

Extreme Philanthropy: Philanthrocapitalism, Effective Altruism, and the Discourse of Neoliberalism

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For the past two decades and longer, political scientists have been concerned with the effects of neoliberalism on governance and social policy (Boas and Gans-Morse 2009). Familiar at this point is the neoliberal ideology that undergirds not only an antigovernment rhetoric but also an approach to governance that favors applying market logic to ever more forms of human endeavor, as well as the elements that accompany it: privatization, deregulation, eliminating or ignoring “the public good” in favor of individual responsibility, and using economic calculus to measure performance and accountability. It may be that government support for social welfare persists and has even grown in some cases; however, the manner in which social policy is supported and administered has changed radically under this neoliberal regime, leading to a “new paternalism” (Schram et al. 2015).

Furthermore, through public–private partnerships, contracting out, co-production, or cutting back altogether, the state has increasingly looked to voluntary and nongovernmental efforts as the means for addressing all types of collective problems in society (Dean 2015; Henriksen, Smith, and Zimmer 2012). That is, the state is “rolled out” to diverse locales and nonstate actors...and it is ‘rolled up’ in a transformative disciplinary project of market rationality” (Schram et al. 2015, 742). Following this logic, nonprofit and voluntary organizations have become more marketized (Eikenberry 2009) or replaced by for-profit organizations altogether (see Vaughan and Arsneault, this issue) and reliance on philanthropy—with a simultaneous gap between the rich and the poor—has been growing. Increasingly, social problems are treated as philanthropic or market opportunities rather than as political questions (Nickel and Eikenberry 2013, 2). Nickel and Eikenberry (2007) described this as the “voluntary state” through which elite philanthropists and business people, rather than elected officials, decide who receives social welfare and support and how it is received.

Many scholars have already noted the democratic and political concerns with relying on elite philanthropists to play such a role in creating social policy (see, e.g., Nickel, this issue, and Webb Farley, this issue). Philanthropists have long

been criticized for being unaccountable and having unequal influence on public and social policy, eroding support for governmental programs, and exacerbating the same social and economic inequalities that they purport to remedy (Arnove 1980; Reich 2016; Roelofs 1995; Siegel 2012; Silver 2012; Theodossopoulos 2016). These concerns are worsened by the influence of neoliberal discourse on donors, who increasingly seek out new approaches to philanthropy that are dedicated to “solving the world’s problems” through market-like, individualized means and data-driven solutions with measurable outcomes—what has become known as “effective” philanthropy. This article discusses two approaches to effective philanthropy—philanthrocapitalism and effective altruism—and their implications in the neoliberal voluntary state. The concerns of philanthrocapitalism and effective altruism are not unlike those claimed of philanthropy in the past; however, the context and their more central role in governance make effective philanthropy all the more important for attention by political scientists and theorists. Compared to earlier forms of philanthropy, we show in this article that effective philanthropy may have an even greater effect on social policy, influencing who decides on and provides social services, as well as the degree and type of services provided. With an enlarged emphasis on metrics in the neoliberal context, private actors maintain support for the status quo.

TWO APPROACHES TO EFFECTIVE PHILANTHROPY

Much of the scholarly focus on effective philanthropy has been on so-called philanthrocapitalism (Goss 2016; Reckhow 2016; Reich 2016), which Bishop and Green (2008, 6) described as using business-like strategies to harness “the profit motive to achieve social good.” Philanthrocapitalists including Bill and Melinda Gates, George Soros, and Eli Broad are widely praised for their generosity and efforts to “save the world” through large-scale, metrics-driven programs in health, education, and other areas (Bishop and Green 2008). Whereas scholars point out the similarities of the philanthrocapitalist approach to earlier philanthropists (Tumber 2015), McGoe (2015, 19) suggested that what is new today is the scale and explicitness of their efforts—including that an increasing

number of “powerful donors admit and even champion the fact that gift-giving is a useful vehicle for preserving privilege.” That is, neoliberal ideology has pervaded social discourse to such a degree that most celebrate and only a rare few question the actions of philanthrocapitalists who assume that there is no conflict between making money and making change (Edwards 2015).

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Effective altruists similarly focus on applying “evidence and reason” to determine “the most effective ways to improve the world” (Singer 2015a, 11). Effective altruism is praised because, as Rubenstein (2015, 2) wrote: “It urges donors to make empirically informed decisions that focus on effects rather than good intentions, ‘warm-glow’ feelings, or the intrinsic value of actions.” Schambra (2014, 1) described effective altruism as “a radical utilitarian approach to giving.”

The original and most vocal advocate for this approach, ethicist Peter Singer (2009), argued that we should give much more to help the poor and, in his latest book (Singer 2015b), that “doing the most good” requires worthy recipients of support who must be able to demonstrate that it will do more good with money or time than other options. For many effective altruists, organizations can best demonstrate such effectiveness through randomized controlled trial (RCT) field experiments: “the new gold standard in development economics” (Clough 2015, 2). In this domain, MacAskill (2015b, 35) proposed that “good” can be understood in terms of quality-adjusted life-years (QALYs), which measure lives saved or lives improved. It “combines these two benefits into one metric, using survey data about the trade-offs people are willing to make in order to assess how bad different sorts of illnesses or disabilities are.” For example, “A year of life for a blind person is worth 0.4 QALYs; a year of life as a non-blind, otherwise healthy person is worth 1 QALY” (Srinivasan 2015, 3). QALYs then allow a funder to compare lives improved or saved across a broad swath of areas, such as comparing treatment to a visually impaired person, to someone with HIV/AIDS, or to someone at risk of parasitic-worm infection. Based on this comparison, MacAskill (2015b, 23) argued that funding can go 100 times farther in a developing or poor country than in a wealthy one, so this is where one should give.

Philanthrocapitalism and effective altruism are similar in their focus on using metrics to gauge effectiveness; however, philanthrocapitalists use metrics primarily to select a group once a cause has been chosen, whereas effective altruists believe that metrics “*should be the basis for choosing which cause to support in the first place*” (Schambra 2014, 3, emphasis in original). In other words, whereas philanthrocapitalists preserve the idea of donor discretion and that all causes are

in some sense equally valued—making no distinction between good and bad areas of giving—effective altruists believe that some causes are more important than others, that there are good and bad areas of giving. Thus, giving to the local baseball team or to support a personal passion or interest is not as good as giving to the Against Malaria Foundation, which has been shown to be highly effective at saving lives per dollar spent.

Effective altruists also differ from philanthrocapitalists in that they typically are not wealthy individuals (the movement is especially popular among Millennials; Singer 2015a) and seem less interested in profiting from gift giving. Effective altruists, nevertheless, see little conflict between making money and making change (MacAskill 2015b; Singer 2015b). Whereas philanthrocapitalists’ tag line might be “doing well by doing good,” effective altruists’ tagline might be “doing well to do good.” Effective altruism’s advocates go so far as to advise students to consider becoming investment bankers rather than social workers or schoolteachers because, by their calculation, this would enable them to make more money to give more to do more good (MacAskill 2015b; Singer 2015b).¹ Philanthrocapitalism and effective altruism exemplify the extreme degree to which philanthropy increasingly aligns with a neoliberal ideology, in which individuals in need become exchangeable QALY widgets, reliant on performance-focused donors for their survival, and in which investment bankers are held up as “the new heroes” (Malone et al. 2005).

EFFECTIVE PHILANTHROPY IN THE NEOLIBERAL, VOLUNTARY STATE

Those who critique philanthrocapitalism and effective altruism raise concerns that are similar to critiques of philanthropy raised in the past about lack of accountability and having an outsized influence on public and social policy; how their actions lead to an erosion of support for governmental programs; and how their strategies might exacerbate the same social and economic inequalities that philanthropists purport to remedy. These concerns may assume even greater relevance in the neoliberal, voluntary state.

As with earlier forms of philanthropy, philanthrocapitalists and effective altruists are criticized for a lack of accountability. Philanthrocapitalists have no economic or electoral accountability or transparency obligations (Reich 2016). Philanthrocapitalists enjoy vast amounts of wealth and can have substantial influence on areas such as health and education policy (Reckhow 2016), whereas the public has little recourse when it does not like the philanthropists’ approach. McGoe (2015, 8), for example, pointed out how problematic

it is that the Gates Foundation provides 10% of the World Health Organization's overall budget and is the largest single donor to the United Nations Health Agency (donating more than the US government) but is only accountable to its three trustees: Bill, Melinda, and Warren Buffett. Likewise, effective altruists, by focusing on measures such as QALYs and giving to distant poor countries, are "freed from entanglement in the messy reality of any particular community....There is no need ever to encounter face-to-face the unintended consequences generated by...interventions" (Schambra 2014, 5). This creates what Tumber (2015, 5) called an ethical system of distant, unaccountable administrators in which "the suffering are units to be managed effectively...."

In the effective-philanthropy equation, poor people are treated as voiceless victims of a preventable evil, who can be saved by a (comparatively) wealthy philanthropist (Rubenstein

they often are more likely to help the "middle poor" while government welfare programs serve the poorest. Yet, effective altruists have largely ruled out governments as eligible recipients of their aid. They leave unquestioned the assumption that a charitable organization or a social enterprise—not the community, class, or state—is the proper object of their efforts (Srinivasan 2015). Furthermore, effective altruism's extreme reliance on RCTs means that it captures only a narrow view of the impact, which does not account for any unintended effects of a program, such as demobilizing political pressure on governments to address social issues (Clough 2015, 3). Advocates of effective altruism note that whereas most give to organizations identified by charity evaluators (e.g., Give Well) as their top charities, they do so less because they are the most effective and more because they are the organizations with enough data to state anything useful about effectiveness (Kuhn 2013).

Many philanthrocapitalists earn their fortune through business or market strategies that exacerbate the same social and economic inequalities that they purport to remedy (McGoey 2015, 8–9).

2015; Snow 2015). This enables people who have money to give with the power to create social policy (Nickel and Eikenberry 2010). Effective altruists essentially create policy through each gift they make based on deciding who is more worthy of being saved per their selected performance measures. Similarly, philanthrocapitalists can use "their wealth, ideas, and political leverage to advance controversial policy goals" (Goss 2016, 442). Both philanthrocapitalists and effective altruists practice what Berger and Penna (2013) described as "charitable imperialism," in which donors decide where the money goes and who benefits. Although this may have been always the case with philanthropy to some degree, with a weakened role for government and the erosion of public institutions, effective philanthropists have even greater authority over who benefits and how.

Another major concern is that philanthropy channels private funds toward nonprofit/nongovernmental organization (NGO) services, further eroding support for governmental spending. McGoey (2015) described how the creation of private secondary and elementary schools, created through a collaboration of the three powerful "meta-foundations"—the Gates Foundation, the Walton Family Foundation, and the Broad Foundation—and run on a for-profit basis, led to the erosion of support for public schools. Reckhow (2016) also showed the degree to which philanthrocapitalists have expanded their focus on national education policy advocacy, including support for the growth of charter schools. As with other philanthropy, this advocacy work by effective philanthropists is subsidized through tax incentives, which means that funds that would have gone into public coffers are diverted to remain in the control of philanthrocapitalists or effective altruists (Reich 2016).

In the developing world, Clough (2015) argued that NGOs are not necessarily the best at helping the poorest; rather,

Finally, there is concern about the ways in which philanthrocapitalism and effective altruism enable current conditions to persist. Again, this is not necessarily a new concern but rather is made worse in the neoliberal, voluntary-state context. Many philanthrocapitalists earn their fortune through business or market strategies that exacerbate the same social and economic inequalities that they purport to remedy (McGoey 2015, 8–9). Simultaneously, philanthrocapitalists prioritize market solutions over other types of solutions, and these are typically conceptualized in isolation from the broader political-economic dynamics in which they are located (Bosworth 2011; Edwards 2010; Jenkins 2011; Ramdas 2011; Rogers 2011; Wilson 2014). That is, there is little questioning that the same system that created problems that need to be addressed should be used as the approach to address these problems (see a similar argument about consumption philanthropy in Nickel and Eikenberry 2009). In fact, it seems effective philanthropists believe quite the opposite—that is, doing well is equated with doing good.

Effective altruism also does little to question or address the system that created the conditions for lives needing to be saved, and it may even harm "the poor by being sub-optimal and standing in the way of the more effective and lasting poverty relief brought about by changes in the political and economic system" (Wichmann and Petersen 2013). Tumber (2015, 2) rightly noted that "modern global poverty...emerged from a series of violent historical maneuvers...through the colonial seizure of land, political power, culture, and hard-won skill, which continues today by means of neoliberal trade policies that primarily benefit the financial sector." Yet, effective altruists apparently ignore all of this, abstracting from—and thereby exonerating—"the social dynamics constitutive of capitalism. The result is a simultaneously flawed moral and structural analysis that aspires to fix the world's most

pressing problems on capital's terms" (Snow 2015, 4). Neither Singer nor MacAskill, or other effective altruists, seem to want to challenge the world and its neoliberal ideology as it is. Indeed, by advocating that earning to give may be the best way to make the world better, they "acknowledge how important it is that the wheels of the capitalist economy keep turning" (Baggini 2015, 49).

Some effective altruists have challenged this critique. Wiblin (2015, 29) in particular claimed that "effective altruists love systemic change," listing their support of funding for immigration, criminal justice, and other reforms. However, in the same blog post, Wiblin wrote: "Effective altruists are usually not radicals or revolutionaries....I personally favor maintaining and improving mostly market-driven economies, though some of my friends and colleagues hope we can one day do much better." McMahan (2012, 4) also made the point that not every donor can or should be devoted to bringing about institutional changes through political action: "To suppose that the only acceptable option is to work to reform global economic institutions and that it is self-indulgent to make incremental contributions to the amelioration of poverty through individual action is rather like condemning a doctor who treats the victims of a war for failing to devote his efforts instead to eliminating the root causes of war." However, both approaches seem to assume that effectiveness should be the primary focus of philanthropy, but the insistence on short-term, specific, and measurable results can come at the cost of longer-term and larger social outcomes (Katz 2005, 130; McGoey 2015).

CONCLUSION AND ALTERNATIVES TO EFFECTIVE PHILANTHROPY

Compared to other earlier forms of philanthropy, we show herein that effective philanthropy may have an even greater effect on social policy, influencing who decides on and provides social services, as well as the number, degree, and type of services provided. By focusing on effectiveness, people with the resources to give—who benefit from the current system as it is—gain further authority to decide who benefits and to prescribe the mechanisms by which effectiveness is judged and implemented. The emphasis on performance leads to enacting a disciplinary logic of governing mentalities, enabling the power of philanthropists to further grow (Schram et al. 2015, 746). Effective philanthropy provides less room to challenge the status quo and fails to represent the need for social change that exists outside of the neoliberal project. This ideology has become so ingrained in our everyday lives to the point that we barely notice its effect on our assumptions and discourse.

Philanthropists and advocates might look to counter discourses and strategies. One possibility is a more conservative approach advocated by Beer (2015) and Schambra (2014), to go back to traditional understandings of charity or philanthropy as promoting human flourishing and civic life in local communities by reinvigorating and growing local relationships of care and love. Beer called this "philanthrolocalism." It encourages community embeddedness and face-to-face encounters with others, in line with an Aristotelian view of

philanthropy (Gunderman 2010) and a Tocquevillian view of democratic self-government (Schambra 2014). Alternatively, Clough (2015) suggested redirecting substantial philanthropic funding toward advocacy organizations that specifically work to strengthen the accountability of the state sector. This is more in line with a progressive view of social-justice philanthropy that not only gives voice to those who suffer (Nickel and Eikenberry 2009, 984) but also aims to work for structural change and to redistribute social, political, and economic power. Both challenge the premises of neoliberalism such as individual self-interest and economic calculus as primary guides to governance. ■

NOTE

1. There has been some backtracking on this, noted in a blog post by MacAskill (2015a).

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