

SDG 3

Philanthrocapitalism in global health and nutrition: analysis and implications

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In the name of a pro-poor agenda, venture philanthropists have played an essential role in tailoring a new narrative around global health and food. The productivist and free-market vision that drives the key players in the philanthropic sector has helped shape up a new political culture in these domains that is increasingly skewed toward the commodification and medicalization of both health and food, and their distancing from the domain that they constitutionally belong to: the human rights domain.

Philanthrocapitalism has firmly positioned itself as a way towards re-engineering the governance structure across all levels (from the global to the national) in the health and nutrition domain according to neoliberal thinking and the interest of corporate elites.

It is extremely well equipped to create influential strategies with a profound impact on the building of consent, as the role of the public sector declines.

Particularly at a time when private corporate players, including venture philanthropists, have been directly convened into implementing the 2030 Agenda and its Sustainable Development Goals (SDGs), measures are required more than ever to clarify the rules of the game, and to introduce a more level playing field to the global geopolitical arena.

The boom of the philanthropic sector

Over the last two decades, the philanthropic sector has grown in terms of the number of foundations, the size of their annual giving and the scope of their activities. While detailed information about their total annual spending on international development is not available, the Organisation for Economic Co-operation and Development (OECD) estimates private foundation giving for development purposes of more than US\$ 23.9 billion over 2013-2015, or US\$ 7.8 bil-

lion per year.² Spending concentrates on selected areas, especially health, education and nutrition.

There are currently more than 200,000 foundations in the world. Over 86,000 foundations are registered in the USA, while another estimated 85,000 foundations are based in Western Europe and 35,000 in Eastern Europe.³ The philanthropic sector is also growing in the Global South, with for example, approximately 10,000 foundations in Mexico, nearly 2,000 in China and at least 1,000 in Brazil, largely due to the rapidly increasing number of wealthy individuals in

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² OECD (2018).

³ Foundation Center (2014).

countries in that part of the world.⁴ Most of their activities remain focused on the national level, though, and only a minority are dedicated to global development purposes. The OECD report shows that the sources of philanthropic giving for development purposes are highly concentrated: 81 percent of total philanthropic giving during 2013-2015 came from only 20 foundations. Among them, the largest by far is the Bill & Melinda Gates Foundation.

Debates about the value of private philanthropy often separate the giving of money from the making of it. Philanthropic giving and capitalist accumulation can, however, not be considered separately and the notion that there is no correlation between extreme wealth and extreme poverty has to be challenged. The current booming phenomenon of *philanthrocapitalism*,⁵ far from being a sign of a thriving global economy, is a symptom of a failing economic system that hinges on the excessive influence of big business over government policy-making, the erosion of workers' rights and the relentless corporate drive to maximize returns to shareholders by reducing costs.⁶ From a political perspective, the role of philanthropy has been subject to longstanding criticism, based on the idea that elites use culture and education to preserve class distinctions. Philanthropy, in other words, may be used as a potent tool for social mediation, by preventing or containing radical and structural change.⁷

Growing attention to philanthrocapitalism

Civil society organizations, scientists, and the media have finally started to devote more attention and research to the growing influence of philanthropic

foundations in global development, in particular with regard to the influential actors of philanthrocapitalism, also known as 'venture philanthropy'.⁸ Through their grant-making, personal networking and active advocacy, large global foundations play an overwhelmingly active role in shaping the global development agenda and in setting the funding priorities for international institutions and national governments alike. Questions need to be raised on whether private intervention in the public sphere by such immense accumulations of power and wealth, made possible through facilitated tax regimes, may indeed yield more of a danger than a benefit for democracy and pluralism. Venture philanthropy situates itself at the crossroads of these contradictions.⁹

Criticism of philanthropic foundations and their activities cannot be easily generalized, because private foundations, including venture philanthropies, have considerably changed with time and they differ in their agendas and understanding of global development, in their activities and priorities, in their capacity for political influence. In this diversity, we cannot ignore that some philanthropic actors play a decisive role in supporting initiatives of empowerment of civil society organizations that would otherwise be neglected.

Major areas of concern

Focusing a lens on the philanthropic engagement in the interconnected areas of global health and nutrition, the following trends as major areas of concerns can be summarized:

It is difficult to estimate the influence of the largely unaccountable philanthropic actors in terms of their capacity to influence the strategic and policy orientations of health and agriculture at all levels. Since the turn of the millennium, a new generation of these actors has succeeded in normalizing themselves as aid actors under a development paradigm that focuses on narrowly-defined notions of *effectiveness*,

⁴ UNDP (2012).

⁵ The term 'philanthrocapitalism' was coined in a 2006 article in *The Economist* and has been studied most comprehensively by Matthew Bishop and Michael Green in their book entitled *Philanthrocapitalism: how giving can save the world*. The term describes the way in which new charitable actors – including wealthy individuals and their (family) foundations or corporate foundations – systematically apply business tools and market-based approaches to their charitable activities. See <https://www.economist.com/special-report/2006/02/23/the-birth-of-philanthrocapitalism> and Bishop/Green (2009).

⁶ Oxfam International (2018).

⁷ Utting/Zammit (2006). In this regard, see also Morvaridi (2012).

⁸ See e.g., Martens/Seitz (2015), Birn/Richter (2018), and Curtis (2016).

⁹ Rushton/Williams (2011).

measurement and results-based management.¹⁰ The main elements of the ‘development agenda’ shaped by the leverage capacity of philanthropy’s financial power include:

- the neglect and sometimes rejection of common sense practices in the field of health and nutrition in the name of modernization;
- the insistence on a technical approach as the best solution for poor populations;
- the *therapeutization* model extended to food production (through biofortification, food supplementation, etc.) after its widespread introduction and adoption in global health through the vertical disease control programmes;
- the reframing of questions of ‘access to knowledge’ in the field of life sciences in terms that prioritize corporate *donations* or conditioned concessions of proprietary technology for humanitarian purposes.

The discourse of philanthrocapitalism does not easily come to terms with issues like the social, commercial and environmental determinants of health which, if coherently addressed by governments, would constitute a strategic policy approach for disease prevention and health promotion across the population and disease spectrum. The rhetorical recognition of the need to support small-holder food production for domestic markets is casually embraced by venture philanthropists, except that sometimes it twists like a contortionist when it is translated into the practice of their aid programmes.

Through their preference for public-private partnerships, philanthrocapitalists make the involvement of the private sector a prerequisite for their cooperation with individual governments and international institutions. Philanthropic foundations are not only major funders but also constitute driving forces behind global multi-stakeholder partnerships. These initiatives have not only contributed to redefining

the governance setting in health and nutrition and a weakening of the United Nations and its specialized agencies, notably the World Health Organization (WHO) and Food and Agriculture Organization (FAO), but have also undermined the implementation of integrated development strategies at national level.¹¹

Furthermore, inasmuch as partnerships give all participating actors equal rights, the special political and normative position played by public institutional bodies is sidelined. Multi-stakeholder partnerships implicitly devalue the role of governments, parliaments and intergovernmental decision-making fora, and overvalue the political status of private actors, including transnational corporations, philanthropic foundations and sometimes even wealthy individuals.

This neoliberal design, however, remains attractive to governments and nonprofit actors as a source of funding, and is therefore largely unchallenged, despite the structural dysfunctional features of the unregulated economic paradigm currently in place. By appearing to respond to the urgent need for human dignity through social justice in the economic sphere, venture philanthropy reinforces the discourse in support of unregulated space for the private sector instead of binding rules on corporate activities to make business respect human rights, labour and environmental standards. It also contributes to a scenario of *postdemocracy*,¹² by means of dynamics such as:

- lack of accountability mechanisms;
- institutional hybridization through the public-private partnership (PPP) model;
- continued decline of the public sector and government responsibility for the provision of public goods and services;
- lack of transparency;

¹⁰ Martens/Seitz (2015).

¹¹ Marks (2013).

¹² For more on postdemocracy see Crouch (2004).

- the pretense of a *redistribution of wealth* by the elite, which instead ends up enhancing the asymmetry of power in the health and food domain between people in need and the elite.

The philosophical assumptions of philanthropy – such as Bill Gates’ intriguing notion of “impatient optimism” – are channeled through simple and empathic communication that aims at enticing individual action and a sense of positive empowerment – from donors, participants in the projects, and beneficiaries – that overcomes state failure and market failure. Often subliminally projecting the ‘self-made man/woman’ and corporate success as the inspirational model, the marketing strategies emerging from the institutional communication of several foundations produce an image transfer of international respectability and engagement by individual philanthropists (and their family members) as people who do not just “care for the poor”, but almost want to induce positive transformation in the lives of human beings. This image is deliberately built through:

- cooptation of key and influential champions from the global South;
- constant intelligence gathering about social dynamic and business opportunities;
- the ‘poverty agenda’ as a brand for global influence peddling;
- educational and leadership programmes designed to accommodate the culture and the structures set in place through the public-private partnership model;
- funding support to think tanks and media outlets, including training courses for science and not-for-profit journalists in developing countries.¹³

The functional confusion produced by the multi-stakeholder paradigm, and the organizational experiments which engage the different stakeholders, are essential tools to redefine issues and reframe

tensions so as to remove potential conflict due to political considerations (e.g., ‘access to technology’ is reframed as ‘valorizing corporate donors of proprietary technologies’). The consequences to be seen in this progressive shift are:

- the de-politization of important concepts around the right to health and the right to food (as a governments responsibilities);
- piecemeal technical solutions proposed as recipes to overshadow or replace proven policies that operate in a systemic approach (health promotion and disease prevention alongside health system strengthening, social and environmental determinants, fiscal regimes, etc.);
- the unshakeable belief in technology to shift attention from deeper and long-term political solutions;
- the ‘measurement of results’ according to a mere business model applied in health and food policies;
- the cherry-picking of health priorities and nutrition approaches according to measurable impact and potential private interests;
- the ideological fostering of privatization and the diversion of public money (at global and national level) to this end.

Conclusion

Following are some recommendations to UN Member States and international institutions, including UN entities:

1. Undertaking independent assessments of cooperation with philanthropists at national and international level, looking at cost/benefit analysis, sustainability criteria, conflict of interest clauses, long-term impacts on the political chain of responsibility and the institutional set-up;
2. Designing appropriate fiscal policies aimed at raising income and fair wealth distribution;

¹³ Bunce (2016).

3. Devising regulations for interaction with private actors, including philanthropic foundations at the UN, *inter alia* in the FAO and WHO, that contain strong conflict of interest rules, and revolving door legislations;

4. Identifying measures that can progressively bind Member States to contributing financially to common goods delivery in health and food policy-making, using the leverage of sustainable policies that are socially and environmentally compatible with human rights.

Particularly at a time when the private corporate players, including venture philanthropists, have been directly convened into efforts to achieve the 2030 Agenda and its Sustainable Development Goals, measures are required more than ever to clarify the rules of the game, and to introduce a more level playing field in the global geopolitical arena.

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