

Impact, Accountability, and Philanthrocapitalism

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Published online: 20 July 2011
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Three cheers for Robin Rogers, whose excellent piece on “philanthrocapitalism” is one of the few attempts to interrogate this phenomenon to have emerged from the academy in recent years. Whether by design or default, or out of fear of reprisals from funders, admiration for their achievements or disinterest in the impact of their work, there has been a deafening silence from most scholars on the rise of business-oriented philanthropy and the use of the market to tackle social problems, yet as Rogers points out, this is a trend that has significant implications for society that may turn out to be both positive and negative.

On reflection however, I am going to downgrade my reaction from three cheers to two, because I think this piece asks the right questions but reaches the wrong conclusions, or at least reaches conclusions that are not properly supported by logic and evidence. Contrary to Rogers’ central argument, it is not just the “politics of philanthrocapitalism” that matter but the entire character of this movement, including its philosophy, values, priorities, modes of operation and empirical achievements: the ‘processes’ and ‘products’ of philanthrocapitalism are inseparable.

If I understand the argument correctly, Rogers assumes that most of the substantive questions facing the analysis of philanthrocapitalism are either already settled or minor in their significance. They can therefore be safely left aside. Hence, the boundaries between business and charity are “a relic from another time”; non-profits cannot be sustainable without commercial revenue-generation, and more generally, “these

aspects of philanthropy are not problematic as long as their political and social ramifications are taken seriously.”

The real problem, says Rogers, is that wealthy individuals are assuming more and more power and influence in society against the background of weak public accountability structures, thereby threatening to distort the democratic process and skew resources in directions that mirror their own private interests. This conclusion is well-founded though hardly new, since such concerns have accompanied each wave of philanthropy over the last century or more; nor is it only the ‘new’ philanthropists like Bill Gates and Carlos Slim that suffer from weak accountability. In principle, the same criticisms could be made of Ford, Rockefeller, Carnegie and the rest.

Nevertheless the “politics of philanthrocapitalism”, or what Rogers calls “philanthro-policymaking” certainly merit our attention, and her analysis is extremely useful in this respect. The problem lies with the first set of assumptions about the actual operations and achievements of the philanthrocapitalists, which raise questions that are deeply interwoven with, but substantively different from, questions of accountability. After all, if the actions of the philanthrocapitalists were as successful as is often claimed in reducing poverty and inequality, and improving health and education, few would oppose them on accountability grounds alone. As Gates and others in this movement are fond of saying, they can be relied upon to ‘get the job done’ without fretting too much about whether everyone’s voice has been heard in the public policy process. Conversely, if these accountability deficits could be tackled, then the public would have more opportunity to debate the costs and benefits of different strategies for social improvement, testing the claims of the philanthrocapitalists in the process.

Hence, impact and accountability are inseparable, and must be viewed together. Indeed, when one examines the

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early evidence on the *substance* of philanthrocapitalism, the picture that emerges (preliminary and inconclusive as it is) does not support Rogers' conclusion that the key issues have been settled. Truly independent evaluations are very rare, but even those that are sponsored by Gates and others show a high degree of failure in terms of the quality, quantity and sustainability of their results; spreading controversy and contestation around their priorities and methodologies, which are very technocratic and draw heavily from business and the market (school reform in the USA is the best contemporary example); unforeseen effects in influencing the structures of civil society and the norms of other-directed behavior, not always for the better; and a displacement effect in philanthropy which is drawing precious resources away from activities like advocacy and community organizing which have a proven record in tackling deep-rooted issues of power and inequality.

Given this mounting body of evidence, perhaps we should even reverse Rogers' order of priorities, setting aside the accountability question for a while in order to have a full-throated conversation about the deeper questions that face philanthrocapitalism and society. Personally, I think this is where scholars should be focusing their attention, using the traditional virtues of rigor and objectivity to interrogate a phenomenon whose course is only just beginning. Such work would help enormously to figure out the costs and benefits of

these new approaches, identify where they might be most usefully deployed (and where they are inappropriate or ineffective), and how activities directed at social change might best be funded in the future. It is this last question—matching an ecosystem of funding options with the changing ecosystems of society and its institutions—that is most in need of attention, not developing an “infrastructure of philanthrocapitalism” alone as Rogers recommends. And in the process of exploring this issue the accountability question would also begin to be addressed from a richer base of knowledge and public interaction.

From the tone and content of Rogers' piece I am assuming that this is the kind of public debate she also wants—open, honest, respectful and fully-engaged around difficult questions and deep disagreements—and her analysis is certainly a contribution in that regard. However, the academy must become much more actively involved: after all, it is one of the few remaining places where independent critique is still supported, whether of philanthrocapitalism, traditional philanthropy, civil society, social movements or social innovation. I look forward to the conversations still to come.

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