
Commendation and Recommendation

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Reaction to Just Another Emperor?: the Myths and Realities of Philanthrocapitalism

In Michael Edward's article "Just another emperor? The myths and realities of philanthrocapitalism," the author discusses a recent trend within philanthropy that focuses on the application of business practices to civil society. This new approach is met by an overwhelmingly positive response; however, Edwards believes it should be viewed with a more scrutinizing eye. He does just this in his article and in effect, raises some important questions about the future and impact of philanthrocapitalism. Although we agree with Edwards and applaud his efforts in taking this stance, we do have some comments that might strengthen his recommendations as well as his call for an honest discussion of philanthrocapitalism.

Overall, Edwards is generally critical of the philanthrocapitalist approach. First, he suggests keeping civil society and markets separate because the use of business thinking can damage civil society and cause mission drift in organizations. However, in a world where nonprofits increasingly have to compete with for profits, it is only logical that some of them will inevitably take on business elements in order to remain/become successful. Second, while nonprofits are increasingly using business means to achieve financial ends, it is a swooping assumption to say that many of the philanthrocapitalists who engage in these efforts are simply doing so to fulfill personal goals rather than help those in need. Additionally, he notes that power, politics and social relations drive social transformation, and philanthrocapitalism does not possess any of these characteristics nor does it even attempt to achieve social transformation. However, it is hard to believe that the great examples of philanthrocapitalism, including the Grameen Bank and Gates Foundation, do not do just this. Furthermore, he himself notes that there is not enough evidence to prove or disprove claims of philanthrocapitalists.

In Edwards' defense, he does make several points upholding the validity of civil society as an entity separate from philanthrocapitalism. As touched on earlier, he identifies civil society as a major propellant in causing social transformation. This statement does hold a lot of legitimacy in that many social issues, such as racism, are not entirely economic concerns. Therefore, they need to be dealt with accordingly, and philanthrocapitalists may not be able to provide a viable solution completely on their own. At the same time, maybe some overlap between civil society and philanthrocapitalism can lead to a beneficial outcome. Edwards addresses this concept with a set of goals for philanthrocapitalists to aspire to at the end of the article. He emphasizes the importance of developing a more organized and structured analysis of the future and consequences of philanthrocapitalism. Because the current discussion surrounding philanthrocapitalism lauds the virtues of this approach without acknowledging the pitfalls, a more open and realistic dialogue about this topic does need to occur.

The article ends with appeals to action but our question would be: how exactly will people go about achieving these? Edwards says we need to transform the actual system and structures, but how should we do this? It would have been more helpful to provide evidence or give a more specific plan of action that could actually make something happen. In addition, the negative tone he takes in other parts of the essay has the effect of lessening the potential enthusiasm for this type of cooperation from the philanthrocapitalist camp and possibly others. For example, he states that "humility and self-criticism don't come naturally to many foundation leaders or social entrepreneurs" (85). This type of commentary only works against a spirit of mutual respect and cooperation that must exist in order for an open and most importantly, productive, discussion of this topic to occur. The call for discussion at the end of this article is appropriate and needed and would have been more effective if preceded by a discussion of the facts and realities of the current situation without the overly negative undertone.

The aforementioned comments are offered in hopes of contributing to the discussion of philanthrocapitalism. Although we offer some critiques of the article, we overwhelmingly agree that this topic needs to be explored by all parties involved. Edwards' comments represent an important and valid stance on this issue; however, his viewpoint, as well as ours, should be reviewed with the same scrutiny that he calls for in the assessment of the philanthrocapitalist approach. http://www.nonprofitquarterly.org/images/fbfiles/files/Final_Proposal__Edwards__Article.doc

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