In Search of Legitimacy: Peace Grant Making of U.S. Philanthropic Foundations, 1988-1996

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This analysis of peace grant making of U.S. foundations in 1988-1996 is guided by neo-institutional organizational theory. The author argues that legitimacy concerns underlie the choices foundations make regarding the organizations and causes they fund. Academic and elite recipients give legitimacy to foundations and draw most of the latter's support. Foundations' authority in conferring legitimacy is prominent vis-à-vis nonelite organizations, which often seek to mobilize foundation support but receive much less of it than elite grantees do. The overall size of peace grant making was very small in the examined period and declined in constant dollars from 1988 to 1996. The author suggests that foundations were disinclined to fund peace due to normative pressure from the "national security state." Future research should advance theories about sources of external influence on foundations, paying particular attention to the state's capacity to shape organizational behavior of foundations and of the nonprofit sector generally.

Keywords: *peace grant making; philanthropy; foundations*

The lack of research on organizational behavior of philanthropic foundations has been noted in several recent studies (Anheier & Toepler, 1999; Díaz, 1996). This article makes a step toward rectifying this situation by analyzing peace grant making of U.S. foundations from 1988 to 1996. The endeavor is guided by neo-institutional organizational theory and analytic history of foundations.

According to neoinstitutional theory (e.g., Powell & DiMaggio, 1991), organizational action takes place in an "organizational field" defined "as the group of organizations that take one another into account in their behavior" (Fligstein & Byrkjeflot, 1996, p. 13). Recipients of foundations' largesse

constitute their immediate organizational environment. Understanding how foundations make their grant-making decisions vis-à-vis grantees is indispensable for a fruitful analysis of foundation behavior.

Philanthropic foundations are important because of their collective ability to devote substantial resources to a selected set of issues and organizations through which they exert a great deal of influence on the nonprofit sector and society at large (Ylvisaker, 1987). This is even more salient in the case of major American foundations. These are deeply embedded in the cultural, business, and political elite of the United States, and this considerable social capital further augments their authority. Other nonprofits seek to mobilize foundation support to assure the related goods of financial stability and survival, on one hand, and legitimacy, on the other. Conversely, nonprofits that fail to attract foundation support and sanction are less likely to emerge and survive in a society where, as some argue (Putnam, 2000), civic engagement increasingly relies on professionalized groups that often seek foundation grants. The following questions arise: What kinds of organizations do foundations favor? What causes do foundations fund? What factors may explain their likes and dislikes as far as organizations and causes are concerned?

I will answer these questions by analyzing foundations' peace grant making in the period from 1988 to 1996. The rhetoric of peace is common to all kinds of contemporary institutions (Klandermans, 1991), and, indeed, mission statements of most foundations assert their commitment to peace. In this study, I will investigate how much foundations gave to peace overall and what organizations received peace funding. By examining peace grant making in the years immediately preceding and following the end of the cold war, I will also be able to address the question of how much foundations, as complex organizations, can "alter their practices and reshape their environment in response to exogenous shocks" (Powell, 1991, p. 200). Although the restructuring of the world order in the aftermath of the cold war has produced a number of complex challenges for foundations, "peace and security" grant making is likely to have been most directly affected by the changes in the U.S.-Soviet relations and therefore is a good research site for investigating foundations' response to this global shock.

The article is organized as follows. The next section outlines how the institutional environment predisposes foundations toward certain types of beneficiary organizations. Concern with legitimacy is at the heart of foundations' institutional identity, and it underlies their decision making both in terms of recipient organizations and causes. The main comparison centers on elite and nonelite organizations, and I argue that foundations seek legitimacy from the former and bestow it on the latter. In the empirical section, I first assess the size of peace grant making in the period from 1988 to 1996, sketch out the organizational profiles of peace funders and grantees, and compare the shares of foundation dollars attracted by different categories of grantees. I then examine foundations' reaction to the end of the cold war by looking at the changes in

their peace grant making. I conclude by discussing the implications of my findings and suggesting avenues for future research.

FOUNDATIONS, LEGITIMACY, AND ENVIRONMENT

To understand the essential characteristics of the contemporary American philanthropic foundation as a distinct organizational form, we need to go back to the time of its birth and take advantage of historical research, which illuminates "how choices made at one point in time create institutions that generate recognizable patterns of constraints and opportunities at a later point" (Powell, 1991, p. 188). The philanthropic foundation emerged at the end of the 19th century, the period when "most of the developed countries went through an organizational revolution" (Meyer & Scott, 1992, p. 261). According to historians Barry Karl and Stanley Katz, the foundation was created in response to the growing societal awareness of problems that required a national policy as a result of urbanization and industrialization. From the outset, the American foundation evolved both as a new organizational form and a national system. It was made possible by the hitherto unprecedented concentration of wealth in the hands of very few individuals, such as Andrew Carnegie and John D. Rockefeller, who believed that philanthropy would be most efficient if it attacked the "root causes" of social problems by means of rational scientific inquiry. The immense resources that were put at the disposal of the first foundations allowed them to tackle issues that went beyond the traditional preoccupations of locally based and locally focused charities. Since then, the American foundation has seen its purpose in advancing the general welfare of mankind and progress (Karl & Katz, 1981, 1987).

Hence, like other nonprofits, foundations define themselves in terms of meeting public needs and providing the public good. According to Victoria Alexander (1998), it is for this reason that nonprofits "are particularly open to ideas from the outside world and particularly concerned with legitimacy" (p. 275). On the other hand, foundations are a relatively rare organizational species in the nonprofit world, because they give, rather than seek, funding. The original foundations were formed from the enormous fortunes of their founders. These large private resources directed into the public sphere roused attention, criticism, and suspicion that have accompanied foundations' activities in waves ever since and implanted themselves into the tax code, which treats foundations more stringently than other nonprofit organizations (Simon, 1987).[1] Therefore, legitimacy concerns may loom even larger for foundations than for other nonprofits. Bulmer (1999), for instance, argues that "this final lack of legitimacy is at the root of their peculiarity as institutions" (p. 45), because they, unlike other voluntary organizations, have no members or supporters and are not accountable to anyone beyond the donor or the board of trustees.

Therefore, although foundations confer legitimacy on the causes and organizations they fund, they also seek to gain legitimacy from these causes and organizations. The beneficiaries constitute the immediate environment in which foundations operate and that they, like any organizational actor, actively create and "strategically manage . . . in attempts to preserve autonomy, legitimacy, and organizational viability" (Alexander, 1998, p. 272; also Fligstein, 1990; Roy, 1997). Historical research shows that the first foundations gained initial legitimacy by doing exactly that:

> Money carefully given sometimes makes friends among its recipients, and that was certainly the case with the foundations. The universities were quickly won over, as were numerous private and public agencies which have been helped by philanthropists. The foundations encouraged the development of intermediary organisations, such as the Social Science Research Council, to mediate between themselves and competitors for the support proffered by foundations and they thus succeeded in creating a belief that they were not permanently aligned with any one set of [individuals or institutions]. They also carefully selected the objects of their largesse in order to avoid public controversy. (Karl & Katz, 1981, p. 252)

The strategic management of the institutional environment is embedded in programmatic priorities of contemporary foundations (e.g., Proietto, 1999), and they continue to maintain close ties with the network of institutions described by Karl and Katz. This has to do with the fact that both foundation board members and, more importantly, employees come from these institutions. In contrast to earlier periods when programmatic and funding decisions were made by the donor or the board closely associated with the donor's family, nowadays, foundation philanthropy is increasingly relying on professional staff. At the same time, this occupational field remains quite small and access to it limited. A foundation program officer's career is usually a temporary stint (Katz, 1999). Recruitment of chief executives and program officers occurs through informal networks and privileges graduates of prestigious—usually private—universities, who often have advanced degrees in the social sciences and humanities (Odendahl, Boris, & Daniels, 1985).

Therefore, it is to be expected that when making funding decisions, program staff members are likely to favor institutions and activities that constitute the traditional focus of foundation giving and that they are closely associated with in their professional lives outside of philanthropy. And indeed, private universities and colleges are the major beneficiaries of foundation giving (Rothschild, 1999; Ylvisaker, 1987).

Thus, although funders have a bearing on organizational behavior of recipients (e.g., Powell & Friedkin, 1987), the influence flows in the opposite direction as well: Foundations seek to conform to the normative expectations of professional and academic communities, which receive their grants and

simultaneously serve as sources of program officers, consultants, and trustees. Grantee organizations, then, shape foundations' priorities, and high-status universities and research institutions are more likely than others to find themselves playing this role. As neoinstitutionalists have shown, organizational goals have symbolic functions, and established routines and rituals facilitate an organization's quest to abide by the social and cultural norms of its institutional environment (Meyer & Rowan, 1977; Powell, 1991). Foundations, like other nonprofits, do not operate under the conditions of market competition, and their goals—such as the welfare of mankind, or world peace—are of inherently intangible character. This serves to play up further the normative influence of the social network in which they are embedded, and, as a result, foundations are both the architects and products of their environment.

The symbiotic relationship foundations have with other elite institutions produces a strong normative isomorphism, which today in large part stems from the professionalization of foundation philanthropy, so that when

> managers and key staff are drawn from the same universities and filtered on a common set of attributes, they will tend to view problems in a similar fashion, see the same policies, procedures and structures as normatively sanctioned and legitimated, and approach decisions in much the same way. (DiMaggio & Powell, 1983, p. 153)

Elite universities and think thanks are favored by foundations because they emerged in the same era, share the central emphasis on research, and employ scientific and social scientific professionals. Although elite applicants seek financial support from foundations, they are at the same time the main authority legitimating foundations' existence and activities.

It is vis-à-vis nonelite recipients that foundations act as grantors of legitimacy. As has been mentioned above, the original foundations saw their mission in attacking the root causes of persistent social problems and implementing large-scale progressive social change. Foundations take the rhetoric of responsible stewardship seriously: When interviewed, foundation employees express that they "have the sense of doing exciting, worthwhile work on the cutting edge of social change" (Odendahl et al., 1985, p. 41). Foundations' professed commitment to social change raises the question of their support for social movement organizations commonly seen as important agents of social change.

Foundation patronage of social movements has been extensively researched by J. Craig Jenkins, who assesses its size and impact on beneficiary organizations (e.g., Jenkins, 1998; Jenkins & Halcli, 1999). Jenkins finds that although social movement philanthropy grew steadily since the 1950s (measured both as the number of funders and as the proportion of all foundation grant dollars), it consistently made up well under 1% of total foundation giving. His analysis reveals that foundations favor public interest movements,

pursuing broad collective goods, over empowerment movements, seeking to alter the distribution of power in society, chiefly because the latter center on indigenous citizen groups based on face-to-face organizing, whereas the former consist of organizations staffed by professionals. Professional social movements are more organizationally isomorphic to foundations: They tend to be hierarchically structured and "directed by experienced, full-time managers who are likely to share the professional and social values of foundation executives and trustees" (Jenkins, 1998, p. 210). Indigenous groups, on the other hand, are loosely structured, less accountable to a board or professional managers and, thus, more likely to engage in protests and other controversial actions. Jenkins sees the most direct consequence of foundation support for social movements in the growth of the number of professional movement organizations and of the public interest movement as a whole.

It follows then that foundations take into account the organizational structure as well as the cause advocated by social movements. Concern with the cause is likely to loom larger in the case of nonelite grantees, since elite recipients of foundation money are for the most part engaged in research and education, activities enjoying unambiguous social approval. By contrast, patronage of social movement activities—especially in the case of empowerment movements—almost always entail a possibility of a political controversy, and foundations are tempted to fund safe causes in order to avoid suspicion and criticism. However, the minuscule size of foundation patronage of social movements demonstrated by Jenkins indicates that generally, foundations prefer not to fund social movements, despite the spread and growing diversity of the latter in the nonprofit organizational landscape (see, e.g., Tarrow, 1998). Foundations view social movements as too contentious and social movement funding as threatening to undermine the funders' legitimacy. When foundations do support social movements, they choose professional organizations, which work through institutionalized channels, over empowerment groups, which question the bases of institutional authority.[2]

Jenkins's research has another relevant finding that brings us to the problem of peace. From the 1950s until the late 1980s, foundations gave fewer grants to the peace movement than they did to other movements. Foundations viewed the peace movement's questioning of the national security state during the Vietnam War and nuclear arms race as too politically controversial and chose not to get involved. Jenkins argues that, as a result, the peace movement did not see the growth of professional organizations in its ranks and remained an overwhelmingly indigenous, grassroots movement, relying on mass protest and large voluntary support (Jenkins & Halcli, 1999).

The contentious character of the very issue of peace derived from the fact that with the emergence of the national security state after World War II, the matters of peace and war—defined primarily as the policy of prevention of a nuclear conflict between the superpowers—became the exclusive competence of the state. The national security state can be conceived as "[t]he unified

pattern of attitudes, policies, and institutions" (Yergin, 1977, p. 5) by which the country had to be organized for perpetual confrontation with, and war against, communism. The national security state was an ideology as well as a set of institutions. Major foundations became "a microcosm" of decision-making establishment on the issues of the United States' relations to the rest of the world and rationalized their activities in terms of American national interest (Chatfield, 1992, p. 98). Peace groups, on the other hand, defined themselves in opposition to the official view (be it the war in Vietnam or the nuclear buildup) and were unlikely to draw financial support from major foundations, whose boards and staff shared and promulgated that view. Earlier research showed how formal and informal networks tie foundation trustees and executives to policy-making organizations, top levels of government, and big business (Colwell, 1980; Nielsen, 1972), and it is certainly plausible to view these ties as channels of the state's normative pressure on foundations, steering them away from funding citizen peace groups that questioned the policies and actions of the state.[3]

But how much money overall did foundations give to peace in the recent past? Has the end of the cold war affected foundations' peace grant making, or have the funding patterns remained unchanged because the national security state is still here and because organizational routines have great staying power?

Next, the empirical section of the article will examine foundation peace grant making immediately before and after the end of the cold war. It will assess the size of peace funding, compare the shares attracted by elite and nonelite grantees, and analyze whether peace funding patterns have changed in response to the end of the cold war.

DATA

Data in this study come from the Foundation Grants Index (FGI), published annually by the Foundation Center. In the examined period, the FGI sample captured slightly more than 50% of all grant dollars awarded by U.S. foundations. The FGI sample is skewed toward large foundations and large grants (in 1988-1989, the size of the minimum grant included in the sample was $5,000; from 1990 onward, it was $10,000), and the implications of this bias will be discussed in the subsequent sections.

The data set used in this study contains all grants that were indexed under "peace" in the FGI editions covering the period from 1988 to 1996 (Foundation Center, 1989-1998). The Foundation Center's grant classification scheme is divided into 10 broad subject categories (such as, e.g., Education, Health, Human Services, International/Foreign Affairs), and these are further split into 26 field areas. Most peace grants fall into the International/Foreign Affairs category (some fall into the Environment, Human Services, and Arts

and Culture categories) and focus on international peace and security, domestic security, peace organizations, arms control, foreign policy research and analysis, and international conflict resolution.[4]

For the purposes of the longitudinal analysis, the data have been split into three 3-year periods: Period 1 covers the years 1988 through 1990, Period 2 covers the years 1991 through 1993, and Period 3 covers the years 1994 through 1996. I treat the fall of the Berlin Wall in 1989 as the event marking the end of the cold war. I assume that foundation grant making does not change overnight, that is, that Period 1 will exhibit the pre–cold war patterns of funding. I expect Periods 2 and 3 to reflect changes, if any, in these patterns in response to the end of the cold war. Quantitative analysis is based on constant (1988) dollar values.

FINDINGS

A SNAPSHOT OF PEACE GRANT MAKING IN 1988-1996

The first line in Table 1 shows the size and share of peace grant making (on the left side of the table) and compares it to the total foundation giving (on the right side of the table). In the period from 1988 to 1996, foundations gave out 1,829 peace grants amounting to more than $193 million. These grants represented about 0.32% of the total number of grants. The dollar value of these peace grants represented less than one half of a percent of total foundation giving. It is noteworthy that the mean peace grant was significantly larger than the average of all grants in the FGI. This is because peace grant makers favored universities and research organizations, which tended to receive large grants, and is discussed in greater detail later. In short, in the years immediately preceding and following the end of the cold war, the foundation peace grant making was extremely small. Before I suggest an explanation for this, I will discuss the organizational profile of recipients and funders, as well as the changes from 1988 to 1996.

PEACE GRANTEES AND FUNDERS

I distinguish between three categories of grantee organizations: academic and elite institutions, social movement organizations, and various other institutions. The academic-elite category consists of universities and colleges, research organizations (such as the Brookings Institution or the Social Sciences Research Council), academic and professional societies (e.g., the American Association for the Advancement of Science), and elite groups engaged in research and networking (e.g., Trilateral Commission or the Council on Foreign Relations).

Borrowing from social movement research (Jenkins, 1998; McCarthy & Zald, 1987), I distinguish between three types of social movement

Table 1.   Peace Grants as a Percentage of All Foundation Grants, 1988-1996

	Peace Grants					All Grants in the Foundation Grants Index (FGI)		
	A *Number of* *Peace Grants*	*B* *As Percentage* *of All*	*C* *Value of* *Peace Grants ($)*	*D* *As Percentage* *of All*	*E* *Mean Peace* *Grant ($)*	*F* *Number of* *All Grants*	*G* *Value of All* *Grants (in billions $)*	*H* *Mean Grant* *($)*
Total (1988-1996)	1,829	0.32	193,471,799	0.48	105,780	563,535	40.01	71,005
By period								
1 (1988-1990)	545	0.37	70,237,004	0.69	128,875	146,940	10.14	69,040
2 (1991-1993)	721	0.38	69,487,940	0.50	96,377	191,762	13.76	71,769
3 (1994-1996)	563	0.25	53,746,855	0.33	95,465	224,833	16.10	71,637

Source: Data from the Foundation Grants Index, 1989-1998 (Foundation Center, 1989-1998).

Table 2.   Distribution of Peace Grants Among Recipient Organizations, 1988-1996

Recipient Organization	Number of Recipients	Number of Grants	%	Amount ($)	% Dollars	Mean Grant ($)
(a) Academic-elite	268	1,050	57.4	154,291,280	79.7	146,944
Universities and colleges	108	399	21.8	68,697,703	35.5	172,175
Research	125	484	26.5	72,895,928	37.7	150,611
Academic-professional societies	21	89	4.9	8,272,001	4.3	92,944
Elite groups	14	78	4.3	4,425,647	2.3	56,739
(b) Social movement	167	533	29.1	25,763,992	13.3	48,338
Technical support	102	331	18.1	16,634,621	8.6	50,256
Advocacy	46	158	8.6	8,311,803	4.3	52,606
Grassroots	19	44	2.4	817,568	0.4	18,581
(c) Various other	114	246	13.4	13,416,527	6.9	54,539
Church based	32	89	4.9	2,593,587	1.3	29,141
Media and arts	34	56	3.1	3,040,386	1.6	54,293
Miscellaneous[a]	22	60	3.3	6,498,249	3.4	108,304
Unclassified	26	41	2.2	1,284,306	0.7	31,325
(d) All recipients	549	1,829	100.0	193,471,799	100.0	105,780

Source: Data from the Foundation Grants Index 1989-1998 (Foundation Center, 1989-1998).
a. Other foundations, service providers, international organizations, governmental agencies.

organizations: grassroots, advocacy, and technical support (advocacy and technical support organizations form public interest movements, whereas grassroots organizing is characteristic of empowerment movements). Grassroots groups (e.g., Peace Action) represent indigenous movements, they are engaged in face-to-face organizing, mainly staffed by volunteers, and draw most of their resources from individual supporters. Advocacy and technical support organizations are professional movement organizations. They rely on paid staff, communicate with their constituencies by mail, and derive their resources from a variety of sources. Advocacy organizations (e.g., the Natural Resources Defense Council) pursue political and legal strategies, whereas technical support organizations (e.g., the World Without War Council) act as clearinghouses and provide research, training, or consulting for other groups. Both advocacy and technical support organizations often cooperate and share their resources with grassroots groups.

Finally, all the other types of organizations that received peace funding fall into the catchall "Other" category. It comprises churches, media and arts, international organizations (such as United Nations member organizations or NATO), other foundations, and government agencies. Some church-based organizations (most notably, the American Friends Service Committee) have been long affiliated with the U.S. peace movement and are also likely to share some of their resources with grassroots groups, as are other foundations.

Table 2 shows that academic-elite recipients attracted 57.4% of peace grants, but 79.7% of all peace grant dollars, with the mean grant roughly three times the size of the mean grants in the other two categories. Within the academic-elite category, universities and research institutions received most

Table 3.   Foundations That Gave Peace Grants, 1988-1996

Foundation	Number of Foundations	Number of Grants	%	Amount ($)	% Dollars	Mean Grant ($)
(a) Four largest donors	4	719	39.3	132,109,541	68.3	183,741
MacArthur		247	13.5	67,352,923	34.8	272,684
Carnegie		143	7.8	32,665,004	16.9	228,427
Ford		210	11.5	23,839,245	12.3	113,520
Jones		119	6.5	8,252,369	4.3	69,348
(b) All other donors	208	1,110	60.7	61,362,257	31.7	55,281
(c) All donors	212	1,829	100.0	193,471,799	100.0	105,780

Source: Data from the Foundation Grants Index 1989-1998 (Foundation Center, 1989-1998).

of the money and the largest grants. Social movements received 29.1% of grants and 13.3% of the funding, with the smallest mean grant. Among social movements, technical support organizations received the most grants and funding, whereas grassroots groups got less than one half of a percent of all peace funding, and the smallest grants of all in any category.[5] Organizations in the remaining "Other" category received 13.4% of grants and 6.9% of funding.

Although 212 foundations gave peace grants in the examined period, four foundations heavily dominated the field (Table 3). The MacArthur Foundation, the Ford Foundation, the Carnegie Corporation of New York, and the W. Alton Jones Foundation each gave more than 100 peace grants between 1988 and 1996. Together, they accounted for 39.3% of the grants and 68.3% of the total peace funding. All four are large independent foundations, and two of them, MacArthur and Ford, are in the top 10 U.S. foundations both by assets and annual giving. At 183,741 dollars, the average peace grant of these four foundations was more than 3 times as big as the average grant of the other 208 foundations, at 55,281 dollars.

The sheer amount and share of the funding provided by the four above-mentioned foundations made them very influential actors in the area of peace grant making. To what extent did the other foundations resemble or differ from these four? Although it is common to analyze foundations based on the structure of governance, that is, to compare independent foundations, family-controlled, corporate foundations, and public charities, I agree with Anheier and Toepler (1999, p. 13), who point out that such a classification focuses on the source of capital and control of foundations rather than on the organization of foundation work. The largest four donors were big independent foundations and committed peace funders with special peace and security programs. The other foundations, on the other hand, represented a mixed group in terms of governance, size, and regularity of their peace grant making. The goal of my analysis was to probe the differences and commonalities between the four committed peace grant makers in my sample and those foundations that funded peace less regularly. Table 4 shows that both groups of donors favored universities and research organizations. However, the second group of donors dedicated a considerably bigger share of their funding to

Table 4.   Four Largest Peace Donors Compared to Other Foundations

Recipient Organization	Four Largest Donors		Other Donors	
	% Dollars	Mean Grant ($)	% Dollars	Mean Grant ($)
(a) Academic-elite	85.0	215,126	68.4	79,537
Universities and colleges	38.1	201,458	29.9	123,041
Research	41.3	254,892	29.9	67,959
Academic-professional societies	5.0	137,217	2.7	41,112
Elite groups	0.6	79,801	5.9	53,348
(b) Social movement	10.2	96,140	20.1	31,309
Technical support	5.7	87,092	14.8	37,121
Advocacy	4.3	123,662	4.3	23,423
Grassroots	0.1	27,726	1.0	16,851
(c) Various other	4.8	111,476	11.5	37,367
Church based	0.1	36,549	3.9	28,701
Media and arts	1.6	95,713	1.5	27,491
Miscellaneous[a]	2.7	160,714	4.8	77,961
Unclassified	0.4	66,245	1.2	22,859
(d) All recipients	100.0	183,741	100.0	55,281

Source: Data from the Foundation Grants Index 1989-1998 (Foundation Center, 1989-1998).
a. Other foundations, service providers, international organizations, governmental agencies.

social movements and other nonacademic grantees, that is, more than 30% of the money, compared with 15% of MacArthur, Carnegie, Ford, and W. Alton Jones. (Take note that there is variation within this group: The W. Alton Jones Foundation stands out from the other three, having allocated the majority of its peace money to nonacademic grantees, as shown in Table 5.) As many of the miscellaneous peace funders were smaller in size than the four largest donors, the comparison indicates that the FGI data, biased in favor of large foundations and large grants, were likely to significantly underestimate the amount of support going to nonacademic beneficiaries, which tended to receive smaller grants. It is also likely that nonacademic recipients obtained grants from smaller foundations, and those were not captured by the FGI sample either. This suggests, first, that we need better data on smaller foundations and, second, that we should be wary of making generalizations based solely on analyses of large foundations.

In terms of the domestic-international distribution of peace giving, 89% of the money went to domestic organizations. Only 27 foundations gave to organizations based outside of the United States (there were 238 international grants). International peace grant making was heavily dominated by two foundations: Ford and MacArthur made 67% of all international grants, which amounted to 81% of the total money. The W. Alton Jones Foundation came a distant third with 3.8% of all grants and 2.9% of the total international peace dollars. Figure 1 shows the regional distribution of international peace grants. English-speaking countries and Western Europe together attracted more than 50% of international peace funding. (Individually, the United Kingdom was the top recipient of peace funding from U.S. foundations, having drawn 28%

Table 5. Distribution of Peace Grants of Four Largest Peace Donors Among Recipient Organizations, 1988-1996

Recipient Organization	MacArthur % Dollars	MacArthur Mean Grant ($)	Carnegie % Dollars	Carnegie Mean Grant ($)	Ford % Dollars	Ford Mean Grant ($)	Jones % Dollars	Jones Mean Grant ($)
(a) Academic-elite	87.8	318,111	92.8	248,546	79.1	118,641	47.8	71,650
Universities and colleges	43.3	267,265	40.9	252,003	26.2	99,218	19.7	65,034
Research	39.1	487,122	45.0	277,304	48.4	138,901	24.4	84,015
Academic-professional societies	5.3	187,096	6.5	151,168	2.7	63,373	3.4	56,299
Elite groups	0.3	44,332	0.5	76,493	1.9	150,214	0.2	17,052
(b) Social movement	8.5	133,769	6.0	108,184	10.8	91,654	38.7	62,625
Technical support	4.4	113,448	3.0	89,346	7.5	84,804	22.6	64,265
Advocacy	4.1	172,487	3.0	137,787	3.3	112,203	14.3	73,670
Grassroots	0.1	42,630					1.8	25,242
(c) Various other	3.6	135,127	1.2	131,682	10.1	104,741	13.5	85,981
Church based					0.8	36,549		
Media and arts	1.3	105,704	0.8	250,000	1.6	96,734	7.6	69,237
Miscellaneous[a]	2.3	218,475	0.4	72,523	5.7	151,858	6.0	123,656
Unclassified	0.1	19,109			2.0	94,527		
(d) All recipients	100.0	272,684	100.0	228,427	100.0	113,520	100.0	69,348

Source: Data from the Foundation Grants Index 1989-1998 (Foundation Center, 1989-1998).
a. Other foundations, service providers, international organizations, governmental agencies.
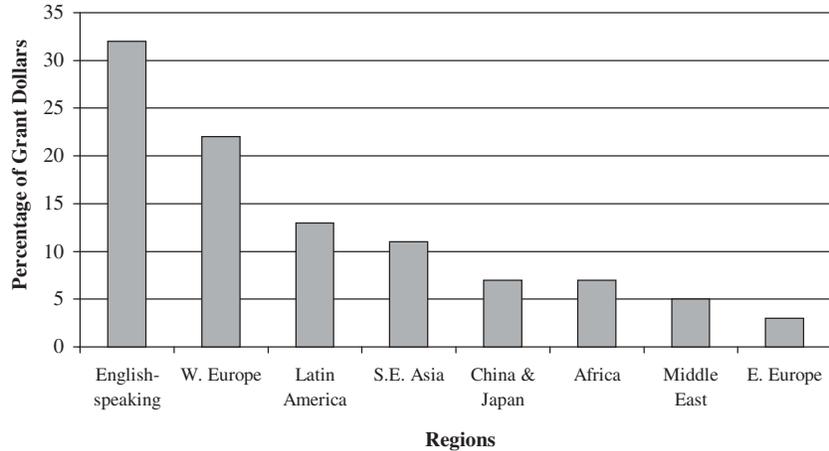
Figure 1.   Distribution of International Peace Funding by Region, 1988-1996

of international peace dollars).[6] Eastern Europe and Russia received the smallest amount of peace funding in the examined period. Funders followed the same general pattern internationally as they did domestically: More than 71.3% of money awarded abroad went to academic and elite institutions; 17.7% went to social movements; and 11% went to international, church-based, and other organizations.

In short then, several large independent foundations with special peace programs heavily dominated peace grant making. Foundation behavior was significantly influenced by tradition and normative pressures, as both domestically and internationally, peace funders favored academic and elite organizations, which were more isomorphic to foundations than other grantees. Universities and research centers received the most money and the largest grants. Among the three types of social movements, peace funders, as expected, favored professional organizations and gave the smallest amounts of money to grassroots groups. Internationally, foundations preferred countries with strong cultural bonds to the United States.

CHANGES IN FUNDING PATTERNS FROM PERIOD 1 TO PERIOD 3

Table 1 also describes the changes in peace grant making from Period 1 to Period 3. It shows that as overall foundation giving increased both in the number of grants (column F) and the dollar value (column G), the share of peace grant making (as indicated in columns B and D) steadily decreased: from 0.69% in Period 1 to 0.33% in Period 3. The value of peace grants (column C) measured in constant dollars also decreased: from more than $70 million in the late 1980s to less than $54 million in the mid-1990s. The only measurement that stands out against the backdrop of this rather consistent pattern is the number
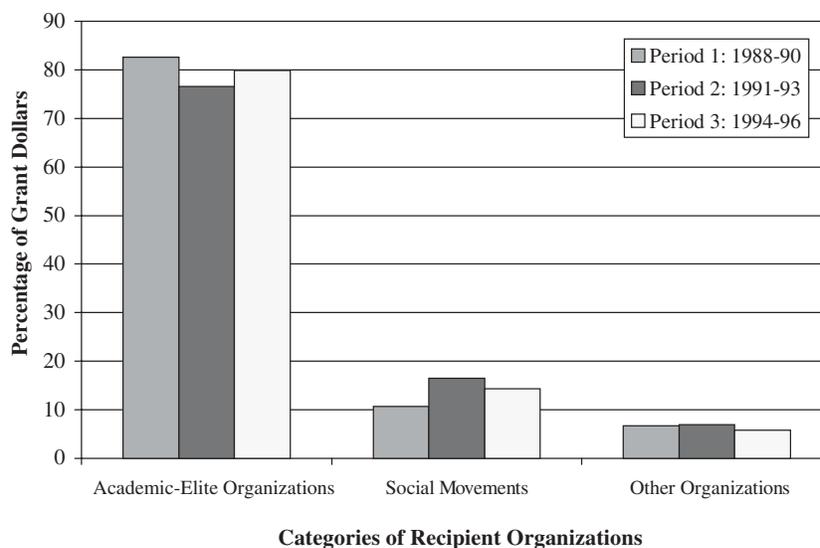
Figure 2.   Distribution of Peace Funding Among Recipient Categories by Period

of peace grants (column A), which rose from 545 in Period 1 to 721 in Period 2 and dropped to 563 in Period 3.

Figure 2 shows that in Period 2, foundations shifted some of their peace funding from the academic-elite category to social movements. As social movement grants were on average smaller than other grants, social movements accounted for the steep rise in the number of grants in Period 2 observed in Table 1. We can see that in Period 3, foundations transferred money back from social movements to academic-elite organizations. The overall trend in the period from 1988 to 1996 was a slight increase in the social movement share of funding and a slight decrease for the academic-elite share of funding.

Figure 3, which breaks down the academic-elite and social movement categories into recipient organizations, indicates that the most significant changes in the redistribution of peace funding took place *within* the academic-elite category: Period 2 saw a dramatic drop of funding going to universities and colleges, with almost no signs of recovery in Period 3. In contrast, research organizations saw their share of funding double from Period 1 to Period 2 and grow by another 7% in Period 3. Within the social movement category, the overall trend from Period 1 to 3 for the funding of technical support and advocacy groups was upward, whereas the already minuscule share of grassroots peace organizations diminished even further.

Finally, the share of international giving increased (not shown). International grantees received 8.7% of peace funding in Period 1, 9.9% in Period 2, and 15.3% in Period 3. English-speaking countries, Southeast Asia, Latin
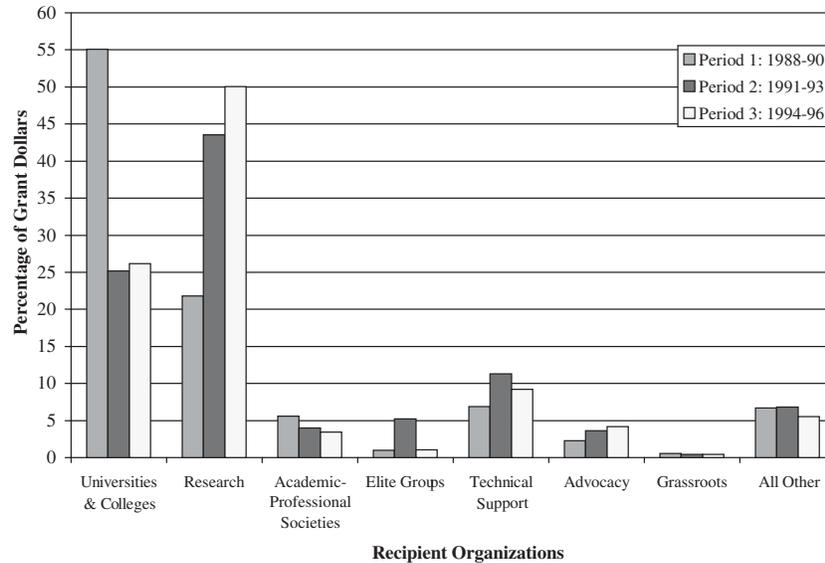
Figure 3.   Distribution of Peace Funding Among Recipient Categories by Period

America, and Eastern Europe drew a greater proportion of peace funding in later periods compared to Period 1.

How can we interpret these findings? However minimal peace funding was during the cold war, its end opened up new issue areas, which could draw away part of the funding previously going to "peace and security." It also opened up new geographic areas, where new causes could be supported. Indeed, the Foundation Center's (1997) research shows that the early 1990s witnessed an explosion of international grant making. The growing share of international peace funding indicates that foundations see peace-related activities as increasingly taking place outside of the United States. This seems to reflect the shift from the bipolar to the multipolar view of the world, where the problems of peace move away from the superpower confrontation to other kinds of conflicts. The evolution of the Carnegie Corporation's peace program illustrates this shift well. In 1988, it was called the "Avoiding Nuclear War" program. In 1991, it was renamed "Cooperative Security," and its description emphasized "a new international security strategy based on principles of cooperation." In 1995, it became "Preventing Deadly Conflict," which incorporated a subprogram aimed at the prevention of "mass intergroup violence" and "strengthening democratic institutions in the former Soviet Union and Eastern Europe" (Carnegie Corporation, 1988, 1991, 1995).

As for the trends reflected in Figure 3, professional social movement organizations—especially technical support organizations, which mostly accounted for the increased grant dollars received by this category—were often the pioneers discovering these new causes and parts of the world. As

organizations long advocating the reform of the cold war outlook and paradigm of relations and devoted to information dissemination, technical assistance, exchange and training, they were well placed to move into the new frontiers. The rapid dismantling of socialism in Eastern Europe revived the interest in civil society and the relationship between civic engagement and democracy in Western countries (e.g., Putnam, 1993, 2000), and it appears that foundations responded to these events by providing more money to professionalized nongovernmental organizations.

Research organizations were also better equipped than universities to position themselves vis-à-vis the changes in social processes that they studied. Although research organizations' mode of operations is quite similar to that of universities, independent research centers and institutes are frequently smaller bureaucracies, their researchers are not committed to teaching several months out of a year, and they have more flexibility in selecting research topics and planning research travel. Besides, like technical support nongovernmental organizations, many research organizations regularly organize exchange and training programs and place more emphasis on interactions with policy makers, which could make foundations view them as better agents for the study of change with regard to the issues of peace and international relations than universities. It might also be the case that in the 1980s, peace grants went to university-based area studies programs, which have since been in decline, thus the drop in funding going to universities by the mid-1990s.

CONCLUSION

By analyzing peace grant making of U.S. philanthropic foundations from the late 1980s to the mid-1990s, I sought to compare foundation giving to different types of beneficiaries and to examine funders' response to the end of the cold war. I used neoinstitutional theory to argue that legitimacy concerns underlie the choices foundations make regarding the organizations and causes they fund. Foundations can receive and bestow legitimacy. Academic and elite recipients, which constitute the traditional institutional environment of foundations and serve as a source of staff for the increasingly professionalized field, give legitimacy to foundations and draw most of their support. Foundations' authority in conferring legitimacy is prominent vis-à-vis nonelite organizations, particularly social movements, which often seek to mobilize foundation support but receive much less of it than elite grantees do. The analysis of foundation peace grants given out in 1988-1996 showed that academic and elite recipients attracted the overwhelming majority of peace dollars, compared to social movement and other organizations. This study also highlights that the cause (the subject area in which a funded activity takes place) has a bearing on foundation behavior. The overall size of

peace grant making was very small in the late 1980s and smaller still after the end of the cold war.

Before I offer a theoretical interpretation of these findings, it is relevant to discuss the extent to which they are dependent on the data used in the study. As mentioned earlier, the FGI is skewed toward large foundations and large grants. Moreover, the shift in the size of the minimum grant included in the FGI from $5,000 to $10,000 in 1990 raises the question of comparability between Period 1 (1988-1990) and Periods 2 and 3 in my analysis. The cumulative effect of these factors (the bias and the shift in size) is to underestimate foundation giving to recipients outside of the academic and elite establishment, because such recipients may have better chances getting funding from smaller foundations and smaller grants. And indeed, Jenkins (1998; Jenkins & Halcli, 1999), who uses a broader sample of foundations, shows that smaller foundations are more likely to fund grassroots groups and social movements in general. At the same time, Jenkins finds that foundation patronage of social movements has been consistently "tiny" and that the peace movement attracted less, rather than more, funding in comparison with other movements. Thus, although it is important to be aware of the differences in organizational behavior of large and small foundations, the Foundation Center data's bias would not cast doubt on the general distribution of foundation grant dollars between elite and nonelite beneficiaries—at least not as far as peace grant making is concerned—and would not undermine the usefulness of these data for fruitful empirical analyses of foundation philanthropy.

As for a theoretical explanation, I suggest that a plausible interpretation for the small size of peace grant making is foundations' disinclination to fund peace due to normative pressure from the state, which during the cold war defined peace in terms of national security and saw itself as its one and only guardian. In other words, despite the rhetorical commitment to peace found in their mission statements, foundations did not see the funding of peace as all that necessary, because the state was taking care of it. When they did, they chose a safe and familiar option by giving most of it to elite organizations engaged in research and education. Concerns with legitimacy and learned routines also appear to shape foundations' response to the end of the cold war: Although toward the mid-1990s, foundations increased slightly the share of money going to social movement organizations, their main action was to redistribute funds in the favored academic-elite category. The decline of peace funding—at the same time as foundation giving is increasing—may mean that foundations are losing interest in peace defined in the cold war terms of nuclear confrontation and are moving on to new conceptual territories, such as regional conflict resolution, environmental security, global governance, and so on (see, e.g., Lord & Stewart, 1997). And this, arguably, may mean that peace is becoming a less fundable issue and activity, whereas the national security state remains alive and kicking.

Clearly, we need a great deal more empirical research on foundation grant making based on aggregate and longitudinal data. These should include data

on smaller foundations. My analysis shows that their collective behavior may be quite different from that of major foundations and that we need to develop models accounting for variation in the foundation field. As far as large foundations are concerned, in the past, scholarly attention focused on their ability to influence public policy (e.g., Arnove, 1980; Lagemann, 1992), whereas the critical sources of influence on foundations themselves have yet to be specified and explored (Anheier & Toepler, 1999).

If anything, this study underscores the importance of investigating the role of the state in structuring the nonprofit sector (e.g., Skocpol, Gans, & Munson, 2000). Research looking at the state-nonprofit interaction either focuses on government supervision and legal regulation of nonprofit organizations or on the complementarity of services provided by public and nonprofit institutions (Salamon, 1987). However, the state's influence need not always be coercive, as it can shape the nonprofit sector in more subtle ways. It is sometimes argued that the voluntary sector is able to represent the full diversity of views in a pluralistic democratic society (Douglas, 1987). It seems to me that such optimism needs to be tempered and that we should attempt to develop a more nuanced understanding of what constitutes the full diversity. The case of peace grant making indicates that it is much harder to have one's views represented when one's cause is disapproved by the state and, as a consequence, is not supported by foundations. If civic associationalism in the United States is, indeed, becoming increasingly professionalized and less reliant on grassroots organizing, foundation giving becomes an even more significant issue, in practice and theory. Future research should compare subject areas that have different relationships with the state. For instance, peace, which I suggested was a cause that the state disliked and foundations did not fund, could be contrasted with civil rights, where the state has been active since the 1960s (Rosenberg, 1991). Such a comparison could lead to new and better theoretical insights into the relationship between the state and foundations, and between the state and the nonprofit sector more generally.

Notes

1. From the early decades of the 20th century until the 1980s, U.S. foundations had to live with frequent and energetic criticism of their activities both from the Left and the Right. The consensus that foundations are beneficial for American society seems to have developed only in the last 15 to 20 years. In 1984, for example, Congress moderated some of the tax restrictions disfavoring foundations (Simon, 1987). It is interesting that the development of this consensus seems to have foreshadowed the rise of concern in the public debate and academic community about the famous decline of social capital.

2. When foundations choose to support a new or a controversial cause, they also bestow on it their legitimating authority, and they have on occasion assumed this role. Historians show that foundations preceded other U.S. institutions in articulating such national issues as health and poverty or the advancement of Blacks through education (Karl & Katz, 1981). The cost was that foundations incurred most vigorous criticism precisely when their activities were closest to the social reformist interpretation of what constitutes the welfare of mankind. One of the most well

known examples is the Ford Foundation's sponsorship of Black voter registration drives through-out the country in the 1960s (Nielsen, 1972).

3. Two well-known examples are those of McGeorge Bundy, who was the Ford Foundation's chief executive after serving as national security adviser in John Kennedy's White House, and Robert McNamara, who served as a trustee of the same foundation.

4. A detailed description of the Foundation Center's grant classification system can be found at its Web site, www.fdncenter.org/research.

5. This finding accords well with research showing that institutional legitimacy is an important factor explaining the variability in survival outcomes of different kinds of social movement organizations (Edwards & Marullo, 1995; Minkoff, 1993) and that "the grassroots road . . . is the one generally not taken by [foundation] philanthropy" (Bothwell, 2001, p. 73).

6. See, for example, Bulmer (1999) on historical ties between American foundations (Carnegie and Rockefeller) and Britain.

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