
Taking on Philanthrocapitalism

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Michael Edwards' case against philanthrocapitalism is deeply insightful and long overdue. Civil society is indeed not business. It must not subordinate its core mission – drawing otherwise passive, isolated individuals into active, democratic self-governance – to standards of efficiency, economy, and utility more appropriate to making bucks than citizens.

That said, it must be remembered that the philanthrocapitalists did not introduce the foundation world to arrogance and disdain for scruffy, struggling grassroots nonprofit groups. That has been philanthropy's characteristic attitude from the moment the first major philanthropies at the beginning of the 20th century declared that all previous concrete, local efforts to solve problems were mere "charity," to be superseded now by scientifically equipped elites who would get to the "root causes" of problems. Philanthropy has, ever since, been grounded in the view that those struggling with an immediate problem are too bound up with it, and lack the cool, rational detachment necessary to see through immediate symptoms to underlying causes. The larger problem is not philanthrocapitalism, but philanthrocentrism.

Grassroots democracy suffers whenever the experts -- armed with the esoteric wisdom of social science or market technique or ideology and isolated behind foundation walls – feel entitled to make decisions that are best for all of us. Mr. Edwards is himself not entirely free from this problem. He praises the efforts of the Swan Lake Fire Department Ladies Auxiliary to clothe the local community's poor. But clearly for him civil society's chief virtue is not such immediate, palliative measures, but rather its ability to mount a comprehensive challenge to capitalism itself, one that would "transform the economic system completely and lead to a radically different distribution of its benefits and costs," tackling the "'means of production' question that takes us back to Marx, and not just Adam Smith."

Leaving aside nagging doubts raised by prior efforts to redistribute wealth guided by Marx's reflections, one wonders if that perspective doesn't end up treating scruffy grassroots groups with the same bemused contempt shown by the philanthrocapitalists. If the Ladies Auxiliary approached Mr. Edwards' philanthropy for a \$7,500 grant to buy a new boiler for the fire department, I suspect it would be patted on the head and turned down. After all, that project doesn't fundamentally challenge the economic injustice that compels lower-income communities to raise private funds for a fire department. Whether the sense of foundation superiority is driven by market success or political ideology, the final problem, to repeat, is philanthrocentrism. That's the larger question that the foundation world needs to discuss.

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