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Down with philanthrocapitalism, says an entertaining polemic

Anand Giridharadas says the global elite is complicit in the problems it purports to solve

Winners Take All: The Elite Charade of Changing the World. By Anand Giridharadas. Knopf; 304 pages; \$26.95. Allen Lane; £12.99.

IT IS MORE than 20 years since Samuel Huntington introduced the concept of Davos Man in his great book “The Clash of Civilisations”. Now Anand Giridharadas has gone one better and taken his reader deep inside the mind of that peculiar creature. Everybody knows the basics: Davos Man believes that markets are more efficient than governments and that globalism is preferable to nationalism or localism. Mr Giridharadas’s trick is to focus on the more intriguing parts of the Davos world-view: that businesses can “do well by doing good”; that philanthropy needs to be “reinvented” for the age of the internet and the T-shirt-wearing billionaire; and that one of the greatest problems facing the world, even as some inner-cities are ravaged by drugs and violence, is that there aren’t enough Davos Women to join the Davos Men in this win-win nirvana.

A few years ago Mr Giridharadas, who works as a political analyst for MSNBC and teaches journalism at New York University, stumbled across a big problem—that the rise of the win-win mantra had coincided with one of the longest periods of wage stagnation in American history. Davos Man’s smiley-faced faith in business-led solutions (green bonds, impact investing, social innovation and the rest) concealed a harsher reality. Businesses were relentlessly pursuing efficiency and cutting costs—shifting jobs to cheaper places or forcing people to work longer hours—and then recycling a fraction of the profits they made into Davos-style consolations.

All this recycling is wonderful for the billionaires who derive a warm feeling from spending their money on helping the poor. It is wonderful for CEOs who can burnish their brands by embracing the latest fashionable good cause. It is particularly wonderful for the “thought-leaders” who can spend their lives hanging out with Sergei and Mark and suggesting clever ways for their philanthrocapitalist masters to cure the world’s ills. But it does little to make up for the winner-takes-all philosophy that is driving companies to hold down wages and transfer the burden of risk onto their employees. And it does little to solve the problems of “the unexotic underclass”—white ex-working-class men in particular—who have been deemed too boring and reactionary for the Davos crowd to bother about.

It is easy to raise objections to Mr Giridharadas’s argument. He ignores the fact that figures like Bill Gates have done a great deal of good. He doesn’t mention that, even though incomes in the West have stagnated in recent decades, hundreds of millions of people in the emerging world

have been lifted out of poverty. His anti-business animus is blunt-edged: he would have been better off focusing on genuine scandals such as tax-dodging rather than railing against efficiency-seeking in general. Yet in some ways these objections miss the point. “Winners Take All” is a splendid polemic that is all the better for simplifying and exaggerating.

Mr Giridharadas writes brilliantly on the parasitic philanthropy industry that somehow manages to hold its meetings in desirable resorts (Davos in the ski season, Bellagio in the summer) rather than in Detroit or Lagos. In one particularly stomach-turning section he reports on a luxury cruise, Summit at Sea, where various bigwigs discuss ways to improve the world while sitting in the well of the Bliss Ultra Lounge. “The boat’s not about getting drunk and getting naked,” a motivational speaker intones. “Well, it’s sort of about that. But it’s also about social justice.”

He produces worrying case studies that illustrate his theme of companies creating big social problems and then offering sticking-plaster solutions in the form of philanthropy. For example, Purdue Pharma has an impressive record of providing grants that “encourage the healthy development of youth by reducing high-risk behaviours such as substance abuse”. But one reason that the company can afford such largesse is that it has made a fortune from marketing OxyContin, a drug that, thanks to over-prescription, is at the heart of America’s opioid epidemic.

The only genuine failure of this otherwise excellent screed is that Mr Giridharadas does not push his argument further. He rightly goes beyond inequality of wealth to address inequality of power: how win-win fixes invariably take problems out of the political realm and sub-contract them to unaccountable global elites. But he says nothing about the fascinating issue of inequality of esteem.

The Davos elite is not content with hoarding an inflated proportion of the world’s wealth and power. It is trying to appropriate an outsize share of the world’s esteem by reinventing philanthropy in its own techy and globe-trotting image. It is not just Davos Man’s vices that are fuelling the populist fire. It is his virtues too.

Anand Giridharadas interview: Why elite philanthro-capitalists do more harm than good

The author of *Winners Take All* on how the “fake change” offered by billionaires such as Mark Zuckerberg perpetuates “systems of exclusion and inequality”.

By George Eaton

Business leaders no longer content themselves with merely wanting to turn a profit. Chief executives such as Facebook’s Mark Zuckerberg, Amazon’s Jeff Bezos and Tesla’s Elon Musk simultaneously offer themselves as agents of social change and moral lodestars.

Having become a fellow at the Aspen Institute, the New York Times journalist and former McKinsey consultant Anand Giridharadas was comfortably ensconced in the world of elite philanthropy. But after sessions on “the good society” in the Koch Building (named after the billionaire Republican donors) and Goldman Sachs-sponsored lunches, he felt a gnawing sense of unease. In 2015, at the Aspen Action Forum, an event that is typically marked by anodyne, feel-good speeches, Giridharadas delivered an unashamed rebuke.

“The Aspen Consensus,” he declared, held that “the winners of our age must be challenged to do more good” but never told “to do less harm”. He likened charity to the papal indulgences of the Middle Ages: “a relatively inexpensive way of getting oneself seemingly on the right of justice, without having to alter the fundamentals of one’s life”.

The speech outraged the organisers (who were caught unawares) but was greeted with a standing ovation and soon went viral online (the influential New York Times columnist David Brooks praised the address as “courageous”).

Giridharadas, whose parents emigrated from India to Ohio in the 1970s, has deepened his critique of philanthro-capitalism in his book *Winners Take All: The Elite Charade of Changing the World*. “This ‘fake change’ is actually part of how we maintain the systems of exclusion and inequality,” he said when we met in central London.

Like Oscar Wilde, the spiky-haired Giridharadas, who is 37, contends that charity is not merely insufficient but sometimes actively harmful (“just as the worst slave-owners were those who were kind to their slaves... the people who do most harm are the people who try to do most good,” wrote Wilde in *The Soul of Man under Socialism*).

Through notionally ethical acts, business leaders aim to shield themselves from scrutiny over low tax rates, inadequate workers’ pay and unjustifiable monopolies. “Just at the moment when you are about to be resented, you turn yourself into a saviour,” Giridharadas told me.

He cited Zuckerberg (“there are serious people who say Facebook may have tipped the presidential election result”) and the Sackler family, the pharmaceutical dynasty accused of making billions from the US opioid crisis, as perhaps the most egregious offenders. “There’s at least 200,000 people dead in America alone from the opioid crisis... And what do they [the Sacklers] do? They fund a bunch of art wings in museums. There’s no way that’s going to add up.”

Yet to some, philanthropists will still appear an odd target for opprobrium. Aren’t good deeds – even if motivated by self-interest – preferable to pure avarice? “Even if you’ve made the money in a clean way, and you’re giving it away in the wisest ways, it’s still too much power for one person in a democratic society that is committed to people having equal power,” Giridharadas said.

Rather than democratically elected governments determining social priorities, unaccountable billionaires increasingly do so. “You may say Bill Gates is a good guy in philanthropy, which I would say is true relative to some others, but he still violates the democracy principle.”

Somewhat counter-intuitively, *Winners Take All* is adorned with praise from the Microsoft founder: “Thought-provoking... his fresh perspective on solving complex societal problems is admirable.” Giridharadas was surprised by Gates’s response but reflected: “He probably, deep down, knows more than I do about the excesses of power that philanthropy has given him, about how hard it is to change systems... Someone suggested to me that he doesn’t like people who give \$1m to their local charter school, and then go run a horrible hedge fund, and get lumped in with him in the press.”

One of Giridharadas’s most original – and disquieting – observations is that philanthropists paved the way for Donald Trump’s election victory. “By falsely claiming to be bringing change, they left to fester a bunch of social problems that obviously gave Trump a tremendous amount of oxygen... And they actually gave him his playbook: the idea that business people are specially qualified to fix everything.” He is dismayed by the suggestion of some that the Democrats should field Michael Bloomberg or Oprah Winfrey against Trump. “We need to stop turning to sugar daddies and sugar mummies as political saviours.”

On the evening of Theresa May’s historic Brexit defeat in the Commons, Giridharadas watched from the House of Commons public gallery, courtesy of the Conservative MP and former *Financial Times* journalist Jo Johnson.

As our conversation ended, Giridharadas sardonically remarked of the UK: “They’re having a fight about the wall except the wall is the English Channel: half of these people want to turn the English Channel into a wall to keep out their version of the Mexicans.”