



Citation for published version:

Harvey, C, Maclean, M, Gordon, J & Shaw, E 2011, 'Andrew Carnegie and the foundations of contemporary entrepreneurial philanthropy', *Business History*, vol. 53, no. 3, pp. 425-450.
<https://doi.org/10.1080/00076791.2011.565516>

DOI:

[10.1080/00076791.2011.565516](https://doi.org/10.1080/00076791.2011.565516)

Publication date:

2011

Document Version

Peer reviewed version

[Link to publication](#)

University of Bath

Alternative formats

If you require this document in an alternative format, please contact:
openaccess@bath.ac.uk

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Andrew Carnegie and the foundations of contemporary entrepreneurial philanthropy

Charles Harvey, Mairi Maclean, Jillian Gordon and Eleanor Shaw

Harvey, C., Maclean, M., Gordon, J. & Shaw, E. (2011). Andrew Carnegie and the foundations of contemporary entrepreneurial philanthropy, *Business History*, 53(3): 424-448.

Abstract

This paper focuses upon the relationship between the business and philanthropic endeavours of *world-making* entrepreneurs; asking why, how and to what ends these individuals seek to extend their reach in society beyond business. We present an original model of *entrepreneurial philanthropy* which demonstrates how investment in philanthropic projects can yield positive returns in cultural, social and symbolic capital, which in turn may lead to growth in economic capital. The model is applied to interpret and make sense of the career of Andrew Carnegie, whose story, far from reducing to one of making a fortune then giving it away, is revealed as more complex and more unified. His philanthropy raised his stock within the *field of power*, helping convert surplus funds into social networks, high social standing and intellectual currency, enabling him to engage in *world making* on a grand scale.

Keywords: capital theory, Carnegie, entrepreneurship, entrepreneurial philanthropy, social networks, field of power

Introduction

This article has a dual purpose. The first is to present a more complete and intellectually satisfying explanation than presently exists for the involvement of super-wealthy entrepreneurs in large-scale philanthropic ventures. Entrepreneurs who become major philanthropists are referred to here as *entrepreneurial philanthropists*, and include amongst their number Bill Gates, Conrad and Barron Hilton, Andrew Mellon, John D Rockefeller and Henry Wellcome. These individuals and others like them are distinguished both by a fierce drive to accumulate personal fortunes and by the desire to deploy a significant part of their wealth in pursuit of philanthropic ventures over which they can exercise control (Bishop and Green, 2008; Schervish *et al.*, 1994). Entrepreneurial philanthropists do not see themselves as simply disposing of surplus funds, but rather as actively investing their resources (money, know-how, time, social connections, reputation and prestige) in projects that promise high social rates of return. They are, in other words, powerful social actors engaged in the business of *world making* (Bourdieu, 1987), which we conceive, following Creed, Scully and Austin

(2002: 475), as ‘the embedded ways in which agents relate to and shape systems of meaning and mobilize collective action to change social arrangements.’ Our second purpose is to demonstrate through analysis of the career, writings and impact of Andrew Carnegie (1835-1919), the progenitor of modern-day entrepreneurial philanthropy, how these individuals secure substantial personal returns from their philanthropic investments (Ostrower, 1995; 2002). We argue that philanthropic activities serve to boost the cultural, social and symbolic capital of entrepreneurs and increase their effectiveness as multi-positional agents within the *field of power*, the integrative domain that brings together elite actors from different walks of life, including business, politics, public administration, media and the law (Bourdieu, 1996; Maclean *et al.*, 2010; Moore, 1979; Useem, 1979). It is through coalitions, alliances and networks forged within the field of power that entrepreneurs are able to influence societal decision-making processes, resource flows, institutional changes, and public opinion (Burt, 2000; Geletkanycz *and* Hambrick, 1997; Zald *and* Lounsbury, 2010). In assuming prominence at the pinnacle of society, legitimized and accepted in part through their status as philanthropists, leading entrepreneurs greatly increase their capacity to deliver desired outcomes within the realms of business and philanthropy (Marinetto, 1999).

In taking Andrew Carnegie as our exemplar, we aim to look afresh at his career and the continuing importance of his ideas and example. Carnegie was by no means the first wealthy industrialist to donate a large part of his fortune to philanthropic causes; but he was pioneering in his articulation of the ethics of entrepreneurial philanthropy and in putting theory into practice on a large scale (Curti, 1961; Wren, 1983): in terms of size of fortune, expressed in real terms, and the proportion of wealth disposed of charitably, Carnegie has few rivals (see Table 1). Invariably, the methods by which he came to accumulate his fortune and the reasons for its philanthropic disposal have been the subject of considerable academic interest. His rise from humble beginnings, the son of a Scottish handloom weaver who

migrated to the United States in 1848 when Andrew was aged 12, settling close to relatives in Allegheny City near Pittsburgh, to owner of a mighty steel company, sold to J.P. Morgan in 1901 and reconstructed as US Steel, has been charted in detail (Hendrick, 1932; Wall, 1970; Livesay, 1975; Nasaw, 2006). There is likewise an extensive literature on his philanthropic activities from the early 1870s onwards (Lester, 1941; Van Slyck, 1995; Burlingame, 2004). What has not been done, however, is to consider how business and philanthropy were conjoined within his world. This we aim to do.

The article divides into four main sections. We first consider how entrepreneurship and philanthropy are related, and propose an original model of entrepreneurial philanthropy based on capital theory. The next section details Carnegie's rise to power, his accumulation of a massive fortune, and his philanthropic projects, principles and practices. There then follows an analysis of the ways in which Carnegie accumulated and exploited non-standard forms of capital. We demonstrate how philanthropy repaid him in cultural, social and symbolic capital, strengthening his business and enabling him to engage in world making on an ever larger scale. In the final section, we draw together the threads of our argument, consider the implications for theory, reflect on the enduring importance of Carnegie's philosophy and philanthropic practices, and assess the limitations of the study and potentialities for future research.

Entrepreneurship and philanthropy

We define entrepreneurial philanthropy as *the pursuit by entrepreneurs on a not-for-profit basis of big social objectives through active investment of their economic, cultural, social and symbolic resources*. The emphasis here is on the involvement and active identification of the entrepreneurial self in pursuit of opportunities for social betterment; the roles played by individuals varying by commitment and available resources, including those of mastermind,

investor, partner and champion (Acs and Phillips, 2002). As such, our definition of entrepreneurial philanthropy resonates with the various labels used in recent years to describe entrepreneurs who bring to philanthropy more than just money: venture philanthropy (Letts, Ryan and Grossman, 1997), strategic philanthropy (Sandfort, 2008), creative philanthropy (Anheier and Leat, 2006), enterprising philanthropy (Dees, 2008) and philanthrocapitalism (Bishop and Green, 2008). However, where we disagree with these sources is with respect to their emphasis on novelty; the idea that entrepreneurial philanthropy has emerged only in recent years in response to the challenges posed by globalization and persistent inequalities in incomes, health and economic opportunities. In our view, there exists a paradigm for entrepreneurial philanthropy that has been in continuous use since the late nineteenth century. We see few essential differences between the philanthropic practices of Andrew Carnegie and contemporaries like Bill Gates and Chris Cooper-Hohn (Bishop and Green, 2008: 1-87). In each case, there is recognition of the injustices stemming from structural inequalities, a desire for others to benefit from wealth creation, and active investment of economic, cultural, social and symbolic resources in ambitious schemes for social improvement.

A necessary but not sufficient condition for becoming an entrepreneurial philanthropist is to have amassed a fortune through one's own endeavours. Typically, in the entrepreneurial life course, the largest fortunes are made by those entrepreneurs who become *dominant actors* within a defined economic field – Carnegie in steel, Rockefeller in oil, Hilton in hotels and Gates in computer software are illustrative – before extending their social reach and world-making ambitions. Dominant economic actors have abundant power, defined as *command over resources* (Maclean et al., 2006). They have risen to commanding positions within their industries typically through control of pivotal technologies or know-how, having a superior business model, and growth through large-scale mergers and acquisitions (Chandler, 1977: 415-500). By retaining control of their enterprises as they grow, they are

able to extract economic rents from broad swathes of the population. The acquisition of property rights, which grant license to extract economic rents, thus emerges as key to a generic understanding of how great personal fortunes are made (Keister, 2002: 55-106; Kuznets, 1955; Piketty and Saez, 2003). Acquiring a nexus of property rights sufficient to become a dominant actor within an economic field is not a passive process, but invariably requires victory in a succession of *contests for control* (Bourdieu, 1996; Jensen and Ruback, 1983; O'Sullivan, 2000). Emerging victorious from such contests confers legitimacy and reinforces the right of dominant actors to harvest economic rents (Lado, Boyd and Hanlon, 1997; Schoemaker, 1990; Tollison, 1982). Those who lose out in contests for control – for example, when their business is sold to a more dominant player – may also benefit as a proportion of future economic rents are pre-sold in order to secure the advantages of domination (DeTienne, 2010). Entrepreneurial philanthropists, therefore, may be members of the super-dominant business elite like Bill Gates, or an entrepreneur who has already cashed-in, like his Microsoft co-founder Paul Allen.

In recognizing that power is fundamental to fortune making and philanthropy, and that the two are inextricably linked, we take a vital step towards understanding the true nature of entrepreneurial philanthropy, as *a world-making process through which already successful entrepreneurs use their power to accumulate more power, extend their social and political influence, and increase their capacity to shape society according to their will*. This definition – which describes an accumulative rather than a distributive process – runs counter to the view of entrepreneurs who become philanthropists as altruistic individuals who, having made a lot of money, are now ‘giving back’ to society to ‘make a difference’ (Duncan, 2004: 2159) to the lives of others less fortunate ‘as an expression of [their] sense of community with others’ (Boulding, 1962: 62). Rather, our thinking is more aligned with those who conceive large-scale philanthropy in terms of hyper-agency (Bishop and Green, 2008; Schervish, 2005)

and status distinctions within elite social groups (Ostrower, 1995). In our view, there are no clear motivational or temporal demarcations between the entrepreneurial and philanthropic lives of entrepreneurial philanthropists: the same individuals and the organizations they create are constantly changing and forever becoming (Chia, 2002; Tsoukas and Chia, 2002), and their dispositions are formed in specific contexts through everyday acts of practical coping and interactions with other actors (Clarke and Holt, 2010; Ucbasaran, Westhead and Wright, 2001). What distinguishes the most successful from the less successful is their capacity to learn, acceptance of changeability, and mastery of the on-going processes of industrial, organizational and personal transformation, which require them continuously to seize opportunities, fixing incrementally upon possibilities rather than what is now (Cope, 2005; Harvey, 1979).

The model presented in Figure 1, inspired by Bourdieu's (1986b) work on forms of capital, is illustrative. In this, the entrepreneur is seen to possess four types of capital: economic, cultural, social and symbolic (Anheier, Gerhards and Romo, 1995; Harvey and Maclean, 2008; Terjesen and Elam, 2009). Economic capital consists of financial assets, non-financial assets like patents, tangible assets in the form of facilities, plant and equipment, and the systems, processes and organizational routines that facilitate production, distribution and control. Cultural capital is shorthand for the personal dispositions, knowledge, know-how, skills and capabilities of the entrepreneur, business associates and key employees. Social capital exists in the form of connections, networks, relationships and alliances that deliver market intelligence and provide access to critical resources. Finally, symbolic capital, the signifiers that generate trust in partners, financiers, regulators, customers, suppliers and employees, works silently but powerfully to energise the business and create belief within markets (Harvey and Maclean, 2008; Maclean et al., 2006). The arrows at the centre of Figure 1 suggest two things. The first is *transmutability*: the conversion of one form of capital

into others (Bourdieu, 1986b). As priorities change, the free cash generated within a business from its stock of capital can be used incrementally for future investment (Dierickx and Cool, 1989). The second is *momentum*. When free cash generation is positive, a business has the opportunity through reinvestment to enter into a self-reinforcing cycle of growth (Mueller, 1986). When free cash generation is negative, the opposite situation prevails; the business withers and its asset structure decays. From this perspective, the most successful entrepreneurs are those with the capabilities needed to generate forward momentum and accumulate within their business significant economic, cultural, social and symbolic capital (Barringer et al., 2005; Finkelstein et al., 2007: 295-329), helping overcome the constraints to growth identified by Penrose (1959).

[Insert Figure 1 Here]

Entrepreneurs who ultimately emerge as dominant economic actors, leaders in their field, invariably have been on an entrepreneurial journey that has required them to embrace the necessity of deploying and accumulating each of the four forms of capital identified in Figure 1 (Finkelstein et al., 2007: 107-143). At the outset, having identified a winning product or service – a strong value proposition – and a business model through which this might be delivered, the challenge is to assemble the required economic, cultural, social and symbolic resources. It is not possible to devise a compelling value proposition without the market and technical knowledge that stems from cultural capital (Helfat and Lieberman, 2002). Sufficient economic capital likewise is required to implement a sustainable business model (Arthurs and Busenitz, 2006). Without adequate social capital, the essential support of suppliers, partners and financiers will not be forthcoming (Baron and Markman, 2003). If there is no symbolic capital, it will be near impossible to gain access to networks or convince potential customers of the benefits of purchase (Zaheer et al., 1998). The entrepreneur must therefore deploy and leverage the capital he or she possesses to kick-start the business and

stimulate an upward spiral of capital accumulation. The deployment and rapid accumulation of social capital is crucial and dependent on the abilities and performance of the entrepreneur (Casson, 1994; Castanias and Helfat, 2001; Penrose, 1959). As momentum builds, fresh competitive challenges ensue: investment is required in infrastructure to capture economies of scale and scope; further knowledge and know-how must be acquired through investment in research and development or acquisition; additional social capital is needed to exploit market opportunities and navigate external environments; brand building and reputational enhancement likewise demand regular investment (Barney, 1997; Helfat, 1997; Petraf and Bergen, 2003; Teece et al., 1997). Throughout all of this, competitive pressures lead to regular contests for corporate control, restructuring and industrial concentration, simultaneously presenting new opportunities and challenges to develop capabilities and win competitive advantage (Anand et al., 2005; Barney, 1991; Capron and Pistre, 2002; Karim and Mitchell, 2000; Vermeulen and Barkema, 2001).

The journeys to the top taken by those entrepreneurs who emerge as dominant economic actors not only demand foresight and personal resilience, but also increasingly high levels of cultural, social and symbolic capital (Maclean et al., 2010). As companies become larger and more dominant, they also become more conspicuous and open to challenge from other powerful actors, such as politicians, regulators and consumer pressure groups (Domhoff, 1979). Dominant economic actors must exercise leadership on behalf of their industry as well as their own company. In doing so, they emerge as actors within the *field of power* in which the big questions of the day are settled through dialogue, negotiation and compromise between elite actors from different walks of life (Bourdieu, 1996; Domhoff, 2002; Maclean et al., 2010; Useem, 1979). Within the field of power, dominant economic actors engage *dialectically* through conversations, speeches and other communications to shape opinions on matters of importance to their business (Smith, 2000); they operate

instrumentally to form associations, alliances and pressure groups to lobby decision makers for agreed outcomes (Baumgartner *et al.*, 2009); and they function *legislatively* in consort with politicians, lawyers and officials to manage changes in the laws, regulations and established conventions that impact on their industry (Domhoff, 1979). In sum, entrepreneurs who rise to the top within their field, if they are to protect and enhance the position of their business, must learn to extend their reach beyond business to make common cause with other members of the elite (Clegg *et al.*, 2006).

From this perspective, the field of power is the point of union between business and philanthropy. To navigate within it, business leaders require considerable cultural, social and symbolic capital, and the most successful actively seek opportunities to renew and expand their capital base. This is done by a variety of means. Cultural capital is acquired by moving in the right circles to gather intelligence from those in the know. Orchestrating and participating in social gatherings, from dinner parties to invitations to premier cultural and sporting events, are favored for this purpose (Baron *and* Markman, 2003; Giddens, 1984). Social capital is acquired by extending network reach, and so business leaders often mutate into multi-positional actors by accepting invitations to join the boards of educational, governmental, cultural, sporting and philanthropic organizations (Burt, 2000; Geletkanycz *and* Hambrick, 1997; Ostrower, 2002). Here, by making common cause, they become familiar with other influential members of the social elite. Symbolic capital is acquired through recognition and respect. To stand out from the crowd, to be a distinguished figure – revered not reviled – it is necessary to transcend self interest and promote causes with apparent selflessness (Suchman, 1995). Championing causes that attract the support of the public, by giving voice and investing resources, is a source of distinction, often rewarded through State honours and honorary degrees (Bourdieu, 1986a; 1996). Together, possession of high levels of cultural, social and symbolic capital enables dominant economic actors to

increase their influence and power to determine the outcomes of societal events (Maclean, 2008), **Viewed in this light, they may be seen to deploy capital in its various forms to accumulate more power, in business and philanthropy.**

Our understanding of entrepreneurial philanthropy, viewed through the lens of capital theory, is modelled in Figure 2. This demonstrates that entrepreneurship (for-profit) and philanthropy (not-for-profit), far from being separate and distinctive activities, are related *symbiotically* one to another. Entrepreneurs invest economic capital in their philanthropic activities, most often through the vehicle of a charitable foundation, alongside their cultural, social and symbolic capital, which serve to increase the scale and effectiveness of their philanthropic activities, as the leverage achieved by Bill Gates through association with Warren Buffet illustrates (Bishop and Green, 2008: 1-5). The economic capital invested philanthropically by definition yields no direct return to the entrepreneur. However, potentially there are returns in the form of cultural, social and symbolic capital, which in turn might yield an economic return. Philanthropy thus construed serves as a vehicle for capital conversion, answering the question raised most succinctly by Boulding (1962, 60): what is ‘the motivation for genuinely unilateral transfers, that is, a *quid* for which there is no *quo*’? The answer, we propose, in contradistinction to Boulding’s argument that philanthropy represents a ‘pure gift’ motivated by altruism, is that successful entrepreneurs are drawn to philanthropy as an unimpeachable source of the cultural, social and symbolic capital needed to navigate effectively in the field of power. They seek out influential social circles in which charitable giving and sitting on the boards of philanthropic foundations is an expectation, and the wealthier you are the more you are expected to contribute (Ostrawer, 1995; 2002). Not all entrepreneurs see the need to respond enthusiastically to the call; but for others, for whom further accretions of conventional wealth are of near-zero marginal utility, there is a powerful attraction to engaging in world making on a grand scale. The returns in cultural, social and

symbolic capital alone might justify such actions, but indirectly and somewhat paradoxically philanthropy might also serve to boost the entrepreneur's financial fortunes. We next turn to put flesh on the theoretical bones through analysis of the career of Andrew Carnegie.

[Insert Figure 2 Here]

Carnegie, entrepreneurship and philanthropy

There is a wealth of sources, primary (his autobiography, books, articles, speeches and business and personal papers) and secondary (biographies and thematic studies), on the life and career of Andrew Carnegie. In what follows, we resist the tendency common in the literature to judge Carnegie or question his integrity. This is not our purpose. In our view, his actions and achievements are best understood in relation to *his lifelong quest to be somebody in the world, to make a big difference, and to be known for having made a big difference.*

Carnegie, we assert, was both the author and 'hero' of his own unfolding story (Gabriel, 1995), forever looking ahead to the next chapter; actively seeking opportunity to engage in the business of world making.

There are few tales of rags-to-riches to rival that of Carnegie. He began his working life began as bobbin boy in a cotton mill in Allegheny City in 1848 aged 13 before joining the Atlantic & Ohio Telegraph Company as a messenger boy. It was here that he first made his mark, ingratiating himself with local businessmen and learning to decode telegraph messages by ear (Carnegie, 2006a: 33-60). His social skills and technical prowess brought him to the attention of Tom Scott, superintendent of the western division of the Pennsylvania Railroad, and in 1852 he was appointed Scott's personal clerk and telegraph operator (Laird, 2006: 18-22). He was an employee of one the nation's largest, most profitable and rapidly growing enterprises, and stood out by virtue of his diligence and willingness to assume responsibility for operational decisions. He became trusted by the Pennsylvania's senior executives,

including company president J. Edgar Thomson, enjoyed regular increases in salary, and was cut in as junior partner on insider money-making deals. In 1859, he was promoted to superintendent of the western division of the railroad based in Pittsburgh (Carnegie, 2006a: 61-102; Nasaw, 2006: 54-65). As his range of business contacts multiplied, so too did his commitment to business venturing outside the company in oil, bridge building and iron manufacture. He resigned from the railroad in 1865 to pursue fresh opportunities as investor and company promoter, focusing on railroads, bridges and related industries (Carnegie, 2006a: 103-132). He made money by drawing up prospectuses and selling stocks and bonds in US ventures mainly in New York, his operational base from 1868, and London (Carnegie, 2006a: 133-157; Nasaw, 2006: 66-136; Wall, 1970: 212-231). His success provided the wherewithal to enter the steel rail business, exploiting the potential for large-scale, low-cost production promised by the invention of the Bessemer converter (Livesay, 2006; Misa, 1995). He and his partners invested heavily in a state-of-the-art works at Braddock near Pittsburgh, which they named after Edgar Thomson. The new enterprise flourished from the outset, with Carnegie as senior partner assuming the roles of strategist, decision taker, figurehead, contract chaser and negotiator, while his junior partners based in Pittsburgh had operational responsibility for the procurement, technical, manufacturing, commercial and financial aspects of the business (Carnegie, 2006a: 158-171; Nasaw, 2006: 137-183). A combination of relentless organic growth, which secured economies of scale and drove down costs, and major acquisitions – Frick Coke in 1881, the Homestead steel works in 1883, the Duquesne steel works in 1890, Oliver iron mining in 1894, and the Rockefeller Mesabi iron leases in 1896 – which achieved economies of scope, had raised the company to a position of industrial dominance by the time it was sold to J.P. Morgan in 1901 for \$480 million (Chandler, 1977; Livesay, 2006; Misa, 1995).

At the epicentre of an upward spiral of business growth for over four decades, Andrew Carnegie enjoyed virtually unbroken year-on-year increases in income and wealth. Already, by 1865, the year he left the Pennsylvania railroad, where his annual salary was \$2,400, his income for the year was declared as \$38,750. By 1868, he was earning \$50,000 a year and had a net worth of \$400,000 (Nasaw, 2006: 105-114). His strategy, in pursuit of a great fortune, was to invest his free cash in the Pittsburgh-based cluster of businesses he controlled rather than diversifying his holdings. In maintaining control, he could insist that the bulk of profits were reinvested to increase capacity and reduce unit costs (Livesay, 1977: 420-425; Nasaw, 2006: 511-523; Tedlow, 2003: 52-59). His net worth was computed at \$14.80 million in 1890; probably an underestimate, as typically the book value of his firms was stated well below their market value (Wall, 1970: 320-330). This was confirmed on the sale of Carnegie Steel when his share brought in \$225.64 million in gold bonds yielding 5% per annum (Nasaw, 2006: 567-592). This sum was the economic resource underpinning Carnegie's great period (1901-14) as entrepreneurial philanthropist and would-be world maker.

His philanthropic journey, outlined in Table 1, had begun decades before. In 1868, aged 33, he reflected that to 'continue much longer overwhelmed by business cares and with most of my thoughts wholly upon the way to make more money in the shortest time, must degrade me beyond hope of permanent recovery' (Nasaw, 2006: 113-114). Making his mark in the world, even at this embryonic stage, was for Carnegie about more than making money. A few years later, after entering the steel industry, he committed to philanthropy in earnest. The church organ he presented to his former church in Allegheny in 1873 and the endowment of swimming baths to his native town Dunfermline in 1874 were portents of things to come. In paying for thousands of church organs, he was not inspired by Christian faith, but by his belief in the civilizing power of music (Carnegie, 2006a: 240-241). Likewise, the public

libraries he donated to communities across the United States, Britain and British Empire, beginning in Dunfermline in 1879, bore testimony to his conviction that libraries, in promoting learning, could help others, however poor, to raise themselves up in the world (Carnegie, 2006a: 44-51; 2006b: 20-22). His ideas may not have been new; but through the organ and library programs, he raised the philanthropic bar by implementing systematic, criteria-based grant-making on an unprecedented scale (Nasaw, 2006: 605-609). The model, refined progressively on the basis of experience, was to guide applicants through a process that ensured projects were properly scaled – organs to buildings and libraries to communities – and sustainable. In the case of libraries, sustainability was assured not by making endowments but by having local authorities accept responsibility for book stocks and running costs as a condition of grant (Van Slyk, 1995). **As his philanthropic endeavours expanded, Carnegie avoided run-ins with business partners or investors in his companies because he used entirely his own money. Whilst there are numerous cases in the course of the twentieth century of shareholders taking legal action against directors over their philanthropic contributions (Banerjee, 2007), this was not something Carnegie had to contend with. To use his companies' funds would have been to fail to reap the profit of disinterestedness which is only fully captured when actions appear 'on the hither side of calculation and in the illusion of the most "authentic" sincerity' (Bourdieu, 1977: 214).**

As the ownership structure of modern capitalism was transformed, so too were the philanthropic priorities of business leaders. In this regard, Carnegie was a pioneer. His thoughts on enterprise and philanthropy, refined over the 1870s and 1880s through experience of both worlds, were brought together in 1889 in his two-part essay 'Wealth' published in the *North American Review*, and re-printed many times since as *The Gospel of Wealth* (Carnegie, 2006b: 1-30). In his view, the staggering inequalities of wealth of the industrial age were explained as a consequence of human progress. Competition between

producers had led them to employ ever more productive technologies on an ever larger scale, resulting in the concentration of production in the hands of the most competent entrepreneurs. In the process, the population benefited from cheaper goods and rising living standards; but a small number of individuals with a rare talent for organizing had grown supremely rich (Carnegie, 2006b:63). This was bad not because the entrepreneurial class was undeserving of reward, but because the scale of reward was excessive, productive of envy, and threatening to the social compact between rich and poor, capital and labor. Successful entrepreneurs, he reasoned, had the solution at hand: they should administer their wealth responsibly for public benefit (Carnegie, 2006b: 65-67). Leaving fortunes to family members was debilitating as it sapped the moral fibre of beneficiaries; while simply leaving bequests in support of good causes was passive and potentially wasteful. What was needed was the active management of wealth by those most capable of investing wisely on behalf of the community, during their own lifetime. In Carnegie's words (2006b: 10):

This, then, is held to be the duty of the man of Wealth: To set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and, after doing so, to consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer in the manner which, in his judgement, is best calculated to produce the most beneficial results for the community – the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could for themselves.

By thinking big and providing communities with universities, libraries, hospitals, parks, cultural, recreational and sporting facilities, entrepreneurs might forsake almsgiving and focus instead on creating opportunities for ‘those who will help themselves’ by providing ‘the ladders upon which the aspiring can rise’ (Carnegie, 2006b: 11). Individualism might thus be preserved, and the perils of socialism and anarchism avoided. Entrepreneurial philanthropy was thus positioned as the best means of preserving a free, democratic society. Hence his famous dictum: ‘The man who dies thus rich dies disgraced’ (Carnegie, 2006b: 12).

In matters philanthropic, Carnegie lived by his word. Five things stand out with respect to his practice. First, and most obviously, Carnegie thought big and embraced world making on a grand scale (see Table 1); distributing the vast majority of his fortune philanthropically in his own lifetime. The cluster of museums he created in Pittsburgh in the 1890s, for example, forms a cultural hub of edificial proportion (Couvares, 1984). Second, he invested more than money in his projects; he applied his cultural, social and symbolic capital to bring projects to life and expand horizons. His contribution to the international peace movement involved writing, public speaking, organizing high-profile events, pressing for legislative changes and international agreements, and seeking the support of governments and heads of state (Dubin, 1979). Third, he was discerning and principled in his selection of philanthropic opportunities. Large numbers of unsolicited propositions were rejected; for example, he repeatedly refused funding requests from top universities and colleges, preferring instead to invest in schools for working-class children, black and white, such as Booker T. Washington’s pioneering Tuskegee College and Carnegie Mellon University, originally the Carnegie Institute of Technology (Nasaw, 2006: 599-601). Fourth, Carnegie was not afraid to innovate, as the Hero Funds established in the United States and Europe to recognize the self-sacrificial deeds of ordinary citizens exemplify. His scheme to provide pensions for university and college teachers changed the face of higher education in the

United States by raising standards, as only those satisfying strict criteria could join, and by creating the platform for a national higher education superannuation scheme (Wall, 1970: 826-834). Fifth, Carnegie consciously set out to make a difference in the long run by setting up his trusts and foundations on a sustainable basis. To achieve this – as with the Carnegie Corporation of New York – he resisted specifying mission and purpose in detail, preferring instead to issue guidelines and then allow the trustees to shape policy flexibly according to the dictates of the time (Wall, 1970: 883-884).

[Insert Table 1 Here]

Carnegie, capital accumulation and the field of power

The picture of Carnegie emerging from our analysis is of a committed entrepreneurial philanthropist, an orchestrator and hyper-agent motivated by a passion for world making. His words and deeds cannot be explained by altruism, which does not sit easily with his egoism and love of power. What stands out more strongly is that philanthropy repaid him handsomely in terms of cultural, social and symbolic capital, increasing, not diminishing, his overall capital stock, and securing for him a position of influence as a multi-positional actor within the field of power (Bourdieu, 1996). We elaborate this thesis below, proposing that philanthropy should be viewed as part of his career-long drive to accumulate and exploit non-standard forms of capital as a means of fortune building and world making (see Table 2).

[Insert Table 2 Here]

Accumulating cultural capital

Cultural capital may be assimilated without conscious effort through everyday interactions with people and things within micro-environments; what Bourdieu (1990) calls *habitus*, the invisible but powerful structuring structure that is formative of dispositions, preferences,

tastes and personal style (Anheier *et al.*, 1995). Families especially imprint themselves, and it is through families that cultural differentiation between social classes and class fractions is perpetuated. Individuals emanating from the upper reaches of society, Bourdieu observes (1991; 1996), come ready equipped with a social compass, enabling them to act appropriately in a wide range of social situations. Their counterparts from less privileged backgrounds, by contrast, if they are to be competitive, must compensate by acquiring cultural capital more consciously through emulation, conversation, formal instruction, reading, research and experimentation. In the case of Andrew Carnegie, he acquired through habitus, as a member of a politically radical family, the disposition to challenge the prevailing social order, campaign for change, and advocate social improvement (Carnegie, 2006a:7-32). His family may have been materially poor, but in terms of cultural capital his inheritance was not negligible. He was instilled with a fierce desire to learn, to have and apply knowledge, and, while he may have had just a few years at school in Dunfermline, he was an accomplished autodidact (Nasaw, 2006: 44-45, 60-61 and 90-92).

Carnegie's writings on travel (1890, 1933), the United States (2005), industrial relations (Wall, 1992), business and philanthropy (Carnegie, 2006b), and his own life (2006a), confirm by their fluency, detailed observations, stories and robust argumentation that he was a knowledgeable thinker with a talent for expressing himself succinctly. Far from devoting all of his time to 'money grubbing', he made time throughout his career for reading and cultural pursuits (Nasaw, 2006: 185-87). As a young man, he gained access to Colonel Anderson's library in Allegheny City, which fuelled a lifelong passion for the study of history, politics, current affairs, literature and philosophy; writing in his autobiography that he would not exchange his 'taste for literature ... for all the millions that were ever amassed by man' (Carnegie, 2006a: 45). As his career blossomed, he spent long periods travelling and observing other cultures and economic systems. His first long vacation in 1862 took him back

to Scotland and then onto London, where he visited the Art and Invention exhibition at the Crystal Palace (Carnegie, 2006a: 99-102). In 1865, he made his first grand tour of Europe absorbing himself in art and music (Carnegie, 2006a: 127-128). A succession of tours and coaching holidays followed, traversing Britain, continental Europe, the Middle East and Asia, which gave him a deeper appreciation and sensitivity towards culture, politics and business (Carnegie, 1890; 1933). His learning enabled him to move freely in New York cultural and political circles, being elected to the Nineteenth Century Club in 1883 where he debated with university presidents and other public intellectuals (Nasaw, 2006: 207-220). Earlier, when still resident in Pittsburgh, he had already begun to acquire through emulation the manners, dress sense, tastes and sensibilities of an upper-class gentleman, affectionately describing in his autobiography how Miss Wilkins, the daughter of Judge Wilkins, head of ‘the leading family of Western Pennsylvania’, took him in hand and furnished him ‘with another means of self improvement’, teaching him how to relax and enjoy ‘musical parties, charades, and theatricals’ (Carnegie, 1920: 86-7). His later success as society host at his homes in New York and Scotland, where he entertained prominent writers, musicians, academics, politicians, lawyers, industrialists, financiers, and even the British monarch (Edward VII), owed much to these lessons in charm, etiquette and storytelling (Nasaw, 2006: 303-306).

In the late 1870s and early 1880s, Carnegie’s library program attracted widespread attention, bringing him into contact with politicians and opinion formers on both sides of the Atlantic. In Britain, he identified with the Liberal Party intelligentsia, forming an enduring friendship with John Morley, editor of the *Fortnightly Review* (1867-82) and later Secretary of State for India (1905-11), and meeting and corresponding regularly with William Gladstone, Prime Minister for four terms between 1868 and 1894 (Carnegie, 2006a: 266-285). Inclusion in such circles opened up new vistas for Carnegie and brought him directly into contact with Herbert Spencer, the guru of social Darwinism, whose ideas he assimilated

(Carnegie, 2006a: 286-292). He adopted Spencer's evolutionary view of society as advancing through competition and the survival of the fittest; there might be casualties along the way, but government should resist intervening and let natural processes dictate outcomes (Wiltshire, 1978). This was the philosophical foundation for Carnegie's writings on a variety of topics, including his pronouncements on how to succeed in business, organized labor and the virtues of republicanism (Nasaw, 2006: 221-232). In his world, philanthropy and the accumulation of cultural capital had merged seamlessly one into the other.

Accumulating social capital

Social capital exists when an actor within a network of social relations is willing to grant another actor access to scarce resources under his or her control (Adler and Kwon, 2002). The resources sought by an actor may be tangible or intangible, and include money, information, introductions, opportunities and endorsements. Reciprocity is implied, but it is not a necessary condition for the existence of social capital; and while social relations may be stable and enduring, the willingness of one actor to favour another can never be guaranteed (Burt, 1997). The value of social capital is thus contingent; the fortunes of an actor rising or falling by current personal standing and network strength. Multi-positional actors like Carnegie pursue a strategy of accumulating social capital within several social networks to widen the pool of resources available to them and reduce exposure to network failure (Burt, 2000; Maclean, 2008). To accumulate social capital within any network, an actor must satisfy the tacitly understood obligations of membership. Much depends on the capacity of the actor to win favor, which requires the acquisition and application of relational skills (Baron and Markman, 2003). Likewise, when breaking into or forming a new network, an actor cannot progress without instilling belief and confidence in others (De Carolis et al., 2009).

Laird (2006) has demonstrated that social capital formation has been integral to the economic expansion of the United States from its inception. Her research pours cold water on the myth of self-made men who, like Carnegie, are seen to triumph purely by dint of their own personal resourcefulness. In Carnegie's case, he is shown to have benefited in the early days from family connections and rootedness in the Scottish immigrant community, which secured opportunities ahead of others. Once employed in the office of Tom Scott, he benefitted from having a mentor who was himself a rising star with a network of social relations extending beyond the Pennsylvania Railroad. It was here that Carnegie learned to exploit his charm and privileged position as Scott's confidante to refine his relational skills and gain entry to powerful business networks (Laird, 2006: 25-31). He emerged as a master of ingratiation; lionizing his friends and associates in letters and conversations while making plain what he expected of them. He was equally solicitous of business partners like Henry Frick, industry leaders like Edgar Thomson, financiers like Junius Morgan, intellectuals like Herbert Spencer, politicians like Theodore Roosevelt, and Heads of State like the German Kaiser. In all cases, he applied the same recipe of flattery and high expectation (Nasaw, 2006). This technique, allied to a presumptuous, proactive approach to forging new contacts and keeping others warm, made him a formidable networker. His proclivity for gift giving and entertaining helped him hold together three distinct networks, each serving as a resource to further his business and world-making ambitions (Wall, 1970). His inner circle consisted of the family members and business partners who took daily care of his business interests in Pittsburgh. Beyond this was the circle of business leaders at the pinnacle of US industry. His wider circle consisted of a diversity of actors within the fields of power in the United States and Britain, and included financial magnates, top politicians, media moguls, cultural leaders and public intellectuals (Carnegie, 2006a: 172-177, 256-320).

Carnegie's emergence as a powerful actor within the field of power, replete with social capital, owed much to his philanthropy. After 1880, when his gifts of libraries to Dunfermline and Braddock became common knowledge, his various philanthropic endeavours were widely acclaimed (Nasaw, 2006: 207). The doors of high society and the corridors of political power were now open to him. He became famous during the 1880s as a writer and public intellectual through a series of articles in newspapers and magazines that engaged with topical issues of the day, notably tariffs, big business and the formation of trusts, and trade unions (Wall, 1992). His philanthropic activities lent him distinction as an individual who prized community and the welfare of others, enabling him to speak with seeming objectivity, appreciating all sides of a question; no more so than with respect to the labor unrest then rumbling across America. In 1886, he published in *Forum* magazine 'An Employer's View of the Labor Question' and 'Results of the Labor Struggle', in which he emphasized the common interests of capital and labor (Wall, 1992). The solution to wage disputes was not to ban unions but the adoption of sliding scales for wages, rising and falling in line with the prices of finished products. If strikes did occur, employers should be patient and close their premises rather than employing strike breakers because 'there is an unwritten law amongst the best workmen: thou shalt not take thy neighbour's job' (Wall, 1992: 102-3). Remarkably, for a time, before the bitter strike at his Homestead works in 1892, Carnegie commanded the respect of both the labor movement and the political establishment. He began to move in high circles within the Republican Party, holidaying in Britain with presidential candidate James Blaine, and becoming acquainted with a succession of Presidents, including Benjamin Harrison, William McKinley and Theodore Roosevelt (Carnegie, 2006a: 293-314; Nasaw, 2006: 327-324, 511-523). His position was consolidated by the publication of the *Gospel of Wealth*, showing how inequalities in the distribution of wealth might through philanthropy be turned to advantage (Carnegie, 2006b), and by systematically drawing in

leading members of the elite like John Hay and Elihu Root as board members for his trusts and foundations (Nasaw, 2006: 593-682).

Accumulating symbolic capital

In any field of human endeavour, individuals who win the right to rule are those possessing the highest levels of symbolic capital, the formal and informal signifiers of legitimacy and distinction that mark out actors active within the field of power (Bourdieu, 1986a; 1986b; 1996). Formal signifiers include educational qualifications, prized memberships, elevated job titles, and honours conferred by universities and governments. Informal signifiers, potentially more powerful but harder won, include public recognition, celebrity, identification with virtue, and lionization (Maclean *et al.*, 2006: 23-49). Those with the right amount and blend of symbolic capital are by popular consent deemed fit to hold high office. They are trusted, their ideas respected, and their leadership accepted. They may not be universally liked or approved of, but they are perceived as credible and engender belief. The most successful actors recognize the importance of symbolic capital accumulation early in their careers. They gain qualifications and seek promotions and practical experience. They engage in image building and recognize the value of personal myth-making; stories which, though loosely grounded in fact, reveal to the world a desirable quality or capability. Recognition and reputation are further enhanced through *symbolic association* as supporters of powerful actors already active in the field of power. Inclusion on the periphery of elevated circles provides further opportunities to shine by gaining prized memberships and establishing voice through speaking, writing and the exercise of leadership. On moving from peripheral to central positions within the field of power their ideas gain intellectual currency, and they begin to collect the honours that speak of distinction.

The relentless rise in power and influence of Andrew Carnegie from the 1850s to the 1910s was both a consequence and cause of his capacity to accumulate symbolic capital. There are five constants revealed over seven decades. First, Carnegie was a master of symbolic association. He identified himself as supporter, friend and associate with many leading businessmen, intellectuals and politicians of his age, cherishing the role early in his career as ‘Scott’s Andy’ just as later he was happy to be known as a disciple of Herbert Spencer (Carnegie, 2006a: 68, 291). The patriotism evident in his writing, especially his bestseller *Triumphant Democracy* (1886), likewise positions him as a champion of the establishment, however seemingly radical his language and proposals. Second, he insisted on being heard, on putting forth his arguments. As a teenager he used his rhetorical skills to campaign for access to Colonel Anderson’s library, and thereafter he spent a large part of his time communicating through books, journal contributions, newspaper articles, letters to opinion formers, and public speeches, delivered in a direct, persuasive style. He considered his influence to grow ‘more than anything else’ from this ability (Nasaw, 2006: 187). Carnegie, in short, knew how to use ‘propaganda’ to further his cause. Third, he was expert in propagating myths that marked him out ahead of his rivals. In his autobiography, he describes how in a crisis situation he audaciously took over the scheduling of trains on the Pennsylvania railroad without authority, signing orders in the name of Scott. All worked out well and the legend of the talented ‘little Scots devil’ was born, communicated upward by his amused boss (Carnegie, 2006a: 66-67). Later, as we have seen, he propagated the myth of Carnegie, champion of the working man (Carnegie, 2006: 208-220; Wall, 1992), and Carnegie supreme dealmaker, one of few to get the better of J.D. Rockefeller (Chernow, 1998: 366-368). Fourth, he was never afraid to inflict *symbolic violence* (Bourdieu, 1990) to assert his independence and authority. As Tedlow observes, his eventual break with Scott following his withdrawal of support for the Texas and Pacific Railroad, was as much a public statement of

independence as it was a rational business decision (Tedlow, 2003). More generally, the alacrity with which he censured or sacked senior managers, even partners, who deviated from policy or instruction attests to his readiness to use fear as an instrument of control (Nasaw, 2006: 567-572). Fifth, Carnegie understood the power of the press and went to great lengths to cultivate good relations; providing stories, offering comments on unfolding events, and making headlines with controversial proposals, as in 1908 when he caused a sensation by advocating removal of the protective tariff on imported steel (Nasaw, 2006: 702-704).

Philanthropy was Carnegie's trump card in his campaign to accumulate symbolic capital. In terms of symbolic association, the scale of his giving set him apart and gave him access to elite actors denied to others. Few entrepreneurs have enjoyed the opportunity to lecture elevated political leaders on pressing topics – for example, Gladstone on political organization, McKinley on imperialism, and Roosevelt on international peace – as Carnegie did (Carnegie, 2006a: 274-314). Fewer still have had public tributes paid to them like Gladstone's review and recommendation of *The Gospel of Wealth* (1890) in *Nineteenth Century*. In terms of voice, the appeal of his writings on philanthropy made him the public face and spokesperson for the wealthy of America, establishing a creed and setting an example that others like Rockefeller later followed (Chernow, 1998: 313-314). In terms of myth-making, his pledge to distribute almost all his fortune in his own lifetime gave him the ultimate distinction of originality; all followers being, to use Bishop and Green's phrase (2008), 'Carnegie's children.' In terms of symbolic violence, his readiness to say no to the countless appeals for charitable donations received on a daily basis, like Gladstone's request for funds for the Bodleian library (Nasaw, 2006: 538), proclaimed his independence and spoke of his integrity. Finally, in terms of media manipulation, philanthropy provided a stage for public pronouncements, which he used to great effect in the aftermath of Homestead to restore his reputation; the speech he delivered in 1895 at the opening of his cultural complex

in Pittsburgh made headline news, Congressman Dalzell eulogizing that ‘there are unnumbered hearts here and elsewhere ... that beat to the measure of God Bless Andrew Carnegie, and hearts shall continue thus to beat through generations yet unborn’ (Nasaw, 2006: 503).

Business, philanthropy and the field of power

Elite actors within the field of power strive for enforceable agreement on matters of policy, law and resourcing within specific jurisdictions. Agreements assume legitimacy when public and elite opinion are aligned. When they are not, the potential exists for civil unrest (Smith, 2000). The stakes are high and contests between different coalitions within the elite over policies, laws and resources are common (Bourdieu, 1996; Maclean, 2008). Politicians, given their on-going need for electoral approval, are especially sensitive to public opinion, and the coalitions they join must strive for approbation (Domhoff, 1979). Thus the elite, while collectively dominant, is not immutable. The contests that take place require actors from different backgrounds to make common cause on an issue-by-issue basis (Clegg, Courpasson and Philips, 2006). It would be mistaken to think of the field of power as a set of factions or hard-wired networks. There may be established cliques, but this does not imply permanence, as fluidity is necessary for stability within power-laden social processes (Baumgartner et al., 2009). The most dominant actors have the resources needed to form and lead issue-based coalitions (Zald and Lounsbury, 2010). They have ready access to the elite meeting places where members debate issues and form coalitions, and have the resources needed to launch and sustain lengthy campaigns for public support and government action (Giddens, 1984).

Andrew Carnegie, in possession of extensive cultural, social and symbolic capital, had the power and authority needed to serve as ‘play-maker’ in the business of world making. As entrepreneur, Carnegie’s greatest achievement was to mastermind the growth of his steel

company from industry minnow to industrial mastery. On the ground, this required relentless pursuit of cost savings, quality improvements and increased production through the reinvestment of profits in superior plant and equipment (Livesay, 1977; Misa, 1995). Equally, it required Carnegie, from his base in New York, to assume a leading role in managing in the industrial landscape. His writings on industrial relations, trusts, and tariffs were interventions in a series of related but distinct contests to influence public opinion during the 1880s and 1890s (Hendrick, 1933; Wall, 1992). The unifying theme of the opposition to big business supported by the Democratic Party was that monopolistic practices and tariffs on foreign imports had kept prices high to the detriment of consumers, lining the pockets of Robber Baron industrialists like Carnegie (Nasaw, 2006: 481-484). It was true that the steel industry had been sheltered from competition, and that the most efficient firms had earned super-normal profits in consequence (Misa, 1995), but Carnegie countered that tariffs had enabled the industry to establish itself with enormous benefits for employment and economic development (Hendrick, 1933: I-306-350). This was the pro-tariffs line taken by the Republican Party and its steel industry supporters, who lobbied fiercely against radical revision of existing schedules. Carnegie, a Republican supporter but also intensely pragmatic and aware of public opinion, spent a good deal of time in Washington promoting the view that as the steel industry grew in strength modest revisions to tariffs might be desirable; an argument that prevailed following the bitter election of 1888 which saw Republican Benjamin Harrison elected President, and continued to hold sway even after Democrat Grover Cleveland was returned to office in 1892 (Nasaw, 2006: 375-377). Carnegie rode the political waves, setting the tone through his writings, speeches and newspaper comments, and cultivating personal relations with Washington powerbrokers like Blaine, who served as Secretary of State under Harrison, Benjamin Tracy, Navy Secretary, and Commander Folger, adviser to Tracy, who holidayed with Carnegie in Scotland. It is through this network that

Carnegie won lucrative government contracts for the supply of nickel-steel battle armour (Nasaw, 2006: 3378-384). In this and in many other ways – buying land at favourable prices, avoiding competition, breaking strikes and negotiating takeover deals, for example – he benefited financially from his centrality as a capital-rich actor within the field of power.

As philanthropist, Carnegie sought to extend his world-making reach beyond business to encompass society-at-large. This was a natural development. From his earliest days at the Pennsylvania Railroad he had worked with men like Scott and Thomson who in business looked beyond the now, to the future, to imagine a nation changed in part through their own endeavours. From them Carnegie assimilated the same transformational cast of mind, which became more pronounced as success followed success. As his familiarity with the workings of the field of power increased, and as the capital at his disposal grew ever larger, he found other powerful actors willing to join forces with him to realize seemingly audacious goals. The satisfactions were immense, and he never tired of the acclaim that came with world making; collecting awards and tributes across the United States, Britain and continental Europe (Wall, 1970: 870-898). Regular triumphs and immense resources made Carnegie bold to the point that he was willing to invest heavily in the cause of international peace and arbitration. In this, the great cause of his retirement years, he drew heavily on his social and symbolic capital in attempting to position the United States as champion of arbitration in resolving international disputes (Carnegie, 2006: 243-246; Nasaw, 2006: 649). He had unrivalled access to President Roosevelt and his Secretaries of State, John Hay and Elihu Root. On the other side of the Atlantic, after the Liberal Party came to government in 1905, he was on familiar terms with many Cabinet members, including Prime Minister Campbell-Bannerman (Carnegie, 2006: 315-319; Nasaw, 2006: 678-682). In the build-up to The Hague peace conference in 1907, he was engaged in shuttle diplomacy, trying to align the positions of the United States and British governments, and as President of the National Arbitration

Conference he hosted a peace conference in New York with official representatives from each of the European Great Powers (Nasaw, 2006: 684-689). Little of real substance came of Carnegie's efforts, but the seeds of future developments were sown, and The Hague Peace Palace, which he funded, remains a memorial to his commitment.

Discussion and conclusion

The main findings of this article, established theoretically and confirmed empirically, are fourfold. First, entrepreneurial philanthropy is animated by the *world-making* ambitions of entrepreneurs; individuals who having achieved big things within business now seek to extend their reach into the realm of the social as means of personal aggrandizement. Entrepreneurial philanthropists rarely abandon business in favour of philanthropy, often engaging in both contemporaneously, at least until the final stage of their careers. In their everyday routines and practices, business and philanthropy merge naturally. Second, entrepreneurial philanthropy is not a one-way street. Entrepreneurial philanthropists invest in the future and their investments yield returns directly in cultural, social and symbolic capital, which indirectly might yield significant economic returns. **While some observers have suggested that the relationship between philanthropy and company profits is unclear (Ullmann, 1985), at the level of the individual entrepreneurial philanthropist, it is our view that philanthropy may serve as a mechanism for capital conversion and capital accumulation. In this we follow Suchman (1995: 585), who points out that in certain arenas a social conscience may prove 'personally rewarding'**. Third, entrepreneurs bring to philanthropy the mental models, strategies, tactics, routines and practices learned through creating and building a successful business. This explains the emphasis given to scale, efficiency, sustainability, focus, capabilities, governance and accountability. It also explains the awareness shown by entrepreneurial philanthropists of potential synergies and the

interrelatedness of people, processes and activities. Fourth, the standing and influence within the *field of power* of entrepreneurs who become philanthropists is greatly enhanced. The cash invested in philanthropy boosts their stocks of cultural, social and symbolic capital, enabling them more easily to form and lead issue-based coalitions, and to engage confidently in the *dialectical, instrumental* and *legislative* processes that win elite and public support for big projects, business and philanthropic.

We make a singular contribution to the entrepreneurship literature in the capital theoretic model of entrepreneurial philanthropy presented in Figure 2. Building upon Bourdieu's typology of capital (Bourdieu, 1986b; Harvey and Maclean, 2008), this demonstrates the symbiotic relationship between entrepreneurship and philanthropy, and highlights the role of philanthropy in the processes of capital conversion and accumulation. Our empirical study confirms the importance of each of the four main forms of capital identified by Bourdieu, and the complex interplay that exists between them when deployed within the field of power by dominant actors like Carnegie. The implications are significant. The focus in much of the entrepreneurship and related literatures on non-standard forms of capital has been on the definition, measurement and exploitation of social capital, reflecting the long-standing interest of social scientists in network theory, and effectively relegating cultural and symbolic capital to lesser roles within the theoretical domain. Our study, by contrast, affirms the greater realism inherent in Bourdieu's original approach, and suggests there is more to gain analytically by taking a unified rather than piecemeal approach to capital theory. Cultural and symbolic capital warrant serious study. In Carnegie's case, for example, we have seen how his intellectual currency was partly the product of his intimacy with intellectuals like Spencer, Morley and Arnold, and in turn how this was an important source of legitimacy and personal distinction. We do not propose that the four forms of capital identified by Bourdieu are practically indivisible, but we do suggest that accumulation

and exploitation should be treated as interconnected processes involving all four types of capital. Our study further points to the importance of specific micro-practices to understanding the acquisition and development of capital accumulative *entrepreneurial capabilities*. Entrepreneurs like Carnegie, alive to opportunities, develop through habitus and experience a reflexive sense of how to react appropriately in the moment, joining things together in ways that others cannot see. They may make mistakes, but their tried-and-tested routines and familiar practices enable them to act with confidence to build momentum and acquire fresh cultural, social and symbolic capital. Critics of Carnegie have long held that it was not he but his partners, who worked harder and had greater technical knowledge, who made his fortune; while he spent much of his time at leisure in New York and Scotland (Nasaw, 2006: 643-645). What they have failed to see, of course, is that he understood the bigger picture, knew how to accumulate cultural, social and symbolic capital, and was at work even when seemingly at play.

Carnegie's pervasive influence within the field of entrepreneurial philanthropy stems more than anything from his authorship of the *Gospel of Wealth*. The harvesting of economic rents on a massive scale by entrepreneurs who retain ownership of industry-dominant firms, and the associated consequences for the distribution of income and wealth, have long inflamed public opinion, periodically provoking sections within ruling elites to break ranks and attempt corrective action, through taxation or legislation to curb monopoly power. In these circumstances, the right to possess great wealth becomes a contested issue, painful for wealth holders 'on trial' in the court of public opinion or, worse, actually ending up in the dock. As so-called 'Robber Barons', Carnegie was branded a hypocrite; Rockefeller saw Standard Oil broken up; and Andrew Mellon, after serving as United States Treasury Secretary, was put on trial for tax evasion (Cannadine, 2008: 505-541). More recently, the pursuit of anti-trust cases against Microsoft in the United States (1998-2002) and Europe

(2003-2007) is a reminder of the power of governments, backed by public opinion, to sanction even the most dominant global corporations. Carnegie and Rockefeller in particular were stung by the Robber Baron critique and feared its consequences (Chernow, 1998: 487-501; Nasaw, 2006: 346-351). *The Gospel of Wealth*, which Carnegie composed and Rockefeller embraced, offered a dignified solution. By voluntarily ‘giving back’ to communities, entrepreneurs might demonstrate that inequality was a temporary phenomenon which, through wise spending, could deliver public benefit. In exchange for their munificence, entrepreneurs turned philanthropists would gain the right to engage in world making on a grand scale. Carnegie’s tract, substantiated by his own example and that of Rockefeller, was embraced by the ruling elite and, with media approval, helped persuade the masses in the United States and beyond to tolerate on-going inequalities. The fact that many of today’s leading philanthropists – including Gates, Buffet and Feeney – attest to the impact of the *Gospel* on their own thinking and practices, regarding the book as ‘practically holy scripture’ (Bishop and Green, 2008: 13), confirms the continuing appeal of the logic of entrepreneurial philanthropy championed by Carnegie, **confronted with the burdensome issue of what to do with more money than they could ever spend in a lifetime**. This said, **while the example of Andrew Carnegie has undeniably influenced other business elites to assume a philanthropic role**, it is important not to exaggerate Carnegie’s influence in his own lifetime or subsequently. Ultimately, the logic of entrepreneurial philanthropy derives not from ethics but from the consequences of capitalism and globalization. Gates and Buffet, like Rockefeller and Mellon, are intellectually gifted, capable, when confronted by their own situation and attendant external pressures, of independently concluding that ‘the problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship’ (Carnegie, 2006b: 1). Likewise, it is natural, with or without reading Carnegie, that they should apply business methods within philanthropy,

pursue capital accumulative strategies, lead issue-based coalitions, and seek public support for world-making projects (Clegg *et al.*, 2006; Creed *et al.*, 2002; Maclean *et al.*, 2010; Zald and Lounsbury, 2010).

The theoretical ideas presented in this article cannot be tested fully through analysis of a single case, however rich or seminal. More extensive research on the quantitative dimensions of wealth creation and philanthropy is needed before we have the true measure of contemporary entrepreneurial philanthropy and its potentialities. The statistics published in rich lists and giving lists are of doubtful reliability, regularly exaggerating the extent of actual giving by confusing pledges with real transfers of wealth, and in any case offer only partial coverage. Until we have better data, we cannot know the real size or extent of the entrepreneurial philanthropy movement, and the suspicion must remain that the proportion of fortunes actually put to work philanthropically, both individually and collectively, falls far short of the Carnegie ideal. Are the likes of Gates, Buffet, Allen and Omidyar in effect providing a fig leaf behind which the majority of the super wealthy across the globe stands exposed? Answering this question will enable researchers to move beyond the idealistic, celebratory accounts of entrepreneurial philanthropy currently in circulation to explore more systematically the questions to which this article has suggested provisional answers.

Acknowledgements

The authors are grateful for the financial support of the Economic and Social Research Council, UK, Award Reference No RES-593-25-0008. They also wish to thank Colin Mason for insightful discussion of the ideas contained in this paper and the anonymous *Business History* reviewers for their helpful comments.

References

- Acs, Z.J. and Phillips, R.J. (2002). Entrepreneurship and philanthropy in American capitalism. *Small Business Economics*, 19(3), 189-294.
- Adler, P.S. and Kwon, S.-W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, 27(1), 17-40.
- Anheier, H.K., Gerhards, J. and Romo, F.P. (1995). Forms of capital and social structure in cultural fields: Examining Bourdieu's topography. *American Journal of Sociology*, 100(4), 859-903.
- Anheier, H.K. and Leat, D. (2006). *Creative philanthropy*. New York: Routledge.
- Arthurs, J.D. and Busenitz, L.W. (2006). Dynamic capabilities and venture performance: The effects of venture capitalists. *Journal of Business Venturing*, 21(2), 195-215.
- Banerjee, S.B. (2007) *Corporate Social Responsibility: the Good, the Bad and the Ugly*. Northampton, MA: Edward Elgar.
- Baumgartner, F.R., Berry, J.M., Hojnacki, M., Kimball, D.C. and Leech, B.L. (2009). *Lobbying and policy change*. Chicago: Chicago University Press.
- Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J.B. (1997). *Gaining and sustaining competitive advantage*. Reading, MA: Addison-Wesley.
- Baron, R.A. and Markman, G.D. (2003). Beyond social capital: The role of entrepreneurs' social competence in their financial success. *Journal of Business Venturing*, 18(1), 41-60.
- Barringer, B.R., Jones, F.F. and Neubaum, D.O. (2005). A quantitative content analysis of the characteristics of rapid growth firms and their founders. *Journal of Business Venturing*, 20(5), 663-687.
- Bishop, M. and Green, M. (2008). *Philanthrocapitalism*. London: Black.

- Boulding, K.E. (1962). Notes on philanthropy. In *Philanthropy and public policy*. F.G. Dickinson (ed.), 57-72. New York: UMI.
- Bourdieu, P. (1977). *Outline of a theory of practice*. Cambridge: CUP.
- Bourdieu, P. (1986a). *Distinction: A social critique of the judgement of taste*. London: Routledge.
- Bourdieu, P. (1986b). The forms of capital. In *Handbook of Theory and Research for the Sociology of Education*. J.G. Richardson (ed.), 241-258. New York: Greenwood.
- Bourdieu, P. (1987). *Choses dites*. Paris: Minit.
- Bourdieu, P. (1990). *The logic of practice*. Stanford: Stanford University Press.
- Bourdieu, P. (1991). *Language and symbolic power*. Cambridge: Polity.
- Bourdieu, P. (1996). *The state nobility*. Cambridge: Polity.
- Burlingame, D.F. Ed. (2004). *Philanthropy in America: A comprehensive historical encyclopaedia* (volumes 1-3). Santa Barbara, CA: ABC Clio.
- Burt, R.S. (1997). The contingent value of social capital. *Administrative Science Quarterly*, 42(2), 339-365.
- Burt, R.S. (2000). The network structure of social capital. In *Research in organizational behaviour*. B.M. Staw and R.I. Sutton (eds), 345-423. New York: Elsevier.
- Cannadine, D. (2008). *Mellon: An American life*. New York: Vantage Books.
- Capron, L. and Pistre, N. (2002). When do acquirers gain abnormal rates of return? *Strategic Management Journal*, 23(9), 781-794.
- Carnegie, A. (1890 [1883]). *An American four-in-hand in Britain*. New York: Charles Scribner's Sons.
- Carnegie, A. (1933 [1884]). *Round the world*. New York: Doubleday, Doran.
- Carnegie, A. (2005 [1886]). *Triumphant democracy*. New York: Cosimo Classics.

Carnegie, A. (2006a [1920]). *The autobiography of Andrew Carnegie*. New York: Signet Classics.

Carnegie, A. (2006b [1889-1906]). *The gospel of wealth essays and other writings*. Ed. Nasaw, D. New York: Penguin.

Casson, M. (1994). Institutional economics and business history: A way forward? *Business History*, 39(4), 151-171.

Castanias, R.P. and Helfat, C.E. (1991). The managerial rents model: Theory and empirical analysis. *Journal of Management*, 27(6), 661-78.

Chandler, A.D. (1977). *The visible hand: The managerial revolution in American business*. Cambridge, MA: Harvard University Press.

Chandler, A.D. (1990). *Scale and scope: The dynamics of industrial capitalism*. Cambridge, MA: Harvard University Press.

Chernow, R. (1998). *Titan: The life of John D. Rockefeller*. New York: Random House.

Chia, R. (2002). Essai: Time, duration and simultaneity: Rethinking process and change in organizational analysis. *Organization Studies*, 23(6), 863-868.

Clarke, J. and Holt, R. (2010). The mature entrepreneur: A narrative approach to entrepreneurial goals. *Journal of Management Inquiry*, 19(1), 69-83.

Clegg, S.R., Courpasson, D. and Philips, N. (2006). *Power and organizations*. London: Sage.

Cope, J. (2005). Towards a dynamic learning perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 29(4), 373-397.

Couvares, F.G. (1984). *The remaking of Pittsburgh: Class and culture in an industrializing city, 1877-1919*. Albany: State University of New York Press.

Creed, W.E., Scully, M.A. and Austin, J.R. (2002). Clothes make the person? The tailoring of legitimating accounts and the social construction of identity. *Organization Science*, 13(5), 475-496.

- Curti, M. (1961). Tradition and innovation in American philanthropy. *Proceedings of the American Philosophical Society*, 105(2), 146-156.
- De Carolis, D.M., Litzky, B.E. and Eddleston, K.E. (2009). Why networks enhance the progress of new venture creation: The influence of social capital and cognition. *Entrepreneurship Theory and Practice*, 33(2), 527-.545.
- Dees, G (2008). Philanthropy and enterprise: Harnessing the power of business and social entrepreneurship for development. In *Global Development 2.0: Can Philanthropists, the Public and the Poor Make Poverty History?* L. Brainard and D. Chollet (eds). New York: Brookings Institution.
- DeTienne, D.R., (2010). Entrepreneurial exit as a critical component of the entrepreneurial process: Theoretical development. *Journal of Business Venturing*, 25(2), 203-215.
- Dierickx, I. and Cool, K. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12), 1504-1511.
- Dietlin, L.M. (2009). *Transformational philanthropy: Entrepreneurs and nonprofits*. Sudbury, MA: Jones and Bartlett.
- Domhoff, G.W. (1979). *The power elite and the state: How policy is made in America*. New York: De Gruyter.
- Domhoff, G.W. (2002). *Who rules America? Power and politics*. 4th ed. New York: McGraw-Hill.
- Dubin, M.D. (1979). The Carnegie endowment for international peace and the advocacy of a league of nations, 1914-18. *Proceedings of the American Philosophical Society*, 123(6), 344-368.
- Duncan, B. (2004). A theory of impact philanthropy. *Journal of Public Economics*, 88(9-10), 2159-2180.

- Finkelstein, S., Harvey, C. and Lawton, T. (2007). *Breakout strategy*. New York: McGraw-Hill.
- Gabriel, Y. (1995). The unmanaged organization: Stories, fantasies and subjectivity. *Organization Studies*, 16(3), 477-501.
- Geletkanycz, M.A. and Hambrick, D.C. (1997). The external ties of top executives. *Administrative Science Quarterly*, 42(4), 654-681.
- Giddens, A. (1984). *The constitution of society*. Cambridge: Polity.
- Gladstone, W.E. (1890). Mr. Carnegie's Gospel of Wealth: A review and a recommendation. *Nineteenth Century*, 28(11), 677-693.
- Harvey, C. (1979). Business history and the problem of entrepreneurship. *Business History*, 21(1), 3-22.
- Harvey, C. and Maclean, M. Capital theory and the dynamics of elite business networks in Britain and France. *The Sociological Review*, 56(S1), 105-120.
- Helfat, C.E. (1997). Know-how and asset complementarity and dynamic capability accumulation: The case of R&D. *Strategic Management Journal*, 18(5), 339-60.
- Helfat, C.E. and Lieberman, M.B. (2002). The birth of capabilities: Market entry and the importance of pre-history. *Industrial and Corporate Change*, 11(4), 725-760.
- Hendrick, B.J. (1932). *The life of Andrew Carnegie* (volumes 1 and 2). New York: Doubleday.
- Hendrick, B.J. Ed. (1933). *Miscellaneous writings of Andrew Carnegie* (volumes 1 and 2). New York: Doubleday.
- Jensen, M.C. and Ruback, R.S. (1983). The market for corporate control: The scientific evidence. *Journal of Financial Economics*, 11(1-4), 5-50.

- Karim, S. and Mitchell, W. (2000). Path-dependent and path-breaking change: reconfiguring business resources following acquisitions in the U.S. medical sector, 1978-1995. *Strategic Management Journal*, 41(10-11), 1061-1081.
- Kuznets, S. (1955). Economic growth and income inequality. *American Economic Review*, 45(1), 1-28.
- Lado, A.A., Boyd, N.G. and Hanlon, S.C. (1997). Competition, cooperation, and the search for economic rents: A syncretic model. *Academy of Management Review*, 22(1), 110-141.
- Laird, P.W. (2006). *Pull: Networking and success since Benjamin Franklin*. Cambridge, MA: Harvard University Press.
- Lester, R.M. (1941). *Forty years of Carnegie giving*. New York: Charles Scribner's Sons.
- Letts, C., Ryan, W., and Grossman, A. (1997). Virtuous capital: What foundations can learn from venture capitalists. *Harvard Business Review*, 75(2), 36-44.
- Livesay, H.C. (1977). Entrepreneurial persistence through the bureaucratic age. *Business History Review*, 51(4), 415-443.
- Livesay, H.C. (2006). *Andrew Carnegie and the rise of big business*, 3rd edition. New York: Longman.
- Maclean, M. (2008). New rules – old games? Social capital and privatisation in France, 1986-1998. *Business History*, 50(6), 795-810.
- Maclean, M., Harvey, C. and Press, J. (2006). *Business elites and corporate governance in France and the UK*. London: Palgrave Macmillan.
- Maclean, M., Harvey, C. and Chia, R. (2010). Dominant corporate agents and the power elite in France and Britain. *Organization Studies*, 31(3), 327-348.
- Marinetti, M. (1999). The historical development of business philanthropy: Social responsibility in the new corporate economy. *Business History*, 41(4), 1-20.

Misa, T.J. (1995). *A nation of steel: The making of modern America, 1865-1925*. Baltimore: Johns Hopkins University Press.

Moore, G. (1979). The structure of a national elite network. *American Sociological Review*, 44(5), 673-692.

Mueller, D. (1986). *Profits in the long run*. Cambridge: Cambridge University Press.

Nasaw, D. (2006). *Andrew Carnegie*. New York: Penguin.

Ostrower, F. (1995). *Why the wealthy give: The culture of elite philanthropy*. New Jersey: Princeton University Press.

Ostrower, F. (2002). *Trustees of culture: Power, wealth and status on elite arts boards*. Chicago: Chicago University Press.

O'Sullivan, M.A. (2000). *Contests for corporate control*. Oxford: Oxford University Press.

Penrose, E.T. (1959). *The theory of the growth of the firm*. Oxford: Oxford University Press.

Peteraf, M.A. and Bergen, M.E. (2003). Scanning dynamic competitive landscapes: A market-based and resource-based framework. *Strategic Management Journal*, 24(10), 1027-1041.

Piketty, T. and Saez, E. (2003). Income inequality in the United States, 1913-1998. *Quarterly Journal of Economics*, 118(1), 1-39.

Sandfort, J. (2008). Using lessons from public affairs to inform strategic philanthropy. *Non-Profit and Voluntary Sector Quarterly*, 37(3), 537-552.

Schervish, P.G., Coutsoukis, P.E. and Lewis, E. (2005). *Gospels of wealth: How the rich portray their lives*. London: Praeger.

Schoemaker, P.J. (1990). Strategy, complexity and economic rent. *Management Science*, 36(10), 1178-1192.

Smith, M.A. (2000). *American business and political power: public opinion, elections and democracy*. Chicago: Chicago University Press.

- Suchman, M.C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.
- Teece, D.J., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-33.
- Tedlow, R.S. (2003). *Giants of enterprise*. New York: Collins.
- Terjesen, S. and Elam, A. (2009). Transnational entrepreneurs' venture internationalization strategies: A practice theory approach. *Entrepreneurship Theory and Practice*, 33(5), 1093-1120.
- Tollison, R.D. (1982). Rent seeking: A survey. *Kyklos*, 35(4), 575-602.
- Tsoukas, H. and Chia, R. (2002). On organizational becoming: Rethinking organizational change. *Organization Science*, 13(5), 567-582.
- Ucbasaran, D., Westhead, P. and Wright, M. (2001). The focus of entrepreneurial research: context and process issues. *Entrepreneurship Theory and Practice*, 25(4), 57-80.
- Ullmann, A.A. (1985). Data in search of a theory: a critical examination of the relationship among social performance, social disclosure and economic performance among US firms. *Academy of Management Review*, 10(3), 540-57.
- Useem, M. (1979). The social organization of the American business elite and participation of corporate directors in the governance of American institutions. *American Sociological Review*, 44(4), 553-572.
- Van Slyck, A.A. (1995). *Free to all: Carnegie libraries and American culture, 1890-1920*. Chicago: University of Chicago Press.
- Vermeulen, F. and Barkema, H. (2001). Learning through acquisitions. *Academy of Management Journal*, 44(3), 457-476.
- Wall, J.F. (1970). *Andrew Carnegie*. New York: Oxford University Press.
- Wall, J.F. Ed. (1992). *The Andrew Carnegie reader*. Pittsburgh: University of Pittsburgh.

Wiltshire, W. (1978). *The social and political thought of Herbert Spencer*. Oxford: Oxford University Press.

Wren, D.A. (1983). American business philanthropy and higher education in the nineteenth century. *Business History Review*, 57(3), 321-346.

Zaheer, A., McEvily, W. and Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. *Organization Science*, 9(2), 141-159.

Zald, M.N. and Lounsbury, M. (2010). The wizards of Oz: Towards an institutional approach to elites, expertise and command posts. *Organization Studies*, 31(7), 963-995.

Figure 1: Forms of Entrepreneurial Capital and the Accumulation Process

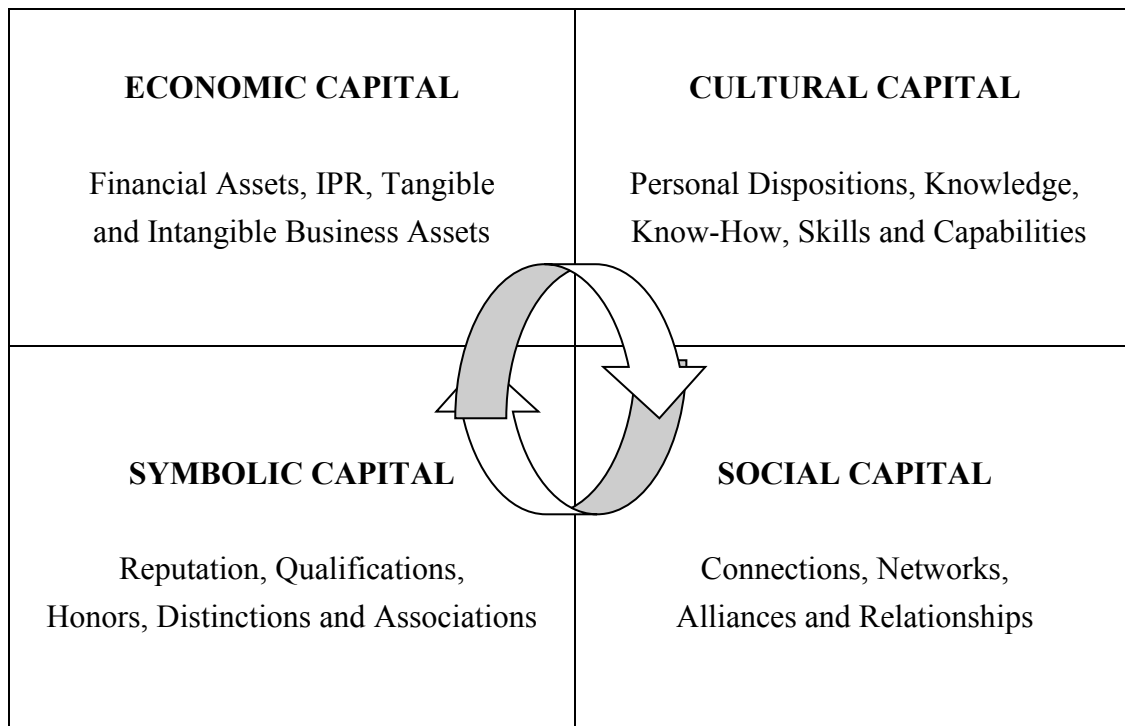


Figure 2: A Capital Theoretic Model of Entrepreneurial Philanthropy

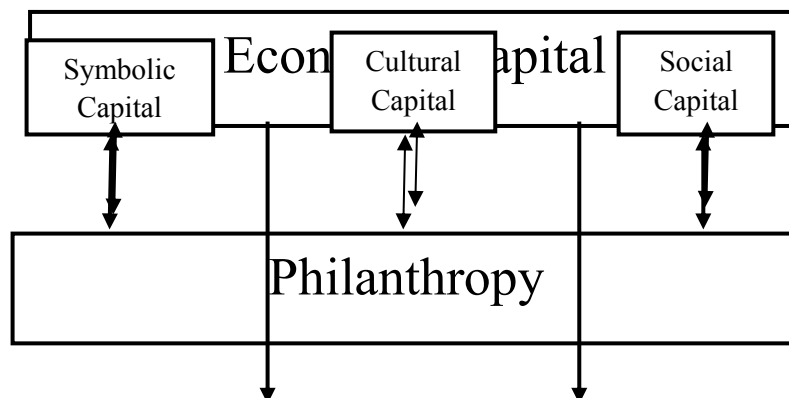


Table 1: Andrew Carnegie’s Philanthropic Projects*

Project	Year Initiated	Philanthropic Purpose	Amount Invested (\$ Millions)
Carnegie Corporation of New York	1911	Support for higher education, libraries, research and other Carnegie foundations	125.000
Libraries	1879	Provision of public libraries (2,811)	60.365
Carnegie Foundation for the Advancement of Teaching	1905	Pensions for teachers in higher education	29.250
Carnegie Institution of Washington	1902	Support for scientific research	22.300
Colleges	1895	Support for buildings and endowments of universities and colleges (500+)	20.363
Carnegie Institute of Technology (Carnegie Mellon University)	1900	Provision of applied technological education	13.531
Carnegie Institute of Pittsburgh	1890	Promotion of learning, scientific knowledge and cultural activities	13.188
Carnegie Hero Fund Commission and other hero funds	1904	Honour and reward citizens who risk their lives to save others in the United States and Europe	10.540
Carnegie Trust for the Universities of Scotland	1901	Support for Scottish universities and students	10.000
Carnegie Endowment for International Peace	1910	Advancement of understanding between nations to promote peace	10.000
Carnegie United Kingdom Trust	1913	Support for educational and social welfare provision in UK	10.000
Church organs	1873	Provision of church organs (7,689)	6.248
Benefactions	1890	Support for endowment funds and charities	5.210
Carnegie steel workers’ pensions	1901	Pensions for former employees	4.000
Carnegie Dunfermline Trust	1903	Provision of public park and amenities	3.750
Church Peace Union	1914	Promotion of international peace and goodwill	2.025
Public buildings	1904	Headquarters for organizations promoting engineering and international cooperation	1.550
Hague Peace Palace	1903	Resolution of international disputes	1.500
Steel town institutes	1901	Promotion of learning and cultural activities	1.000
Simplified Spelling Board	1906	Promotion of simplified spellings of common words	0.280

*Table based upon North, S.N. Ed. (1919). *A Manual of the Public Benefactions of Andrew Carnegie*, Washington: Carnegie Endowment for International Peace. The total expenditure of \$350.1 million, inflated by the United States consumer price index with 1901 (the year Carnegie cashed in his fortune) as base year, equates to \$9.12 billion in 2009 prices: Officer, L.H. and Williamson, S.H. ‘Purchasing Power of Money in the United States from 1774 to 2010’, MeasuringWorth, 2009. URL <http://www.measuringworth.com/ppowerus/>

Table 2: Carnegie’s Investments in Cultural, Social and Symbolic Capital

Form of Capital	Methods of Accumulation	Ways of Exploiting
<u>Cultural</u>	<ul style="list-style-type: none"> • Reading and research • Grand tours • Involvement in intellectual, cultural and political circles • Philanthropy 	<ul style="list-style-type: none"> • Seeing the bigger picture – opportunity recognition, strategy and tactics • Acceptance within the field of power • Winning important arguments • Legitimizing ruthless actions
<u>Social</u>	<ul style="list-style-type: none"> • Flattery and ingratiation • Entertaining and gift giving • Cultivation of friendships, associations and cliques within the field of power • Philanthropy 	<ul style="list-style-type: none"> • Inclusion and favours • Reciprocity and mutuality • Alliance building, power broking and deal making • Extending social networks
<u>Symbolic</u>	<ul style="list-style-type: none"> • Image building through writing, public speaking and media relations • Myth making • Demonstrating power and authority • Philanthropy 	<ul style="list-style-type: none"> • Holding sway over public and political opinions and sentiments • Attracting support, opportunities and approbation • Strengthening hand in negotiations • Demonstrating worthiness, distinction and virtue