

Book Review

Linsey McGoey

No Such Thing as a Free Gift: The Gates Foundation and the Price of Philanthropy
London, UK: Verso, 2015

Reviewed by Howard A. Doughty

An early example of the connection between capitalism and philanthropy was the marketing tactic employed by King Gillette to sell razor blades for his innovative safety razor shortly after the turn of the previous century. The razors were sold cheaply or even given away and, for every dollar lost on the razors; an immense profit was made for a lifetime customer for razor blades was born. Similar means persist: computer printers and mobile phones are available at low prices or even given away for nothing, since the real money is to be made on user fees, upgrades, add-ons, accessories, ink cartridges, maintenance and brand new replacements. The plan is to make the recipients of the corporations' *largesse* dependent on the company's machinery and service provision forever. (An allusion to illicit drug dealers giving free samples to school children may be excessive, but the principle is the same.)

Philanthrocapitalists like Bill Gates have pushed countries across the world to accept market-based solutions for crises like educational inequity and disease proliferation despite evidence that these problems are often rooted in actions taken by those philanthrocapitalists themselves. – George Joseph
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At the same time, in today's world of austerity, shrinking social services and shredded social safety nets, it may seem churlish to discount displays of individual generosity and corporate responsibility. After all, when the public sector fails to deliver the goods, it seems unseemly to denigrate individual volunteerism and both personal and private sector benevolence. Without legitimate charities, the fate of distressed and dispossessed people at home and abroad might be incalculably worse. So, for example, I am happy to contribute to Médecins Sans Frontières/Doctors Without Borders, knowing that the fate of thousands depends upon the courageous sacrifices made by genuine heroes who risk their lives to minister to the ill and the injured in war zones and natural disasters around the world. No one — certainly not me — discounts their humanitarian contributions or questions their motives for doing unceasing and uncontested human good. At whatever level and in whatever circumstances, assessing good works (whether selfless or self-promoting) is complicated

In *No Such Thing as a Free Gift*, Linsey McGoey has some very important criticisms to present about many aspects of what she deems self-interested generosity. Her scepticism is not born of misanthropy. She does not cynically claim that every act of kindness has an ulterior motive. She does not insist that financial donations are made merely to cheat the tax collector. Rather, she looks at the bigger picture.

What could be wrong with Bill Gates donating computers to schools? What complaint can be made against a businessman offering \$60 million to establish a “think tank” to address international issues of global trade and world peace at a major law school? What fault can be found with hospitals that rely on volunteer workers who may be young people trying to build a résumé, especially in times when students and recent graduates are expected to work without pay in a precarious economy, or when retirees with nothing more nefarious on their minds than a wish to feel useful and to give back to society in their later (but still vibrant) years? Linsey McGoey provides the needed vocabulary within which to frame such questions. Her specific target, however, is “philanthrocapitalism.”

The term was invented some years ago by Matthew Bishop and Michael Green (2008), initially in an influential article in *The Economist* and later in a book that explored the theme more deeply. The word refers to the work of a small group of immensely wealthy and powerful people whose professed desire is to “save the world.” It covers massive interventions into some of today’s most important public policy issues from education and health care to energy and the environment. It even lurks somewhat uncomfortably on the fringes of discussions of war and peace (there is much profit to be gained in international arms sales, but the potential economic benefits of peace have not been adequately explored).

Among McGoey’s complaints is the contention that massive personal and corporate contributions to charitable foundations—often their own—are made in order to influence public opinion, determine public policy, and ultimately shape whole segments of the national and global political economy—sometimes in ways that are inimical to the public good and always in ways that enhance their own fame and fortunes. Also prominent, of course, is a fair amount of narcissism, but that is a comparatively trivial matter. More important is the alleged benefactors’ wish to promote their personal and business brands, to network with other billionaires and to contribute mightily to the belief that otherwise predatory business practices do, in the end, benefit not only the now iconic “1%” (the real percentage is more like the 1% of the 1%), but also fulfill the obligations of social responsibility.

Carnegie was promulgating a profoundly antidemocratic gospel, almost feudal in its paternalism. – David Nasaw

While it may be true that, at the turn of the previous century, Andrew Carnegie was instrumental in building a large number of magnificent public libraries throughout the Anglo-American democracies as well as in Ireland, France, Belgium and Serbia, such gifts have been refined in nature and in purpose. Instead of “fixed capital” donations such as buildings turned over to public administration authorities (Carnegie did not maintain control over the facilities he donated nor did he seek to profit directly from his donations), McGoey argues that contemporary donations are intended as the basis for long-term commercial relationships. So, the interests of philanthropy are now largely identical to those of the philanthropists (now often styled as “social entrepreneurs”) themselves. Having studied some and written a little about the aboriginal inhabitants of Papua-New Guinea and Melanesia in general, I found her comparison of contemporary philanthropists and tribal “Big Men” compelling. Native leaders commonly win strategic political and economic allies by lavish displays of gift-giving. Apparent altruism, ambition and advantage are linked and widely available for analysis by curious anthropologists and social critics alike.

Still, even Bill and Melinda Gates—perhaps the easiest of the tycoon philanthropists to criticize—do some obvious good, but the Gates Foundation has also helped undermine public education by endorsing “charter schools” in the United States and global health policy by promoting questionable medical research priorities throughout the world.

In collaboration with such primal capitalist organizations as Goldman Sachs, Coca-Cola and Monsanto, multibillionaires are able to befriend politicians, promote their neoliberal ideology, win incalculable tax concessions and profit by inserting themselves into (or utterly displacing) public sector planning and decision making. When we stop to consider that the Gates Foundation alone spends more on global health than the combined assessed contributions of its members to the World Health Organization, the implications are undeniable.

The impact of people such as Bill and Melinda Gates is evident in the growing privatization of scientific research, its commercialized applications and its public policy implications (Broad, 2014). High-rollers such as former New York mayor Michael R. Bloomberg, petroleum magnate David H. Koch, money managers Warren Buffett and George Soros, and former Google CEO Eric E. Schmidt have an enormous influence on geopolitics and international economic policy. Like most elements of the private sector, philanthrocapitalism is mainly unregulated, particularly where matters of taxation arise. In exchange for a “self-tax” that relieves them of the need to “pay their fair share” in actual government taxes the distribution of which is at least nominally made in the public interest by elected representatives of the people, huge donors are able to indulge their own egos, stamp their brands on the institutional recipients of their ostensible *largesse*, brag relentlessly about their good works, promote a perception of corporate responsibility, and actually get to *define* the social problems which will get the most attention through the normal political process. Both practically and ideologically, they have tremendous influence on public sector innovation.

With an endowment of \$42 billion, the Gates Foundation spends about \$3 billion each year towards causes that, at first glance, seem irreproachable. But the giving has hidden costs. – Linsey McGoey

As a result, according to McGoey, “having a player like the Gates Foundation taking a strong role in global health is more negative than positive. On the one hand, we see a very welcome injection of funding into an area that has been starved of research and public support for years”; on the other hand, however, that infusion of funds must be seen in context. Perhaps even more ominous than the distortion of health research priorities is the degree to which the Gates Foundation has been able to reconfigure both curriculum and pedagogy in schools from pre-kindergarten to post-doc fellowships, imposing a business model, demanding standardized testing, focusing almost exclusively on science, technology and mathematics to the exclusion of the humanities and social sciences, preferring superficial and somewhat desiccated quantification to deeper, more nuanced considerations of quality, and insisting on an almost Darwinian approach to invasive and pervasive competition which hasn’t worked at Microsoft and can’t work in any educational system worthy of the name (Brady, 2015; Morris, 2013; Ravitch, 2011).

McGoey explains that philanthrocapitalism flourishes in wealthy countries where there is “increased wealth accumulation [and] regressive tax measures.” The result is that philanthropists operate in circumstances of immense and growing inequality and inequity where they are being

allowed to conduct their own self-taxation policies in return for assurances that their own governments will keep corporate income taxes low, allow them to usurp important public policy functions, and shape the contours of culture in ways that reflect their own priorities and preferences.

Linsey McGoey believes that it's a win/lose proposition. Philanthrocapitalism wins and the public (and people who believe in the legitimacy, promise and responsibility of the public sector) lose ... big time.

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