

Just Another Emperor - The myths and realities of philanthrocapitalism

Book summary

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Just another Emperor? The myths and realities of philanthrocapitalism
 Demos, A network for Ideas & Action
 The young foundation
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The Bill and Melinda Gates Foundation, the Clinton Foundation and similar private foundations pretend to have a lot on offer in the quest for a better world. Indeed, some argue that they have much more on offer than the messy associational eco-system of community based organizations, citizen initiatives, NGOs and social movements, known as civil society. These large modern institutions are at the core of an emerging movement dubbed 'philanthrocapitalism'. This movement has three distinct features:

1. Very large sums of money committed to philanthropy, mainly the result of remarkable profits earned by small numbers of individuals
2. A belief that methods drawn from business can solve social problems. Moreover that these are superior to other methods in use in the public sector and in civil society
3. A claim that these methods can achieve societal transformation

Edwards argues that it's not that simple:

1. the hype surrounding philanthrocapitalism runs far ahead of its ability to deliver real results and robust empirical evidence of any sustainable results does not yet exist.
2. the increasing concentration of wealth and power among philanthrocapitalists is unhealthy for democracy, with serious issues of accountability. Think here about the Geneva Secretariat of the Global fund deciding on the fate of ARV treatment in Guatemala.
3. In relation to the previous point, philanthrocapitalism is a symptom of a disordered and profoundly unequal world and therefore unlikely to produce structural solutions
4. The use of business thinking can damage the essence of civil society as the precondition for, embodiment of and preserving/deepening force for democracy

Does that mean that philanthrocapitalism is a mere force of 'evil capitalism' that needs to be avoided and fought? No. Firstly, in the changing global landscape of the aid industry, it is a force that is likely here to stay, with large amounts of needed resources to spend. Secondly, Edwards readily acknowledges the potential and necessity for philanthrocapitalism to extend certain social goods and services to the bottom billion like Anti-retrovirals and bednets. But he considers it unlikely that philanthrocapitalism has an edge over civil society when it comes to processes of deeper social transformation in the civil/political realm.

Edwards' conclusion is a call for dialogue, recognizing that some philanthrocapitalists couple sincere intentions with a learning attitude. Philanthrocapitalism and citizen action can and should co-exist. There are possibilities for exchange, synergy and **mutual** learning through a serious dialogue based on humility and respect for distinct roles, strengths and worldviews.

The aid-industry, in its relentless pursuit for new solutions, is tempted to hail philanthrocapitalism as the new emperor, blinded by its shiny and professional image, peppered with unimaginable sums of money to spend. But civil society building, at risk of being trampled in the run to admire the new splendour, still holds essential pieces of the puzzle in the quest for a better world.