literature offers roughly two types of answers to this question. On the one hand, the advocates of "altruistic" CP answer states that firms can and should engage in CP without getting anything back from their gifts (Burlingame & Frishkoff, 1996). According to this view, "the nonreciprocity condition becomes the acid test of philanthropic activities" (Godfrey, 2005: 778). On the other hand, a "strategic" approach recognizes that firms cannot jeopardize their own interest and, for the sake of CP, they should not even attempt to do so (Saiia, Carroll, & Buchholtz, 2003; Smith, 1994). This approach defends CP as a form of "enlightened self-interest" which combines social good and a return in terms business performance (Baumol, 1970; Porter & Kramer, 2002).

Despite a growing number of academic studies, both theoretical and empirical, there is very little philosophical discussion on CP beyond platitudes and common sense statements. With the view to fill this theoretical gap, the article proposes to explore the philosophical scaffolds of these two conceptions of CP. We aim to highlight the difficulties encountered in moral philosophy to assess the genuine donor's motivations, altruistic or self-interested. Inasmuch as it is illusory to search for an accurate blueprint of the agents' real motivations, the attempts to establish whether a specific philanthropic action fits in one category or another would, necessarily, remain vain. However, the tensions between these two paradigms currently lead both scholars and practitioners to focus their attention on the corporate donor (more precisely on the sincerity of its actions and on its possible hidden interests), and, at the same time, to forget the recipient. Such disregard is even more surprising when we take into account the fact that, unlike a voluntary exchange, philanthropy denotes a unidirectional flow of resources towards the recipient, which represents the *raison d'être* of CP. So, within this perspective, logically, the "recipient's welfare" should be a more important issue than the "donor's motivation."

It is precisely this idea that guides the argumentation in this article. Instead of adding a new layer to the ongoing debate between proponents of the two major paradigms in CP, this article proposes to switch the attention from corporate donors to the beneficiaries of philanthropy. In order to attain this objective the article will attentively follow several steps. The article first explores the rationale of the "altruistic philanthropy" paradigm. Second, it discusses the "strategic philanthropy" archetype and its philosophical underpinnings. Third, the article explains why the dialogue between these two paradigms, currently focused on the donor's motivations, stalemates the CP research agenda. The fourth, and last part, argues that the focus on the recipient's welfare (instead of the donor's motivation) might unfasten new perspectives for CP, both in theory and practice.

ALTRUISTIC CORPORATE PHILANTHROPY

It is beyond the scope of this article to review the extensive literature on philanthropy and giving in the social sciences (Bekkers & Wiepking, 2011; Gautier & Pache, 2013). Suffice it to say that the extent to which altruism is at origin of philanthropic behavior has been a cornerstone of such literature (Andreoni, 1990; Piliavin & Charng, 1990). The idea that philanthropy is driven by altruistic impulses has, to some extent, permeated the way many observers view CP.

Altruism as a Basic Feature of Corporate Philanthropy

While CP seems to be an oxymoron at first glance (companies are expected to sell goods and services in order to make a profit, not to give money away), at least some elements of selflessness must be present in order to explain why there are gifts where there could be none (Narveson, 2003). Contrary to commercial contracts, philanthropic grants are supposed to be non-reciprocal since donors should not expect rewards or considerations from recipients (Burlingame & Frishkoff, 1996; Godfrey, 2005). Even when business benefits are awaited, such as increased legitimacy or consumer trust, these are both very uncertain and seldom evaluated (Maas & Liket, 2011; Stendardi, 1992). Besides, and contrary to other aspects of corporate social responsibility, CP is often viewed as purely voluntary and represents “the icing on the cake” after economic, legal and ethical obligations have been met (Carroll, 1991). Since philanthropy is neither required nor expected by company stakeholders, it must be strongly driven by the managers’ values (Buchholtz, Amason, & Rutherford, 1999). What is valued here is doing something good for the community and for society, whether or not it directly benefits the company. This first approach views CP as a discretionary practice, with little or no strings attached.

In many countries, private enterprises have a long tradition of using CP as a way to sponsor local charitable activities, regardless of business benefits (Porter & Kramer, 1999). Before the advent of managerial capitalism in the 20th century, CP was the expression of some entrepreneurs and industrial magnates' virtues grounded in their personal sense of duty towards the community, or in broader religious values. In the United States, Andrew Carnegie famously considered philanthropy as "the duty of the man of wealth" (Carnegie, 1889: 661). In Japan, philanthropy was part of the "community-centered entrepreneurship" ideal, whereby Confucian business leaders undertook philanthropic activities to make up for insufficient government investment in the community (Fruin, 1982). In France – like in other European countries, CP finds it roots in the "industrial paternalism" of such entrepreneurial families as the Wendels, Michelins, or Schneiders, eager to maintain social peace by improving their workers' living conditions (Debiesse, 2007).

Today, as managerial capitalism has come to be the dominant model, corporate contributions often "reflect the personal beliefs and values of executives or employees" (Porter & Kramer, 2002: 57). The altruistic rationale is still widespread and seems to eschew any link with the bottom line of businesses. In the United States, the Committee for Encouraging Corporate Philanthropy publishes a yearly survey called Giving in Numbers. The 2013 edition shows that 52% of American companies cite charitable motivations for their philanthropy, defined as "reactive community giving for which little or no business benefit is expected" (CECP, 2013: 21). ADMICAL, the leading organization promoting CP in France, recently published a charter in which CP is defined as a "gratuitous commitment […] without looking for impact on business activities" (ADMICAL, 2011).

The Philosophical Grounds of Altruistic Corporate Philanthropy

As shown above, “altruism” is considered one of the most basic and prevalent features of philanthropy and hence, by extension, of CP. It is usually defined as “a concern for the well-being of persons other than oneself” (Blum, 2006: 27) and associated with benevolent motivations. To be sure, altruism is a rather complex concept (Ozinga, 1999), since benevolence is motivated by various values and virtues (Sisón et al., 2012), found in both occidental (Aristotle, 1955: 1169a23–b11) and oriental (Confucius, 1963: 44) traditions. Inasmuch “benevolence” is usually meant to denote the “wish or disposition to help others” it should be distinguished from “beneficence”, which signifies “actually producing good” (Kohl, 2006: 128). This distinction between the concepts of “benevolence” and “beneficence” is important because benevolent motivations might not always produce beneficence (Rivera, 2011), and conversely, beneficent actions might be realized accidently or indirectly (Livnat, 2004).

Although, there are many reasons for which individuals chose to act altruistically (Shafer-Landau, 1998: 129–130), an important stream of the moral sense theory insists that benevolence is innate. Hutchenson ([1725: II;VI] 1984: 108), for instance, famously states “that there is a universal determination to benevolence in mankind” ([1725: V;I] 1984: 148) which must be “antecedent to instruction” ([1725: IV;VII] 1984: 146). This claim, based on the observation that individuals tend to approve purely benevolent actions and condemn self-interested ones, leads Hutchenson to the conclusion “that there must be some other motive than self-love, or interest, which excites us to the actions we call virtuous” ([1725: II;VI] 1984: 108). Besides this sentimentalist meta-normative claim, there is also a prominent normative claim, which sees altruism as a duty. “Live for others!”, the famous “moral motto of Positivism” often highlighted by Auguste Comte ([1852] 2009:26), is justified as an inescapable payback for any person living in a society.

> “For it is enough if they observe that the success in any work whatever depends mainly on the immense co-operation which the blind pride forgets. The most skillful man with the best directed activity can never pay back but a very slight portion of that which he receives. He continues, as in his childhood, to be fed, protected, developed, etc., by Humanity. Only, her agents are changed, so as no longer to stand out distinct to his view. Instead of receiving all from her through his parents, she then conveys her benefits through a number of indirect agents, most of whom he will never know. To live for others is seen to be, then, for all of us, the everduring duty which follows with rigorous logic from this indisputable fact, the living by others”. (Comte, [1852] 2009:214)

However, even though we assume that individuals have innate benevolent attitudes, and even though we assume that they have a duty to be altruists, a further major difficulty usually emphasized by the critiques of altruism would be to demonstrate the purity and the sincerity of such benevolent motivations (Nagel, 1970).

An outstanding though indirect attempt to identity a criterion for testing the sincerity of the benevolent motivations is to be found in the Groundwork of the Metaphysics of Morals. Kant’s analysis of the motivations for beneficence clearly discards all actions that are done “neither from duty nor from immediate inclination but merely for purposes of self-interest” (Kant, AK 4: 397). Then, he discusses the situation when philanthropy is rooted in inclination (i.e. in the disposition to do something because one enjoys doing it).

> To be beneficent where one can is a duty, and besides there are many souls so sympathetically attuned that, without any other motive of vanity or self-interest, they find an inner satisfaction in spreading joy around them and can take delight in the satisfaction of others so far as it is their own work. (Kant, AK 4: 398)

This possibility is also discarded by Kant because it is likely that the philanthropic activity grounded in inclination will be discontinued as soon as the donors change their mind. Assuming the pertinence of this rationale, the difficult part is to find out when the donors act by duty (Kant refers to this as “practical love”) and eliminate situations where they act by inclination (“pathological love”). To solve this problem Kant states that the donors demonstrate their duty, and implicitly their disinterest and absence of passion, only when the recipient does not display any sign of reward for their generosity (Kant AK 4: 398–399).

Beyond its important and multiple implications for the Kantian exegesis, this statement is also essential for the purpose of this article, as it implicitly suggests that it is only in adverse conditions that the donors might be able to objectively demonstrate the sincerity of their altruistic motivations. The very fact of pursuing the philanthropic activities despite the recipient’s hostility should convince a neutral observer that they do not conceal any self-interests. We propose to label this idea the “Kantian test”:

> Love as an inclination cannot be commanded, but beneficence from duty—even though no inclination impels us to it and, indeed, natural and unconquerable aversion opposes it—is *practical* and not *pathological* love, which lies in the will and not in the propensity of feeling, in principles of action and not in melting sympathy; and it alone can be commanded. (Kant AK 4: 399)

To be sure, this argument can be fine-tuned: the donor’s sense of duty is not completely independent, but rests on their virtues, scale of values, opinions, convictions, beliefs and thereby it is as subjective as notions of “passion” and “interest.” For instance, if the sense of duty emanates out of a religious faith, the stability of philanthropic actions would depend as a last resort on the religious conviction of the respective person, which is not necessarily perfectly stable. However, setting aside the debates over the objectivity of the “Kantian test” let us observe that the test sets a particularly high threshold for qualifying the outcome of an action as genuinely beneficent. Moreover, it must be even more difficult to pass the “Kantian test” for a corporate donor than it is for an individual philanthropist (Ciulla, 2003). This is because it is particularly challenging for corporate managers to craft a CP strategy which goes against the pecuniary interests of the company. Indeed, arguably the strongest argument against CP is that, taken to its logical Kantian conclusion (i.e. giving by duty regardless of one's own interests and inclinations), it undermines the firm's interests and threatens its very existence as a profit maximizing organization. As Joanne Ciulla (2001: 225) puts it, while reviewing Bowie's (1999) book, Business Ethics: A Kantian Perspective, we might conclude that: "it's not easy to be a Kantian."

STRATEGIC CORPORATE PHILANTHROPY

The CP adversaries come from various perspectives: some mock the naivety of such view, which leaves aside issues of corporate power and interests (Koehn & Ueng, 2009; Nickel & Eikenberry, 2009), while others consider CP as a misuse of corporate resources by managers shirking their fiduciary responsibility (Friedman, 1970). However, and most strikingly, even proponents of CP have expressed concerns about its traditional, altruistic explanation, and called for the adoption a new, "strategic" outlook.

Self-Interest as an Unavoidable Feature of Corporate Philanthropy

The most pervasive critique of CP may have been its lack of strategic value. For several scholars, CP programs have traditionally been of peripheral importance and ineffective because they are disconnected from the core business (Austin, 2000; Seitanidi & Ryan, 2007). In an influential series of *Harvard Business Review* articles, Michael Porter and Mark Kramer (2002, 2006) observed that most CP programs up to now have been diffused and unfocused: they consist of a multitude of small cash donations which neither make any meaningful social impact nor strengthen the firm's long-term competitiveness. Over the past 20 years, as a reply to these critiques, a new narrative for CP has emerged in practice as well as in scholarly discussions: "strategic philanthropy" (Hess, Rogovsky & Dunfee, 2002; Saiia et al., 2003; Smith, 1994).

Strategic philanthropy can be defined as "corporate philanthropy that contributes to the firm's bottom line" (Buchholtz et al., 1999: 169) or as "activities that both create true value for the beneficiaries and enhance the company's business performance" (Bruch & Walter, 2005: 50). In a sense, the point here is to make the business case for CP and to show that the interests of corporate donors and beneficiaries can and should be aligned. In some cases, scholars have argued that CP is a self-interested attempt to gain legitimacy (Moir & Taffler, 2004) and to offset poor social or environmental performance (Chen, Patten, & Roberts, 2008). The most popular example of strategic philanthropy has been "cause-related marketing" (Barone, Miyazaki, & Taylor, 2000; File & Prince, 1998). These marketing programs link fundraising efforts for a charitable cause to the purchase of the firm's products or services. The term was coined in 1983 when the American Express Company made a 1 cent donation to renovating the Statue of Liberty each time a customer used its AmEx card. Many businesses have since partnered with various nonprofit organizations and sold products for which a percentage of the price paid by customers is given back to the cause.

According to Porter and Kramer, though, cause-related marketing falls short of truly strategic philanthropy because it is more focused on publicity than on the firm's competitive context (Porter & Kramer, 2002). As a counterexample, they praise Cisco Systems' Networking Academy as prime example of a company using its unique assets and expertise to design a program linked to its business, with real social benefits for the communities where it operates. Established in 1997, the Networking Academy offers networking courses for free to hundreds of thousands of students each year, in a context of global shortage of qualified network administrators. Cisco provides online curricula, virtual learning tools, instructional support, and teacher training, and partners with educational organizations in 165 countries to train students. Other classic examples of strategic philanthropy include pro bono projects such as McKinsey & Co. free consulting services to nonprofit organizations in social, cultural, and educational fields (Bruch & Walter, 2005), as well as ambitious programs serving as rallying points for all company stakeholders, like the Ronald McDonald House Charities which brings together McDonald's headquarters, franchisees, customers, suppliers, and local hospitals to build houses to accommodate the families of severely ill children (Smith, 1994).

The Philosophical Grounds of Strategic Corporate Philanthropy

Strategic CP is coherent with the view that, in order to be sustainable, philanthropy should not be separated from the donor's interests. Since philanthropy is planned by the donors, it means that, ultimately, they must have a personal interest in giving. While self-interest is a keynote concept in CP and business practice in general (Roberts, 2001) it is also the topic of everlasting philosophical debates (Rogers, 2013). The concept of "self-interest" is embedded in the various definitions of egoism, be them descriptive – such as psychological egoism holding "that one can pursue only what one takes to be in one's self-interest" (Shaver, 1999:2; Kavka, 1986: 35) – or normative such as rational egoism – stating "that it is necessary and sufficient for an action to be rational that it maximize one's self-interest" (Shaver, 1999:2) and ethical egoism – claiming that "(x)(y)(x ought to do y if and only if y is in x's overall self-interest)" (Kalin, 1970: 65).

It is a famous quote from Hobbes which defines the generic view that has come to be called "egoism" in contemporary philosophy: "No man giveth but with intention of good to himself, because gift is voluntary; and of all voluntary acts, the object is to every man his own good; of which, if men see they shall be frustrated, there will be no beginning of benevolence or trust, nor consequently of mutual help" (Hobbes, [1651] 2011: 144). Building on this claim, Sidgwick emphasizes an ontological difference between "I" and the "others", which is meant to justify why we should not expect to be indifferent or to have equal motivations when doing good for ourselves or the others.

> It would be contrary to Common Sense to deny that the distinction between any one individual and any other is real and fundamental, and that consequently 'I' am concerned with the quality of my existence as an individual in a sense, fundamentally important, in which I am not concerned with the quality of the existence of other individuals: and this being so, I do not see how it can be proved that this distinction is not to be taken as fundamental in determining the ultimate end of rational action for an individual. (Sidgwick, [1907] 1981: 498)

Even though there is no accurate self-interest counterpart of the "Kantian test," it is noteworthy that the scholars emphasizing the existence of egoistic motivations do not systematically discard the possibility of altruistic motivations. In other words, if it were to push egoism to its limits, it would be difficult to explain and justify that all actions are always purely selfish. In point of fact, most of the contemporary advocates of egoism (LaFollette, 1988; Mercer, 2001) explicitly take a view close to what Kavka (1986: 64) calls "predominant egoism": "self-interested motives tend to take precedence over non-self-interested motives in determining human actions. That is, non-self-interested motives usually give way to self-interested motives when there is a conflict. As a result, we may say that human action in general is predominantly motivated by self-interest".

At any rate, it is crucial to note that even the most radical defenders of egoism do not essentially oppose to the possibility of altruistic motives, but they mainly reject the beneficence principle, i.e. the moral obligation to sacrifice personal interests to help others (Kohl, 2006: 128).

Following Sidgwick, the advocates of egoism usually maintain that when "the painful necessity comes for another man to choose between his own happiness and the general happiness, he must as a reasonable being prefer his own" (Sidgwick, [1907] 1981: xix). Within this perspective, Kalin (1970: 65) disagrees with the altruists who claim an unconditional obligation to do beneficence and adds that "the egoist has an obligation to promote the welfare only of those whom he likes, loves, needs, or can use". Clearly, this view does not exclude the existence of altruistic motivations, but merely subordinates them to the subjective appreciation of the donor. With the words of Joseph Butler ([1726] 2006: 117) there is no reason for "rivalship or competition between self-love and benevolence."

To these observations we might add the argument from performative contradiction formulated by Hume —in the second appendix of his second *Enquiry concerning the Principles of Morals*—, which emphasizes that the advocates of egoism were themselves altruists rather than egoists. "Whoever concludes from the seeming tendency of this opinion, that those, who make profession of it, cannot possibly feel the true sentiments of benevolence, or have any regard for genuine virtue, will often find himself, in practice, very much mistaken. […] Hobbes and Locke, who maintained the selfish system of morals, lived irreproachable lives" (Hume, [1777] 1902: 228).

To sum all up, the fundamental insight revealed by the philosophical analysis conducted up to now in this article is that the gravitational center of the discussions on philanthropy (and a fortiori on CP) is the "donor's motivations." Indeed, the main challenge for the advocates of the altruistic theories is to make sure that the benevolent motivations are genuinely sincere and the "Kantian test" shows how difficult it is to do so, especially for CP. Mutatis mutandis, as it was showed above, the egoistic theory encounters similar difficulties when it comes to discarding the possibility of altruistic motivations. This intermediary conclusion calls into question the very possibility of effectively determining the genuine motivations of the donor (Nagel, 1970).

AN INSOLUBLE DEBATE

An analysis of the philosophical grounds of the two major paradigms of CP (“altruistic” and “strategic”) shows that the current disagreements revolve around the interpretation of the motivations of corporate managers who decide to engage in CP. At the outset, it is crucial to note that the outcome of this discussion depends on technical and sophisticated philosophical debates on the theory of action (Davidson, 1963) and more precisely on the internality or externality of the moral reasons (Wong, 2006). In point of fact, a rapid survey of the vivacious contemporary meta-ethics literature (Russ Shafer-Landau, 2006–2014) would show that the issue of moral reasons is still heavily debated and far from being resolved. Hence, there is little hope for a decisive argument regarding the way out of the debate on donor’s motivations – altruism or egoism.

Although, important advances are continuously made on various topics relevant for business ethics – such as the relationship between personal altruism and corporate values (Valentine et al. 2011), or the correlation between personality and altruism (Furnham 2014 et al.) – the debate opposing altruism to egoism remains open, perhaps more than ever. In particular, research in moral psychology, both theoretical and experimental, has extended this debate over the past three decades. As moral psychology scholars put it: “After all, we haven’t claimed to have resolved the philosophically venerable egoism vs. altruism debate, and the scientific record appears somewhat equivocal, as indeed we’ve been at pains to show” (Stich, 2010: 201). With the words of Cialdini (1991): *Altruism or Egoism? That Is (Still) the Question*.

Moreover, despite the “Kantian test” (urging donors to do philanthropy in adverse conditions) and the “egoist claim” (the donor’s interests ultimately drive philanthropic engagements), it is difficult to concretely and objectively determine the shares of “altruism” and “interest” in a specific act of giving (Blair, 1998). As stated previously, this difficulty is far more important for corporations than it is for private individuals or charitable organizations. The latter might be credible when they refer to the “Kantian test” to show their genuine commitment to beneficence. For instance, they could emphasize the existence of adverse conditions for their philanthropic action, and this might suffice to publicly demonstrate that it does not match their personal interests. Yet, when it comes to corporations, the “Kantian test” loses all its meaning.

In order to convincingly demonstrate that its philanthropic engagement is genuine, a corporation would need to select the most adverse conditions. More precisely, it would be necessary for a corporation to support a specific category of stakeholders: precisely those which display the most obvious aversion to the given corporation or to its specific industry. In a nutshell, this corporation should merely subsidize its own rivals and detractors. An illustrious example would be a corporation in a controversial industry such as a mining, oil, or nuclear energy, making a donation to Greenpeace. It is noteworthy that such a scenario remains a mental experiment and there are no past experiences that might support it, not only because it is unlikely that a corporation would happily divert resources towards a stakeholder who strives to reduce the value of the respective corporation, but also because it is equally unlikely that the militant watchdog organization would happily accept donations from the controversial corporation, which is the main target of its critiques. Instead of being “approached as an appropriate association”, such a relationship would probably be perceived as “a cynical attempt to legitimize questionable offerings and fool stakeholders” (Lindgreen et al., 2012: 394).

Hence, it is important to note that even if a philanthropic act is carried out in such an extremely adverse context, it still should not be sufficient to dispel the suspicion regarding the real motivations behind it. This is so because the prejudices regarding the honesty of certain corporations might appear to be so strong that any action whatsoever could not entirely eliminate them. In point of fact, not only might philanthropy carried out in extremely adverse conditions not dispel the prejudices against corporations, but it might actually reinforce them. A donation to a conflicting stakeholder could always be interpreted as a strategic move (with the hidden aim of corrupting a rival, for instance). Indeed, from the point of view of the recipient organization, such a donation might be perceived as counterproductive because it implies that the donor is a partner and not an opponent anymore. A militant non-governmental organization such as Greenpeace would lose its reputation as a critical watchdog of a specific industry, and would have to bear the same prejudice as the corporation itself. Meanwhile, such a donation might weaken the rivalry between competing stakeholders. In the corporate world, divergent interests translated as “competition” and “market rivalry” are usually perceived as contributing to enriching the quantity and quality of the choice. This observation applies not only in the case of goods and services, but also in the case of knowledge and information about the choices concerning them.

Conversely, when taken to its extreme, the pure “egoist claim” is equally unrealistic, especially in the light of the existence of a long-lasting CP tradition. Even if we suppose that companies have a hidden interest, it still does not follow that CP is always, whatever the circumstances, a disguised strategy to enhance profit. Many scholars found a correlation between corporate contributions and financial performance (Godfrey, 2005; Seifert, Morris, & Bartkus, 2003; Su & He, 2010), but the causal link between CP and profit remains to be demonstrated. Is it that companies perform well because of philanthropy? Or is it that companies already performing well have sufficient resources, vision, and strategy to practice philanthropy (Gautier & Pache, 2013)? Corporate leaders themselves ignore whether CP will benefit the bottom line, yet most large firms practice CP nowadays. It does not make sense from a pure egoist point of view.

The imaginary situation sketched above indicates the difficulties for a corporation to publicly demonstrate the sincerity of its philanthropic engagements. Even if CP is done in extremely adverse conditions (and, a fortiori, even if is done in areas unrelated to the core business domain), it does not suffice to protect the corporation from the suspicion of having a hidden agenda in doing CP. In other words, even if the philanthropic engagement of a corporation was genuinely altruistic, it would still be impossible to actually demonstrate it. This argumentation leads us to the conclusion that the leading debates on CP remain insoluble, inasmuch as they try to decipher the motivations of corporate leaders. However, despite these difficulties, it does not necessarily mean that research on CP has reached a deadlock. The last part of this article suggests a possible way out, which consists in switching the research focus from the donor's motivation to the recipient's welfare.

TOWARDS A PARADIGM SWITCH: FROM DONOR MOTIVATION TO RECIPIENT WELFARE

Considering the difficulties of demonstrating the donor's genuine motivations, one may wonder whether motivations really matter that much as far as philanthropy is concerned. To better assess the answer to this question, it is useful to refer to mundane activities. In most ordinary circumstances, our motivations as agents are not an essential aspect of our interactions with others. We rarely question the motivations of the professors, bus drivers, bartenders, bakers, and neighbors that we interact with on a daily basis. Motivations essentially matter when we want to determine whether the outcome of an action is the result of an accident or not. In a case where the action was intended, the precise motivations are helpful in order to assess the reward or the punishment for a benefit or a harm resulting from this particular action. So, except for the specific occasions when benevolence and altruism might be harmful (Mitschow, 2000; Rivera, 2011), which indeed is a possibility, there are no vital reasons for inquiring into the donor's motivations. Most of the time, whether the corporate donor might conceal a personal interest or not is of no importance to the recipient. This observation matches our intuitions regarding our everyday actions: if the service is accomplished according to our expectations, we tend not to inquire further into the complex set of motivations of our exchange partners.

Leaving aside the donor's motivations, we can thereby focus on philanthropy's consequences. To be sure, consequences of an action are intricate and thereby difficult to assess (Scheffler, 1988). This is especially the case if we refer to long-term effects and unintended consequences. Obviously, it would be practically impossible to list all likely consequences for every specific action. Given this fact, the key question is: which consequences are relevant? Within the practical perspective adopted earlier, it appears that only the consequences that actually affect the recipient of a gift are relevant. Furthermore, following the same rationale, it appears that the recipient occupies the best position for monitoring hypothetical harm done through CP. To cope with an asymmetry of knowledge, and thereby to compensate a possible knowledge gap between the donor and the recipient, it should be possible to involve third-party organizations to monitor CP on behalf of the recipients. These organizations could "blow the whistle" when they have substantial proof that the gifts harm the recipient or other stakeholders: explicitly or implicitly, directly or indirectly, intentionally or not.

Based on these ideas, it is possible to design a protocol for assessing the morality of CP. If stakeholders do not perceive any type of harm in a specific philanthropic action, it should be possible to put donor motivations in brackets. If, eventually, the gift appears to be harmful, further assessment of the motivations will be required. Just like in everyday affairs, in the absence of a better approximation regarding the donor's motivations, we usually rely on repeated experience as a proxy for choosing between renewing our confidence or ceasing the experience. This conclusion might appear weak in the eyes of some readers. Indeed, in comparison with the above-mentioned "Kantian test" for establishing the sincerity of a donor's motivations, this protocol is more subjective and prone to mistakes. Yet, given the shortcomings of the "Kantian test" highlighted in this article, the current protocol emerges as the most practical and handy solution for assessing the moral qualities of CP.

We rely on this protocol to call scholars and practitioners alike to switch their attention from endless and futile debates over donors' altruism or self-interest to the recipient's benefit or harm. So far, academic research on CP has focused heavily on two major issues: an analysis of the motivations of executives who engage in CP programs, informed mainly by agency theory (Abzug & Webb, 1996; Brown et al., 2006); and the extent to which corporate giving is related to corporate financial performance (Godfrey, 2005; Wang & Qian, 2011). Both strands of research adopt the corporate point of view, whether that of shareholders or executives. When other company stakeholders are taken into account, it is again to assess the outcomes of CP on key performance indicators for the firm itself, such as employee morale (Brammer & Millington, 2005; Shaw & Post, 1993) or consumer loyalty (Barone et al., 2000; Luo, 2005). These are important questions indeed, and some of these studies bring important empirical and theoretical contributions to our knowledge about CP.

However, considering that philanthropy is always about giving to some organization or person, it is surprising to find so little work about CP recipients or beneficiaries, and how CP affects them. It is, we believe, one of the most promising avenues for future research on philanthropy in general, and CP in particular. There are at least two categories of questions to address.

First, we need more knowledge about the positive, negative, or neutral impact of CP on “end beneficiaries,” that is the targets of the beneficent actions chosen by corporate managers. Scholars might investigate the effects of CP programs on the very people or stakeholders they are supposed to help, from promising artists and unemployed youth to endangered species. Measuring the “social impact” or the “social return on investment” (Emerson, 2003) has rapidly become a hot topic in the nonprofit sector (Duncan, 2004; Ebrahim & Rangan, 2014). Corporations engaged in philanthropy may also be increasingly asked to measure their own impact, or the impact of the programs they support (Maas & Liket, 2011). This stream of research must not necessary rely on quantitative and empirical methods. The conceptual grounds provided by the “capabilities approach” (Nussbaum, 2003), are suitable for exploring the gift’s capacity to empower the recipient and, hence, for further fine-tuning the strategies to avoid the dependence problem (Pfeffer & Salancik, 1978).

Second, there is also a need to explore the effects of CP on the intermediary organizations (such as nonprofit organizations or social enterprises) which provide goods and services to end beneficiaries. Indeed, philanthropic grants or programs influence these organizations at least as much as other financiers, public or private. While this can be interpreted as a classic resource dependence problem (Pfeffer & Salancik, 1978), it is noteworthy that beyond resources, CP might also shape organizational processes such as decision-making rules, grant applications, reporting and evaluation, and even strategic considerations and priorities regarding how the beneficiary organization goes about pursing its mission. Again, CP could well have positive, negative, or neutral effects on these organizations, including unintended consequences. Thus far, this issue has largely been ignored by scholars interested in CP, aside from strong ideological defenses or critiques of CP with no empirical evidence. The switch proposed in this article – from the donor's motivations to the recipient's welfare – is precisely meant to encourage scholars from various disciplines to further explore these important, yet neglected issues.

In order to prevent misunderstandings, it is important to note that this proposition to switch the attention from the donor's motivations to the recipient's welfare is not consequentialist. Indeed, it is merely a methodological suggestion regarding the CP research approach rather than a normative approach regarding the CP's morality. In other words, this article does not argue in favor of assessing CP's morality in terms of its consequences for the recipient. It maintains that the focus on the recipient's welfare might overcome the deadlock in ongoing CP research (which aims at identifying the nature of the donor's motivation: altruistic or self-interested) and, hence, might help to open new research avenues of interest as much to utilitarians, Kantians, and Aristotelians as to the advocates of any other moral perspective on CP. For instance, a utilitarian might see the focus on the recipient's welfare as a complement to the utility-based approach (Sen, 1999: 59–62), while a virtuous donor cannot entirely ignore the effects on the recipient's welfare (Koehn, 1995: 535). At any rate, it is noteworthy that the benevolence sets a complex and indissoluble bond between the donor and recipient, and the latter's welfare cannot merely be ignored on the grounds that donor motivations are an intriguing area of research.

CONCLUSION

This inquiry into the philosophical grounds of the current dichotomy of approaches regarding CP leads us to the conclusion that the separation between the two rival views is less clear than it usually appears in the literature. Indeed, there is not sufficient reason to conceive, on the one hand, a genuinely altruistic CP and, on the other, a form of CP purely driven by self-interest. “Altruism” and “strategy” are inseparable ingredients for CP because they are present in various degrees in each philanthropic action. Each corporate gift potentially encloses a unique mixture of these ingredients. Great difficulty lies in identifying the precise part of each ingredient in any human action. More precisely, the difficulty encountered in pinpointing the shares of “altruism” and “self-interest” in philanthropic action stems from the impossibilities of grasping and communicating to others the genuine motivations of the donor.

Hence, the rhetorical question put forward in this article: “do motivations matter?” In a nutshell, the article shows the unlikeliness of a viable test which might pertinently scan the donor’s genuine motivations. As a possible way out of this research deadlock, the article argues that the donor’s motivations should be put in brackets, since there is no intrinsic reason that they should have priority in the CP debate. Hence, we propose switching the gravitational center of the academic research on CP from donor motivation to recipient welfare (or, with different words, from donor benevolence to recipient benefit). This theoretical switch also matches our most fundamental intuitions that CP in particular, and philanthropy in general, must be driven by the positive impact on recipients. Yet this aspect has so far been overlooked by scholars carrying out research into CP. Additional empirical and theoretical research could further contribute to analyzing the recipient’s dependence on the donor, the role and the effects of the asymmetry of knowledge and resources between donors and recipients.

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