

The philanthrocapitalist ethic and its global prospects,
in light of the Gates Foundation

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Tiivistelmä – Referat <p>Tutkielma käsittelee ilmiötä jota kutsutaan filantrokapitalismiksi. Tutkimuksen tavoitteena on selvittää filantrokapitalistisen toiminnan taustalla olevaa etiikkaa ja tutkia filantrokapitalistista toimintaa nykymaailmassa. Tutkimusmetodina on systemaattinen käsiteanalyysi. Filantrokapitalismi -käsitettä puretaan sen funktionaalisen muodon sekä eettisen ulottuvuuden keinoin. Eettistä ulottuvuutta valotetaan tutustumalla hieman etiikan keskeisiin käsitteisiin kuten utilitarismi, deontologia sekä oikeudenmukaisuus.</p> <p>Tutkimuksen lähteinä ovat pääasiassa Bill Gatesin vuosittain julkaisemat kirjeet (Annual Letters 2009-2017), jotka ovat kaikkien luettavissa Gates Foundationin verkkosivuilla, sekä filantrokapitalismia käsittelevää kirjallisuutta; joista keskeisimpinä Linsey McGoey:n 2015 julkaisema <i>No Such Thing as a Free Gift</i> sekä Bishop & Greenin 2008 julkaistu <i>Philanthrocapitalism</i>. Tutkielmassa pyritään selvittämään minkälainen eettinen käsitteistö vaikuttaa Bill Gatesin ja muiden filantrokapitalistien toiminnan taustalla. Kapitalismi suffiksi sanassa filantrokapitalismi viittaa vahvaan taloudelliseen kytkökseen. Tutkielmassa käydään lyhyesti läpi nykymaailman talouspoliittisia rakenteita käsitteleviä teorioita ja väittämiä, sekä köyhyyden ja epätasa-arvon tuottamia moraalisia velvoitteita. Tutkimukseen sisältyvää moraalista pohdintaa ohjaavat pääasiassa Thomas Pogge ja Tom Campbell.</p> <p>Tutkimuskysymys on kaksiosainen: Onko filantrokapitalismi käsitteenä ja ilmiönä eettisesti koherentti? Ja minkälaiset motiivit Bill Gatesin mukaan ohjaavat filantrokapitalistiseen toimintaan?</p> <p>Filantrokapitalismin eettistä koherenssia tutkitaan kirjallisuuden sekä useiden aihepiiriä käsittelevien artikkelien kautta. Tutkielmassa pureudutaan filantrokapitalismia kohtaan esitettyyn kritiikkiin, sekä yritetään hahmottaa filantrokapitalismin tarjoamaa potentiaalia yhteiskunnallisessa kehityksessä. Yhdessä pääluvuihin esitetään tapaustutkimus, jonka kohteena on Yhdysvaltojen koulutusjärjestelmä, ja erityisesti filantropian rooli sekä vaikutusvalta sen uudelleen strukturoinnissa.</p> <p>Tutkielman johtopäätöksensä esitetään seuraava väittäjä filantrokapitalismin luonteesta: Nykyisessä maailman tilassa lienee kaikille parempi, että upporikkaat miljardöörit kuten Gates lahjoittavat omaisuutensa pois sijoittamalla sen hankkeisiin joissa on potentiaalia positiiviselle kehitykselle, kuin se että he eväisivät maailmalta nämä varat ja käyttäisivät ne omiin tarkoituksiinsa ja nautintoihinsa.</p>			
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1. Introduction

“Now, according to the natural order instituted by divine providence, material goods are provided for the satisfaction of human needs. Therefore the division and appropriation of property, which proceeds from human law, must not hinder the satisfaction of man's necessity from such goods. Equally, whatever a man has in superabundance is owed, of natural right, to the poor for their sustenance. So Ambrosius says, and it is also to be found in the Decretum Gratiani: "The bread which you withhold belongs to the hungry; the clothing you shut away, to the naked; and the money you bury in the earth is the redemption and freedom of the penniless.”¹ – Thomas Aquinas

1.1. Distribution of wealth

The fortunes which a small number of individuals possess are unimaginable for the millions of penniless in our world. It has therefore been the cause of much discussion that some of these wealthy individuals have decided to give up large portions of their fortunes. This giving is done in the name of philanthropy. In casual conversation, philanthropy might be construed merely as tax-deductible donations or *giving* with a very narrowed-down perspective, to a specific cause.

Philanthropy is usually associated with organizations and causes that focus on a specific agenda related to improving the quality of life of the less fortunate. But philanthropy is inherently something much more than monetary donations. Philanthropy carries with it a certain attitude about the world, accompanied by specific motivations. The issue of poverty is essential because it causes many of the problems that philanthropy seeks to fix. We will therefore look more closely into questions of morality linked with poverty and inequality. The reason philanthropy proves to be a worthwhile topic of study in the year 2019 is that it has become increasingly popular and somewhat of a global movement among the rich. Through the example and inspiration of a few famous individuals like Bill Gates and Warren Buffet, many billionaires have decided to jump on board the giving train.² But what set the stage and laid out the grounds for this emerging movement?

A significant event in the history of philanthrocapitalism took place in 2006 at the New York Public Library, where Warren Buffet handed Bill Gates a check for roughly US\$31 billion, as a crowd of spectators cheered to celebrate the grandiose gesture.³ From that moment on the world has seen a major increase in philanthropic giving. Billionaires around the world are pledging to give away their

¹ Thomas Aquinas, Summa Theologica, II-II, Q 66 A 7.

² <https://givingpledge.org/About.aspx>

³ Bishop & Green 2008, 1.

fortunes. As a result a substantial amount of writing has been published around the issue of giving, some of which will be used as reference in this study. The noble cause of improving life has been the goal of many wealthy individuals throughout history. This study will focus on more recent events with a time frame beginning with the late 1800's and Andrew Carnegie's *Gospel of Wealth*, with a specific focus on present day events involving the Gates Foundation. In the past years, private philanthropic giving has risen along with income despite government efforts to respond to philanthropic needs. Bill Gates believes that philanthropy will be able to solve the problems that cannot be fixed by the market or governments.⁴ Philanthropy thus becomes part of a broader discussion about how the needs of society are to be met. Philanthropy has traditionally been seen as necessary for helping combat some of the imbalances within a given society, but if we look at history in the long run, the role of governments has been steadily increasing. An even more recent political trend however, seems to be privatization.⁵ It is undeniable that philanthropy and by extension philanthrocapitalism have been able to improve the quality of life for many people, but how effective is it really, and how should modern societies that promote justice as a core value support or regulate this type of activity? In the United States, philanthropic foundations have a tax-exempt status. So is philanthropy contributing at least as much to society as society is losing in large contributions to the tax-base? Should the affluent societies, in which ultra-wealthy billionaires base their philanthropic operations, be more critical of this type of wealth redistribution, or would a more supportive attitude towards philanthropy be in order?

1.2. Research questions

To get an analytical grasp on the term justice, we will take a look at different ethical approaches. Issues surrounding morality in regard to human rights will be presented in chapter 3. This discussion will offer a deeper perspective on the theoretical ground upon which much of philanthropy and development aid rests. While the focus of this study is not solely on poverty or poverty eradication, we will touch on the theme of ending poverty, as it is closely linked with a general

⁴ Annual Letter 2018.

⁵ Thomas Piketty has pointed out that in recent decades the proportion of public capital in national capital has dropped sharply especially in France and Germany. Today, net public wealth has dropped to a few percent from the somewhere between a quarter and a third of national wealth in the 1950's to 1970's. According to Piketty, this represents a trend that has affected all eight of the leading developed countries. Piketty 2014, 184.

goal of philanthropy, namely, reducing inequality. Justice is often closely linked with notions of human rights, and these will therefore be an inherent part of the discussion. What we want to analyze is how theories of justice and human rights interrelate with the motives of philanthrocapitalists, or how they are possibly in opposition to each other.

This study will also take into account an often polarized political representation of how to structure society; either we have a society that leans towards less government regulation and charity based solutions to social issues, or a society in which the state plays a more dynamic role and its activities are funded by a broad tax-base. Reality is contextual and lies, as always, somewhere in the middle of these two economic and socio-political poles. Because of the existing polarization, we will briefly explore the debate between free-market vs. government regulated economics to get an understanding of the political context.

Philanthrocapitalism operates within the realm of economics, so there will be some reference to economic theory, especially as some of the key reference literature used in this study is written by economists. This is however, a study fundamentally about ethics and morality; not economics. This is not an inquiry into which is the best economic paradigm, how effective development aid is, or how we could end poverty. But perhaps we will find a link between economics and ethics by looking at how ethical our economic paradigms are.

Philanthrocapitalism is inherently global, and therefore there are no clear geographical boundaries by which to narrow down the focus. However, the research literature revolves mainly around the Gates Foundation, so much of the discussion will therefore be centered on issues more directly related to the United States. Hopefully, through the examples which focus on philanthropy in North America, we can glean something about human society and morality that is more universal.

The primary focus of this study will be to analyze ethical issues involved with large-scale philanthropic giving practiced by major foundations and modern-day philanthrocapitalists. The aim is to try and find an answer to the following two questions. 1) *Is philanthrocapitalism ethically coherent?* 2) *What are the underlying motives that drive philanthrocapitalism, in light of Bill Gates?* In essence, we want to examine the moral integrity of philanthrocapitalism. As for the motives, we will make observations and certain conclusions based on what Gates himself has proclaimed about his motives; whether they are genuine or

exaggerated is ultimately something we cannot get to the bottom of. But in addition to examining what Gates has publicly proclaimed, we can infer something about his motives based of what he has actually done and how he continues to use his time and resources.

There are also several further questions that will be helpful for the process of finding answers to the two research questions. What type of ethic does philanthrocapitalism adhere to? Ethics is concerned with seeking what is good for individuals and society. So is philanthrocapitalism essentially *good* for the social and economic life of countries in which it has influence? Also, is philanthrocapitalism compatible with a just society, in which people have equality of opportunity? And do we really need billionaires to fix the world's problems?

1.3. Method and literature

The method of study in this essay will be a systematic conceptual analysis of philanthrocapitalism, using source material and other related texts listed in the following paragraphs. I will try to incorporate into the concept of philanthrocapitalism not only it's functional form, but also the ethical dimensions that help to explain its existence. By systematically analyzing the literature listed below I will try to extract and bring forward the ethical issues related to philanthrocapitalism. In order to understand the ethical coherency of philanthrocapitalism, we will need to be familiar with several key terms related to ethical theories. These terms will be scetched out in chapter 1.4.

Chapter three will provide a more extensive account of how the ethics of utilitarianism and deontology are interrelated to poverty, inequality, justice and philanthrocapitalism. In order to conceptualize philanthrocapitalism we will need to also look at how it actually operates. This will be done through a case-study on education, which will be presented in chapter four. In order to find out what the underlying motives that drive philanthrocapitalism actually might be, I will analyze how philanthrocapitalists like Gates use ethical discourse to describe their motives. We will now look at some of the key thinkers whose texts will be used to structure the discussion.

1.3.1. Thomas Pogge

Thomas Pogge is a German philosopher and the Director of the Global Justice Program and Leitner Professor of Philosophy and International Affairs at Yale University. His book *World Poverty and Human Rights* was first published in

2002. From here on in we will refer to the book simply as *World Poverty*. The crux of the book is that the existing global economic order is ethically indefensible. Pogge addresses the book to a global audience, but the moral demands he lays out are meant more specifically for citizens of affluent Western nations. The book introduces several original concepts, one of the most noteworthy being the idea of negative duties, which will be discussed in chapter 3.3.1.

Pogge does not write about philanthropy, but he offers us ethical tools to examine how *just* our current global economic system is. Why is there a need for such large scale philanthropy in our current system, and could there be better alternatives? Melinda Gates has spoken strongly about despising inequity and wanting to focus on economic empowerment.⁶ Pogge's book questions if this type of empowerment is even possible within the current economic system.

Freedom from Poverty as a Human Right is a collection of fifteen essays by academics who investigate the nature of human rights and corresponding duties. Pogge has edited the volume and contributed one chapter. The unifying theme of the volume is, as the title suggests, that freedom from poverty is indeed a human right; a right which is continuously violated by a largely unfair and imbalanced global economy. The authors agree that there are corresponding obligations for people living in affluent nations. Our focus will be mainly on the essay written by Tom Campbell, titled *Poverty as a Violation of Human Rights: Inhumanity or Injustice?*

1.3.1.2 Tom Campbell

Campbell is an Australian professor whose interests lie in legal and political philosophy as well as business and professional ethics. He is a Professional Fellow at the Centre for Applied Philosophy and Public Ethics at Charles Sturt University, Canberra. He was formerly Professor of Law at the Australian National University and Professor of Jurisprudence at the University of Glasgow.⁷

Campbell addresses the issues of poverty and human rights by bringing into the discussion the idea of *humanity* as an ethical tool or driving force. Campbell and Pogge agree on some key issues, but Campbell invokes a critique of Pogge, which will offer an interesting addition to the ethical deliberations at play in this study, concerning the ethics of philanthrocapitalism.

⁶ McGoey 2015, 244.

⁷ Pogge 2007, List of Contributors.

In *Realizing Rawls*, Pogge offers both a defense and a constructive critique of the work of John Rawls, mainly Rawls' conception of justice. Pogge tries to develop a systematic and concrete conception of justice based on Rawlsian ideas.⁸ I will not bring Rawls directly into the discussion in this paper, but *Realizing Rawls* is relevant here because of its relevance to the discussion about ethical theories. Pogge explains how his own theory and interpretation of Rawls falls somewhere in between consequentialism and deontology, both of which we will examine later in chapter 1.4.

1.3.2. Linsey McGoey

Dr Linsey McGoey is a senior lecturer in sociology at the University of Essex. Her 2015 book *No Such Thing as a Free Gift* will be used as a reference in this study. For the remainder of the study we shall refer to this book simply as *No Such Thing*. The subtitle for the book *The Gates Foundation and the Price of Philanthropy* suggests a critical approach to the philanthropy practiced by the Gates Foundation. McGoey offers an in-depth study of how capitalist business has found its way into the world of philanthropy. Her book is somewhat polemical as we shall see later, and therefore offers a perfect antithesis to the praise of philanthrocapitalism found in Bishop & Green. She subjects this new era of philanthropy under scrutiny, with special investigative analysis on the Gates Foundation; with the aim of discovering how effective the foundation really is in achieving its goals.

McGoey's book offers a detailed account of how philanthropic ventures have failed, and how the existence of megafoundations can be problematic and even harmful. McGoey draws attention to two main issues related to philanthrocapitalism. First, she argues that *the portrayal of philanthrocapitalism as something completely new is inaccurate*. Second, she wants to show *how the exceedingly large scale of today's philanthropic giving has generated an unprecedented amount of influence for the individuals donating the billions*.⁹ Could it be that this influence might threaten distinctive values of civil society, namely, commitment and co-operation?

⁸ Pogge 1989, 2.

⁹ McGoey 2015, 14–16.

1.3.3. Bishop & Green

Matthew Bishop is the New York bureau chief of the *Economist* and expert on philanthropy, and Michael Green is a London based economist who taught economics at Warsaw University under a Soros-funded program before joining the Department for International Development.

In 2008, in the midst of the global financial crisis, Matthew Bishop and Michael Green published a co-authored book titled *Philanthrocapitalism*. The original subtitle for the book was *How the Rich Can Save the World*. The subtitle was changed for the paperback edition to *How Giving Can Save the World*; possibly due to the negative connotations of the word ‘rich’ in a time of global economic crisis. *Philanthrocapitalism* is an examination of how today’s leading philanthropists are revolutionizing giving, by using creative methods in order to have a more vast impact on the world. The book tries to show how private money may be the key to solving public problems.

Philanthrocapitalists are presented as hyperagents, who have a moral duty to help the societies within which they have attained their wealth and hyperagency. The book aims to combat criticisms against large-scale philanthropy. Bishop & Green combine anecdotes, expert analyses, and up-close profiles of the wealthy and powerful individuals behind the movement. They essentially ask the same questions as McGoey concerning the controversial influence of the ultra-wealthy, but the answers they hint at are different. They wholeheartedly believe philanthrocapitalism *can* be a force for good in the world, with an emphasis on the *can*. The potential at least is significant.

1.3.4. Gates Foundation Annual Letters

In 2009, Bill Gates began an annual tradition of sharing the goals and achievements of the foundation in the form of an open letter.¹⁰ Letters from 2009–2017 will be examined in this study. They will provide a source from which to extract ideals that Gates believes in, as well as the ethical support for these ideals. It will be the task of this study to determine and analyze the moral reasoning and ethical arguments in favor of philanthrocapitalism. Bill Gates writes openly about his personal goals and motives, as well as his optimistic visions of the future involving grandiose charity projects aimed at “saving” a maximum amount of lives. Through analyzing the Annual Letters, we will hopefully find motives and

¹⁰ <https://www.gatesfoundation.org/Who-We-Are/Resources-and-Media/Annual-Letters-List>

ethical values that Bill Gates presents as the basis for his philanthropy. It will also be of interest to determine, whether there is in fact an inherent conflict within philanthrocapitalism. To better understand the work of the Gates Foundation, we will need to try to understand Bill Gates, in so far that this is possible without actually meeting the man. This will be done by analyzing what he personally reveals about himself through his writings that are addressed to the general public. This will be done in chapters 2.4. and 2.5. The Annual Letters will be referred to throughout this study simply as annual letters.

1.3.5. Andrew Carnegie: *The Gospel of Wealth*

Andrew Carnegie is often remembered as a great philanthropist and one of the richest men in history. He was what we colloquially call a “self-made man”, which means his wealth was not inherited. He started his working life as a telegrapher, soon became a bond salesman and eventually built the Carnegie Steel Company. In the last years of his life, he donated almost 90 percent of his fortune to charities, foundations and universities.

Andrew Carnegie’s controversial views on wealth sparked a major debate in his time; a debate that still lingers in the background of today’s discussions about philanthrocapitalism. The major focus of Carnegie’s essay *The Gospel of Wealth*, first published in 1889, is the nature and purpose of the fortunes accrued by the few. The gospel is that much good can come out of this wealth if used wisely, and that it is paramount for society that this type of individual wealth exists to begin with. We live in an economically competitive world which has given us great material development. There is of course a cost that is to be paid for said competition, but it is a cost well worth paying. Here it will be best to let the words of Carnegie himself bring the point across.

We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment; the concentration of business, industrial and commercial, in the hands of a few; and the law of competition between these, as being not only beneficial, but essential to the future progress of the race.¹¹

According to Carnegie we should simply accept our unequal world as the best possible one we have. It is inherently good that a few individuals have acquired fortunes, but what is crucially important is what they do with these fortunes. He lays out three possible ways that this wealth could be distributed, the third and last one being the one that embodies the essence of the gospel of wealth. The first way that surplus wealth can be disposed of (and it should be disposed of according to

¹¹ Carnegie 1962, 16.

Carnegie) is by the owner leaving it to their family. This would be improper according to Carnegie, and this view has later been reinforced by Warren Buffet who has publicly stated that his children "will get just enough to do anything, but not so much that they can do nothing."¹² The second way that surplus wealth could be redistributed would be that those who possess it bequeath it at death to government for public use; although governments and local authorities might have access to some of this wealth upon death anyway through possible estate taxes. Carnegie argues that "in many cases the bequests are so used as to become only monuments of folly", and that "men who leave vast sums in this way may fairly be thought men who would not have left it at all had they been able to take it with them."¹³ So there is a third way that this wealth can be dispersed, which is according to Carnegie the true antidote to unequal wealth distribution. Here we come to the core of Carnegie's message. He voices an idea about wealth that has survived to this day, and this idea has been adopted by many people with large fortunes, including our man of interest Bill Gates. Carnegie expresses the idea so eloquently that we shall again hear it from him:

this wealth, passing through the hands of the few, can be made a much more potent force for the elevation of our race than if distributed in small sums to the people themselves. Even the poorest can be made to see this, and to agree that great sums gathered by some of their fellow-citizens and spent for public purposes, from which the masses reap the principal benefit, are more valuable to them than if scattered among themselves in trifling amounts through the course of many years.¹⁴

Here we have the core message of philanthrocapitalism. "Surplus wealth should be considered a sacred trust to be administered by those into whose hands it falls, during their lives, for the good of the community."¹⁵ In the chapters to come, we shall see just how much this idea has influenced the work of the Bill Gates and other billionaire philanthrocapitalists.

1.3.6. Other literature

The books thus far mentioned will serve as principle texts from which much of the analysis for this study will be gathered. Through these texts we will hopefully get a more in-depth understanding of the issues at hand, and will be better equipped to determine whether philanthrocapitalism is indeed ethically coherent. In addition to the books mentioned above, several other texts will be used in helping us shape a view of the ethics of philanthrocapitalism.

¹² Bishop & Green 2008, 35–36.

¹³ Carnegie 1962, 21.

¹⁴ Carnegie 1962, 23.

¹⁵ Carnegie 1962, 55.

The ethical positions that I have selected as reference points for analysis in this study will be presented using various sources, but the principal ideas come from Immanuel Kant, John Stuart Mill and John Rawls. Their ideas have been embraced and brought into the modern context by the following authors.

Theories about justice and responsibility will be derived from several texts including Abigail Gosselin's *Global Poverty and Individual Responsibility*, Peter Singer's *Famine, Affluence and Morality*, Jeffrey Sachs' *The End of Poverty* and Robert Nozick's *Anarchy, State and Utopia*. The references to economic elements in the discussion will be derived from works including Amartya Sen's *Inequality Reexamined*, Thomas Piketty's *Capital in the Twenty-First Century* and Paul Davidson's *The Keynes Solution*. Many fairly recent articles will also be introduced to bring more voices to the discussion. Finally, the second encounter between the World Council of Churches, the World Bank and the International Monetary Fund, which has been documented and published into a book edited by Rogate R Mshana, will provide insight into the conflicts and agreements between economics and ideals of justice.

1.4. Terminology

1.4.1. Philanthropy

Philanthropy, from Greek *φιλανθρωπία*, refers to a love and practical benevolence towards mankind, and the general disposition to promote the well-being of one's fellow human being. A more colloquial term for philanthropy in the English language is charity, which stems from *caritas*, the Late Latin word for Christian love. *Merriam-Webster* defines charity as generosity and helpfulness especially toward the needy or suffering or aid given to those in need. Just like philanthropy, charity in a broader sense means benevolent goodwill toward or love of humanity, but more specifically charity refers to a gift for public benevolent purposes or an institution, such as a hospital, founded by such a gift. There is no clear distinction between the words charity and philanthropy, but philanthropy is perhaps a bit more specific, so for the sake of clarity I will stick to using the word philanthropy as opposed to charity.

The precise meaning of philanthropy is still often a matter of some contention, as its definition is largely dependent on the particular interests of the writer employing the term. Nevertheless, there are some working definitions to which the community associated with the field of "philanthropic studies" most

commonly subscribes. One of the more widely accepted of these is the one employed by Lester Salamon, who defines philanthropy as, “The private giving of time or valuables (money, security, property) for public purposes; and/or one form of income of private non-profit organisations.”¹⁶ Philanthropy in its broader meaning has existed for a long time. The *National Philanthropic Trust* offers one version of a chronology.¹⁷ For the purposes of this study, which will focus on the ethics of giving, I will define philanthropy narrowly as the *giving away of private wealth for the greater good*.

In *An Economist’s View of Philanthropy*, Solomon Fabricant points out that to forego income is also to give, and in addition philanthropy consists of contributions in the form of personal services or services of property. He also notes that the official estimates on how much philanthropic dollars are spent in an economy do not tell the whole truth. What is left out in official figures are the time and efforts of individual citizens participating in philanthropic activities.

The clergyman or scientist who accepts an income lower than he could obtain in another respectable calling, because he prefers to occupy himself with work deemed to be of greater social value, is also making a philanthropic contribution. It is very similar to the contribution of time and money made by others in support of church or research institute.¹⁸

It is rather impossible to calculate how much philanthropy is practiced within a society if we adhere to the broader definition. Fabricant proposes that there is something philanthropic in almost every activity of economic life, and widening the concept of family loyalty and tribal brotherhood to include love of man in general is a necessary part of economic development.¹⁹

The reason for presenting such a variety of different definitions and interpretations of philanthropy in the paragraphs above is because they help to understand that the motives for philanthropy are never based solely on one idea of giving. Exactly what is meant by philanthropy can vary in scope. I would like to argue that for the philanthrocapitalist the scope is broad, and encompasses many of the different meanings of philanthropy. Since the late 1800’s a new era in philanthropy has emerged as opposed to the historical one often involving religious institutions. This is the era which we will focus on. Philanthropy has become businesslike, and *philanthrocapitalism* the term used to describe this type

¹⁶ Kutney 2013.

¹⁷ <http://www.historyofgiving.org/>

¹⁸ Fabricant 1962, 2-3.

¹⁹ Fabricant 1962, 3.

of business. As Bill Gates puts it: “The common sense of the business world, with its urgency and focus, has strong application in the philanthropic world.”²⁰

1.4.1.1. Philanthrocapitalism

The term philanthrocapitalism will explain itself more thoroughly throughout these pages, but a short definition would be *a way of doing philanthropy, which mirrors the way that business is done in the for-profit world.*²¹ As mentioned earlier, the term was coined by Matthew Bishop and Michael Green in their book *Philanthrocapitalism*. The terms philanthrocapitalism, venture philanthropy, social investment and impact investing are sometimes used interchangeably, but in this study. Some of these other terms might be mentioned in passing, but the main focus of this study is philanthrocapitalism, which for our purposes can act as an umbrella-term that encompasses these other variations.

Much will be said about philanthrocapitalism in the pages to come, but for now let us examine a more critical perspective offered by Slovenian philosopher Slavoj Žižek. He has described the ideology of Bill Gates and his fellow philanthrocapitalists in terms of what he calls *liberal communism*. “Their dogma is a new, postmodernized, version of Adam Smith’s invisible hand: Market and social responsibility are not opposites, they can be employed together for mutual benefit.”²² According to Žižek, this new global elite are very pragmatic.

There is no single exploited Working Class today, only concrete problems to be solved, such as starvation in Africa... When there is a humanitarian crisis in Africa.. they bring out the best in them!... we should simply examine what really solves the problem: Engage people, governments and business in a common enterprise, approach the crisis in a creative, unconventional way... their goal is not to earn money, but to change the world (and, in this way, as a by-product, make even more money).²³

Žižek’s analysis is more of a critical opinion than a definition, but as of yet there is no dictionary definition, so his critique will serve as an opposing view to the somewhat glossy picture painted by Bishop & Green, which will be presented further in chapter 2.1.

1.4.2. Utilitarianism

The true essence of utilitarianism and its different uses and meanings would require a study of its own, but here we will make do with a general overview of what the term means, and in the chapters to come we will see what it means in the context of philanthropy. Many are familiar with the saying “the end justifies the

²⁰ Annual Letter 2009.

²¹ Bishop 2007.

²² Žižek 2006

²³ Žižek 2006.

means.” This utilitarian principle falls under the branch of normative ethical theory called consequentialism, which generally means that the consequences of one’s actions are the ultimate basis for any judgment about the rightness or wrongness of said actions. Utilitarianism is one form of consequentialism. According to consequentialist theory, a morally right act is one that produces a good outcome or consequence. Like in other forms of consequentialism, the effects are what determine if actions are morally right or wrong. Ultimately, only the good and bad outcomes produced by one’s actions are relevant.

As English philosopher John Stuart Mill, who is often credited with coining the word utilitarianism defines it - the word utility is used to mean general well-being or happiness. Utility is the intrinsic value of an act and its consequences. The utilitarian principle can be used for various purposes including moral reasoning or any type of rational decision-making. One of the most difficult problems for utilitarianism is how to measure happiness and unhappiness when interpersonal comparisons are required.

A more recent definition of utilitarianism has shifted the focus from happiness and pleasure (both rather difficult to measure) to the satisfaction of desires or preferences, with some restrictions on said desires. Desires should not be foolish and uninformed but rather rational and well-informed. This type of utilitarianism, which is based on the pursuit of rational and well-informed desires is the interpretation of utilitarianism that is brought forward by moral and political philosopher John Rawls in his criticism of utilitarianism in *A Theory of Justice*.²⁴

Utilitarianism has been applied to social welfare economics, the crisis of global poverty, and the ethics of factory farming. Utilitarianism tends to reject moral codes based on customs, traditions or orders dictated by leaders or supernatural beings. At surface level utilitarianism appears to be simple: do what produces the best consequences for the most people. Upon further investigation the simplicity fades. How do we define what is good, and whose good we should maximize? In addition, how do we know whether our actions are good by their actual consequences (actual results) or by foreseeable ones (predictions)? In light of these questions utilitarianism can be seen as consisting of more than just its simplification, “most good for the most people.” Utilitarianism can however offer a fundamental basis for moral action, in which all human activity aims to promote the interests or welfare of all affected. This may mean self-sacrifice to promote

²⁴ West 2013.

greater benefits and greater good for others. Since utilitarianism is also concerned with long-term effects of actions, many utilitarians are concerned about the destruction of the environment and global warming. In general, utilitarians stress good citizenship in a global community. We will come back to utilitarianism in the form of effective altruism in chapter 3.5.1. Is Bill Gates the most effective altruist in history, as Peter Singer has suggested?²⁵

1.4.3. Deontological ethics

Deontological ethics is a normative ethical position which judges morality based on rules. The position stresses duties and obligations in moral life, duties dictated by an external or internal source, such as a set of rules inherent to the universe or a set of cultural values. Deontological ethics is often presented as a contrasting position to utilitarianism. We will therefore start off with a comparison of these two theories, as they appear to be the two major ethical paradigms at work in the context of this study.

A key issue dividing these two schools is that while utilitarians generally believe it is always right to promote the best outcome and greatest utility, advocates of deontology argue that under some circumstances it could be wrong to promote the best outcome. Utilitarianism can be thought of as agent-neutral while deontology on the other hand contains agent-relative elements. Deontological ethics, also referred to as duty ethics, is often linked to Immanuel Kant. Kant proposed an objection to utilitarianism on grounds that utilitarian theories actually devalue the individuals they propose to benefit. Kant believed in a universal moral law dictated by reason, which would exclude acting purely on arbitrary, subjective inclinations of pleasure and happiness.²⁶ He argued that in order to act in a morally correct manner people must act from duty, and that it is not the consequences of actions that make them right or wrong but the motives of the person who carries out the action.

Many of the theories that have been offered in support of fundamentally deontological moral action can be considered a version of contractualism, which understands moral commitments as the result of a hypothetical contract among persons who are committed to the fundamental, agent-relative idea of living with others on terms of mutual respect. According to this line of reasoning, morality is determined by a set of principles that govern this mutually respectful interaction.

²⁵ McGoey 2015, 146.

²⁶ McCormick s.a., Internet Encyclopedia of Philosophy.

1.4.5. Justice

Justice is one of the most fundamental virtues of Western philosophy, and there is extensive literature that deals with explaining the concept, ranging from ancient thinkers such as Plato to modern philosophers John Rawls and Robert Nozick. All of us probably have some inclination as to what the term refers to, as it is to some degree present in ordinary social discourse. We will forego any dictionary definitions, as our purposes here go beyond simplifying the term to a single definition. Suffice it to mention that the root of the word justice is the Latin word *jus*, meaning right or law. So justice refers to what is right, and this can of course be debated.

What we will be examining here is distributive justice as opposed to retributive justice, which belongs to the field of criminal law. Distributive justice is at the core of some of the issues related to philanthropic missions, so we want to try to get a grasp of justice as a desirable quality of political society and its role in ethical and social decision-making. The history of justice as an ethical concept in Western philosophy is extensive, so for the purposes of finding a narrower focus we will focus mainly on more modern adaptations. This way we will get a more contemporary approach, which is nevertheless grounded in a well documented history of the term. John Rawls' ideas have influenced many of the other philosophers referred to in this study, so it will be wise to begin with him.

Rawls argues that there are two basic principles of justice for a society. The first principle demands equality in the assignment of basic rights and duties, while the second holds that social and economic inequalities, for example inequalities of wealth and influence, are just only if they result in compensating benefits for everyone, particularly the least advantaged members of society. The first principle is primary, while the second specifies how these socio-economic inequalities can be justified. So Rawls' concept of justice demands equal basic liberties for all citizens and a presumption of equality also in regards to social and economic goods. According to Rawls these two principles are in opposition to the utilitarian view that the disadvantages for some can account for the greater advantage of others. This is unjust and rationally unacceptable for an agent acting under the veil of ignorance. Rawls is against the consequential notion of defining what is just in terms of the maximization of the good. In line with Kant's deontology, he

prioritizes the right over the good. Justice is not reducible to utility or pragmatism.²⁷

Robert Nozick is another contemporary philosopher who has written about justice. He was both a colleague and a well-known critic of Rawls. Nozick was a libertarian and was thus opposed to sacrificing individual liberty for the greater good. He advocated a minimized state, and saw this the truly just option for society.²⁸ Nozick's theory of entitlement is primarily concerned with property rights, but his views on a minimal as opposed to extensive state will be of interest to us when we come to the role of governments in chapter 3.6.

Thomas Pogge's primary concern regarding justice is its universal manifestation. His idea of universal justice is based on the notion that we should focus our efforts on determining a "single, universal criterion of justice which all persons and peoples can accept as the basis for moral judgements about the global order."²⁹ The concept of universal justice is necessary in a global economy because how people live within national structures is not independent from the influence of both foreign and transnational institutions. Pogge points out that this is especially true in the case of weaker (poorer) countries who depend on an international order which is often governed by more powerful states. Complex global institutional interconnections result in a world where we need a universal agreement on what constitutes justice. Global governance, trade and diplomacy need to have their basis in this universal justice.³⁰ Pogge suggests that this universally accepted idea of justice should be grounded on the language of human rights.

1.4.6. Poverty

Without going into a detailed account of global poverty, which is undoubtedly the cause of most of the problems that philanthropists wish to combat, we will briefly look at different positions regarding the existence of extreme poverty in the world. There exists a wide strata of opinions and statistics concerning numbers and percentages that portray the extent of poverty. Because the motive of this study is not to understand the extent of global poverty, we will focus primarily on the different attitudes towards poverty. As mentioned, there are various definitions of poverty, but of use for us here will be to acknowledge three degrees of poverty, as

²⁷ Rawls 1999, 12-26, 31, 42-43.

²⁸ Nozick 1995, 149-153.

²⁹ Pogge 2007, 33.

³⁰ Pogge 2007, 33.

portrayed by Jeffrey Sachs. This distinction will help to narrow the focus of the discussion, which will circle around the the first type. The three types are:

1. Extreme or absolute poverty only exists in developing nations. Those living in extreme poverty do not have the basic means for survival. They lack access to safe drinking water, sanitation, health-care, education and perhaps even shelter. They are often chronically hungry and susceptible to disease.
2. Moderate poverty refers to households or individuals who can just barely meet the basic needs for survival, but not much more.
3. Relative poverty is a term generally used to refer to people with an income level below a given proportion of average national income. Relative poverty is a problem in developed nations.³¹

We will forego statistics on poverty, because to give a thorough account would take up a substantial number of pages, and would distract from the ethical focus. Suffice it to say that a general consensus exists concerning the fact that there is extreme poverty in our world, and it affects millions of people, most of whom live in sub-Saharan Africa. For those interested in actual numbers a plethora of statistics based on different calculations can be found in the source material of this study and substantially more via the internet.

One type of common standard according to which poverty statistics are based is the World Bank's \$1/day poverty line. Those who fall under this line live in absolute poverty, as opposed to relative poverty. They are very vulnerable to diseases, exploitation and even slight changes in natural or social environments. These are the people who most need help, and are therefore large potential recipients of philanthropic efforts.

In the course of this essay we will see a few predictions and goals concerning the eradication of poverty. Opinions swing both ways. Some say we are moving in a better direction and global poverty has been decreasing, while others insist that the opposite is the case. It mainly comes down to degrees of poverty. If a poor household experiences an increase in their income from \$1 dollar a day to \$2 dollars, can we consider this as significant progress? \$2 dollars a day is an accurate description of economic poverty.

There are those that see market capitalism as among the leading causes of extreme poverty, while others see it as a necessary tool for poverty eradication. The debate is lively and on-going. Nevertheless, it is existing global poverty that

³¹ Sachs 2005, 20.

instigates feelings of injustice and guilt which philanthropy acts upon. Large-scale extreme poverty has prompted questions concerning our moral norms. Abigail Gosselin points out that there are different views about what makes poverty a problem. “How we view what constitutes the problem of poverty impacts how we understand the responsibility that agents have with respect to it.”³²

1.5. Chapter Summaries

The remainder of the first chapter will be dedicated to presenting an overview of the key concepts referred to throughout the study. Concepts such as justice are immensely complex, so I hope these condensed summaries will be of use in understanding how they relate to the context of this study.

Key terms will be presented in this chapter 1.4., and will be expounded on throughout the course of the study.

Chapter 2 will be devoted to introducing the concept of philanthrocapitalism as distinct from traditional philanthropy. Chapter 2.2 will focus on development aid, showing how philanthropy plays a crucial role in many global development projects; the big question being *is this the role that philanthropy should be playing?* In chapter 2.3 we will discuss the role of the philanthropist as hero. Mega-celebrities like Bono and Angelina Jolie, who have become spokespersons for change, undoubtedly have an influence in discussions concerning development and philanthropy. We live in a culture where moviestars are canonized, but increasingly, ultra-wealthy individuals like Bill Gates are given a similar status. The aim is not to dive into a deep analysis of modern popular culture in which celebrities are heroes, but rather to show how a culture that idolizes the super-rich is making philanthropists akin to superheroes for giving away their fortunes to help others. Chapter 2.4. will be focused on the Gates Foundation. The foundation’s efforts are divided into three divisions. We will take a closer look at the work done through these divisions and what their goals are. The foundation’s website contains a considerable amount of data, from which much of the information presented here is gleaned. Large-scale philanthropy often carries with it the potential for substantial influence in policy-making. As wealth increases, opportunities also increase for influence in many social spheres. With extreme wealth this potential for influence is largely expanded usually to a global scale, as in the case of Bill Gates and his influential

³² Gosselin 2009, 4.

role in the World Health Organization. Chapter 2.5. will focus on this type of political philanthropy.

Chapter 3 will situate philanthrocapitalism within the context of different economic and ethical issues in the modern world. One of the key issues addressed in this paper is the problem of inequality; especially inequality which generates or exacerbates extreme poverty. Chapter 3.1. will focus on arguments that present this problem as structural. There seems to be no question about the fact that inequality exists and that it is indeed structural, but opinions about what the structures are and how they work vary.

A key goal of philanthrocapitalists is a better world with less inequality, but the elimination of structural inequality necessitates more comprehensive solutions that take into account the network of various socio-political and economic variables at play. Altering global structures is an immensely complex process, and we have therefore yet to see any substantial implementation efforts, albeit we have certain theoretical proposals presented by Pogge and several others. Then of course there is also the ethical question regarding the meaningfulness of such pursuits. Carnegie advocated the importance of inequality in human progress, and there are others who would concur. It could very well be that some inequality is inherent in all human structures, but this should not induce a state of pessimism about the world. Philanthrocapitalists tend to be optimistic about finding effective solutions to reducing inequality, and this optimism pushes them to new innovations. Sometimes, however, optimistic philanthropic efforts clash with the economic structures that govern the very existence of the wealth that philanthropic foundations wish to distribute. We will look at a case involving the Gates Foundation, where this clash is evident. Chapter 3.2. will address the question of accountability of large foundations. Fundamentally, the trustees of foundations are free to do what they please, as long as they donate 5 percent³³ of their endowment annually to causes they see fit. There is no external system in place that evaluates their performance or their fundamental values for that matter. Evaluation only happens within the foundations themselves. This leaves plenty of room for criticism when we look at the degree of influence that some of these foundations have. If they are to be more accountable, who should they be accountable to and in what ways? Andrew Carnegie wrote about how the rich have been endowed with a sacred trust, which they should wisely distribute. This

³³ This applies to foundations who operate under a tax-exempt status in the United States.

at least hints at a notion of a very serious responsibility. Bishop & Green have given their own suggestion by proposing what they call the *Good Billionaire Guide*, which would act as a sort of social contract between the rich and the rest of society.

In chapter 3.3. we will examine the individual responsibility of global citizens. Individuals are moral agents that act in the world and have certain moral responsibilities. Pogge would like for us as individual agents to sincerely reflect on what kind of role we play in the perpetuation of the existing culture.³⁴ Whether we take on an active or a passive role regarding our responsibilities has an impact on people who are effected more harshly by our globally interconnected economic system. One responsibility we could take on would be to form a reasoned opinion on philanthrocapitalism and the Gates Foundation.

Philanthrocapitalists also have moral agency, or even hyperagency as Bishop & Green would argue, so what should their responsibilities be? Inequality and poverty are often associated with human rights, and more specifically a failure to realize these rights. Chapter 3.3.1. will examine what the role of these rights is in the context of poverty and philanthropy. A discussion of rights would be left wanting without bringing into the discussion the proper role of duties or responsibilities associated with these rights.

The Western world seems to be currently divided into a ideological dichotomy of a political left versus right. This dichotomy entails numerous complex aspects, but the one of interest here is related to economics. Free-market capitalism is often contrasted with big government, and accounts related to this polarization will be examined in chapter 3.4., and subsequently in 3.6. This is not a study on the ethics of capitalism or the inherent values or defects of a free market, but these issues cannot be completely sidelined. Chapter 3.5 will offer an attempt to glean some of the underlying motives that drive the wealthy to give away their fortunes. Bill Gates has been somewhat successful in getting other billionaires to also give away their fortunes, but where does the drive come from, and what motivates others to jump on board? Giving away something of value is considered an altruistic act, but can altruism be approached from a more technocratic perspective? The idea of effective altruism will be introduced in 3.5.1. In chapter 3.7. we will examine the role of international financial institutions (IFIs) in the

³⁴ Culture refers to the general tendencies for people to feel a certain way about global economics, international trade agreements, government subsidies, foreign-aid, ethical consuming and so on.

global economic sphere. In order to approach the topic from an ethical viewpoint, we will look at an encounter between the World Council of Churches, the World Bank and the International Monetary Fund. How does the moral framework of religion (Christianity) square with market logic. And how does Gates as a moral agent, who is deeply immersed in the economic sphere and who is also from a Christian background, fit into the equation.

Chapter 4 will offer a closer look at the education system in the United States, more specifically the role that philanthropy has and will have in shaping its future.

Chapter five will wrap up the study into summarizing comments and conclusions based on the various arguments presented in the paper.

2. Philanthropy in the 21st century

2.1. An overview of modern philanthropy

Philanthropy is an age old form of wealth redistribution, and has an important place in the world. Compassion and helping others are essential to being human. There have been many affluent individuals in history who have made it their mission to use their affluence and influence to help others. Today, Warren Buffet and Bill Gates are among the few ultrawealthy individuals leading a revival of this old tradition. Buffet has expressed their shared vision: “We want the general level of giving to step up. We hope the norm will change towards even greater and smarter philanthropy.”³⁵

The amounts they are giving away are the largest in recorded history. According to Bishop & Green, the new generation of philanthropists want to reshape philanthropy to make it more effective. Bishop & Green document the efforts of these modern day philanthropists in tackling society’s problems; the focus being on how to best put to use the enormous wealth that they have accrued.

McGoey on the other hand sees incorporating business strategies and value measurements into philanthropic endeavors as not something novel, but as something already practiced by Andrew Carnegie and John D. Rockefeller in the early 1900’s.³⁶ Žižek’s critique of the liberal communists implies the same, and he

³⁵ Annual Letter 2011.

³⁶ McGoey 2015, 14–16.

also sheds light on the similarities between Andrew Carnegie and Gates.³⁷ He expands by portraying the general idea behind philanthrocapitalism:

The catch, of course, is that, in order to give it to the community, first you have to take it (or, as they put it, create it). The rationale of liberal communists is that, in order to really help people, you must have the means to do it. And as experience—the dismal failure of all centralized state and collectivist approaches—teaches us, private initiative is by far the most efficient way. So if the state wants to regulate their business, to tax them excessively, it is effectively undermining its own official goal (to make life better for the large majority, to really help those in need)...Liberal communists do not want to just be machines for generating profits: They want their lives to have a deeper meaning.³⁸

The projects that philanthrocapitalists undertake often relate to large-scale global issues. How to keep diseases from killing people? How to increase economic opportunity? How to empower and educate? Bishop & Green examine this new form of philanthropy that has become a type of movement, in which a network of wealthy, motivated donors has set out to make the world a better place. The mark that these individuals leave on the world could be substantial due to their enormous wealth and political influence. Their carefully targeted donations could become powerful instigators for societal change in our world, but also a source for political controversy.

The idea of effective philanthropy can already be discerned from the writings of Andrew Carnegie and Rockefeller, so as McGoey points out, the novelty of this idea can be debated. What is novel in this new wave of philanthropy are the amounts of money given away and the unprecedented amount of influence that this money buys. The new philanthropists believe they can do more than their predecessors, by applying the business secrets behind their success in acquiring vast amounts of wealth to their strategies for giving. In the recent past philanthropy has been ineffective in many ways, so the aim of the new philanthropists is to improve the way that giving works, in order to for it to work in our rapidly changing world. The answer is philanthrocapitalism.³⁹

Philanthrocapitalists should not be criticized for their lack of optimism. Their faith in being able to buy solutions with money seems genuine, and as we will see in the chapters to come, and in many cases they have succeeded. An underlying outlook held by philanthrocapitalists seems to be something Belarusian author Evgeny Morozov calls *solutionism*; the belief that all difficulties have benign solutions, often of a technocratic nature. Philanthrocapitalism is, according to Bishop & Green, a vital force with the

³⁷ Žižek 2006.

³⁸ Žižek 2006.

³⁹ Bishop & Green 2008, 2.

potential to transform how society solves its toughest problems. From a philanthrocapitalist perspective traditional corporate philanthropy and corporate social responsibility are merely exercises in public relations, and stem from an effort to generate a positive public image rather than actually trying to change the world for the better. The ineffectiveness of the traditional approaches has resulted in the sometimes negative public attitude towards corporations trying to do good. Whether philanthrocapitalism will actually lead to the results suggested in the often grandiose goals has yet to be seen. Will philanthrocapitalists have enough humility to listen to those who have been tackling these issues for a long time?⁴⁰ The idea that the ultra-wealthy should seriously start engaging in philanthropy seems to have become a global trend. As Bishop and Green point out, Mexican telecommunications boss Carlos Slim Helu, formerly ranked third-richest man in the world, also announced in 2007 that he would give away \$10 million through his foundation.⁴¹ The list of names attached to *The Giving Pledge*⁴² continues to grow.

Bill Gates believes that a life in Africa is worth no less than a life in America, and that everyone on the planet deserves a basic level of health. “All lives have equal value.” These words are enshrined on the wall of the Gates Foundation’s headquarters. This is why he is willing to use his wealth to correct what he sees as a major injustice in the world. The language of justice plays nicely with what philanthropists claim to want to achieve, but this is another issue which we will dive more deeply into in chapter three. We will see which, if any, of the ideas of justice presented in chapter 1.4.5. will square with the justice sought to be achieved by philanthropy. Bill Gates seems to be the embodiment of the spirit of philanthrocapitalism, which is essentially “successful entrepreneurs trying to solve big social problems because they believe they can, and because they feel they should.” Sometimes the instigating force to get involved in philanthropy is triggered by a personal experience, but sometimes it arises from an awareness of the state of affairs, as in Bill Gates’ case when he read the World Bank report on investing in health in the developing world.⁴³ A motivating factor behind philanthrocapitalism seems to be the belief that those who have chosen this path do indeed have the resources to fix the problems that evidently need fixing.

⁴⁰ Bishop & Green 2008, 7.

⁴¹ Bishop & Green 2008, 8.

⁴² See Chapter 2.5.1.

⁴³ Bishop & Green 2008, 30.

These new philanthropists feel that they have the knowledge to fix problems; knowledge gained through experience in business. These seem to be a few of the motivating factors for the new interest in large-scale philanthropy, but we will look more closely at underlying motives and ethical implications of these motives in chapter three.

Many of the newly rich, ultra-wealthy individuals are worried about the negative impact that inherited wealth might have on their descendants. They do not want future generations to become “trustafarians”, who drift purposelessly on the waves of affluence. Warren Buffet has said that he does not believe in dynastic wealth. He has publicly announced that his children will receive just enough to enable them to anything, but not so much that they can do nothing.⁴⁴ Generally an original wealth creator feels less constrained than an inheritor; he made the money so he can do with it as he pleases. Indeed, having no family may actually be associated with higher levels of philanthropy.”⁴⁵

There are serious problems in the world such as child mortality and treatable diseases. These have already been largely eradicated from developed countries, so surely with the amount of wealth and resources at the disposal of these philanthrocapitalists, we could with some effort manage to eradicate these problems from the rest of the world as well. At least two of the wealthiest individuals on our planet seem to be very serious about this endeavor. Bill Gates quit his job at *Microsoft* to work for a better world through his foundation. Warren Buffet openly made the largest personal donation in history. In their business ventures, these tycoons are often credited with large scale success in making profit, so with a similar passion for philanthropy why would they not be as successful in giving away their money?⁴⁶

Philanthropy seems to be in itself inherently good, especially when it stems from altruistic motives. In a broad sense philanthropy is wealth redistribution; the rich give, and the poor receive. The ethical question lies in whether giving can in some cases be deemed morally wrong. If the ethical arguments for philanthropy are valid, then can there be valid arguments against it; and if so then what kind of role should philanthropy play in the future of global economic development? Can the work of the Gates Foundation be considered ethically questionable? And can we question the ethics of the Gates Foundation, which by so many instruments of

⁴⁴ Bishop & Green 2008, 35.

⁴⁵ Bishop & Green 2008, 37.

⁴⁶ Bishop & Green 2008, 3.

measurement is involved in projects that are actually improving living conditions globally?

2.2. Philanthrocapitalism and development

The goal of philanthrocapitalism is a better world; better in the utilitarian sense of the word, meaning greater well-being for a greater number of people. In many ways the vantage point that philanthrocapitalists have, seems to give them a sense that they really are what Bishop & Green call hyperagents. This hyperagency is often boosted by social hype and the somehow inherent reverence we have for the extremely successful. Some of the goals put forward by philanthrocapitalists are ambitious to say the least. Bill Gates and Warren Buffet say they are aware of the difficulties involved in large-scale global development projects, and Gates has conceded that “given the scale of the problems... we will only be a small part of the solution.”⁴⁷

Gates wields a substantial amount of influence, but he acknowledges how minute his dollars are in comparison to the budgets of many governments, large corporations and some NGOs. Therefore partnerships will be essential if large-scale change is to be achieved. He has openly expressed his openness for cooperation with governments, and indeed is adamant about his view that governments need to do more in terms of development.⁴⁸ In chapter 3 we will look at what role the governments of the people being “saved” by the Gates Foundation’s projects might have, if any, in the philanthrocapitalist scheme. In any case, Gates has pointed out that foundations are needed because there is not enough market incentive to use the latest developments in science and health for the needs of the poor.⁴⁹

There is no formal blueprint concerning the division of labor between philanthrocapitalists and the rest of society. This issue has become a crucial factor for variance in opinion between philanthrocapitalists and their critics. Nevertheless, many philanthrocapitalists are determined to help solve the problems they deem to be the toughest, either alone or with the help of partners. “We’re sort of crazy enough to say, let’s eliminate malaria.”⁵⁰ says Gates. One of the goals of the Gates Foundation is to radically reduce the effect of diseases that end millions of lives in developing countries every year. But Gates’ philanthropy

⁴⁷ Cited in Bishop & Green 2008, 5.

⁴⁸ Hodal 2017.

⁴⁹ Annual Letter 2010.

⁵⁰ Cited in Bishop & Green 2008, 4.

is not only focused on disease prevention and control, he is also donating millions of dollars aimed at helping stimulate economic development in the poorest countries. The Gates Foundation has teamed up with the Rockefeller Foundation to form the Alliance for a Green Revolution in Africa, which has been promoting a “green revolution” by funding research aimed at increasing crop yields in poor countries.⁵¹ This is mostly done by genetically modified seeds. AGRA’s stated goals for 2020 are to double the income of 20 million small farmers, reduce food insecurity by 50% in twenty countries and to ensure that at least fifteen countries are on a path toward sustainable and climate-friendly green agriculture.⁵² Critics claim that by controlling the seeds, they control the food. According to some, investment has become a euphemism for land grabs, disposition and dislocation of local communities in Africa.⁵³

Buffet and Gates along with former President Bill Clinton are now leading a campaign for development orientated philanthropy. Prior to their efforts however, it was CNN founder Ted Turner, who donated \$1 billion to the UN while encouraging others with a lot of wealth to do the same. He specifically called on Gates and Buffet to follow his lead. Turner spoke out in favor of the rich being measured not by how much they own, but by how much they give. This inspired online magazine Slate to annually publish a list of the largest philanthropic donations.⁵⁴ Philanthropists who choose to organize their philanthropy in a more business-oriented direction often consider themselves social investors or venture philanthropists as opposed to traditional donors. Philanthropy is now more about maximizing the leverage of the donor’s investment.

Leverage is a key term that Bishop & Green bring up on a number of occasions. The goal is to acquire more capital while simultaneously generating social good. This can be seen as controversial, but in the minds of the philanthrocapitalists, this is the best way forward. The idea is that in a system where donating creates lucrative solutions to social problems, a lot more can be achieved than in the traditional model of corporate philanthropy. If philanthropy becomes a genuinely profitable business, then it will attract more capital in a short amount of time, thus enabling a far larger impact than a simple solution based approach, which is based only on giving.

⁵¹ Bishop & Green 2008, 4.

⁵² Conway 2011.

⁵³ Adler 2015.

⁵⁴ Bishop & Green 2008, 5–6.

We are currently living in a global climate, where affluent Western nations are tightening their budgets and cutting down on development aid. The Finnish government, for example, decided on an estimated 43% budget cut to development aid in 2015.⁵⁵ Bill Gates is sure that better measurement tools would help to eradicate fears of misspent aid money.

...in the past year I have been struck again and again by how important measurement is to improving the human condition. You can achieve amazing progress if you set a clear goal and find a measure that will drive progress toward that goal.⁵⁶

In economically challenging times, governments demand effectiveness in the programs they pay for. These demands could be met with the correct measurement tools. Efforts fail if they don't focus on the right measure or not enough time is invested in measuring accurately. We have more tools now than ever to gather and organize data with increasing speed and accuracy.⁵⁷ This is a prime example of how Gates is trying to incorporate what he has learned through his role at *Microsoft* into how to make his philanthropy more efficient. Governments still have the greatest influence in development due to their vastly superior budgets, but philanthropists have the upper hand in trying new, innovative and sometimes very risky tactics as they do not have to worry about elections, shareholder demands or the task of raising funds. Will they be able to harness this potential?⁵⁸

2.3. Canonization of the ultra-wealthy

Anyone who has seen reality tv-shows like *MTV Cribs*, where the homes of the affluent are exposed in all their glory, understands something about the tendency in our culture to idolize those with excess wealth. We have a system of ranking individuals according to the size of their wealth, and the people who top the list usually gain international recognition as men or women who are in many ways looked up to.⁵⁹ Even if upon deeper introspection many of us might come to the conclusion that enormous wealth is not something to envy, it does not subtract from the power and influence that the wealthiest among us wield.

An important feature of philanthrocapitalism is its esteemed status. While critics of philanthropy exist, and occasionally articles and even books are written as clarion calls to shift attention briefly to the dangers and failures of

⁵⁵ Ulvila 2015.

⁵⁶ Annual Letter 2013.

⁵⁷ Annual Letter 2013.

⁵⁸ Bishop & Green 2008, 9.

⁵⁹ https://en.wikipedia.org/wiki/The_World%27s_Billionaires

philanthropy, the majority of the news coverage concerning large-scale philanthropy tends to commend the efforts of philanthropists. This seems to be in line with the general idea that philanthropy is in essence good. So when a wealthy individual like Bill Gates decides to give away his money to what are generally considered good causes, this often generates a response of compliment and praise. Bill Gates has received a fair share of “thank you”’s.

The foreword to Jeffrey Sach’s *End of Poverty* is written by Irish musician Bono. Celebrities have become increasingly involved in philanthropy and in the discussion about the world’s problems. Film stars and rock music icons, whom Bishop & Green have given the title “celebrity philanthropists” have frequently teamed up with the superrich to help “save the world.” The fact that the celebrities are speaking out on political issues and especially poverty is making some people uneasy. It is easy to question the expertise of rock stars like Bono on matters like global health or poverty eradication because they are by no means experts, but because celebrities have such a unique position to influence the masses, they have become key players in philanthrocapitalism. As Bono himself has said: “real change comes through social movements.”⁶⁰ So who better to stir up social movement and mobilize public opinion than celebrities with large-scale following?

The question remains, do the ultra-wealthy philanthropists deserve the almost canonical status they have gained by deciding to depart with their massive fortunes? Perhaps this question is best left to sociologists or psychologists, but the relevance of the question here is that because it seems that individuals like Bill Gates and Bono do in fact have somewhat of a canonical status, what does this status entail? Certainly, the actions of people who are identified as celebrities often fall under intense public scrutiny. I believe that a canonical social status should entail responsibilities, and it seems that philanthrocapitalists like Gates and Buffet agree. This is in line with what Carnegie said about the special role of the millionaire: “...the millionaire will be but a trustee for the poor.”⁶¹

Bill Gates seems to be a true embodiment of the gospel of wealth which Carnegie proclaimed. What is interesting about Gates is that there seems to be a considerable lack of constructive criticism directed towards him and his

⁶⁰ Bishop & Green 2008, 12.

⁶¹ Carnegie 1962, 28.

foundation within the public arena.⁶² Perhaps this is because he is generally viewed as someone who is making the world a better place by being generous with his fortune. McGoey is right to point out that simply because the Gates Foundation is mostly involved with projects that are generally approved of, should not insulate them from criticism.⁶³ The Gates Foundation should not be exempt from critique, especially as it has such influence over various social issues.

It seems morally reasonable that great wealth and high status should entail a certain level of responsibility.⁶⁴ This is however not always the case, as we can see in the lavish lifestyles of billionaires and celebrities across the globe. So a canonical status seems to be applied to only the wealthy individuals who somehow contribute to general well-being, be it through the arts or by using their fortunes for “good” causes. But a culture in which extremely wealthy celebrity-types are revered should also have space for an attitude of criticism. There are billionaires and celebrities who have received substantial criticism for using their wealth for purposes of large-scale social change based on personal preferences, George Soros being a prime example,⁶⁵ but there should also be room for criticism of those who have not been as controversial.

2.4. Bill Gates

”I’ve been very lucky, and therefore I owe it to try and reduce the inequity in the world. And that’s kind of a religious belief. I mean, it’s at least a moral belief.”⁶⁶

Bill Gates has been such a prominent figure in the world of philanthropy that Bishop & Green deemed it appropriate to portay the work of the Gates Foundation under a chapter titled *Billanthropy*.⁶⁷ During his work at *Microsoft*, Bill Gates operated under the noble notion that big breakthroughs in technology would alter the course of humanity and bring greater happiness to the masses.

We achieved big breakthroughs—including changing computers from being expensive and only for big companies to being inexpensive and empowering to individuals with a wide range of software for almost any task.⁶⁸

⁶² In the introduction to *No Such Thing*, McGoey explains why she has directed her focus on Gates and not other influential figures like George Soros or Carlos Slim Helu. Her claim is that even though the Gates Foundation is indisputably the most influential private foundation in the world, it has not received much critical attention; positive news stories however, appear almost daily. p.21

⁶³ McGoey 2015, 23.

⁶⁴ Further discussion about responsibilities in chapter 3.3.

⁶⁵ See chapter 2.6.

⁶⁶ Goodell 2014.

⁶⁷ Bishop & Green 2008, 51.

⁶⁸ Annual Letter 2009.

The theme of empowerment was carried into the work at foundation. Bill seems to enjoy the challenge of dictating work and offering financial resources to people working together to do good. Bill is an optimist when it comes to the future of humankind, and optimism about technology is a fundamental part of the foundation's approach.

Our optimism about technology is a fundamental part of the foundation's approach. Advances in science have played a huge role in improving the living conditions in the rich world over the past century. Technology is also a personal passion of Melinda's and mine. So we try to point scientific research toward the problems of the poor, like agriculture. This is why we tend not to fund other important things like building health clinics or roads, which are better left to governments.⁶⁹

The optimism in Gates' thinking has in part been given a boost by the work of professor Steven Pinker. Pinker's popular science books, in which he advocates the positive progress achieved by humankind, have been successful. Gates has named Pinker's latest book, *Enlightenment Now*, as "my new favourite book of all time."⁷⁰ In *Enlightenment Now*, Pinker examines 15 different measures of progress (including quality of life, knowledge, safety etc.) and shows through statistics how and why the world is getting better. Pinker's claim that rationality and technology have made present-day life in the world better than in any previous time in history fits in sublimely with Gates' optimistic views about progress. In his 2010 Annual Letter, Gates stressed this point by describing how "during the last two centuries, there have been a huge number of innovations that have fundamentally changed the human condition- more than doubling our life span and giving us cheap energy and more food."⁷¹ His optimism for the future is expressed further in the vision of what his foundation can help to achieve:

With vaccines, drugs, and other improvements, health in poor countries will continue to get better, and people will choose to have smaller families. With better seeds, training, and access to markets, farmers in poor countries will be able to grow more food. The world will find clean ways to produce electricity at a lower cost, and more people will lift themselves out of poverty.⁷²

This type of technological world view is certainly not uncommon in the time that we are living in. It is based on the notion that through technology, we can harness the world to best meet our needs. To stress the point:

The lives of the poorest have improved more rapidly in the last 15 years than ever before, yet I am optimistic that we will do even better in the next 15 years. After all, human knowledge is increasing. We can see this concretely in the invention of new medicines like HIV drugs and the way their prices have come down, and in the creation of new seeds that allow poor farmers to be more productive. Once these tools are invented, they are never un-invented-they just improve.⁷³

⁶⁹ Annual Letter 2009.

⁷⁰ <https://www.gatesnotes.com/Books/Enlightenment-Now>

⁷¹ Annual Letter 2010.

⁷² Annual Letter 2010.

⁷³ Annual Letter 2013.

But does the technological approach leave something out? The fact that the technological approach has proven to be so effective has perhaps partly blinded us to the complex reality of global socio-economic structures. Bill admits to technology being a personal passion, and refers to modern scientific accomplishments, and how they have played a tremendous role in improving living conditions in the developed world. The task of the foundation is therefore to fund scientific research and implement technology in a way that would help the poor of the world.

After years of being a part of and witnessing amazing technological developments with *Microsoft*, Bill is enthusiastic about engineering similar progress in areas of development and global health. Although the underlying motives and approach to the problem are the same, the practical issues in the IT sector are very different from those in development and global health. Bill admits that the countries where *Microsoft* does business are far more stable with a lot more infrastructure to work with than the countries and places where the foundation does its work. This poses the problem of how to execute strategies of the foundation in these challenging areas.⁷⁴

Philanthropy that operates with colossal budgets usually tends to focus on larger wholes instead of individuals. To Bill and Melinda's credit, they have actually been out in the field and met with local people and heard the stories of individuals stuck in sickness and poverty. Some of these encounters are recounted in the annual letters. It is perhaps these real people that have inspired Bill and Melinda to work harder to achieve goals that would help lift these people out of poverty. Coming face to face with people living in dire situations and extreme environments is undoubtedly a powerful experience, and this comes across in the letters. However, this does not change the fact that the Gates Foundation operates primarily according to statistics. Success and failure is measured by numbers, and statistics do in fact tell the story of development. Bill is very enthusiastic about statistically proving that the world is getting better. In his letters, he emphasizes the importance of measurement, especially how critical it is for improving the human condition. Based on analysis of the Annual Letters, which can also be found on the foundation's website, it seems quite evident that Bill Gates is a man who lives according to utilitarian principles.

⁷⁴ Annual Letter 2009.

2.5. The Gates Foundation

Based on the size of its endowment, the Bill and Melinda Gates foundation is said to be the largest and most influential private charitable foundation in the world.⁷⁵ It was founded in 2000 by Bill and Melinda Gates, when the William H. Gates foundation merged with the Bill Gates Learning Foundation. A large chunk of the foundations large endowment⁷⁶ has come from Warren Buffett, who has pledged to give the foundation billions of dollars over a period of time through annual contributions, with an initial donation being approximately US\$1.5 billion.⁷⁷ The foundations headquarters are in Seattle, Washington with other offices situated around the world. With its small staff, strategy of creating partnerships and focus on research and development, the Bill and Melinda Gates Foundation more closely resembles a 21st-century software company than a 20th-century philanthropy.⁷⁸

Bill and Melinda Gates were named Persons of the Year by *Time Magazine* in 2005, in honor of their charity work through their foundation.⁷⁹ According to their website, the foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving health and giving people the chance to lift themselves out of hunger and extreme poverty.⁸⁰ Although the efforts of the foundation could be described as aggressive and the vision grandiose, Bill posits humility as a core value of their work.⁸¹

The Foundation operates transparently, meaning that their figures are public, and that their benefactors are allowed access to information that shows how money is being spent. This transparency does not however, extend to their investment schemes. The fact that their investment policies are separate from their donations has caused some concerns about ethical coherency. Because this conflict of interests is important regarding the ethics of philanthrocapitalism, we will look more closely at the issue in chapter 3.1.

The foundation's grants are divided into six programs: the Global Development Program, the Global Growth and Opportunity Program, the Global

⁷⁵ <https://www.worldatlas.com/articles/which-are-the-wealthiest-charitable-foundations-worldwide.html>

⁷⁶ US\$50.7 billion as of December 31, 2017 according to <https://www.gatesfoundation.org/Who-We-Are/General-Information/Financials>

⁷⁷ Loomis 2006.

⁷⁸ Gross 2006.

⁷⁹ <http://edition.cnn.com/2005/US/12/18/time.poy/index.html?iref=mpstoryview>

⁸⁰ <https://www.gatesfoundation.org/Who-We-Are/General-Information/Foundation-Factsheet>

⁸¹ Annual Letter 2009.

Health Program, the Global Policy and Advocacy Program and the United States Program.⁸² The foundation's website offers a more detailed description of what these programs focus on. Instead of going into a detailed account of all the different projects that the foundation is involved in, we will instead look at what the foundation claims regarding the necessity for their their programs in our world, and how these claims are relevant in understanding the ethical world view that the foundation and its workers embody. There is no doubt an underlying and unifying moral framework that drives the foundation and all of its workers to do the work that they do.

We see individuals, not issues. We are inspired by passion, and compassion for the wellbeing of people. Our methods are based on logic, driven by rigor, results, issues, and outcomes. Our innovation means trying new things, learning from our mistakes, and consistently refining our approach. Our strategies help us define our path to success, but our effectiveness is based in the aggregate power of our initiatives to impact holistic change. Our focus on economic empowerment unlocks possibility on the individual and communal level.⁸³

These are bold statements straight from the Gates Foundation website, and hopefully in the course of this study we will see if they are mere rhetoric.

According to Gates, foundations are not needed in areas where capitalistic market signals work well and the poorest aren't left out. Instead, he suggests that foundations can offer unique solutions in areas like health and education or to people with no market power. The foundation makes long-term investments that are high-risk. The risk is compensated by the high-reward, which according to Gates is not measured by financial gains, but by the number of lives saved.⁸⁴

Empowerment is a theme that surfaces in the letters, and the empowerment of the desolate is evidently a goal of the foundation. As Gates has stated in one of his letters concerning the dwindling funds directed towards foreign aid by the West: "my letter is an argument for making the choice to keep on helping extremely poor people build self-sufficiency."⁸⁵ This poses a very interesting question regarding the agency of the people that are being helped through charity. Can these people actually achieve greater levels of self-sufficiency in the current global political paradigm? Individual people are no doubt being empowered to an extent through healthier lives, education and modest increases in income—but what about the developing nations as political entities, under whose authority the people being helped live? Are the governments of these people being empowered to fight for a place in the global economic regime? If it is the governments that are

⁸² <https://www.gatesfoundation.org/Who-We-Are/General-Information/Foundation-Factsheet>

⁸³ <https://www.gatesfoundation.org/Who-We-Are>

⁸⁴ Annual Letter 2009.

⁸⁵ Annual Letter 2012.

responsible for their citizens suffering from disease and poverty, than should they not be the ones that need to be empowered so that they can take better care and offer help to the people that they represent? Has the Gates Foundation done enough to take into consideration the role of local governments?

What the foundation has done is stated clearly in their reports and letters found on their website. Among other things, Gates stresses the importance of funding innovation. He writes about how a relatively small amount of money directed towards innovation and development has changed and can continue to change the prospects of billions of people.

The focus of Melinda's and my foundation is to encourage innovation in the areas where there is less profit opportunity but where the impact for those in need is very high. That is why we have devoted almost \$2 billion to helping poor farm families, most of which are led by women, boost their productivity while preserving the land for future generations. Those funds are invested in many areas of innovation, ranging from sustainable land management, to better ways to educate farmers, to connecting farmers to functioning markets.⁸⁶

Gates believes that his role as a well-known philanthropist can inspire others to adopt a similar attitude. He is convinced that "when people hear stories of the lives they've helped to improve, they want to do more, not less."⁸⁷

2.5.1. The Giving Pledge

"This is about building on a wonderful tradition of philanthropy that will ultimately help the world become a much better place."⁸⁸

The pledge is an idea instantiated by Bill and Melinda Gates, along with Warren Buffet. The concept involves a commitment to giving away more than half of their wealth to philanthropy or charitable causes within their lifetime or in their will. The goal is to constantly increase the number of people on the pledge's roster. The pledge is an open invitation for billionaires to publicly donate their wealth, to fund causes that address the world's most pressing problems. According to their website, the Giving Pledge "aims over time to help shift the social norms of philanthropy toward giving more, giving sooner, and giving smarter."⁸⁹

The pledge is a concrete example of Gate's optimism and genuine belief that a better world can be achieved through more giving. The fact that the number of names on the list is growing, proves that Gates' evangelism of the gospel of

⁸⁶ Annual Letter 2012.

⁸⁷ Ibid.

⁸⁸ <https://givingpledge.org/About.aspx>

⁸⁹ Ibid.

wealth has been somewhat effective. The spirit of philanthropic giving is alive and well.

2.6. Political philanthropy

In *Philanthrocapitalism*, Bishop & Green introduce the idea of political philanthropy in a chapter aptly titled *The Age of Plutocracy?* The title of the chapter suggests that the political influence of philanthrocapitalists is something that might generate opposition; the word plutocracy often carries with it a negative connotation. Hungarian-American hedge fund billionaire and philanthropist George Soros is introduced as a prime example of a billionaire investing himself and his wealth in politics. Though his involvement in political causes⁹⁰ is lauded by some, he has also raised many eyebrows and even earned enemies. I mentioned earlier the almost canonical status of many ultra-wealth philanthropists, but in Soros we have an example of someone who has given away billions (\$6 billion and counting) and yet is seen as almost as an anti-hero by many. As Bishop & Green point out, this is most likely due to generally negative views on mixing money with politics. Soros is not the only billionaire philanthropist who has been involved in politics, but he is a good example because he does not invest in causes that might earn him favorable status, on the contrary. In his own words: "In the social sphere, I take positions because I believe in them, whether I succeed or not. That is the difference between financial markets, which are not governed by moral considerations, and the social sphere, where morality ought to play a role."⁹¹ Soros offers an important insight here. If financial markets are not governed by moral considerations and philanthropy is, then where does this posit philanthrocapitalism, which operates in both spheres? The potential balance between business ethics and the ethics of giving is what we will try to discern throughout the following chapters, and more closely in the summarizing comments in chapter 5. We will examine the morality of the market in chapter 3.4, but for now a few more thoughts on plutocracy.

Bishop & Green raise a very important concern that arises with the growing ambition and ability of the rich to influence political policies. Will the rise of philanthrocapitalism lead to plutocracy, and can anything be done to make this

⁹⁰ Soros has, among other things, financially supported dissident political groups in Eastern Europe, funded grassroots voter-mobilization efforts during the 2004 U.S. presidential campaign and donated to Drug Policy Action, who campaigning for the decriminalization of marijuana. Bishop & Green 2008, 248-255.

⁹¹ Bishop & Green 2008, 250.

prospect less worrying for the public?⁹² The nature of the question embodies the spirit of what Bishop & Green's book is about. The question is not about what problems might be associated with the rich influencing matters of public concern, or if it is something the rich should be doing in the first place. The question is rather, how to alleviate the concerns of the public about something which seems to be inevitable. The fact that the rich should use their wealth to influence public policy is again based on the concept of leverage. The philanthrocapitalist idea is that one of the most effective ways to leverage wealth to change the world is to shape how political power is exercised.

3. Philanthrocapitalism and ethical concerns

3.1. Structural inequality

By now we hopefully have an understanding of what philanthrocapitalism is. So what should we think about it in terms of ethics? We have seen that concerning the state of suffering, poverty and philanthropy in general there seems to be an ethical disjunct between a utilitarian and a deontological position. These somewhat opposing ethical views do not cancel each other out when we analyze the motives and actions of specific philanthrocapitalist ventures, but how do we situate philanthrocapitalism in a modern moral order?

Pogge expounds on the inequality ingrained in the current global economic order, and the moral demands this inequality should impose. The reality is that we live in an economic world order in which companies such as *Microsoft* have flourished, while millions live in extreme poverty. Pogge believes that people in the affluent Western nations are currently harming those who live in poverty. According to the negative duties theory, we have a duty not to harm others by allowing destructive social structures to exist.⁹³ These are the very structures that have helped to produce success stories such as *Microsoft*, and continue to support the existence of mega-foundations such as the Bill and Melinda Gates Foundation especially via their investments. Pogge points out that our current economic structures are set up in a way that allows corruption to exist in developing nations. It is our governments who have often helped install oppressive rulers and regimes in the developing world. Injustice ensues when our representatives confer resource

⁹² Bishop & Green 2008, 248.

⁹³ Pogge 2007, 13.

and borrowing privileges to autocratic leaders or regimes that happen to seize control of given nation. These rulers are internationally allowed to borrow money and sell the natural resources of the said nations, because this is beneficial for us. Therefore, Pogge suggests that “the best hope for the global poor may be our moral reflection.”⁹⁴ But can we rightfully accuse Gates (and other billionaire philanthropists) of a lack of moral reflection? The answer seems quite clearly to be no if we take seriously, for example, the main objectives of the Gates Foundation:

In developing countries, we focus on improving people’s health and wellbeing, helping individuals lift themselves out of hunger and extreme poverty. In the United States, we seek to ensure that all people—especially those with the fewest resources—can access the opportunities they need to succeed in school and life.⁹⁵

It is clearly not the case that philanthrocapitalism is lacking in moral vision, but rather that the content of moral reflection demanded by Pogge is somewhat different. Bill Gates acts out his role as a moral agent by doing what he feels is morally demanded of him, which is donating his enormous wealth for the benefit of others. Nothing questionable there. But Pogge’s notion of moral reflection has its focus on moral agency in a corrupt structure. Nowhere in Gates’ writings does he deal with that fact that the existing economic paradigm, within which he is a major player, might be faulty and largely responsible for the injustice that the Gates Foundation seeks to alleviate. So perhaps Gates’ moral reflection does not go far enough, because it leaves no room for the idea of negative duties. Gates is no doubt aware that the global economic world order has its problems

It may come as no surprise that many of the critics of philanthrocapitalism come from the political left. In an article titled *Against Charity*, published in American left-wing magazine *Jacoby*, Matthew Snow comments on the culture surrounding modern philanthropy.

Rather than asking how individual consumers can guarantee the basic sustenance of millions of people, we should be questioning an economic system that only halts misery and starvation if it is profitable. Rather than solely creating an individualized culture of giving, we should be challenging capitalism’s institutionalized taking. We don’t have to accept capital’s terms for addressing its own problems or purported moral imperatives that presuppose them. The best philanthropy is the type that seeks to end the system that perpetually generates the need for philanthropy.⁹⁶

⁹⁴ Pogge 2007, 22–26.

⁹⁵ <https://www.gatesfoundation.org/>

⁹⁶ Snow 2015.

Snow's arguments are aimed at the core of a social and economic system where doing good generally means donating money to charity.⁹⁷ This critique is not particularly relevant in the case of many philanthrocapitalists. It is seriously questionable to make the accusation that their philanthropic efforts are motivated by making a profit; rather the contrary might be more true. However, Snow's critique says something relevant about the kind of ethical environment we live in, and in which philanthrocapitalism "thrives". If we pulled someone in the affluent West off the street and asked them if philanthropy was good or bad, by instinct a majority would most likely side with good. How could efforts based on love of mankind contain something inherently bad? This is a question that upon exploration reveals further considerations regarding ethical positions and especially justice.

In the system described above, donating money is essentially the only way in which people can on aggregate participate. It is considered morally responsible and commendable to give money to those in need. As Snow put it, "no good will happen without money being transferred."⁹⁸ Wanting to help by donating money is seen as morally "right" according to a utility-based view because by donating money you are seeking to alleviate a problem that causes suffering. The more money you give the more you help, adhering to the principle of maximizing happiness by alleviating suffering. Of course the current system cannot guarantee that donations actually make it to the needy, which raises the issue about how effective aid actually is.

As Gates himself has noted, "one of the most common stories about aid is that some of it gets wasted on corruption."⁹⁹ To illustrate this point, we will look at a case from Daron Acemoglu and James Robinson's book *Why Nations Fail*, to give an example of the kind of traditional aid Bill Gates wants to see improved.

After the 2001 attacks on the World Trade Center in New York, US-led forces were successful in ousting the Taliban regime in Afghanistan. The international community then decided on sending an aid-package to help the country get back on its feet. The local infrastructure was in tatters, so billions of dollars were poured into the country with the objective of rebuilding. Villagers in a remote part of Afghanistan got wind of a multimillion-dollar initiative that would

⁹⁷ This type of thinking is reinforced in William MacAskill's 2015 book *Doing Good Better*. In his conclusion he lists five ways of making a difference. The list begins with 1. Establish a regular habit of giving. p.197

⁹⁸ Snow 2015.

⁹⁹ Annual Letter 2014.

restore shelter in their district. After some time a few wooden beams arrived. They were too long to be used for construction, so the villagers used them for firewood. So what became of the millions? Of the promised money, 20 percent was marked as UN head office costs, and the remainder was subcontracted to an NGO which took another 20 percent for its head office costs. This continued for three more layers of NGOs, each taking roughly 20 percent of what was left of the budget. The remaining sum which eventually reached Afganistan was then used to buy wood from Iran, and this wood was transported by a trucking cartel for an inflated price. According to Acemoglu and Robinson, it is a miracle that the oversized wood beams ever made it to the remote village, and that this was not an isolated incident. They suggest that according to many studies, only about 10 to 20 percent of aid ever reaches its target.¹⁰⁰

Whether or not donations made within this current system actually make an impact and actually work towards maximizing utility is perhaps best analyzed case-by-case. Gates suggests that “we stop discussing whether aid works, and spend more time talking about how it can work better.”¹⁰¹ It is also an issue of effectiveness, which we will discuss in more detail in chapter 3.5.1. But as Snow points out, capitalist market logic is very rarely questioned, and this applies especially to philanthrocapitalists. So a duty-based ethics might suggest that we have a duty to question the current system and change it so that it is more just. This is precisely what Pogge has tried to do. Statistics can be summoned in cases for and against the culture of giving. The problem with statistics is that they can never completely capture dynamic world events.

Foreign aid critics such as Dambisa Moyo and William Easterly have argued that we should completely re-evaluate a system of giving money to nations entrenched in poverty because nothing is getting better for the poor. This is partly because poverty is *structural*. There seems to be no disagreement here. What causes poverty and perpetuates its existence is a network of various socio-political and economic variables. In a compelling *TED Talk*, former president of the *International Justice Mission*, Gary Haugen, stresses the fact that widespread violence and lack of law enforcement are the most important factors hindering the fight against poverty.¹⁰² Tackling issues of violence and lack of law-enforcement

¹⁰⁰ Acemoglu & Robinson 2012, 451–452.

¹⁰¹ Annual Letter 2014.

¹⁰² https://www.ted.com/talks/gary_haugen_the_hidden_reason_for_poverty_the_world_needs_to_address_now

are more complex than delivering and administering a large shipment of vaccines—not to imply that the latter is easy either.

To what extent the global economic order is actually responsible seems to be a question that will be left unanswered. It seems that capitalism both creates poverty and alleviates it. So what should we say about philanthrocapitalism? Can philanthrocapitalism be responsible for contributing to the injustice that it seeks to alleviate? I mentioned earlier that philanthrocapitalists seem to adhere to something called solutionism. Philanthropic efforts based on this philosophy can produce tangible results that are generally deemed good and beneficial, but perhaps a more comprehensive world view is needed if philanthropists want to avoid the possibility of simultaneously causing detriment to those they help. Polly Jones from the UK based Global Justice Now movement offers the following critique aimed specifically at the Gates Foundation:

There is an overt focus on technological solutions to poverty. While technology should have a role in addressing poverty and inequality, long term solutions require social and economic justice. This cannot be given by donors in the form of a climate resilient crop or cheaper smartphone, but must be about systemic social, economic and political change—issues not represented in the foundation’s funding priorities.¹⁰³

Now to say that the Gates Foundation sometimes simultaneously causes detriment to those they are helping is an accusation that needs to be backed up. This is what the *LA Times* tried to do in their 2007 eight part coverage series of the Gates Foundation.¹⁰⁴ Some of their findings are relevant for this study in order to understand the internal conflict in philanthrocapitalism between the ethics of giving and the ethics of investing. Here are a few issues that the investigative journalists at the *LA Times* discovered.

The Gates Foundation has invested \$218 million into polio and measles immunization and research worldwide, and some of the actual inoculations happened around the Niger Delta. But while the foundation funded vaccine programs to protect the health of people living in the area, it simultaneously invested \$423 million in Eni, Royal Dutch Shell, Exxon Mobil Corp., Chevron Corp. and Total of France. These companies have been responsible for most of the flares that have covered the Niger Delta with pollution, beyond anything permitted in the United States or Europe. According to the *LA Times* investigation, local leaders in the area blame oil development for fostering some of the very afflictions that the foundation combats.

¹⁰³ Ecowatch 2016.

¹⁰⁴ Piller 2007.

Just as the Gates Foundation investments in Mondi, BP and Royal Dutch Shell have been very profitable, so too have its holdings in the top 100 polluters in the United States, as rated by the University of Massachusetts, and the top 50 polluters in Canada, as rated by the trade publication *Corporate Knights*, using methods based on those developed by the university. According to the foundation's 2005 figures, it held a \$1.4-billion stake in 69 of those firms. They included blue chips, such as Chevron Corp. and Ford Motor Co., as well as lesser-known companies such as Lyondell Chemical Co. and Ameren Corp. At the same time, the foundation held a \$2.9 billion stake in firms ranked by the investment rating services as among the worst environmental stewards, including Dominion Resources Inc. and El Paso Corp.¹⁰⁵

The Gates Foundation has not changed its investment policies throughout the years even after this negative exposure. Their official ethical guideline to investing includes only the avoidance of tobacco companies. There seems indeed to be a conflict between their ethical reasons for giving and their ethics of business. The foundation invests 95% of their budget, and these investments are aimed at generating an adequate amount of return so as to maintain the the large sum of capital.

If the system in which philanthrocapitalism operates is responsible for the existence of inequality then any philanthropic venture is merely a band-aid. But band-aids have a useful function nonetheless. Philanthrocapitalism exists and operates in the multifaceted economic sphere that we like to call capitalism, so it is within this sphere that we must examine it. Other systems of ordering economic realities could possibly alleviate poverty and injustice more effectively, but these alternative (Pogge, Campbell) systems will not be analyzed here, as the focus of this study is philanthrocapitalism, which might not be an influential element in these hypothetical systems.

3.2. Accountability

There are many criticisms of philanthrocapitalism beginning with the limited transparency and accountability involved. There are concerns that private philanthropy erodes support for governmental spending on public services. Many current and past philanthropists amassed their fortunes by predatory business practices which enhanced the very social problems their philanthropy is intended to alleviate. Finally there are concerns of the existence of ulterior motives, such as tax write-offs, political favors and public image. McGoey is concerned about the ever increasing influence that philanthropists wield over global health, education and global agriculture.

Accountability is a serious issue when examining the moral integrity of the Gates Foundation, or any other major philanthropic foundation for that matter. It

¹⁰⁵ Piller & Smith 2007.

raises the question of how independently foundations should work while also existing within a democratic framework in which they are given the benefit of a tax-exempt status. In an article for the *New Internationalist*, Andrew Bowman introduces valid concerns about the Gates Foundation's independent status of exerting considerable power over global issues while not being accountable to anyone but themselves. He is not alone with his concerns.

Gregg Gonsalves, an experienced AIDS activist and co-founder of the International Treatment Preparedness Coalition, welcomes the Foundation's funding, but is concerned about its power. Depending on what side of bed Gates gets out of in the morning, it can shift the terrain of global health...It's not a democracy. It's not even a constitutional monarchy. It's about what Bill and Melinda want. We depend on them learning, and it's not as if there are many points of influence for this.¹⁰⁶

Bowman points out that even though the strategies of the Bill and Melinda Gates Foundation are reviewed annually and their CEO has stressed the importance of a systematic effort to listen to grantees, Gonsalves and others are sceptical. The others mentioned in Bowman's article, who share these concerns, are public health doctor and researcher at University College London Dr. David McCoy, who is of the opinion that,

Through its funding it (The Gates Foundation) also operates through an interconnected network of organizations and individuals across academia and the NGO and business sectors. This allows it to leverage influence through a kind of "group-think" in international health.¹⁰⁷

Bowman also points out that in 2008 the WHO's head of malaria research, Aarata Kochi, accused the Gates Foundation 'cartel' of suppressing diversity of scientific opinion, claiming the organization was 'accountable to no-one other than itself'.¹⁰⁸ The reason for bringing into attention these comments from Bowman's article is to show that people actually involved in the areas where the Gates Foundation wields power are genuinely concerned about the Foundation's accountability. However, it would be unfair to claim that the Gates Foundation shows no concern regarding the issue of accountability. Gates himself has addressed the issue in one of his annual letters:

We work hard to get lots of feedback. Each of our three divisions has gotten great people to participate in an advisory panel that reviews their strategies. In addition, every significant grant is reviewed by a number of outside experts. And as we execute our strategies, we need to share what we learn, because the biggest leverage is in getting many others to adopt best practices. Since we are in this for the long run, we need to develop credibility by the strength of our evidence, and by not claiming to know more than we do.¹⁰⁹

¹⁰⁶ Bowman 2012.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ Annual Letter 2009.

Perhaps this is not exactly the kind of accountability that critics are calling for, but it shows that the Gates Foundation is at least aware of the problem, and are doing what they see appropriate remedy the situation.

3.2.1. Good billionaire guide

If billionaire philanthrocapitalists want to feel safe living within their given societies and want to continue to be respected, engaging in philanthropy may not be enough. These billionaires wield a large amount of influence, and have an increasingly significant voice in public policy.¹¹⁰ This means that criticisms naturally arise concerning their qualifications. A kind of social contract is required between billionaires and the other citizens of the given societies in which they have such influence.

Bishop & Green have coined the term *Good Billionaire Guide*, which aims to set up ethical guidelines for the actions of billionaires who operate within the structures of this hypothetical social contract. This is necessary if they want to be a legitimate part of the solution to the world's problems. The Good Billionaire Guide emphasizes transparency in philanthropic endeavors, meaning that there should be no mystery about how much money is actually being given away, the amount of taxes paid and how legitimately the wealth has been accrued. In a way philanthropists should be held to account by the public, as George Soros has suggested.¹¹¹ The guide presented by Bishop & Green is linked to more common ideas about corporate responsibility.

In recent decades, as a result of a nascent conscious consumer movement, several multinational corporations have been the targets of large-scale boycotts due to controversy in their business practices. This has led to a situation where, led by the corporations in the midst of these scandals, a concept of social responsibility has formed within business enterprises. As a result, a form of corporate philanthropy has emerged, in which philanthropic strategy is incorporated into the for-profit strategies of businesses. This also effects large-scale philanthropic foundations, and especially philanthrocapitalism. Philanthrocapitalists therefore need to think about the how they can acquire a general societal acceptance. Bishop & Green present an idea of a social contract,

¹¹⁰ Bill Gates has been given the title “shadow minister of education.” This is not a role that he has been democratically elected to carry out, but is the direct result of using his wealth to affect public policy. McGoey 2015, 122.

¹¹¹ Bishop & Green 2008, 10.

where the rich abide by a clear set of rules (Good Billionaire Guide), which would generate a general understanding amongst society on how to behave towards the rich if they abide by these rules. Bishop & Green do not specify what this hypothetical behaviour towards the rich would actually entail. They do suggest that a strong, transparent regulatory system be set up so that we can hold billionaires accountable.¹¹² Such a system is yet to be seen.

3.3. Questions regarding responsibility

We have thus far been examining ethical questions around philanthrocapitalism, but we will now briefly broaden the focus to responsibility in general.

Philanthrocapitalism has emerged from within a particular type of global economic system. Within this system there are different types of agents who are in direct or indirect association to each other. Agency is usually defined as the ability to act in the world, and moral agency the ability to make moral judgements. In a global world the actions of a global citizen or transnational corporation (both can be considered agents) can and often do affect people far away who are also directly or indirectly part of the same system.

We have already come to understand that there are structural components that make this system unjust. Whether this injustice is due to the inherent nature of the system is irrelevant here, but questions of responsibility are valid. We will therefore look at different theories what types of responsibilities individuals have. Questions of responsibility are based on understandings of morality, and what this morality demands of individual moral agents. Philanthrocapitalists are of course also moral agents, even though they are in many ways hyperagents with more power and therefore more responsibility. Thomas Pogge opens the door to this discussion by proposing two questions concerning responsibility for existing injustice. They are particularly relevant and therefore presented in their entirety.

How can severe poverty of half of humankind continue despite enormous economic and technological progress and despite the enlightened moral norms and values of our heavily dominant Western civilization? Why do citizens of the affluent Western states not find it morally troubling, at least, that a world heavily dominated by us and our values gives such very deficient and inferior starting positions and opportunities to so many people?¹¹³

Pogge suggests that as the way things stand eradication of poverty is not morally compelling enough for most of us in the affluent West. This is partly due to the fact that we in the affluent West live in extreme isolation from poverty. "We do not know people scarred by the experience of losing a child to hunger, diarrhea or

¹¹² Bishop & Green 2008, 270.

¹¹³ Pogge 2007, 3.

measles, do not know anyone earning less than \$10 for a 72-hour week of hard, monotonous labor.”¹¹⁴ Extreme poverty therefore fails to produce serious moral reflection in us. We will use this accusation to begin exploring different views concerning issues of responsibility.

The differing views concerning our responsibilities towards poverty are quite unanimous in insisting that certain duties exist, but ones that are hard to pinpoint. In Pogge’s view, we should stop thinking about the eradication of poverty as helping the poor. Instead, our efforts should not so much be directed at helping, but rather protecting the poor from the effects of global rules whose injustice benefits us. The responsibility therefore lies on us all, in so much as we are involved in economic activity structured by said rules. Pogge hopes to see a moral awakening among consumers and citizens in the West.¹¹⁵

Abigail Gosselin has devoted an entire book to the question of individual responsibility. What is of interest in the context of this study is to understand different ethical views concerning the moral responses to the problem of injustice. To what extent are individuals responsible for global inequality? And what type of action should this responsibility demand? The following paragraph will outline Gosselin’s key arguments about individual responsibility, which are very much in-line with Pogge.

The problem with responsibility in relation to poverty is that it is difficult to specify, carry out and assess. Gosselin argues that this difficulty does not make moral duties optional. The danger of mistakenly positing morality as a form of consumerism results in choosing between duties as one wishes, as if responsibility towards poverty was a matter of personal choice. Poverty is a complex issue, and as Gosselin points out there are various morally justifiable duties involved, which have different types of normative effects. As individuals we have all of these duties, but within the scope of each one we have some choice in how to respond.¹¹⁶ Being moral agents, we should critically examine our values as well as our limited capabilities to live according to these values. Because of the difficulty of discernment within the complicated scope of different duties towards poverty, many people often settle for an easy solution which might be for example, a small monthly donation to a charitable organization. This might generate the feeling that one has fully discharged the annual duty to poverty, as Gosselin puts it. But this is

¹¹⁴ Pogge 2007, 4.

¹¹⁵ Pogge 2007, 23–25.

¹¹⁶ Gosselin 2009, 187.

by no means enough if we consider the complex nature of poverty and the interconnectedness of actions in the global economic network. This is where critical thinking is required. Gosselin points out that "what we determine individually adds up to some form of collective decision about what the social expectations should be for how individuals fulfill imperfect duties."¹¹⁷

So to sum up, the idea of responsibility is based on an individual's moral agency. There are various duties involved that are related to the existence of poverty. These duties for individuals vary. They might include educating oneself on global issues, getting involved in politics at least insofar as to understand if the governmental policies of one's own nation are contributing unnecessarily to global inequality, making conscious consumer decisions, investing ethically or donating to charity. The task is to find a balanced position regarding these multiple duties, one that is neither maximalist nor minimalist in its expectations. Gosselin also includes the feeling of regret in her considerations of responsibility. Regret arises from not being able to fulfill all of the necessary duties at any given time. Something is always left out that should have been done. The way that regret can be useful is that it serves as a reminder to what was left undone. For it to be useful, it needs to be accompanied by a commitment to do later what one is unable to do now.¹¹⁸

In any case, to bring the focus back on philanthrocapitalism, seeing as it usually refers to the actions of individual billionaires, the same moral duties and individual responsibilities apply. But because philanthrocapitalists tend to be individuals with disproportionately vast amounts of resources at their disposal, we could describe them as hyperagents. This hyperagency would then also entail a greater share of responsibility i.e. more duties towards poverty. It seems to be the case that there are billionaire philanthropists, at least Bill Gates and Warren Buffet, who feel this greater sense of responsibility. We see it in many variations among tech-billionaires and billionaire celebrities who devote their time and resources to combating poverty. But these billionaires might benefit from reading Gosselin's book and incorporating a more comprehensive approach to their responsibilities. In light of this the Gates Foundation could, for example, reassess their investment policies so they would be more in line with an ethical position

¹¹⁷ Gosselin 2009, 188.

¹¹⁸ Gosselin 2009, 189.

which encompasses a more comprehensive sense of responsibility.

Responsibilities are linked to duties, which we will look at next.

3.3.1. Human rights and duties

The discussion around poverty is often linked to a concept of human rights, and more specifically violations of these rights. Tom Campbell introduces a moral thesis according to which the core violation of human rights in relation to extreme poverty is the failure to respond effectively to poverty by those who are able to do so. This results in the human right to poverty relief. This is precisely the type of failure that philanthrocapitalists talk about in support of their efforts to spread the gospel of wealth. Of course they see it from the vantage point of being particularly able, more so than many in terms of power and influence. Campbell suggests that obligations arise specifically from the duties of humanity.

The contention is that, in relation to extreme poverty, our human rights obligations derive primarily from duties of humanity (relating to benevolence, altruism, and caring) rather than duties of justice (relating to fairness, desert, and merit) and do not prioritize justice over humanity.¹¹⁹

Campbell speaks the language of deontological, duty-based ethics. But Campbell's case for human rights stems from a concept of *humanity* rather than justice. He offers an interesting alternative viewpoint to the discussion about human rights and duties. The philanthropists mentioned in this study often base their moral aspirations the idea of fixing an unjust world. The Gates Foundation for example, claims to wish to eliminate inequity, which simply means a lack of justice. Although what these new philanthrocapitalist foundations are doing might classify as humanitarian work, *humanity* is not in their vocabulary even if it is to some degree among their core moral values. Justice on the otherhand is a word that springs up quite often in their vernacular. The judicial style of discourse and thinking has deep roots in Western philosophy and especially ethics. We have seen how utilitarian theory provides a moral basis for philanthropic action. Injustice is commonly seen as the result of unjust social and economic systems and practices.

So how does Campbell's idea of humanity contrast to the idea that justice should be fought for in an unjust world. The crux of the issue is poverty, around which most of the debates about justice revolve, as I mentioned earlier. First off, Campbell rejects the thesis that poverty as a violation of human rights is always the result of the culpable conduct of others (even though this might often be the

¹¹⁹ Campbell 2007, 62.

case) or that it is the abuse of human rights in general which leads to poverty. Campbell's case is for humanity. Inhumanity, Campbell argues, is a more fundamental, though not the only basis for the moral failure to reduce poverty. Whether poverty should be attributed to injustice or inhumanity may seem like a futile semantic question, but the philosophical framework and ideas behind terminology often play a crucial role in how people eventually act. An ethical or economic worldview influences how an individual or in this case a foundation sees itself in terms of responsibility. It is therefore worthwhile to dive momentarily into the debate and see if Campbell has a valid point to challenging the idea of injustice.

Campbell does not want to define poverty as the result of an injustice. Pogge argues that this is the case. But if poverty were always merely the result or byproduct of culpable action (a violation), then the only reason to alleviate it would be to rectify this particular injustice. The focus would only be on poverty created by unjust economic systems and not on, say, poverty as the result of natural disasters. Of course as a result of global warming these lines are becoming increasingly hazy and perhaps cannot be drawn at all. According to Campbell we have a strong obligation to eradicate all types of poverty. It is what our humanity requires of us. "We do not want to make this eradication dependent on how poverty comes about, and certainly not on establishing who or what is to blame in bringing it about."¹²⁰ Campbell goes on to note that obligations based on theories of justice are undermined by those who accept that we have a moral obligation to alleviate poverty, but believe that such obligations do not correlate with the human rights of those living in poverty. It is not clear who Campbell is referring to here. In any case, we do have the option of casting aside the debate about why poverty is morally wrong and getting along with finding solutions to this morally unacceptable state of affairs. But how do we determine who should be in charge of taking action? Is it national governments? Is it Bill Gates or any other billionaire with money to spare? Or is it every citizen in the affluent West as Pogge suggests? Here is where definitions play a crucial role in the moral discourse.

If we view poverty as resulting from a culpable injustice inflicted by an unjust relationship between those who have and those who have not, then the difficulty arises of who exactly has the duty to help. Who is more responsible and

¹²⁰ Campbell 2007, 63.

therefore more obligated to first take action? These are problems we face if poverty is seen as a direct violation of human rights. The language of justice always raises at least the question of whether the suffering in question is merited or deserved in some way, and who if anyone may be responsible for its occurrence. Here I both agree and disagree with Campbell. It is true that in common vernacular justice can imply the above mentioned necessity to find a culprit responsible for a particular injustice. However, on a global scale the scenario is more complex. Injustice on a global scale is the result of complex social, political and economic systems, and therefore it becomes very difficult to point the finger at any specific culprit. Of course this is exactly the situation which Pogge and Campbell wish to rectify albeit using different terminology. They both want the idea of duty to become more widespread throughout the affluent first world. And the same can be said of utility-inclined people like Bill Gates, although again they might see the existence of injustice in a different light. So what can be said of this common goal between utilitarianism and deontology concerning poverty eradication? We will come back to this discussion in the conclusions in chapter six. But now back to Campbell's thesis.

If instead of using the language of justice, we view poverty as an evil that has no place in notions of humanity, then the duty to help extends to all of humanity and not specific culprits. The basis is a morally uncomplicated relationship between the evil of suffering and the obligation to relieve it. The evil in this case being the suffering that results from poverty. Campbell's principle of humanity is based on an elemental response to aid another human being. The duty is instigated by seeing, imagining, or knowing of suffering irrespective of who is suffering or why that suffering has come about.¹²¹ In contrast, Pogge argues that because we cannot see the actual suffering first hand, the suffering cannot produce any serious moral reflection. It is therefore not individuals but rather social institutions who are responsible for rectifying the suffering.¹²² I am convinced that many would agree that both humanity and justice are important concepts in the efforts to eradicate poverty. So do they contradict each other?

John Rawls' position, expounded in the early pages of his *Theory of Justice*, is that justice is by definition the overriding factor in the distribution of benefits and burdens. Campbell argues that it is not. If poverty is a violation of human

¹²¹ Campbell 2007, 65.

¹²² Pogge 2007, 4, 49.

rights it is primarily because of humanitarian reasons. Moral demands arise from the existence of suffering. The problem of poverty should not only be subordinated to considerations of justice, because the idea of relieving suffering is capable of generating moral obligations that are more potent than the idea of justice. Campbell suggests that subsistence rights are grounded primarily in the universal humanitarian obligation to participate in the relief of extreme suffering. The way that these moral obligations can be thought of as universal can be explained in the following statement:

The universality of this obligation is relative to the capacity of the person or collective to contribute to the reduction of extreme poverty, in that the duty of relieving world poverty falls on everybody in proportion to their capacity to do so, although it may be enhanced by any role they may have in contributing to the existence of that poverty.¹²³

Campbell has a valid point in wanting to bring humanity to the moral discussion alongside justice. Unfortunately the statement above shows that placing the focus on humanity in general is difficult. What are the tools by which we measure the capacity of a person or collective to contribute? If we are innately capable of relating to suffering then why does it not generate a stronger sense of responsibility, which would demand action. Campbell suggests that to effectively institutionalize this moral relationship requires mechanisms that operationalize the causal connections between obligations and rights; the moral basis being an uncomplicated moral duty of humanity. This sounds very similar to the negative duties based on justice, which Pogge proposes and Campbell himself rejects. Both stand on the same moral ground but suggest different ways of implementing a widespread moral awakening.

What makes Campbell's argument even more difficult is that he feels humanity should be a basis for obligation generally; resulting in a moral justification for legal obligations. To clarify, appealing to the principle of humanity does not mean relying on charity. The principle of humanity is proposed as an underlying justification for creating a way of dealing with poverty systematically and establishing mandatory duties. To put the principle of humanity to practical use, Campbell offers a radical redistributive scheme for wealth redistribution. The scheme relies on progressive domestic taxation and coercive measures enforced by entities such as the UN. Campbell calls his proposal the *Global Humanitarian Levy* (GHL). This proposal aims to capture the humanitarian basis for the alleviation of extreme poverty by instituting a universal

¹²³ Campbell 2007, 67.

obligation to participate in tackling poverty as a global issue through a mechanism that embodies rough proportionality with respect to capacity to assist. This might involve a 2% tax on all personal incomes over US\$50,000 per year, a levy of 2% on personal wealth above US\$500,000, and equivalent corporate levies relating both to profits and wealth. These levies could be imposed through national governments but would be administered globally.¹²⁴ In chapter 3.4 we will compare the GHL with Thomas Piketty's views on the progressive taxation of capital. The issue of taxation will again be brought up in chapter 3.6.

Campbell argues that according to culpable causal responsibility those responsible have an obligation to compensate those who live in poverty. But as Pogge has pointed out, there is also a duty to refrain from producing poverty in the first place. This is an issue that in the context of this study generates a divide between deontological and utilitarian ethics.

Utilitarians often seem uneager to confront the reasons that poverty exists. The general attitude is more based on cure and less on prevention. Structural inequality is acknowledged, but the duty that deontologists such as Pogge and Campbell want to impose, namely the duty of those that have towards those that have not, is perhaps missing in utility-based solutions to poverty. Utilitarians may admit that some kind of connection exists between those who have benefited (either unknowingly or unwillingly) from an economic or political regime with those that have been kept in poverty through said regimes. Bill Gates openly admits to feeling this sort of guilt. He has benefited from the free market system, and a sense of social responsibility has motivated him to give back to the community. The problems that arise with the judicial view of inequality relate to individual responsibility for collective arrangements. As Campbell puts it:

...arrangements that must be in many respects the unintended outcomes of uncoordinated individual choices with unforeseen and often unforeseeable consequences on the part of people who are in any case powerless to change the existing order of things.¹²⁵

So Campbell and Pogge both want to awaken a sense of duty among affluent global citizens. In *World Poverty* Pogge repeatedly emphasizes that the existing social and economic order is in many ways unjust. He argues that it is the duty of the people living in affluent nations to collectively correct this injustice through various practical means, including the proposed his own proposed scheme which he calls the GRD.

¹²⁴ Campbell 2007, 67.

¹²⁵ Campbell 2007, 72.

Campbell on the otherhand wants to instigate a sense of responsibility based on an idea of a shared humanity. Both would agree that the current economic order is unjust in that it accrues unfair advantage to the world's wealthy minority and elites of some developing nations. Both also promote the language of human rights. But where Campbell and Pogge disagree is in how these ideas of duty, responsibility and human rights violations are to be imposed upon the wealthy minority. Campbell insists that the vast majority of the wealth minority cannot and should not be held responsible for something that they did not create and that they cannot change; at least not to the extent that it can generate an obligation to correct the moral imbalance caused by their supposed culpability. Campbell thus warns against taking Pogge's ideas of a guilty conscience too seriously. There are cases where the chain of moral responsibility is clear and the evil that is being done cannot be disputed, and in these cases the language of justice may be appropriate. The danger, according to Campbell, arises from applying a strong sense of guilt to persons whose moral guilt comes nowhere near that which would license the use of such terminology.¹²⁶

Both Campbell and Pogge are in favor of restructuring the global economic order in a more just fashion, but for Campbell the main argument economic reform should not be based on a sense of moral guilt on the part of us who have not been active enough in advocating arrangements that are more just. This guilt is at best a very weak sense of participation in a system in which all that is required to establish obligation is that there is a 'system' in the sense that decisions and actions taken in one place have systematic effects in another place. Campbell also points out in his critique of Pogge that if we confine all moral responsibility to human organizations such as governments, then we will fail to address the potential harm brought on by private and natural harms.¹²⁷

Campbell admits that the language of humanity might appear as weak and morally optional to some, while justice is often felt as strong and morally mandatory. The crux of Campbell's argument is that humanitarian reasoning can, however, provide a basis for adopting strong, focused and operationalizable schemes for eradicating poverty. And that the moral ground it provides is uncomplicated.¹²⁸ The philosophical dissonance between Pogge and Campbell seems to generate different practical implementations. These differences come

¹²⁶ Campbell 2007, 71.

¹²⁷ Campbell 2007, 72-73.

¹²⁸ Campbell 2007, 74.

about in moral understandings of the current global economic order. That is what we will look at next.

3.4. The free market and the global economic order

Objections to the foundations upon which society is based are not in order, because the condition of the race is better with these than it has been with any other which has been tried. Of the effect of any new substitutes we cannot be sure.¹²⁹

How valuable are market mechanisms in terms of practical morality?

How ethical is the free market system? According to Campbell, and I agree here, there is little doubt that many individuals highly value the opportunity of using markets. Without access to markets most of us would perish, since we don't typically produce the things that we need to survive; although this leaves out the concept of barter, which Campbell fails to mention. Campbell seems to harbour an almost fundamentalist ideology about the supremacy of markets. Based on this reverence for markets, Campbell suggests that

...it is natural to feel that an institution that is so crucial to our well-being must be valuable. And since moral evaluation can hardly be indifferent to our interests and their fulfillment, it might appear that there is nothing much to discuss here. The market's moral standing "has to be" high.¹³⁰

This is a common argument in defence of markets, namely that the market is the best system we have. So how does poverty fit into this system? According to Campbell, we have to see markets as economic and social mechanisms that may be necessary preconditions for the material improvements in human well-being. Therefore markets must be accepted as desirable if we accept that poverty is undesirable. Not only are markets desirable in Campbell's view, but since markets offer a way out of poverty any participation in the market has a positive value. This is in sharp contrast to the view that as participants in the market we are in fact responsible for sustaining the injustice that produces poverty. So according to Campbell we should not criticize people for acting in accordance with the market order by, for instance, making purchases in light of personal preferences because in so doing they are contributing to a system that creates resources that are indispensable for many morally imperative ends. So how can such a drastic disparity exist amongst two scholars who both wish to propagate ethical demands for reducing poverty? Surely these two differing views have ramifications that are worlds apart? How are we actually going to organize wealth redistribution? We will examine this more closely in the paragraphs to come. Campbell's version of a defence of market economics has been refuted by many, but as I mentioned

¹²⁹ Carnegie 1962, 17.

¹³⁰ Campbell 2007, 72.

earlier, the aim of this study is not to determine how moral the current economic model, under which most of the world operates under, actually is. But the question is intriguing. What is called for by Campbell and others is adaptations in current market arrangements either to make them more just or to ensure that they do not result in significant deprivations for some of those affected by it.¹³¹ Such policy recommendations need not be based on any general criticism of market economic systems, or any culpability on the part of those involved in such systems. Indeed participation in such economic orders in accordance with their existing rules may have beneficial and laudable aspects. Again, such considerations do not negate the morality of improving systems so that they have more and better distributed benefits, but they do suggest that identifying ordinary market players as complicit in human rights violations may be simplistic, misleading, and counterproductive. Simplistic because it ignores the overall performance of such systems in relation to generating wealth, misleading because it misascribes responsibility for existing and doubtless highly imperfect systems, and counterproductive because the flaws in the argument enable people to doubt and hence avoid fulfilling obligations that are in effect better grounded in other (humanitarian) considerations. Perhaps for this reason, Pogge tends to fall back on the culpability that arises from not rectifying the unjust economic order through engaging in effective political action.

Gates is an optimist and believes strongly in the market forces that have enabled his financial success. Just like Campbell, he feels that these same forces can help drive positive change in the world. And as Nobel laureate economist Amartya Sen has pointed out, the *prima facie* moral status of markets generally must be high.¹³²

3.5. *Motives for action*

John Steinbeck has said that “giving builds up the ego of the giver, and makes him superior and higher and larger than the receiver. Nearly always, giving is a selfish pleasure, and in many cases it is a downright destructive and evil thing.”¹³³

Skeptics criticize the generosity of the ultra-wealthy, and question the motives behind what seems to be altruistic humanitarianism. Could there not be ulterior motives behind philanthropy? Perhaps philanthropy can give a glossy face to

¹³¹ For Pogge it is the systems themselves that are corrupt to a degree that requires a large scale moral awakening of sorts on our part.

¹³² Cited in Pogge 2007, 72.

¹³³ Excerpt from John Steinbeck’s 1941 *The log from the sea of Cortez*.

otherwise morally questionable business practices, or perhaps it is just another way of avoiding taxes. As Bishop & Green aptly put it, it is impossible “to see into someone else’s soul.”¹³⁴ There is no empirical way of figuring out the true motives for giving. What we do have, are personal accounts as in the case of Bill Gates and his annual letters. We can choose to take these accounts seriously through critical lenses, or dismiss them as phony.

After carefully reading through and analyzing the very personal letters of Bill Gates, it would be difficult to label them dubious or insincere. We can safely say that Bill Gates is passionate about giving, and he has stated reasons for his philanthropy on many occasions throughout his letters. On why one should help in general, Gates offers that “whether you believe it a moral imperative or in the rich world’s enlightened self-interest, securing the conditions that will lead to a healthy, prosperous future for everyone is a goal I believe we all share.”¹³⁵ So the idea is that those who are better off should recognize their special status in the global order and act accordingly by using their privileged status to somehow make life a little bit better for those who are not as fortunate. But as Žižek points out, those with excess wealth have a special prerogative.

Their preferred motto is social responsibility and gratitude: They are the first to admit that society was incredibly good to them by allowing them to deploy their talents and amass wealth. And after all, what is the point of their success if not to help people?¹³⁶

There are different theories as to what motivates giving. It may be the ego that is pushing the wealthy to give away their money, or it could be an atavistic tendency that stems from evolutionary biology. In the *Mating Mind*, Geoffrey Miller argues that “like hunting, generosity is an innately wasteful activity but its value rests in impressing potential mates, in this case by demonstrating your capacity to generate surplus wealth.”¹³⁷ This kind of speculation might be taking the line of thinking too far and could prove to be counter-productive since ultimately we cannot judge another man’s soul and actions on any objective scale. When pondering the moral incentives and ethical foundations of philanthropy in a broad sense, we ought to keep in mind that no one is philosopher enough to disentangle the motives involved in restraining one’s passions and one’s selfishness. It is impossible to discern how much of any kind of giving can be credited to true philanthropy. Critical questioning of motives is of course healthy

¹³⁴ Bishop & Green 2008, 31.

¹³⁵ Annual Letter 2011.

¹³⁶ Žižek 2006.

¹³⁷ Bishop & Green 2007, 38.

and will help in building a larger picture of the entire phenomenon we call philanthropy. If donors are indeed guided by egoistic drives, then it could lead to them being interested in only the most prestigious causes, and their help may not reach those most in need.¹³⁸ A worthwhile question seems to be that if the ego was not a driving force behind philanthropy, then how much would this effect the amount of actual donations? In his eighteenth century book “The Fable of the Bees” Bernard de Mandeville presented the matter in this often quoted phrase: “Pride and vanity have built more hospitals than all the virtues together.”

The role of religion in the history of philanthropy is substantial. The role it plays in modern philanthrocapitalism is not as straightforward. It could be a subconscious motivator that molds the ethical thinking of wealthy individuals, but any concrete proof of this would be difficult to produce. “Ostower’s study of New York donors does not suggest that the religious rich actually give more— they are simply more prone to feel that it is an obligation.” Religion might have a role to play in giving, but again in many cases it is difficult to pinpoint this role exactly. It might be the case that the giver may feel that through their charity they have fulfilled a duty dictated by their religious beliefs, regardless of how effective their donation has been in impacting the world and making a dent in injustice.

According to Bishop & Green, it can be argued that religiously motivated giving is driven more by the effect it has on the giver rather than the recipient. Therefore philanthropy practiced with practical results and objectives as the primary goal can be viewed as more useful than giving done as an end in itself.¹³⁹ This statement is a prime example of the underlying utility-inclined worldview which philanthrocapitalism operates under. I use the term utility-inclined as opposed to utilitarian because it seems that no ethical theory is sufficient in exclusively explaining complex social phenomena. According to Mill,

...most of the great positive evils of the world are in themselves removable, and will if human affairs continue to improve, be in the end reduced within narrow limits. Poverty, in any sense implying suffering, may be completely extinguished by the wisdom of society, combined with the good sense and providence of individuals.¹⁴⁰

It is very difficult to discern what the actual motives are behind Bill Gates’ philanthropy, but he is very open about what he claims to be the driving motivation for his giving, as we have seen in the annual letters. Regarding the

¹³⁸ Bishop & Green 2008, 38.

¹³⁹ Bishop & Green 2008, 33.

¹⁴⁰ Cited in Becker 1992, 192.

motives behind philanthropy in general, McGoey brings to attention a common popular belief that exists pertaining to philanthropists:

They (philanthropists) often have tacit ulterior motives for giving, from earning the tax write-off, to accumulating political favours, to advancing corporate or governmental economic interests in foreign regions.¹⁴¹

Gates' motives are not tacit. On the contrary, he has written extensively about his ambitious goals and the motivation for achieving these goals. This is precisely what McGoey claims is novel about the philanthrocapitalist spirit.

What's different today is that such motives are no longer tacit. They are widely voiced by philanthrocapitalists themselves. The new philanthropists are increasingly proud, triumphant even, about the private economic fortunes to be made through embracing philanthrocapitalism. Not only is it no longer necessary to 'disguise' or minimize self-interest, self-interest is championed as the best rationale for helping others. It is seen not as coexisting in tension with altruism, but as a prerequisite for altruism.¹⁴²

Triumphant is an adjective that might accurately describe Gates' annual letters, but upon carefully researching them, one will be hard-pressed to find any mention of economic fortunes to be made through giving. McGoey seems to make a misstatement with regard to Gates. She is correct in describing the shift in attitudes which has taken place; philanthropists are certainly more open about their altruism, and proud of what they have achieved, but the bottom line is that a utility-based ethic seeks to produce a maximum of amount of good for a maximum amount of people. Self-interest does not have priority over the sought after end result. The fact that many issues which the Gates Foundation is immersed in are ethically problematic does infer that the motives are suspect.

3.5.1. Effective altruism

Australian moral philosopher Peter Singer has been a prominent spokesperson for a social movement called effective altruism. The philosophy of the movement is based on the idea that we ought to apply reason and evidence to determine the most effective ways to help others. Going back to Singer's statement about Bill Gates, presented in chapter 1.4.2., I would like to urge the reader at this point to keep Gates in mind as we look more closely at effective altruism in the following paragraphs; is he truly the most effective altruist in history? The effective altruist movement urges individuals to act in a way that brings about the greatest positive impact, taking into consideration all possible actions and causes. This doesn't simply mean making monthly donations to charities, but asking where one can do

¹⁴¹ McGoey 2009, 20.

¹⁴² Ibid.

the most good with her money, time and effort. How to choose a career with this in mind? And how best use scientific data to back up these decisions?

The philosophy differs from traditional altruism or charity in that it is more evidence-based. The emphasis is not merely on giving or helping, but on quantitatively comparing charitable causes with the goal of maximizing certain moral values. Effective altruism applies not only to philanthropy, but includes the funding of scientific research and policy initiatives which can be estimated to save lives, help people or are otherwise of the largest benefit. *Facebook* co-founder Dustin Moskovitz is among the more prominent individuals associated with the philosophy. The ideas behind effective altruism are not novel, but are rooted in consequentialism. Effective altruism and consequentialism are both forms of applied ethics. A basic argument for altruism was defined in Singer's 1972 essay *Famine, Affluence, and Morality*, in which he argued that people have an obligation to constantly help those in need. "If it is in our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, then we ought, morally, to do it."¹⁴³ In Singer's book *The Life You Can Save*, he argues for the basic philosophy of effective giving, claiming that people have a moral imperative to donate more because of the existence of extreme poverty. Singer advocates the use of charity evaluators to determine how to make the most effective donations. Singer personally donates a third of his income to charity.¹⁴⁴

In accord with philanthrocapitalism, effective altruists focus on a specific cause, such as global poverty or factory farming. In choosing an agenda, the goal is to compare the relative importance of different projects. The highest priority causes are chosen based on whether research shows that these specific projects can efficiently advance broad goals. Effective altruist organizations claim that some charities are far more effective than others, either because some do not achieve their goals or because of variability in the cost of achieving those goals. When possible, they seek to identify charities that are highly cost-effective. Randomized controlled trials are considered the primary form of evidence, as they often offer the highest level of strong evidence in healthcare research.¹⁴⁵ In *Famine, Affluence, and Morality*, Peter Singer writes:

¹⁴³ Singer 1972, 2.

¹⁴⁴ Kristof 2015.

¹⁴⁵ https://en.wikipedia.org/wiki/Effective_altruism

The moral point of view requires us to look beyond the interests of our own society.

Previously ..., this may hardly have been feasible, but it is quite feasible now. From the moral point of view, the prevention of the starvation of millions of people outside our society must be considered at least as pressing as the upholding of property norms within our society.¹⁴⁶

This type of thinking is in line with Thomas Pogge's views on negative duties.

How seriously should we take effective altruism? Effective altruists like Singer begin and end their analysis at how to deal with moral dilemmas downstream from causes that generate the problems and unwanted conditions they wish to eradicate. Philanthrocapitalists and effective altruists seem to neglect the social dynamics constitutive of free market capitalism. This kind of "work within the system we have" mentality has its merits. Practicing philanthropy and operating within the framework of free-market capitalism is feasible to some degree; we can easily list examples of successful philanthropic missions.

The question seems to be: is it morally questionable if we aspire to fix the world's most pressing problems on capital's terms? The answer is not simple. If the motives behind philanthrocapitalism and effective altruism are morally legitimate, does this mean that the execution of philanthropic efforts based on these motives could automatically also be legitimate? If someone really wishes to help and tries to do so to the best of their knowledge, isn't this inherently good? Do the ends justify the means? In light of what we have thus far discovered about the motives and actions of Bill Gates it would seem that he is in fact a true embodiment of the effective altruist movement. But is something lost when altruism becomes extremely calculated?

Effective altruists tend to treat charities like black boxes where money goes in and good consequences come out. The desire to achieve good results becomes a motivator to donate more money to philanthropy. In solely focusing on the numbers, could it be that effective altruists lose sight of important social relations? This is a compelling question that philanthrocapitalists should ask themselves. Is the morality behind giving obscured by a focus on results? To quote Matthew Snow: "The black-box presentation of charity portrays only the relationship between the potential philanthropist and the potential victim of a preventable evil."¹⁴⁷ Indeed, even this part of the analogy is deceptive, posing the exchange as between one person with the capacity to save and one person in need of saving. Within the current system of philanthropy, the potential helper really only has the option of paying someone else to actually help the potential victim.

¹⁴⁶ Singer 1972, 2.

¹⁴⁷ Snow 2015.

Donating money becomes the primary way through which the philanthropist can save a person in need; without the money changing hands no one gets saved. Making monthly donations to charities of choice is seen as a genuine way of resolving a sense of moral responsibility, and effective altruism can guide these choices so that they truly become more effective. We can end here with an idea of giving that is of a different nature to the tedious effectiveness and dollar oriented strategising of Peter Singer and the effective altruists. These words come from Warren Buffett, and they somehow encapsulate a more general sense of altruistic thinking that philanthrocapitalists adhere to (and no doubt Singer would agree here as well):

Not everyone can go to the field, or even donate. But every one of us can be an advocate for people whose voices are often not heard. I encourage everyone to get involved in working for solutions to the challenges those people face. It will draw you in for life.¹⁴⁸

3.6. The role of governments

Linsey McGoey states forcefully in her conclusion to *No Such Thing* that “the reason for the existence of effective and well-functioning, well financed foundations is a political philosophy that is essentially against using the power of governments to institute economic growth.”¹⁴⁹ This laissez-faire attitude is loosely based on a doctrine promoted by economist Friedrich von Hayek, denouncing centralized power based on its inability to take into account the ephemeral aspects of human motives and different market actors in planning processes. The idea is that somehow private actors are less constrained by the same cognitive or temporal limits that governments face.

Where the state is a bureaucratic goliath, market actors are nimble. Where that state is limited by future unknowns, market actors are free to respond swiftly to unexpected events. Where the state’s cardinal sin is to plan, the market’s saving grace is that it simply responds. Or so the theory goes.¹⁵⁰

Hayek’s doctrine was largely influenced by the classical liberal ideas brought forth by Adam Smith; ideas about a utilitarian ethic and a firm belief in progress. The reason for bringing these names up here is that they have been influential in the emergence of the economic paradigm that we are somewhat immersed in currently, and figures like Bill Gates and Warren Buffet are certainly to some extent supporters of a utilitarian ethic and a belief in progress. So what can we say

¹⁴⁸ Annual Letter 2011.

¹⁴⁹ McGoey 2015, 235.

¹⁵⁰ McGoey 2015, 239.

about the relationship between philanthrocapitalist foundations and governments?¹⁵¹

Philanthrocapitalists might argue that the reason for the state's rigidity and sometimes even sluggish response to changing factors is the fact that they answer to the voting public and need specific mandates to act. Private philanthropic foundations (whose budgets may be on par with those of national governments in some cases), answer to no-one outside the foundations themselves. In the case of the Bill and Melinda Gates foundation, Bill and Melinda can essentially do what they wish with their funds. They can take risks if they so choose. They have also provided start-up risk capital for government services.

Of course there are different types of governments, and some might be just as nimble and responsive as private corporations. But no one can deny the unfortunate rigidity that comes with bureaucratic systems. At the same time, the rigidity offers certain tangible benefits. If a citizen of a democratic nation feels dissatisfied with her government's development aid strategy or budget, she can rally up fellow citizens and express her concerns directly to the representative(s) in charge. Alternatively, a concerned citizen could write an email to the minister in charge of foreign aid and development; and rest somewhat assured that the email and its content actually make it through to the person in charge, even if indirectly. If however, a citizen or group of citizens were unhappy with the strategies and operations of the Gates Foundation, there would be no direct channel through which to offer constructive criticism. Bill Gates does not read email sent by private citizens; he is not obligated by anyone to do so. This goes back to what we discussed in chapter 3.2. about accountability.

Gates is adamant about the fact that the actions of governments are crucial for human progress. So what is the role that states should play in economic development, which is the unquestioned goal of both states and philanthropic institutions; insofar as economic development is the surest way for increasing well-being in the world as well as profit for some? And to what degree should philanthropic foundations get involved in politics? John Cassidy of *The New Yorker* is concerned that the divide between philanthropy and politics is already

¹⁵¹ To clarify: Since the focus of this study revolves largely around the Gates Foundation, the discussion about government here refers mainly to the United States government under whose jurisprudence said foundation exists and operates. However, certain correlations certainly exist in regard to other nation states; namely, about the relationship between private philanthropy and state funded programs.

hazy, and as the philanthrocapitalist movement grows bigger, this line will be increasingly hard to discern.¹⁵²

A key issue related to the role of government is taxation. French economist Thomas Piketty has become an influential advocate for the idea of a tax on capital. An interesting shift in attitude regarding taxes has unfolded recently, perhaps partly due to the tax cuts in the United States under the Trump administration. In the past, philanthrocapitalists including Gates have generally not been very supportive of economic and political reforms that might deprive them of their wealth; it seems they would prefer to give their wealth away freely rather than through taxes. Back in 2015, *CBS* among other media outlets, reported on Piketty's encounter with Bill Gates. Piketty recounts: "He told me, 'I love everything that's in your book, but I don't want to pay more tax.'" "I understand his point. I think he sincerely believes he's more efficient than the government, and you know, maybe he is sometimes."¹⁵³ In response to Piketty's proposed progressive tax on capital, Bill Gates emphasized rather the importance of a tax on consumption. In his review of Piketty's book *Capital in the Twenty-First Century*, Gates said the following: "But rather than move to a progressive tax on *capital*, as Piketty would like, I think we'd be best off with a progressive tax on *consumption*."¹⁵⁴ So back to the recent shift in attitudes. In a *CNBC* article published in February 2019, Bill Gates is quoted as saying "I think you can make the tax system take a much higher portion from people with great wealth... "I need to pay higher taxes."¹⁵⁵ It seems that other ultra-wealthy individuals, Warren Buffet included, agree with Gates. According to the same article, "a handful of New York-based millionaires are asking for a new *multimillionaire's tax*."

Time will tell how this change in attitudes towards higher taxation for the ultra-wealthy will actually affect future taxation schemes, but the fact that Gates is now openly willing to pay more taxes seems to be in line with the general attitude towards the giving away of massive fortunes which has been presented in this study as a core idea of philanthrocapitalism and the *Gospel of Wealth*. In light of these recent developments, the relationship between private philanthropy and the state seems to be less frictional than previously suggested. As Gates puts it: There's no doubt that what we want government to do in terms of better education

¹⁵² Cassidy 2015.

¹⁵³ Picchi 2015.

¹⁵⁴ <https://www.gatesnotes.com/Books/Why-Inequality-Matters-Capital-in-21st-Century-Review>

¹⁵⁵ Elkins 2019.

and better health care means that we need to collect more in taxes."¹⁵⁶ Gates has also been vocal about how critically important foreign aid is in the modern world. Foundations cannot be left alone to tackle the difficult problems of the world. He stresses the need for citizens and voters of the affluent West to implore their governments to do more in terms of foreign aid.

...aid is critical. It helps meet the basic needs of people in the poorest countries. It funds innovation-in the creation of new tools and services and in their delivery. Unfortunately, aid generosity is threatened by big deficits in almost all of the rich countries. Unless voters hear about the positive impact their generosity is having, they'll inevitably focus on issues closer to home. A single story, true or not, about a small amount of aid being misused can often cloud the entire field. Imagine how you would feel about investing if every article you read was only about stocks that did poorly and not about the big successes.¹⁵⁷

Foreign aid has been a hot political topic in the last several years in various Western nation states. Critics of foreign aid have claimed that aid has mostly been a failure. In her book *Dead Aid*, Moyo lists different areas where foreign aid has critically failed. Bill Gates on the other hand again sees things in a more positive light, and urges us to consider what we have achieved through foreign aid.

Health aid saves lives and allows children to develop mentally and physically, which will pay off within a generation. Studies show that these children become healthier adults who work more productively. If you're arguing against that kind of aid, you've got to argue that saving lives doesn't matter to economic growth, or that saving lives simply doesn't matter.¹⁵⁸

Perhaps despite legitimate reasons Moyo is overly critical, or perhaps Gates oversimplifies things, but it seems that both sides need to be heard. As for the the division of tasks between philanthropy and government, for philanthrocapitalists like Gates, there seems to be no serious issue about exactly how enormous wealth is redistributed. Gates has enough dollars to go around, some will go to the state and others to the foundation's endowment; all for the greater good.

3.7. International financial institutions

Religious institutions have a long history of being involved in charity projects and development programs. Bill Gates has openly expressed his views about religious values, and the religious landscape of the environment he grew up and continues to live in is not completely separate from Gates Foundation and its work. "The moral systems of religion, I think, are superimportant. We've raised our kids in a

¹⁵⁶ Elkins 2019.

¹⁵⁷ Annual Letter 2013.

¹⁵⁸ Annual Letter 2014.

religious way; they've gone to the Catholic church that Melinda goes to and I participate in.”¹⁵⁹

In this chapter we will look at how a religious morality¹⁶⁰ deals with the economic structure that has helped to build Gates' large fortune; a structure held together to a large extent by international financial institutions (IFIs). In a chapter titled *The Public and Private Sectors in Development: On the Right Track?* Angel Luis Rivera-Agosto of the *World Council of Churches* gives an account of what the Church has to say about economic development.

As churches, we do not believe our main task is to suggest a definite model for achieving a balance between the private and the public in socioeconomic matters. Of course, we think it is necessary to have both the private and public sector in a constructive relationship that works to overcome poverty and to satisfy people's basic needs.¹⁶¹

He also notes that,

...as Christians, we cannot accept an international financial order that (more than anything else) determines the life conditions of people and is dominated by the interests of the powerful and governed by concepts that disregard ethical responsibility and accountability.¹⁶²

So there is genuine concern about the responsibility and accountability of economically powerful actors. Would a social contract along the lines of the *Good Billionaire Guide* suffice to alleviate these concerns? I would presume no. It seems that what is being called for is a more substantial change in the way that the global economic network is structured. One practical road to substantial change would be to reform the existing IFIs, including the World Bank and the International Monetary Fund. We will look at a few approaches to this type of reform in the paragraphs below.

The comments brought forward by the *World Council of Churches* bring to the forefront the issue of ethics in our global economic system. The *WCC* advocates the view that people's entire existences must not be subjected to the criterion of economic efficiency. We should not solely focus on inducing a maximization of a material standard of living. Other values are equal in rank; values that are more spiritual than material in essence. This brings into the discussion elements that certainly relate to the general well-being of human beings, but we will not go deeper into these matters here. Instead we will bring the focus back to the financial institutions that govern our world. According to Rivera-Agosto, achieving justice of results requires that free financial markets are

¹⁵⁹ Goodell 2014

¹⁶⁰ Namely, that of the Christian churches represented by the World Council of Churches.

¹⁶¹ Rivera-Agosto 2004, 62.

¹⁶² Rivera-Agosto 2004, 16.

given clear limits within strong macroeconomic governance. This reference to the justice of results could be thought of as equivalent to the idea of equality of outcome, which is a politically left-leaning ideal. Equality of outcome and equality of opportunity are often posited as opposing ideals. In any case, Rivera-Agosto argues that the regulatory instruments of financial market policy should create the preconditions for ensuring that capital markets do not simply follow their own logic, but function meaningfully and efficiently for just results based on political will.¹⁶³ This is a reasonable demand, and is something along the lines of what Pogge and Campbell have argued for.

So in what ways could we alter the structures of global economic network? According to Biischer and Menkhoff, there are three different approaches to connecting efficiency with justice in order to move beyond a neoliberal paradigm. One approach would be to reform international financial institutions in a very limited manner aimed at justice of participation. In economic terms this means to enable participation in economic competition. This is based on the idea that the market is only effective if all suitable participants have free access to it.

Justice of participation requires that all parties affected should be involved and hence have a right to co-determination. Therefore, the political consequence is to strengthen the participatory rights of developing countries in international organizations that help to shape the overall conditions of the international economic order; in particular, therefore, there is a backlog of demand for such measures with regard to the IMF and World Bank. Economic logic has to be reoriented to the overriding criteria of sustainable development.¹⁶⁴

Another approach is a critique against the economic system in which inefficient use of capital is punished by its withdrawal, often with dramatic consequences for the tens of millions of affected people who live in abject poverty (e.g. the new poverty in Southeast Asia resulting from the Asian crisis). Free financial markets should be given clear limits within strong macroeconomic governance. The regulatory instruments of financial market policy should create the preconditions for ensuring that capital markets do not simply follow their own logic, but function meaningfully and efficiently for just results based on political will.

A third approach concentrates on justice for the poor. The market basically knows neither justice nor mercy, but rewards the strong (efficient) and punishes the weak (inefficient). Therefore, the only way to protect the weak is to regulate markets. The task of IFIs would shift from economic efficiency criteria towards

¹⁶³ Rivera-Agosto 2004, 17.

¹⁶⁴ Rivera-Agosto 2004, 16.

the absolute goal of poverty reduction in terms of macroeconomic stabilization and funding of development activities.¹⁶⁵

The encounter between the WCC, World Bank and IMF shows that financial versus religious institutions stand on different moral ground. The title of Mshana's (ed.) book says it best: *In Search of a Just Economy: Common Goals, Separate Journeys*. No doubt everyone involved in the encounter wants a better and more just world, but what religious versus financial institutions see as the path towards this goal is different. Market logic is often accused of being amoral, but the end results of market logic-based phenomena can be considered good from an ethical point of view; namely an increase in well-being in the lives of thousands. In Bill Gates' case, there seems to be no discord between participating in economic affairs that are deemed morally suspect by religious institutions, while at the same time expressing his belief in the importance of the general moral principles of said institutions. It seems that philanthrocapitalists in general adhere to Sen's notion that "the prima facie moral status of markets generally must be high."¹⁶⁶

4. Philanthropy and education

4.1. The importance of education

Education is one of the core pillars of a functioning society, so it is a primary target for philanthropists who want a better educated populace. It has been a favourite project among modern philanthropists, dating back to the beginning of the 20th century. In Tudor England, wealthy merchants founded schools, with the aim of getting measurable results for money invested. Andrew Carnegie also saw the value of an educated public, and established over 2,500 free public libraries in the United States. Before the landmark Supreme Court case in 1954, which brought on the end to segregated public schools, the president of Sears, Roebuck and Co. Department Stores had funded the building of thousands of schools for African Americans across the Southern states.¹⁶⁷

Many modern day philanthrocapitalists seem to agree that better education is something to strive for. Bill Gates and others have continued this legacy in the 21st century, and today roughly one in every four philanthropic dollars goes

¹⁶⁵ Rivera-Agosto 2004, 17.

¹⁶⁶ Cited in Pogge 2007, 72.

¹⁶⁷ McGoey 2015, 118.

towards education.¹⁶⁸ In the United States, the Bill and Melinda Gates Foundation's biggest investments are in education. By 2007, the foundation had given more than \$2 billion to education. Gates is very concerned about the low graduation rates in the US, and believes that the answer lies fundamentally in teaching, more specifically something he calls teacher excellence. In his 2009 Annual Letter, he emphasizes the foundations goals regarding education.

I was lucky enough to accumulate the wealth that is going into the foundation because I got a great education and was born in the United States... But even within the United States, there is a big gap between people who get the chance to make the most of their talents and those who don't. Melinda and I believe that providing everyone with a great education is the key to closing this gap.¹⁶⁹

If education truly is at the heart of a prosperous and well-functioning society, then whose task should it be to ensure that the institutions in charge of education function properly? The donations of wealthy philanthropists pale in comparison to government budgets for education, so it is essentially society as a whole that enables the collective process of educating individuals; through public education. Ministries of education and the officials appointed to supervise public education often face struggles in maintaining a functional education system in economically unstable times. So what role should philanthropy play? In the US, the Gates Foundation is the largest philanthropic supporter of primary and secondary education. Philanthropists annually donate almost \$4 billion towards education reform each year; but this is a proportionately small amount compared to the more than \$500 billion that the government spends on primary-secondary education per year.¹⁷⁰ Given this ratio, it might seem somewhat unreasonable that a few wealthy individuals have so much say in political decision making regarding the education policies of an entire nation. Former United States assistant secretary of education Diane Ravitch lists several key factors that have attributed to the increased leveraging power of a handful of donors. In her opinion financially vulnerable schools can be urged to rethink and reshape their policies in exchange for cash donations. "The offer of a multimillion-dollar grant from a private foundation is often difficult to refuse, even when a school board or superintendent must reorganize their priorities as a condition of the donation."¹⁷¹ Increased bipartisan political support for market-based school reforms has also been instrumental in the voices of philanthropists being heard. In addition,

¹⁶⁸ Bishop & Green 2008, 56.

¹⁶⁹ Annual Letter 2009

¹⁷⁰ McGoey 2015, 122.

¹⁷¹ McGoey 2015, 123.

philanthropic organizations have received positive publicity due to well-planned publicity campaigns. So what do these nearly canonized benevolent visionaries have to say about the future of education and what measures should be taken to improve what need dire attention? In a speech to America's state governors in 2005, Bill Gates tried to rattle some cages by declaring the "America's high schools are obsolete."¹⁷² So might be the solution? More money? The three largest donor organizations when it comes to education in the United States (the Gates Foundation, the Walton Family Foundation and the Eli and Edythe Broad Foundation) seem to unanimously agree that charter schools and standardized testing are an adequate solution.

4.2. Charter schools

A charter school in the U.S and Canada refers to a school that is privately owned and operated, but receives its funding from the government. "These schools are in effect for profit and follow the current neoliberal economic policy trend of privatization of American public assets."¹⁷³ In other areas of the world, charter schools work a little differently. In some European countries, these schools can also be owned by non-profits. In some cases governments offer vouchers to avoid discrimination based on income-levels.

American entrepreneur turned philanthropist Eli Broad regards donating to education as completely in-line with his impact-driven, businesslike attitude. His approach to education is deliberately top-down, and involves promoting change through national politics. School reform is his first priority when it comes to philanthropy, because according to him America's "economic security and standard of living are at stake."¹⁷⁴ Bill Gates has been known to take a systems approach to philanthropy, a tactic that helped him become successful in his business ventures. Charter schools and standardized testing are very much a part of this systems approach to education. Initially, Gates wanted to create new prototype-schools, whose success would influence and inspire others to apply the same methods to educating. The idea was to create small, community-based schools that would offer more targeted attention to individual students. From 2000 to 2008, the Gates Foundation invested \$2 billion into this project, which led to

¹⁷² Bishop & Green 2008, 57.

¹⁷³ https://en.wikipedia.org/wiki/Charter_school

¹⁷⁴ Bishop & Green 2008, 139.

the establishment of 2,602 new schools, affecting almost 800,000 learners.¹⁷⁵ After this “trial run” the foundation pulled its funding due to lack of wanted results. According to Bill and Melinda, the investments had failed, specifically because college acceptance rates had remained stagnant. The focus of the Gates Foundation then shifted to a broader approach, in which they sought to reshape entire educational structures in which schools operate; the New York School system turned out to be a potential broader structure with which they could begin to try out this new approach.¹⁷⁶ The foundation announced that it would also shift its focus more towards teacher effectiveness, by introducing a performance-based pay strategy. According to an article in *Bloomberg Businessweek*, Gates had initially “misread the numbers”, and thus the decision to pull funding was perhaps not due to the apparent weakness of the small-school model.¹⁷⁷

Certain advocates of small-schools claim that the failure of the foundations policies resulted from poor administration rather than from deficiency in the model. The Gates Foundation has a typical style of philanthropic investing. They set the policies and provide the funding, while the organizations they work with do the actual work. This seems to be a functioning model of operations, as funding offers an opportunity for countless organizations to carry out their mission; the foundation has funded more than a hundred intermediary organizations in the field of education.¹⁷⁸

McGoey offers a valid critique, which should not be overlooked. “Was the decision to pull funding a contributing factor to poor outcomes at the schools?”¹⁷⁹ She goes on to argue that that policies promoted by Bill Gates and his foundation generally succeed or fail because of extra dollars being pumped in or funding being prematurely slashed. “When they pull the plug on a programme, the kids lose out.”¹⁸⁰ McGoey offers several examples cases of the foundation investing in an interesting new experiment and then walking away if desired results were not achieved in a relatively short period of time. This is the type of business-oriented attitude that philanthrocapitalism is all about, and the approach has frustrated many different organizations and individuals working education, and McGoey is

¹⁷⁵ McGoey 2015, 134.

¹⁷⁶ Bishop & Green 2008, 57.

¹⁷⁷ Cited in McGoey 2015, 137.

¹⁷⁸ Bishop & Green 2008, 57.

¹⁷⁹ McGoey 2015, 136.

¹⁸⁰ Ibid.

right to point this out.¹⁸¹ She does not however address the strengths of the approach, which is in line with her critical attitude towards the Gates Foundation in general. Bill Gates himself has argued that taking risks is at the core of philanthrocapitalism, so some experiments are bound to fall short of expectations. A lot can also be learned from making mistakes. In the case of schools, Bishop & Green argue that starting new schools seems to deliver far better results than redesigning old schools, and despite some disappointments, the overall picture is encouraging. “At the small schools that the Gates Foundation has funded, the graduation rate has risen to 73 per cent from between 31 to 51 per cent in the schools they replaced.”¹⁸²

Gates has later been quoted saying that he believes that class size does not matter. New York mayor Michael Bloomberg, with whom the Gates Foundation has worked with, has made similar statements. They believe that a competent teacher can succeed in teaching larger classes, and consequently that these teachers should take on this role. The Gates Foundation has adopted a method by which they seek out organizations whose methods they agree with and then offer funding to scale up the operations of said organizations.

Statistics seem to work for both sides, and can to some extent be utilized for either side of the argument. The “small-school” case proves this point. Statistics can speak for or against philanthropic intervention in the public school system. What is worth examining is whether or not philanthropy is compatible with a notion of a just society. Bill Gates and other ultra-wealthy individuals are fairly open about their altruistic motives concerning the redistribution of their wealth. There is of course a case to be made against certain structural incoherencies in how philanthropic foundations maintain their wealth by controversial investments in transnational corporations who don’t share the same moral rigor. But leaving that aside for a moment, what should we really think about a philanthropic foundation with billions of dollars at its disposal, aggressively funding tactical trials in education, that have the potential to make a large impact in how a government decides to shape its future policies concerning the larger public? Would it not be better for Gates and others to pay more tax on their enormous wealth instead, and make their contribution that way? This would certainly be more democratic.

¹⁸¹ Another example of a critique against the Charter School model can be read in an article published by Portside. Fulton 2015.

¹⁸² Bishop & Green 2008, 59.

A philanthropic foundation led by a few energetic individuals has certain advantages compared to a government's sluggish bureaucracy. They do not have worry about upcoming elections or about pleasing voters, so they have a freedom that could potentially lead to positive, reformative innovation in an otherwise heavily structured field. But where does their expertise stem from? Having large amounts of money offers leisure, and time to indulge in all kinds of study, but it does not make anyone an expert in a specific social issue. So should a wealthy individual have the right to bypass community based opinions and have a large impact on policies that have been assigned to elected representatives of the general public? What can be said in favour of philanthropic foundations and specifically the Gates Foundation is that they value cooperation. They set policy and provide funding, but it is others that do the actual work on the ground; others who have experience in their respective fields of work. In education, they have worked with more than a hundred intermediary organizations and have co-funded programs with more than a dozen other foundations.¹⁸³ Of course the problem is that barely anyone outside the foundation has any say in who they choose to work with or which projects they choose to fund. The minister of education is accountable to many people, the shadow minister of education is accountable to none.

5. Conclusions

5.1. *Can giving save the world?*

So far we have seen that philanthrocapitalism is becoming a significant force for good in the world. Doing good better, as McAskill has titled his book is the core idea of this movement. We have seen that philanthrocapitalist dollars have had a fair share of impact in several fields including education. So what is meant by "saving the world"? The core agenda of Bill Gates and other philanthrocapitalists is saving lives (which in actuality refers to extending lives). During the course of this study, I have come across numerous graphs and statistics displaying a number of lives saved, and these numbers are always in the thousands. Quite rarely are there books or articles written about how to save a village or let alone a family. Of course families are saved, and some special cases become part of the narrative by way of example, but they are not the prime goal. It is always about more and more

¹⁸³ Bishop & Green 2008, 57.

lives. This I have shown to be based on a maximalist utilitarian ideal. The goal of modern philanthropy is always to save thousands or in the case of the grandiose goals of the Gates Foundation –millions of lives. The one great man saves the lives of millions; thus runs the story of glory regarding philanthrocapitalism.

It is no wonder that many ultra-wealthy individuals have jumped on board this train. It can give the one giving up her fortune a grande sense of self-worth; which is not a bad thing. Critics of the system in which these fortunes have been made, have been quite vocal in demanding a new system. Or at least an altered one, in which there would preferably be less billionaires and less extreme poverty; and therefore less need for the type of wealth redistribution examined above. The argument for this type of restructuring tries to pluck at the strings of morality in all of us in the affluent West, either by appealing to our humanity or to a sense of justice. Kant might argue, and Pogge would most definitely concur that we have an inherent duty to help. As we discovered when looking at the motives behind philanthrocapitalism, the megarich often sense this duty. Ralph Nader offers an amusing and insightful look at the possibilities that wealth could provide through a fictional scenario in which many well-known wealthy individuals get together to plan how to really change the world. This happens in a world where *Only the Super-Rich Can Save Us*.¹⁸⁴

Bishop & Green have offered an in-depth look at how giving (by the rich) can save the world. Much of what they bring forth in their book, and much of what Bill Gates has actually done sounds inspiring. It is based on an ideological optimism about how the future could be so much better if only more money were donated in more effective ways. In a sense there is no reason why the ultra-wealthy should not be optimistic. They can wake up every morning and choose to tackle whatever issue they want, the world is literally at their disposal. The world needs goals, and what can be said in favor of Gates is that not only does he set goals for his own foundation, but also motivates others to tackle tough issues. But does philanthropy, no matter how much good it achieves, still succumb to the violation of negative duties that are imposed on all citizens and organizations in the affluent nations? And can we reach an ethical consensus about the role of philanthrocapitalism in our world?

¹⁸⁴ Nader 2009.

5.2. In search of an ethical consensus

Is philanthrocapitalism ethically coherent? A common consensus might be that it is generally meaningful to try to make life better. So which is a better ethical position, a deontologist perspective or an utilitarian one? Even the question hints at an impossible decision, and one that might be fatally meaningless if we were dead set on basing a worldview solely on one principle for ethical decisions. Even though Bill Gates and Andrew Carnegie have been presented here as utilitarians, both have also expressed a deep sense of duty in their writings. This duty seems to stem from a feeling of inexplicable gratitude for all that they have been given. Whether there is something transcendental involved in this feeling is hard to say.

So perhaps instead, the key word here is responsibility. If we can agree on the fact that the world needs fixing, who should be responsible for doing it? Perhaps many of us feel a sense of duty to the impoverished, and choose to help by making donations or doing volunteer work. But how should we feel about Bill Gates doing so much more than everyone else? Should he be exalted and looked up to as an inspiration, or is what he is doing just simply that which is his duty; nothing more, nothing less? I would like to submit a thesis on the nature of philanthrocapitalism. In the state of the world as it is, it is better for the ultra-wealthy to give away their money to causes that have the potential for positive change, rather than to withhold that money from the world for their private means or private pleasures. This comes close to what Aquinas posited: *"Whatever a man has in superabundance is owed, of natural right, to the poor for their sustenance."*¹⁸⁵

This thesis precludes detailed schemes of taxation or detailed restructuring of global economic trade. As I mentioned earlier, there could be alternative ways of structuring the global economic order, but these hypothetical realities are not our focus here. What is at stake, however, is democracy. This is a relevant concern amongst the critics of philanthrocapitalism. As we have seen, accountability and democracy are not part of the fabric of philanthrocapitalism. This is a serious concern for those interested in functional democracy, and as we have learned, there are ways we could make philanthrocapitalism more democratic. So we are left with a phenomenon grounded on a duty-based, utilitarian ethic, which operates in an unjust global system partly created by

¹⁸⁵ Thomas Aquinas, *Summa Theologica*, II-II, Q 66 A 7.

aspects of said phenomenon. This is the benevolent paradox which some might even call an oxymoron: philanthro-capitalism.

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