



Pro Bono? On philanthrocapitalism as ideological answer to inequality

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abstract

This article will discuss philanthropy not as a social or humanitarian practice but as an integrated part of present day creative capitalism, having a direct relation to the growing inequality associated with it. The article will investigate four expressions of philanthropy as ideology: consumer philanthropy, in which we are asked to consume with good conscience; corporate philanthropy, in which businesses engage in social work and philanthropic associations reengineer themselves to mimic corporations; billionaire philanthropy, in which conspicuous consumption is now being supplemented with conspicuous philanthropy; and celebrity philanthropy, in which one of the hallmarks of being a celebrity today consists in the commitment to turn that fame towards a good purpose. The aim of the article is to explore how philanthropy may serve to justify extreme inequality.

Introduction

In the spring of 2010 four Danish youths started an enterprise called 'Initiative for Life', which sells graduation caps. The project is supported by the non-governmental organisation Save the Children and the proceeds go towards educating Ethiopian children. On their website www.initiativforliv.dk they write: 'When you buy Initiative for Life's cap you not only get a good price but also a good conscience'. What interests us here is the blend of purchase and charity, the good price and the good conscience. This is but one small example of a contemporary trend to de-differentiate capitalism and charity, increasingly summarized under the label philanthrocapitalism.

The term ‘philanthrocapitalism’ expresses the idea that *capitalism is or can be charitable in and of itself*. The claim is that capitalist mechanisms are superior to all others (especially the state) when it comes to not only creating economic but also human progress; that the market and market actors are or should be made the prime creators of the good society; that capitalism is not the cause but the solution to all the major problems in the world; that the best thing to do is to extend the market to hitherto personal or state processes; and, finally, that there is no conflict between the rich and the poor but rather that the rich are the poor’s best and possibly only friend. This is why Slavoj Žižek quite provocatively talks of the ‘liberal communists of Porto Davos’, that is, a fusion of capitalists and left-wing radicals, a fusion of the summits in Davos and Porto Alegre. These involve different, but not that different, expressions and celebrations of a new post-national, post-bureaucratic, post-state constellation, which both sides think usher in a new ‘smart’ era where smart ‘means dynamic and nomadic against centralized bureaucracy; dialogue and cooperation against central authority; flexibility against routine; culture and knowledge against old industrial production; and spontaneous interaction against fixed hierarchy’ (Žižek, 2006).

One can interpret philanthrocapitalism as the latest expression of the modern era anti-revolutionary, pro-capitalist claims that a rebellion against capitalism will only end in misery and that there is actually no opposition between the market and the common good. In the 1990s the dominant versions of this anti-revolutionary stance were encapsulated in Francis Fukuyama’s thesis of liberal-democratic capitalism as the last good idea and the hype of a high-tech, net-based ‘crisis free’ economy. Both claims quickly lost persuasive force. The IT-bubble crashed in early 2000 and the movements critical of globalization seriously questioned whether the ‘G8 World Order’ was the only world possible. It seems therefore fair to interpret the enormous attention to and hope in philanthrocapitalism as an attempt to close the legitimization deficit of contemporary ‘creative capitalism’ where some get more and more but many more get so much less; a development not halted but accelerated by the 2008 financial crisis and its aftermath of austerity.

I will pursue this theme in seven sections. The first section outlines the theoretical framework for the investigation. The next four sections will take up different philanthrocapitalist actors: consumers (II), corporations and charities (III), the super rich (IV) and celebrities (V). Section six will zoom in on one explicit description and defense of this development, a book titled *Philanthrocapitalism*. The seventh and final section will summarize the findings on the ideological function of philanthrocapitalism and what it says about present developments, most notably in the interface between the market and politics as well as emotions and the public.

The purpose of this article is to analyze the interrelations between present day philanthropy and a new form of ‘creative capitalism’. My claim is basically that philanthrocapitalism is a sub-form of a new creative capitalism in practical terms and even more forcefully in legitimizing intent. We should then not understand it as a mere appendix to capitalism, or as an insignificant advertising trick, but as a fully integrated part of the way in which capitalism is operating and legitimizing itself at present (Žižek, 2009; Nielsen, 2009).

From absurd to ethical

The main theoretical inspiration for this article comes from Luc Boltanski and Ève Chiapello and their *The new spirit of capitalism* (Boltanski and Chiapello, 2005). I will interpret philanthrocapitalism as an answer to a critique, or rather as a way to integrate the critique into the self-portrayal of capitalism. We have for instance seen capitalist firms turn the critique of inauthenticity into a ‘self-critical’ maneuver using a vocabulary of a new playfulness, irony and creativity, levelling corporate culture to distance themselves from their own inauthentic past (Frank, 1997). An ideology or spirit is basically a self-representation developed and conceptualized through an active engagement with the structural features of the economy and with societal pressures and critiques.

Capitalism needs such a spirit in order to appear legitimate. Repeating an idea from Max Weber, Boltanski and Chiapello state that ‘capitalism is an absurd system’ (Boltanski and Chiapello, 2005: 7) meaning that it does not provide its own legitimization but needs to find it in the outside world and that it needs such a legitimacy spirit in order to justify engagement in capitalist practices. This means that a capitalist spirit serves legitimacy purposes for everyone. It provides justifications for the entrepreneur working day and night to start a new company, for the worker clocking in and out, for the manager supervising or firing a workforce, for the day-trader frantically buying and selling, for politicians legislating (or not) on economic practices, etc. Boltanski and Chiapello say:

The spirit of capitalism is precisely the set of beliefs associated with the capitalist order that helps justify this order and, by legitimating them, to sustain the forms of action and predispositions compatible with it. These justifications, whether general or practical, local or global, expressed in terms of virtue or justice, support the performance of more or less unpleasant tasks and, more generally, adhesion to a lifestyle conducive to the capitalist order. In this instance, we may indeed speak of a *dominant ideology*, so long as we stop regarding it as a mere subterfuge by the dominant to ensure the consent of the dominated, and acknowledge that a majority of those involved – the strong as well as the weak – rely on these schemas in order to represent to themselves the operation, benefits and constraints of the order in which they find themselves immersed. (*ibid.*: 10-11)

Boltanski and Chiapello investigate ‘the way in which the ideologies associated with economic activity are altered’ (*ibid.*: 3) and identify historically grounded ideologies or spirits, which basically consist in the ways in which capitalism presents itself, the ways in which it asks to be evaluated, the ways in which it enables but also constrains practices. I will argue that philanthropy is one of the ideological elements in the new spirit of capitalism, a capitalism integrating ethical, emotional, relational, cognitive and now also ecological resources into the heart of all capitalist processes. Philanthrocapitalism is the element in the new spirit of capitalism most aggressively integrating the ethical critique of capitalism and turning it into an asset.

Of interest here is the ideological function that philanthrocapitalism shares with other recent phenomena like ‘green accounts’, ‘corporate social responsibility’ and the like, seeking to repeat using new concepts and arguments what the president of General Motors allegedly said in 1953: ‘What is good for General Motors is good for America and vice versa’. Philanthrocapitalism is the claim that what is good for the rich is good for the poor (but presumably not vice versa). The article will not address the question of philanthropy’s effects but only philanthrocapitalism as a symptom and sign of contemporary capitalism and its alleged legitimacy deficit.

Philanthropy has always been dependent upon inequality and hierarchy. Inequality is the reason why philanthropy is needed and the riches of the more fortunate are what provide the material for the philanthropy. So inequality provides both the reason and the resources of philanthropy. But inequality takes on many forms. It is dependent upon the economy in which it exists, just as the legitimacy narratives of inequality are (Wilkinson and Pickett, 2010). At present we seem to be witnessing, despite the financial crisis, the deepening of an ‘entrepreneurial’ or ‘creative’ capitalism offering huge opportunities for some and condemning many more to increasingly precarious forms of existence (OECD, 2011). One of the main claims in this article is that present philanthropic practices, and more importantly the conceptualization of philanthropy, has much to do with a new form of global capitalism systematically dividing up the risks and the rewards (Harvey, 2005, 2010; Crouch, 2011).

In his remarkable book, *Debt: The first 5,000 years*, anthropologist David Graeber discusses hierarchy as a counterpart to exchange, the latter implying formal equality.

In contrast, relations of explicit hierarchy – that is, relations between at least two parties in which one is considered superior to the other – do not tend to operate by reciprocity at all. It’s hard to see because the relation is often justified in reciprocal

terms ('the peasants provide food, the lords provide protection'), but the principle by which they operate is exactly the opposite. (Graeber, 2011: 109)

Charity is dependent upon non-reciprocity. Just imagine what would happen if a recipient of aid gave back the same or a larger amount to the initial giver. Then Graeber presents a 'continuum of one-sided social relations, ranging from the most exploitative to the most benevolent. At one extreme is theft, or plunder; at the other selfless charity' (*ibid.*).

What this tells us is that just as with inequality, charity may be generous and selfless but it is dependent upon and is reproducing hierarchy. It is, Graeber says, only at the two extremes that one can have interactions with complete strangers. There is a long tradition for anonymous giving, where both the giver and the receiver remain unidentified to each other. But, as all charity organizations know, from a pragmatic point of view there needs to be a face (preferably a child or a woman) of the recipient and also a naming or self-branding opportunity for the giver. This apparent discrepancy between anonymity and identification and its moral implications are not my concern here. It is rather the hierarchy inherent in philanthropy and why 'it's hard to see', as Graeber put it above. That is, what is of interest here is how inequality tends to 'hide' behind a new charity discourse of intense emotional and monetary investment by the givers in the recipients of the charity.

What may be an indication of something new in contemporary philanthropy is exactly this emotionalization on the part of the giver, this refusal to keep the recipient a stranger, the need to familiarize oneself with the one in need. Personal commitment (real or simulated) is the new entry point of the giver just as empowerment is the new supposed exit point of the recipient. In the following I will explore what this change in philanthropy tells us about our present social and economic condition. Finally, the aim here is purely diagnostic, a giving of a sort of a situation report portraying the interlocked changes of both philanthropy and capitalism. There will be no prognostic or prescriptive conclusions at the end.

Charity button: Consumer philanthropy

In Danish supermarkets there are machines that collect empty bottles in order to recycle them. Consumers can feed their bottles into the machines and by returning them get a partial refund on their original purchase. Alternatively, consumers can choose to press the 'charity button' on the machine in order to donate the bottle refund money to sick children instead of keeping it to themselves. Increasingly we see philanthropy being embedded in everyday

consumption. There are some products that are charitable as such, such as ecological or fair trade products. But we also see other products given an extra-moral dimension not related to the actual product but derived from its purchase. Here the company selling the product promises to give a share of the price to some charitable cause, thereby linking consumption and charity.

The purchase of products labelled ecological, fair trade and consumer philanthropy are all expressions of political consumption but should also be understood within the framework of what 'the new spirit of capitalism' promises to produce, namely an emotional and moral dimension to purely economic activity. By buying these 'philanthrocapitalist products' you get in a sense more than you pay for. You get the product and its utility value but you also get to do some good. There is an added dimension to the purchase, which mirrors a larger trend in contemporary capitalism. The immediate output is no longer enough. Pay is no longer enough reward for one's work. There has to be personal growth as well. The product is no longer enough. There has to be an added dimension of experience, meaning or morality to go along with it. The logic of 'Get two, pay for one' is no longer reserved for the quantitative part of shopping but is now also applicable in its qualitative part, in what we can call the moral surplus value of shopping.

This moral surplus value is embedded in the shopping situation itself, at the heart of the basic market relation of buying and selling. Charity is here directly and positively correlated with private consumption. The more you purchase the more good you do. To choose this product rather than that, to click the charity button rather than get the money yourself, are doubly charitable. They are charitable for the ones getting the money but also for the one doing the shopping or clicking. Consumer philanthropy is therefore the individual-psychological component in the ideological complex which claims that there is today no opposition between consumption (enjoyment) and charity (morality), just as the work-organizational logic says that there is no opposition between work for pay and work for individual growth. Both are indicative of a shift in capitalism, moving from the society of scarcity's promise of welfare through the state, to the post-scarcity society's promise of liberation and morality in and through capitalism itself.

At my local supermarket small plastic barriers are paced between the groceries of different customers on the cash register belt. These are mostly covered in commercials but some of them bear the imprint: 'You too can give to charity. Donate your refund to sick children'. The problem is that once you're standing in line, placing your groceries on the cash register belt, it is too late to press the charity button for the refund money. Instead, what the text does is only to

stimulate bad consciousness when you are standing there with your refund ticket. Taking a cue from Campbell Jones' (2010) wonderful notion of 'the subject supposed to recycle', this is the articulation of the subject supposed to donate. The ostensible free choice on whether to donate the money or not really turns out to be a moral imperative: 'We are *supposed to* in the strong sense that we should, moreover we must, and to not do so would make us guilty of a breach' (Jones, 2010: 30). 'So', Oprah Winfrey said in a TV charity show, 'by just buying a t-shirt, a pair of jeans, even a cell phone, you can actually begin to save lives' (quoted in Richey and Ponte, 2011: 2-3). To choose not to recycle, or donate, or consume (!) 'is an act of bad faith, a careless failure of duty, responsibility and care' (Jones, 2010: 30). That breach, and the guilt associated with it, is also what is invoked when you are standing there at the cashier's with your groceries and your refund slip in hand.

The button at the refund machine is not really there for your choice. The option of getting the money is only there to simulate an option. But it is an all-important simulation because the creation of a 'situation of choice' is what gives the donation its moral character and provides emotional enjoyment. It is in this case not consumption but the abstention from consumption – 'I could have taken the money for myself but I didn't' – which provides the moral dimension and the enjoyment. But it comes out of a very special form of subjectivation in which duty passes as choice. It obligates us to ask 'where the image of the subject supposed to recycle [and donate] comes from' (Jones, 2010: 37) and to notice that this subjectivation is part of a larger trend to shift agency onto individual subjects (as we shall see below) and away from questions of economic and political power as well as from all of us, not as individuals (consumers, donaters) but as citizens.

Consumer philanthropy, like the others forms detailed below, is dependent upon a particular focus on the individual. Collective or institutional effort is consistently downgraded in favor of individual engagement and personal motivation. This is also evident in former US president Bill Clinton's book *Giving: How each of us can change the world*, which is basically a catalogue of outstanding individuals making a difference. Even when the topic is government the focus is on individuals giving. Running through the book is a special way of addressing the reader: 'Most of us aren't public figures like Mia Farrow, Don Cheadle, or George Clooney who can use their fame to do good, but each of us has the ability to do something' (Clinton, 2007: 203). And, Clinton reminds us, 'if everyone did it, we would change the world' (*ibid.*: 55). This is change coming out of individual choices of consumption or donation rather than common action. So, although Clinton is a fair defender of public responsibilities, his narrative fits in with a depoliticized, ethical subjectivation turning the commitment inwards rather than the effort outwards.

The bottled water company Thirsty Planet uses the slogan 'Buy a bottle. Change a life!'. Vinicius Brei and Steffen Böhm, who have analyzed the CSR-strategies for 'ethical' bottled water of companies such as this, emphasize that these consumer philanthropic

campaigns are always emotional and persuasive, trying to closely connect the bottled water consumer to the African problem of lack of water. The campaigns urge consumers to 'get involved' and 'participate' in solving this problem by buying a bottle of branded water. (Brei and Böhm, 2011: 244)

Involvement, participation and compassion are translated into consumption. The difference one can make, so these campaigns tell us, is through buying stuff. The ethical dilemma of our abundance (here of water) and others' lack thereof is paradoxically solved through us consuming more of it. Inequality becomes the solution rather than the problem.

Here we may briefly invoke Hannah Arendt's critique of the politicization of private emotions in *On revolution*. Political compassion is solidarity, which establishes 'a community of interest with the oppressed and exploited'. It 'partakes of reason and hence generality' (Arendt, 1965: 88) whereas pity is the emotional or perverse side of compassion where the emotional attachment of the private sphere is superimposed upon strangers suffering. What Arendt seems to be saying is that one can either acknowledge the human in the one suffering or one can through pity enact a familiarity which imitates the suffering stranger as one's friend, hence emotionalizing, depoliticizing but also intensifying the relation. Is that not what contemporary expression of philanthropy does when it insistently mimics a relation, a 'partnership' between blatant unequals? The suffering other and the consuming self is what gets celebrated in contemporary consumer philanthropy. What pity enables is emotional investment in the suffering other, imitating the help one gives a friend while keeping that other at a comfortable distance from oneself.

This is emotionality without cost, caring at a distance, resulting in an acute depoliticization of the reasons for the suffering. What philanthrocapitalism is aiming at are ideal victims (Christie, 1986) or, rather, ideal sufferers, whose story (and purpose) is one of suffering rather than repression or injustice. In their critique of the RED campaign, where a certain percentage of money earned from products with the RED label are given to charity, Richey and Ponte draw our attention to the glittery and person-fixated representation of the Western celebrities promoting the campaign as well as the enjoyment of the Western consumer purchasing the RED products. 'You can feel great about spending, whether you are buying cappuccinos or cashmere', as the RED American Express campaign says, giving their take on the African AIDS pandemic: 'Has there ever

been a better reason to shop?’ (Richey and Ponte, 2011: xi). These personal stories and enjoyments are contrasted to the images of the African, often nameless, bare life – the subject supposed to suffer –

counted in the calculation of ‘lives saved’ as easily as pill counts or merchandise inventory. Africans with AIDS are presented in smooth, virtual representations in which ‘global politics’ is reduced to style. (*ibid.*: xii)

‘Doing good while doing great’: Corporate philanthropy and philanthro-business

In an article entitled ‘What’s wrong with profit?’, Alan Abramson, director of the nonprofit sector and philanthropy program at the Aspen Institute is quoted as saying: ‘More and more people are asking who else is going to finance doing good if government isn’t’. Speaking of corporate leaders he continues: ‘These guys have firsthand knowledge of the market’s power, and they’re asking themselves why they can’t make money and tackle some of the problems once addressed primarily by government at the same time’ (Strom, 2006).

Traditionally businesses have thought of philanthropy as something to be done after office hours and with the profits earned and then most often as basically a PR-thing. The trend right now is to think philanthropy as part of competitiveness planning (Porter and Kramer, 2002; Johansen, 2010) but also of the capitalist enterprise as philanthropic in and of itself (Smith, 1994; Byrne, 2002). The thinking is summarized in the title of Curt Weeden’s (2011) book on philanthropy, *Smart giving is good business* with the telling subtitle *How corporate philanthropy can benefit your company and society*, and in various consulting initiatives like <http://measuringphilanthropy.com/> helping corporations to give profitably. Manifesting itself here is the claim of an indistinction between company interest and societal interest and even more fundamentally between profit-making and doing good. Or, as the founder of Oracle, Larry Ellison has said: ‘The profit motive may be the best tool for solving the world’s problems, more effective than any government or private philanthropy’ (quoted in Edwards, 2008: 12).

Corporate philanthropy involves the idea that capitalism and the private business model provide the solution to a whole range of societal and global problems; that these solutions are superior to all alternatives, especially state and individual philanthropy; and that the solutions come about not as a result of using the surplus from capitalist profit-making but rather from using capitalism, and especially the profit-model, as the means itself. This connects to a new form of value creation, which ‘derives not only from the production of goods and services

that extract surplus value from the labor process, but the manipulation of images that convince consumers of the firm's integrity' (Fleming, 2009: 3). Corporate philanthropy is part of the turn to authenticity in seemingly all spheres of life, including corporate life, stating that business and profit – just like work for the laborer – is not really the goal but just the means to something else and better.

Bill Gates, who is one of the most generous and prominent philanthropists, has summarized the rationale behind corporate philanthropy in a 2008-article on creative capitalism. He acknowledges the efforts from governments and non-profit groups:

[...] but it will take too long if they try to do it alone. It is mainly corporations that have the skills to make technological innovations work for the poor. To make most of those skills we need a more creative capitalism: an attempt to stretch the reach of market forces so that more companies can benefit from doing work that makes people better off. We need new ways to bring far more people into the system – capitalism – that has done so much good in the world. (Gates, 2008)

The ruling idea – or rather ideology – behind this is that businesses, through the profit motive, are organized rationally and pragmatically, unlike the political and private charity organizations ruled by ideological prejudice and vested interests. Corporate philanthropy is heavily dependent upon an impatient technical fix-approach to the world and a near-total dismissal of 'traditional politics' as a way to solve problems. Kasper Kofod, partner in the design company Social Action which couples businesses and charities, expresses it thus:

The politicians do their bit but it just takes such a long time. The political machine is a giant fleet to get going. That is why I would never go into politics to make a difference. The corporate world is more dynamic than political life. Politicians are simply not good enough at giving their own citizens the tools they need in order to get direct assistance. Corporations can do that. (quoted in Lavrsen, 2008)

Businesses, the argument goes, are tuned into getting a 'return on their investment'. Only businesses are able to respond quickly, efficiently and responsively to philanthropic needs because that is what they do to all their customers. Here it is not only the profit and business model being universalized, but also the customer as the general human being. People in need are just like customers: Identify the need and satisfy it. This connects very precisely to the market value of appropriating social life and ethical demands, namely a way to get into the welfare market from which the state is currently retreating and for which it is actively seeking both market and civil society replacements. Shedding its pure market profile for a caring one is one way to approach the 'market' of welfare. It is what Gerard Hanlon and Peter Fleming very precisely call a 'soft power form of extending corporate influence' and it emerged to 'fill the legitimation breach left in wake of a reconfigured state' (Hanlon and Fleming,

2009: 939, 942; see also Hanlon, 2008). A simultaneous upsurge in ethical demands and abandonment of the state (receiving its first ideological name as Tony Blair's Third Way) is both verbalized and responded to by corporations today.

Corporate philanthropy is then to be understood as a sub-category of Corporate Social Responsibility, meaning an active embrace of social responsibilities by companies. Ronen Shamir identifies an all-important element in this when he says that 'corporations have assertively embarked on the Social Responsibility bandwagon, gradually shaping the very notion of Social Responsibility in ways amenable to corporate concerns' (Shamir, 2004: 675-6). Like all the other examples given in this article, CSR is among other things also a way to answer the ethical demand in a way that doesn't hinder but promotes capitalist processes. 'The new formula', Giorgio Armani said when launching his RED Emporio Armani product line at the summit at Davos, 'is that this is charity to the world of course, but particularly it is the fact that commerce will no longer have a negative connotation' (quoted in Richey and Ponte, 2011: 5).

It may often be a question of a PR-exercise intended to deflect criticism, that is, a matter of 'self-regulation' of responsibilities, as Shamir puts it, meant to avoid legislatively imposed responsibilities. It is certainly a way to maintain control in a corporate environment of 'ethical consumers', 'creative employees', 'critical publics', 'investigative media' and 'activist mobilization'. Embedding CSR into corporate culture (real or fake) is a way of responding to critique by self-promotion of the standards one wants to be measured by, knowing that other and possibly stricter standards of good behavior are out there gaining momentum. CSR is, ideologically speaking, a way to answer criticism while appearing 'to be governed by good will alone' (Shamir, 2004: 677), that is, by one's own altruistic motives.

Another prominent element in corporate philanthropy is a sort of reversed CSR, which we could call philanthro-business. Here the issue is not the humanization of the corporation but rather a marketization of philanthropy (Weisberg, 2006; Foster, 2007), neatly summarized by Bill Clinton: 'The same strategies businesses use to organize and expand markets that enhance the public good and empower their customers to do the same [!] can be adopted by nongovernmental organizations involved in philanthropic work' (Clinton, 2007: 178; see also Hoffman, 2008 and Prahalad, 2005). The main impetus behind this transformation seems to be a response similar to that of companies, namely, a response to critiques of wastefulness, ineffectiveness and excessive bureaucracy. This critique is part of the stated rationale behind philanthrocapitalist initiatives but is also the driving force behind the marketization of aid organizations, with

‘the market’ and ‘the business’ providing the reigning models for organizational design today.

The market approach to philanthropy tells you to look at philanthropic needs as you would any other need on a market and at donaters as you would any other customer. As a member of Google’s charity fund Sheryl Sandberg said: ‘We look at the most efficient ways to solve the world’s problems’ (quoted in Lee, 2006). And that is increasingly presented as the way of the market. This is why philanthropy has to copy the methods and organizational designs of capitalism and private business in order to develop what an American center calls ‘effective philanthropy’. The center ‘provides foundations and other philanthropic funders with comparative data to enable higher performance’ (www.effectivephilanthropy.org). Another such center, the British Impetus Trust defines ‘venture philanthropy’ thus:

Venture philanthropy is an active approach to philanthropy, which involves giving skills as well as money. It uses the principles of venture capital, with the investee organisation receiving management support, specialist expertise and financial resources. The aim is for a social, rather than financial, return. (<http://www.impetus.org.uk/about-venture-philanthropy/>)

One should of course notice here the little word ‘active’, which discreetly shames other philanthropic approaches. ‘Venture philanthropists’, ‘upstart-charity’, ‘social investments’, ‘strategic philanthropy’ and not least ‘social entrepreneurs’ are some of the terms in this growing indistinction between corporations and charities, both using a capitalist mindset, vocabulary and organization and both seeing their job to provide some good to ‘philanthropic clients’ (*The Economist*, 2006; Deutsch, 2006).

Fuelling philanthro-business is the conviction being retold again and again at present that the ‘old methods’ are obsolete and outdated. This is also what pushes corporate philanthropy center stage. The obsolete and outdated consists in state development aid and private, ‘unprofessional’ charities. This is where they both tap into and deepen the ruling anti-bureaucratic consensus (du Gay, 2000), showing how it is a critique with an in-built solution: private capitalism and the business model, as also evident in the contemporary development of welfare. This anti-bureaucratic consensus is mirrored by an equally prominent hope in management solutions, solutions always coming down to ‘opening the flows’, ‘knock down the bureaucracy’, ‘floating units’, ‘unleashing creativity’, all ‘about replacing bureaucratic systems with entrepreneurial systems’ as two of its prominent celebrators state (Osborne and Plastrik, 1992: 14); and all of this is basically taking finance rather than production as the underlying organizational principle. This then gets coupled with an extreme confidence in the leader –

parallel to the near-awe in which everyone seems to hold the verdicts of ‘the finance market’ at present.

Corporate philanthropy and philanthro-business are therefore symptoms of what many perceive or describe as a ‘state crisis’. The suggested solutions are a symptom or expression of the general marketization that most non-profit enterprises and activities experience at present where the devaluing of non-markets go hand in hand with a near-total confidence in the market, the innovative entrepreneur and the efficient leader as the new ‘social fixer’.

The not-so-secret millionaire: Plutocharity

One of the most high-profile and mediatized expressions of philanthrocapitalism is billionaire philanthropy where extremely wealthy individuals donate extravagant sums of money to charity. The best known figures here are Bill Gates, Warren Buffet and George Soros. The wealthy seem always to have given to some form of charity, often as an integrated part of being rich, along with throwing grand dinners and stock-piling the mansion with art (Jackson, 2008). But something qualitatively new seems to have occurred in the world of plutocharity (Lloyd, 1993; Shershow, 2005: 133-5; Handy, 2007). This can be illustrated by the TV-series *The secret millionaire*, in which a rich person goes undercover as an average Joe to meet some of society’s poor and end up giving a large sum of money to the people he has met. In a Danish episode of the series the trailer reads:

In *The secret millionaire* Carsten Mikkelsen says goodbye to the jet-set life in Ibiza to go undercover for ten days in one of Denmark’s most criminal cities – Hoeje Kolstrup in the municipality of Aabenraa. He has to live as unemployed newcomer in a concrete ghetto but is really on the search for projects to give money to. It becomes a journey where Carsten gets closer to reality’s problems of poverty and violence. But it also becomes a meeting between people struggling to make a difference for others. A meeting which creates the foundation for new friendships and which Carsten in the end rewards with money from his own pockets. (<http://omtv2.tv2.dk>, 31 August 2008)

This series exposes nicely a significant problem in all charity: the difference between the giver and the receiver, not only during the charitable act – which gives us the ethical dilemmas of charity – but also afterwards, giving us its structural issues. More important, though, is the mention of emotional effect, which is a constant particularly in billionaire and celebrity philanthropy. It is no longer enough to just give lavishly (often after one’s death) and get something named after you, like in the good old days of classical billionaire charity. Now you have to go out, feel a moral obligation and an emotional attachment to the ones

getting the charity. The dominant trend now is to get personally involved in the charitable acts, to use not only one's money but also time and competencies. One has to feel, engage, participate.

This is evident in the pledges listed on The Giving Pledge website where the personal motivation is at the center. The Giving Pledge started by Bill Gates and Warren Buffet 'is an effort to invite the wealthiest individuals and families in America to commit to giving the majority of their wealth to philanthropy' (<http://givingpledge.org>). At present it has just under 100 members.

As seen in corporate philanthropy, a significant reason for getting into charity is the alleged inefficiency of the classical approaches to helping others. The discrepancy between one's moral and emotional engagement in other people's suffering, and the perception of the inabilities of classical approaches to do the job, creates an obligation to invest one's time and money. Again, what triggers this expression of philanthrocapitalism is an anti-political conception of problem-solving. An employee at the Gates Foundation says:

We are sort of creating a post-UN world. People want to see quicker results' and he even mentions its democratic nature as one of the reasons for its incompetencies. (quoted in Beckett, 2010)

Plutocharity is the most extreme version of the present confidence in the 'over-competent individual', the leader or manager. This individual has proven his or her worth on the market – the measure of all things – and this market competence is now considered a universal competence applicable across the full spectrum of the social, including philanthropy.

Plutocharity has received a lot of media attention, not least because it is often about flamboyant individuals giving very huge amounts of money and promising grand and quick results. But plutocharity is not first and foremost an expression of extreme charity but of absurd inequality. The significant fact to observe is the relation between new forms of charity and a massive and growing inequality. On a personal level it may be motivated by moral concerns but at a structural level it is a way to manage the legitimacy and possibly also social challenges of extreme inequality. Keeping the money exclusively for oneself is no longer an option. One cannot possibly explain to oneself and the rest of the world why one has so much when so many other people have so little. It needs a justification other than merit and that is philanthropy. It is not that one thinks one has not earned the money. But what Thorstein Veblen a hundred years ago called 'conspicuous consumption' must now be supplemented by conspicuous non-consumption in the form of charity in order for the consumption to be both legitimate and enjoyable.

'The world is watching': Celebrity philanthropy

The American actor George Clooney has used his private funds to sponsor a satellite to monitor troop movements in the south of Sudan in order to help avoid another genocide in the region. Everyone can watch the movements on the website www.satsentinel.org, the motto of which is 'The world is watching because you are watching'. This motto nicely summarizes the logic behind a fast growing trend of using celebrity status to generate attention on other issues than celebrity marriage/divorce-cycles and to force action on pressing global issues. Clooney himself has been instrumental in securing the referendum that in January 2011 gave an overwhelming majority supporting the secession of South-Sudan from the rest of the country (Avlon, 2011). The world is watching because they are watching.

A strong connection exists between the new immaterial capitalism and its valuation of brands, reputation, and story-telling in the so-called 'experience economy' (Pine and Gilmore, 1999), and contemporary celebrity-culture. In both it seems the performative outweighs the qualitative, attention value outweighs use value. Whereas the economy was earlier connected to material production of ever more and ever cheaper products and the valuation of a commodity was somehow attached to its primary or immediate utility, now it seems both economy and valuation are defined by immaterial processes of attention. Likewise, celebrity-culture is symptomatic of a shift from criteria of qualification to ones of attention in and of itself as the gateway to celebrity status (as evident in the reality-TV food chain of creating and forgetting 'celebrities'). It is increasingly celebrity status itself which generates celebrity status, rather than any admirable or praiseworthy acts. Celebrity culture is one of the new life forms in the immaterial economy, being played out on the red carpet and in reality TV-shows. What it does not offer is any justification for itself. It is there because we watch it, but it cannot answer why we should watch it and why celebrities deserve our attention. Celebrities cannot answer why they should enjoy so extravagantly and why the rest of us should have part in that luxury only as spectators. Again, we find philanthropy offering itself as a way to deal with the problem of legitimate inequality.

Philanthropy and celebrities were decisively united at the LiveAid-concert in 1985 when musician Bob Geldof brought together a string of artists for the biggest TV-event of its time. Charity was hereafter an ever more integrated part of celebrity status (Poniewozik, 2005). It often takes on a slightly comic or embarrassing form when celebrities wander about in places and problems they do not understand (but, honestly, do we know more? And does it not equally condemn us for watching not the catastrophe but the celebrity watching the catastrophe?).

Or it can take on a more ominous form, as when the pop star Madonna brought home a child after a trip to Malawi in 2006. This is not the place to discuss or criticize celebrity contribution to the alleviation of the world's problems. But what is of interest here is celebrity philanthropy as yet another symptom of how also the global attention-economy needs an explicated moral dimension in order to appear legitimate. It is becoming increasingly difficult to be just a celebrity enjoying the spotlight. The attention has to be redirected to something beyond oneself.

The Irish rock star Bono is probably the most famous of the celebrity philanthropists. He has cleverly used his rock star status to gain access to the halls of power from presidents to the pope and he is a living advertisement of the initiative *Product Red* whose slogan is: 'Buying (Red) Saves lives' (www.joinred.com/red). The Red brand is added to already existing products (showing in perfect form the immaterial economy) and part of the profits from buying Red products go to a global fund combating HIV, AIDS, malaria and other diseases. This expression of consumer philanthropy is sustained by the coolness factor of a rock star like Bono. A spiral of attention is created where celebrity status is exchanged for 'philanthropic attention' which is then fed back into greater celebrity status.

Just as with plutocharity it is the massive inequality, this time of attention rather than money, the differential access to media and popular attention, which enables the charity. The celebrity of the celebrities not only marks their difference from the rest of us. Their position gets redescribed as an opportunity – possibly an obligation – to do good. The charmed life of the celebrities and our watching them gets bestowed a moral dimension otherwise lacking from a mediatized existence. The inequality in media attention is what makes this charity possible, and charity is part of what makes celebrity status legitimate.

The gospel of wealth

Philanthrocapitalism, I would argue, is one of the most dynamic answers to a situation perceived as problem- and crisis-ridden. Dynamic because it not only criticizes state efforts, bureaucratic administration and ordinary politics – as a standard liberal-conservative position would – but also because it offers an apparently coercion-free, individual-based engagement type solution. It claims to organize the solutions not merely on the market in terms of profit – which, again, would be a classical right-wing response – but rather locates its effort in the interstices between the market logic and private morality. In that sense it links up with the ongoing restructuring of the welfare state in the joint

mobilization of ‘civil society’ individuals to solve community or global issues. Both developments are parasitic on a notion of politics as ineffective and promote a notion of the individual, albeit the professionalized individual (often through the market or profit logic) as the better and warmer approach to problem-solving.

Philanthrocapitalism is part of the present rediscovery of civil society, not as the place of public yet non-state and non-market interactions and deliberations, but rather as the site of efficient problem-solving. Civil society is functionalized and in that process also de-democratized. It is therefore inherently anti-political because politics is identified as part of the problem and because solutions are deliberatively phrased in un- or antipolitical terms. Even as billionaires like Warren Buffett lobby for higher taxes on the rich to fund state initiatives in education, health and other public services, the philanthrocapitalist idea is basically about marketization-through-moralization and depoliticization-through-counter-bureaucracy. ‘Politics have failed’ gets repeated endlessly. Markets and morality is all that is left. Luckily they are basically just two versions of the same effort to do good to people.

This is most evidently the case in a so-called ‘philanthrocapitalist manifesto’ written by the authors of the book *Philanthrocapitalism* with the subtitle *How the rich can save the world and why we should let them* (Bishop and Green, 2008a, 2008b, 2010). In the manifesto the authors Matthew Bishop and Michael Green put forward a number of suggestions on how to integrate philanthropy with the workings of capitalism. More importantly, they identify the present as a ‘post-crisis fiscal wasteland’ with need of

radical surgery on our public services. The last decade has been a gilded era for the government sector as a raft of public spending commitments from health and education to international development have been hailed as the solution to social problems. But those times are over. (Bishop and Green, 2010)

The state cannot be trusted to ‘tackle the social challenges of the 21st century’ and neither can ‘the charity sector’ or ‘populist bashing of the rich’. Instead we need to ‘rewrite the social contract between the rich and the rest’. The rich have ‘a responsibility to the rest of society’ which goes beyond paying taxes, namely to ‘give back with their money and their skills’. With that they can be ‘a dynamic, entrepreneurial source of innovation’ – notice the ever-great hope in the entrepreneurial – and help to ‘build a more sustainable environment for wealth creation’ (Bishop and Green, 2010). One can hardly overestimate the significance in their final description of what a healthy society would look like, a ‘sustainable environment for wealth creation’. This is using the market model as societal description and it is basically a message to the rich that they can only stay rich – and richer than ‘the rest of us’ – by giving time and money to charity.

Philanthrocapitalism, they write, is ‘not a party-political issue. It is an opportunity to create a new partnership of philanthropists, businesses and social entrepreneurs with government’ (*ibid.*). Never mind the ideological claim of being a non-party issue. They are right in the sense that this hope in philanthrocapitalism is widely shared across the political spectrum (Bill Clinton has been touring with Matthew Bishop on precisely this issue). More interesting is the legitimacy resources found in this claim of capitalism’s profits and approaches as the way to address global and local issues. In their 2008-book there is a final chapter called ‘The gospel of wealth 2.0’. In it they quote the Indian software giant Nandan Nilekani for saying:

In a country with as much *stark poverty and income disparity* as India and which has just tentatively embraced free market ideology, it becomes all the more critical that the rich embrace philanthropy. It is not only the moral and ethical thing to do. It is also vital to *making entrepreneurial capitalism acceptable to the people as the best form for the economy*. The rapid rise of philanthropy amongst India’s business leaders is the fork in the road between India becoming a modern equitable free market democracy or going back to a stultifying socialistic state. (quoted in Bishop and Green, 2008a: 257, my italics)

This linkage between inequality and entrepreneurial capitalism as well as the opposition between politics on the one side and philanthropy and free market ideology on the other is exactly at the core of my argument above and is the dominant idea behind philanthrocapitalism, both as to why it is supposedly badly needed at present and how it will answer that need. The morally just and the capitalist benefit seem to converge in the call for more philanthropy.

Conclusion

Every society has dealt with the question of the morality of inequality (Wisman and Smith, 2011). My argument here is that philanthrocapitalism is the way the problem of inequality is being dealt with morally, politically and organizationally in a specific historical constellation of growing material inequality and economic transformation. *Pro bono* is Latin and means ‘for the common good’ and it usually refers to professionals, like lawyers, using their expertise for free to help others. In the title of this article it refers to a small pun on the rock star singer Bono and the purpose is simply to raise the question of what philanthrocapitalism represents. If it is more than the desire to help others, then what is this more about? The purpose has not been to expose, ridicule or criticize philanthrocapitalist actors, to devalue philanthropy as paternalistic or ineffective, nor to discuss the moral philosophical implications in helping others, or to evaluate the actual effects of this activity. Others have already done that (Reich, 2006; Singer, 2006; Ruiz, 2006; and not least Edwards, 2008). The purpose has

been to explore what all this pro bono-activity signifies when viewed within a grander societal framework, where capitalism steps in as the active instrument of philanthropy, where the development in capitalism enables new practices, where inequalities are rampant and growing, and where new oppositions to the global system seem to be mounting.

The economy is becoming dependent upon external qualities of the self threatening its capitalist form. This is what is sometimes referred to as the 'communism of capital' where 'the capitalistic initiative orchestrates for its own benefit precisely those material and cultural conditions which would guarantee a calm version of realism for the potential communist' (Virno, 2004: 110). I'm reluctant to place the analysis squarely within this 'communism of capital' approach as I fear it obscures how capitalism not only appropriates but also changes the appropriated. I would rather speak in continuation of Adam Arvidsson who investigates how 'the most important source of value becomes the ability to appropriate an externality' (Arvidsson, 2006: 9), in this case the moral and relational resources inherent in individuals. Similarly to Arvidsson's work on brands, I have looked at philanthropy 'as a capitalist institution, and not just as a cultural phenomenon' (*ibid.*: 14). Capitalism is trying to restructure its operational and legitimacy set-up to address this general tendency to appropriate externalities and I have argued that philanthrocapitalism should be seen as just such an attempt, trying to address the problem of inequality on the basis of a manageable but also expanding version of a 'moral capitalism'.

The main conclusion is that the various philanthrocapitalist practices investigated above are different expressions of the same adaptation to the demands of a capitalism where emotional, relational, cognitive and imaginative resources are not only mobilized but also valorized as the main productive force of economic practice. This new constellation we can call 'cognitive capitalism' (Boutang, 2011) or 'immaterial capitalism' (Gorz, 2010), the main point being that 'personality and subjectivity' (Lazzarato, 1996: 133), qualities of the self, are not only being capitalized. It is not only, and possibly not primarily, a move from inside the companies out, but it is rather the companies having to go beyond the internal profit logic, that is, to the realm of everybody's daily life. The personal has not only become the political, as the 1970's slogan put it. The personal has become everything. The emotional, relational and creative qualities of the self have become the guiding principles of private and collective organization.

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