

Philanthrocapitalism in global health and nutrition: analysis and implications*

Over the last two decades, the philanthropic sector has grown in terms of the number of foundations, the size of their annual giving, and the scope of their activities. While detailed information about their total annual spending on international development is not available, the Organisation for Economic Co-operation and Development (OECD) estimates private foundations giving for development purposes of more than US\$ 23.9 billion over 2013-2015, or a respective US\$ 7.8 billion per year.¹ Spending concentrates on certain selected areas, especially health, education, and nutrition.

There are currently more than 200,000 foundations in the world. Over 86,000 foundations are registered in the USA, while another estimated 85,000 foundations are based in Western Europe and 35,000 in Eastern Europe.² The philanthropic sector is also growing in the Global South, with for example, approximately 10,000 foundations in Mexico, nearly 2,000 in China and at least 1,000 in Brazil, largely due to the rapidly increasing number of wealthy individuals in countries in that part of the world.³ Most of their activities remain

focused on the national level, though, and only a minority are dedicated to global development purposes. The OECD report shows that the sources of philanthropic giving for development purposes are highly concentrated. 81% of total philanthropic giving during 2013-2015 came from only 20 foundations. Among them, the largest by far is the Bill & Melinda Gates Foundation.

Debates about private philanthropy often separate the giving of money from the making of it. Philanthropic giving and capitalist accumulation can, however, not be considered separately and the notion that there is no correlation between extreme wealth and extreme poverty has to be challenged. The current booming phenomenon of *philanthrocapitalism*,⁴ far from being a sign of a thriving economy, is a symptom of a failing economic system that hinges on the excessive influence of big business over government policy-making, the erosion of workers' rights, and the relentless corporate drive to maximize returns to shareholders by reducing costs.⁵ From a political perspective,

- 1 OECD (2018) *Private Philanthropy for Development. The Development Dimension*, Paris: OECD Publishing, <http://dx.doi.org/10.1787/9789264085190-en>
- 2 Foundation Center (2014) *Key Facts on US Foundations*, Edition 2014, New York, <http://foundationcenter.org/gainknowledge/research/key-facts2014/>
- 3 UNDP (2012) *Evaluation of UNDP Partnership with Global Funds and Philanthropic Foundations*, New York, <http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=5943>

* This discussion paper is an executive summary of a forthcoming article by Nicoletta Dentico (Health Innovation in Practice) and Karolin Seitz (Global Policy Forum).

- 4 The term 'philanthrocapitalism' (also known as 'venture philanthropy') was coined in 2006 in an article in *The Economist* magazine, and has been studied most comprehensively by Matthew Bishop and Michael Green in their book *Philanthrocapitalism: how giving can save the world*. The term describes the way in which new charitable actors—including wealthy individuals and their (family) foundations or corporate foundations—systematically apply business tools and market-based approaches to their charitable activities. Venture philanthropists believe that the market provides the best solutions to global problems and that business actors are best placed to intervene since they are more flexible, efficient and un-bureaucratic than the public sector. See also <https://www.economist.com/special-report/2006/02/23/the-birth-of-philanthrocapitalism> and Bishop, M. and M. Green (2009): *Philanthrocapitalism: How Giving Can Save the World*. New York: Bloomsbury Press.
- 5 Oxfam International (2018) *Reward Work, Not Wealth*, Oxfam Briefing Paper, Oxford: Oxfam GB, https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-reward-work-not-wealth-220118-en.pdf

the role of philanthropy has been subject to long-standing criticism, based on the Gramscian idea that elites use culture and education to preserve class distinctions. Philanthropy, in other words, may be used as a potent tool for social mediation, by preventing or containing radical and structural change.⁶

Civil society organizations, scientists, and the media have finally started to devote more attention and research to the growing influence of philanthropic foundations in global development, in particular with regard to the influential members of *philanthrocapitalism*.⁷ Through their grant-making, personal networking and active advocacy, large global foundations play an overwhelmingly active role in shaping the global development agenda and in setting the funding priorities for international institutions and national governments alike. Questions need to be raised on whether private intervention in the public sphere by such immense accumulations of power and wealth, often made possible through facilitated tax regimes, may indeed yield more of a danger than a benefit for democracy and pluralism. Venture philanthropy situates itself at the crossroads of these contradictions.⁸

Criticism on philanthropic foundations and their activities cannot be easily generalized, because private foundations, including venture philanthropies, have considerably changed with time and they differ in their agendas and understanding of global development, in their activities and priorities, in their capacity of political influence. In this diversity, we cannot ignore that some philanthropic actors play a decisive role in supporting initiatives of empowerment of civil society organizations that would otherwise be neglected.

Focusing the attention lens on the interconnected arena of global health and nutrition, the following trends are pinpointed as major areas of concerns:

6 Utting P. and Zammit A. (2006) *Beyond Pragmatism: Appraising UN-Business Partnerships*, UNRISD Research Papers, Market, Business and Regulation Programme, Paper Number 1, Geneva. In this regard, see also Morvaridi B., (2012) 'Capitalist Philanthropy and Hegemonic Partnerships', in *Third World Quarterly*, 33(7): 1191-1210.

7 See for example Martens/Seitz (2015), Birn/Richter (2017), and Curtis (2016).

8 Rushton S. and Williams O.D. (ed.) (2011), *Partnerships and Foundations in Global Health Governance*, Palgrave Macmillan.

In the name of a *pro-poor* agenda, venture philanthropists have played an essential role in tailoring a new narrative around global health and food. The productivist and free-market vision that drives the key players of the philanthropic sector has helped shape up a new political culture in these domains that is increasingly skewed toward the commodification and medicalization of both health and food, and their distancing from the domain that they constitutionally belong to: the human rights domain.

It is difficult to estimate the influence of the often unaccountable philanthropic actors in terms of their capacity to influence the strategic and policy orientations of health and agriculture at all levels. Since the turn of the millennium, a new generation of them have succeeded in normalizing themselves as aid actors under a development paradigm that focuses on narrowly-defined notions of *effectiveness, measurement, and results-based management*.⁹ The main elements of the 'development agenda' shaped by the leverage capacity of venture philanthropy's financial power include

- » the neglect and sometimes rejection of common sense practices in the field of health and nutrition in the name of modernization;
- » the insistence on the technical approach as the best solution for poor populations;
- » the *therapeutization* model extended to food production (through biofortification, food supplementation, etc.) after its widespread introduction and adoption in global health through the vertical disease programs;
- » the human rights questions of "access to knowledge" in the field of life sciences are reframed in terms that confer specific merit to corporate *donations* or conditioned concessions of proprietary technology for humanitarian purposes.

The narrative of philanthrocapitalism does not easily come to terms with issues like the social, commercial and environmental determinants of health which, if coherently addressed by governments, would constitute a strategic policy approach for disease prevention and health promotion across the population and disease

9 See Martens/Seitz (2015).

spectrum. The recognition of the need to support small-holder food production for domestic markets is a rhetoric that venture philanthropists cajole with nonchalance, except that sometimes it twists like a contortionist when it is translated into the practice of their aid programs.

Philanthrocapitalism has firmly positioned itself as a functional strategy towards also re-engineering the governance structure across all levels (from the global down to the national) in the health and nutrition domain according to neoliberal thinking and the interest of corporate elites.

Through their vocation for public-private partnerships (PPPs), philanthrocapitalists make the involvement of the private sector a prerequisite for their cooperation with individual governments and international institutions. Philanthropic foundations are not only major funders but indeed constitute driving forces behind global multi-stakeholder partnerships. These initiatives have not only contributed to redefining the governance setting in health and nutrition and a weakening of the United Nations and its specialized agencies, like the WHO and FAO, but have also undermined the implementation of integrated development strategies at national level.¹⁰

Furthermore, inasmuch as partnerships give all participating actors equal rights, the special political and normative position played by public institutional bodies is sidelined. Multi-stakeholder partnerships implicitly devalue the role of governments, parliaments and intergovernmental decision-making fora, and overvalue the political status of private actors, including transnational corporations, philanthropic foundations, and sometimes even wealthy individuals.

This neoliberal design, altogether, remains attractive to governments and non-profit actors as a source of funding. It is therefore largely unchallenged, despite the structural dysfunctional features of the unregulated economic paradigm currently in place, and the urgent need for human dignity through social justice in the economic sphere. Taking this stand, venture philanthropy

¹⁰ Marks J. H. (2013) *What's the Big Deal? The Ethics of Public Private Partnerships Related to Food and Health*, Research in Action Working Paper, Edmond J. Safra Centre for Ethics, Harvard University, Working Paper No 11, 23 May 2013.

reinforces the narrative in support of the unregulated space for the private sector instead of binding rules on corporate activities to make business respect human rights, labor, and environmental standards. It also contributes to a scenario of *post-democracy*¹¹ by means of dynamics such as:

- » lack of accountability mechanisms;
- » institutional hybridization through the PPP model;
- » the constant decline of the public sector and the government responsibility for the provision of public goods and services;
- » lack of transparency;
- » the pretense of a *redistribution of wealth* by the elite, which instead ends up enhancing the asymmetry of power in the health and food domain between people in need and the elite.

Philanthrocapitalism is extremely well equipped to create influential strategies with a profound impact on the building of consent, as the role of the public sector declines.

The philosophical assumptions of venture philanthropy — such as Bill Gates' intriguing notion of “impatient optimism” — are channeled through simple and empathic communication that aims at enticing a sense of positive individual action — from donors, participants in the projects, and beneficiaries — that overcomes state failure and market failure. Often subliminally projecting the *self-made man* and corporate success as the inspirational model, the marketing strategies emerging from the institutional communication of several foundations produce an image transfer of international respectability and engagement by the individual philanthropists (and their family members) as people who do not just “care for the poor”, but almost want to induce positive transformation in the lives of human beings. This narrative is willfully built through:

- » cooptation of key and influential champions from the Global South;

¹¹ The notion of postdemocracy has been coined by British politologist Colin Crouch, see Colin Crouch (2004) *Post-Democracy*, Polity.

- » constant intelligence gathering about social dynamic and business opportunities;
- » the “poverty agenda” as a brand for global influence peddling;
- » educational and leadership programs designed to accommodate the culture and the structures set in place through the PPP model;
- » funding support to think tanks and media houses, including training courses for science and not-for-profit journalists in developing countries.¹²

The corporate market model is systematically applied to areas belonging to fundamental human rights — in this case, the right to food and the right to health.

The functional confusion produced by the *multistakeholder paradigm*, and the organizational experiments which engage the different stakeholders, are essential tools to re-define issues and reframe tensions so as to remove potential conflict due to political considerations (for example, the “access to technology” issue is reframed in terms that “valorize corporate donors of proprietary technologies”). The consequences to be seen in this progressive shift are:

- » the de-politization of important concepts around the right to health and the right to food (as government’s responsibilities);
- » piecemeal technical solutions proposed as recipes to overshadow or replace proven policies that operate in a systemic approach (health promotion and disease prevention alongside health system strengthening, social and environmental determinants, fiscal regimes, etc.);
- » the unshakeable belief in technology to shift attention from deeper and long-term political solutions;
- » the “measurement of results” according to a mere business model applied in health and food policies;

- » the cherry-picking of health priorities and nutrition approaches according to measurable impact and potential private interests;
- » the ideological fostering of privatization and the diversion of public money (at global and national level) to this end.

To address the challenges of philanthrocapitalism, the authors of the paper would like to recommend the following to member states and the international institutions, including the United Nations entities:

1. Undertaking independent assessments of the cooperation with venture philanthropists engaged in public and private partnerships at national and international level, looking at cost/benefit analysis, sustainability criteria, conflict of interest clauses, long-term impacts on the political chain of responsibility and the institutional set-up;
2. Taking measures to limit and confront the off-shore financial system through national and international policymaking;
3. Designing appropriate fiscal policies aimed at raising income and fair wealth distribution;
4. Devising regulations for interaction with private actors, including philanthropic foundations at the UN, *inter alia* in the FAO and WHO, that contain strong conflict of interest rules, and revolving door legislations;
5. Identifying measures that can progressively bind member states to contributing financially to common goods delivery in the health and food policymaking, using the leverage of sustainable policies that are socially and environmentally compatible with human rights.

Particularly at a time when the private corporate players, including venture philanthropists, have been directly convened into the accomplishment of the 2030 Agenda and its Sustainable Development Goals, measures are required — more than ever — to clarify the rules of the game, and to restore the level playing field in the global geopolitical arena.

¹² Bunce M. (2016) ‘Foundations, philanthropy and international journalism’, in Townsend J., Muller D., Lance Keeble R. (edt.), *Beyond Clickbait and Commerce: The Ethics Possibilities and Challenges of Not-For-Profit Media*, The International Journal of Communication Ethics, Vol. 13, N.2/3 2016, pp. 6-15.

Further reading

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Imprint

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Discussion paper

PUBLISHED BY:

BISCHÖFLICHES HILFSWERK MISEREOR	EVANGELISCHES WERK FÜR DIAKONIE UND ENTWICKLUNG BROT FÜR DIE WELT – EVANGELISCHER ENTWICKLUNGSDIENST	HIP, HEALTH INNOVATION IN PRACTICE	GLOBAL POLICY FORUM EUROPE E.V.	MEDICO INTERNATIONAL E.V.
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Aachen/Bonn/Berlin/Geneva/Frankfurt a.M., October 2018