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Will philanthropy save us all? Rethinking urban philanthropy in a time of crisis

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ABSTRACT

In the wake of the COVID-19 pandemic, philanthropy has been quick to react to the call for help from Governments and International Organisations. And yet, despite the overwhelming response, increasing attention has been brought to the intricate ways in which philanthropists and billionaires have been asserting their presence through their actions and influence in different spheres of power. In this commentary, I challenge the idea that philanthropy can be the solution to all of our problems, and highlight some of the problematic issues that emerge when philanthropy is put at the forefront of the discussion. Also, I point out to other elements that have been left out, including the wave of collective solidarity that has been channelled through mutual aid groups and organisations.

1. Introduction

In the wake of the COVID-19 pandemic, billionaires, celebrities and philanthropy at large were quick to react, organising local and international campaigns to mobilise funds and put the spotlight on a global health issue that, as we would only come to realize much later, most governments outside Asia were too slow to react to: from the initial $125 million donated by the Bill and Melinda Gates Foundation, to the $14.5 million by Jack Ma -former CEO and founder of e-commerce portal Ali Baba- to the $1 billion pledged by Twitter CEO and cofounder Jack Dorsey, the list of donations, pledges and commitments made by the super-rich read almost like Forbes’ Top 25 billionaires list. And even those who donated “smaller amounts”, like the initial $100 million pledged by Amazon founder Jeff Bezos – an estimated 0.1% of his $143bn wealth- were equally called out for giving too little (Neate, 2020).

While many of these donations were aimed at medical research and international organisations, such as the World Health Organization (WHO), a large part of the funds and initiatives also focused on cities. This should not come as a surprise, as it is precisely in (some) urban centres where the pandemic had its worse effects: from Madrid to London to New York, local and national governments were overwhelmed by the rapid propagation of the virus and the soon-to-follow catastrophic economic impact.1

And yet, despite the praise the philanthropy world has received for its response to the crisis over the past several months by many media outlets, increasing attention has been brought to the intricate ways in which philanthropists and billionaires have been asserting their presence and influence in the current reality and the post-COVID world that will come out of the crisis (Gold and Robinson, 2020; Teachout and Garofalo, 2020).

For the past couple of decades, geographers and urban scholars have increasingly been paying attention the role of the “super-rich” in society. As Jonathan Beaverstock et al. (2004) argued in this journal in the early 2000s, “geographers seem to have little to say about the contemporary super-rich, despite their evidential role in shaping the global economy” (2004, 402). Ever since, geographers and urban scholars have been looking in more detail at the role of the super-wealthy across a wide range of geographic viewpoints (see, for example, the volumes edited by Hay, 2013; Hay and Beaverstock, 2016).

One of the aspects that has received less attention by scholars are the geographies of “super-philanthropy” and, in particular, the wave of...
multi-billion donations made by High Net Worth Individuals (HNWI) to
different pressing issues, from health to education or the arts (but see
Hay and Muller, 2014). Although by no means philanthropy and charity
is something new, as I will cover in more detail below, the vast amount
of giving at the present moment does represent a turning point in what
has been referred to as the new “Golden Age” of philanthropy
(Dobrzynski, 2007).

In the case of the COVID-19 pandemic, while it would be hard to
deny that philanthropy has supported or, at times, filled in a vacuum
left by local (and even) national governments -providing resources and
funds to cities and community-based organizations- often times the
ways in which such engagements and partnerships have been articu-
lated has raised a number of questions on the role of philanthropy in
urban governance (Sandler, 2020; Teachout and Garofalo, 2020).

In this brief commentary I want to address some of the conflicting
arguments around the implications of working with philanthropic in-
nstitutions or HNWI, particularly at a time when the urgency of the
COVID-19 situation has often pushed aside public scrutiny or ac-
countability. In this sense, the following points about the role of phi-
lanthropy in the wake of the current crisis are worth bearing in mind.

2. Philanthrocapitalism: Really, really nothing new

First coined by The Economist in the early 2000s to describe the
“new entrepreneurial approach” used by individuals seeking to obtain
“social returns” through strategic investments in aid programs (The
Economist, 2006; Bishop & Green, 2010), philanthrocapitalism as a
concept (and all that entails) needs to be questioned as much as ever.
Despite all the hype and attention the term has gathered for the past
couple of decades, there is nothing really new about the “novel” tools
used by philanthrocapitalism per se: as British sociologist Linsey McGoey
has argued, the idea of social return or measurable results was already
at the core of modern 19th and 20th century philanthropy practised by
John D. Rockefeller III, Andrew Carnegie and many others (McGoey,
2012).

The actual point of departure, as McGoey points out, lies in the vast
sums of money spent on philanthropic endeavours (McGoey, 2012;
2014; Levenson Kehoane, 2008). In the United States alone, over the
past 40 years charitable giving increased from $150 billion per year to
over $427 billion in 2018 (Schwartz Greco, 2020). Far from being a
Western phenomenon, philanthropy is also present and equally growing
in many other places.

The second main characteristic about the “new philanthropy” is the
explicit way in which the “opportunities for private gain” have been
brought forward by those behind major philanthropic investments
(McGoey, 2012, 194). While in the past, the motives for those em-
barked in philanthropy may have remained in the background, today
self-interest and personal agendas are being touted as one of motiva-
tions by those who decide to invest in philanthropy.

Another problematic idea that needs to be addressed is the as-
sumption that philanthropy “is something everyone can do” and not an
endeavour limited to an exclusive club of wealthy individuals
(Schwartz Greco, 2020, unpaginated). This assertion that has been re-
peated over and over in recent months by professionals from the phi-
lanthropy world, together with the seemingly unequivocal assumption of
the collective value of philanthropy for society, especially in times of
crisis (Sullivan, 2020; Tarasov, 2020). For example, in a guest con-
tribution in Inside Philanthropy a Director at Rockefeller Philanthropy
Advisors made the following remarks,

Philanthropy is criticized for being the preserve of the ultra-wealthy
and for giving private individuals or organizations an outsized in-
fluence in defining what constitutes a public good and the best ways
to deliver it. These arguments question philanthropy’s social com-
 pact, which is an explicit or implicit agreement with key stakeholders
about the value it creates in society. Social compact also encompasses
the concepts of public trust and legitimacy, as well as how philan-
thropy approaches the transparency and accountability that un-
derpin its legitimacy (Tarasov, 2020, unpaginated; my emphasis)

I would argue that it is precisely this “social compact” that needs to
be questioned and even challenged in the first place, and consider
whether philanthropy is not actually contributing to the current status
quo. As McGoey (2012) has bluntly argued, “Perceptions of the indis-
ispensability of philanthropic initiatives are strengthened as a direct re-
sult of their very inability to meet stated objectives. The solution to
failed philanthropy is more of it; the failure of philanthropy is its suc-
cess” (2012, 195–196).

Along this same argument -and although beyond the scope of this paper-
it is necessary to point out to the increasing body of literature that in
recent years has been questioning one of the founding myths behind
philanthropy, this is, that it leads to a re-distribution of wealth,
with the evidence pointing rather in the opposite direction (see Reich,
2005; McGoey, 2012; Hay and Muller, 2014).

Also, and contrary to the argument that philanthropy is something
anyone can contribute to, it is interesting to note that, while total
philanthropic spending has increased for the past several decades, in
the case of the United States, for example, the actual number of people
giving to charity has declined in recent years (Schwartz Greco, 2020).

Philanthropy is also a volatile sector and equally vulnerable to
economic crises, despite the headlines made by multi-million donations
in recent months. During the 2008 economic crisis, for example,
charitable donations in the United States declined by 7.2% in 2008, and
an additional 8% in 2009 (Rooney and Bergdoll, 2020). As such, we will
need to be mindful that despite the large sums that millionaires have
put on the table for the COVID-19 epidemic, a continued and sustained
effort will be needed in order to support those groups, charities and
programs that depend on philanthropic investments or, perhaps, re-
think what kind of relationship does society and cities want have with
the super-rich going forward (more on this later).

For, the same way that wealth keeps concentrating on those at the
very top, super-philanthropy has become a by-product of such wealth
accumulation. There are some obvious implications, namely, that
philanthropy risks turning into an investment (and marketing) tool for a
select club of billionaires and benefactors who, at the end of the day,
will get to decide and influence a wide range of issues ranging from
education, to climate change to reproductive health issues or event city
planning.

3. Conflation between mutual aid and philanthropy

From the beginning of the crisis we have seen a different form of
collective action emerge from society and regular citizens: from doctors
and nurses producing home videos of how to make their own PPEs from
trash bags and cling film, to soup kitchens and food banks run by
neighbourhood associations and community groups, a wide display of
generosity and shared solidarity has taken shape across cities in the US,
the UK or Spain, very different from the large and mediated fund-
raising campaigns organized by celebrities and the like (Solnit, 2020;
Tolentino, 2020).

All these initiatives have relied on the common principle of “mutual

2 It is worth noting that as the world heads to an economic recession of un-
knows proportions, the net worth of those at the very top has continued to grow
at a steady pace: as Forbes recently reported, by the end of May 2020 the top 25
billionaires were worth $255 billion more than when the U.S. stock market hit
a mid-pandemic low on March 23”, including the owners of Facebook (Mark
Zuckerberg) and Amazon (Jeff Bezos), whose shares have gone up 60% and
29% respectively in this lapse of time. To put this in context, in the 2-month
period from March 23 through May 23, Jezz Bezos’ net worth increased by 23%,
this is, $30 billion. As of today Bezos’s estimated total net worth is $143 billion
(Ponciano, 2020).
aid”, a concept first developed as a political idea by the Russian philosopher Peter Kropotkin in the early 20th century, but which in recent times has been used to describe the shared form of solidarity bringing people together, especially during hard times. Speaking within the context of the COVID-19 crisis, American writer Rebecca Solnit recently explained the way in which the terms has evolved and being embraced by a broader spectrum of society,

A dozen years ago, the term “mutual aid” was, as far as I can tell, used mostly by anarchists and scholars. Somehow it has migrated into general usage in recent years and now, in the midst of the pandemic, it is everywhere. Mutual aid has generally meant aid offered in a spirit of solidarity and reciprocity, often coming from within struggling communities, empowering those aided, and with an eye towards liberation and social change (Solnit, 2020, unpaginated).

Solnit is one of the authors who has written more extensively about the idea of mutual aid and shared solidarity in the wake of disasters: in A Paradise built in Hell (2010), she provides with a detailed account of multiple instances when such shared solidarity has taken shape: from the 1755 Lisbon earthquake to the 2005 hurricane Katrina in New Orleans, almost every time a natural (or man-made) disaster has struck, people have managed to come together and support each other through collective action driven by a shared sense of responsibility.

And yet, somehow, the stories of people’s generosity, resilience, and creativity in the wake of the current pandemic have gotten somewhat muddled or thrown into the same bag as philanthropy. While there is no denying of the influence and the “star-effect” of celebrities and High Net Worth Individuals to fund raise, it is very important that we differentiate between these headline-making campaigns from the regular, every day actions of anonymous individuals, and their power to organise and reach out to one another, whether that be doctors, nurses or workers in the food industry. It is necessary that we make this distinction for, as obvious as it may seem, over the past few months we have been hearing again and again that “philanthropy can bring people together” through “individual acts of kindness” (Maurrasse, 2020, unpaginated).

I would argue, however, these “act of kindness” are not philanthropic actions but mutual aid at its core, specially seeing the context in which all these groups and collective efforts emerged from: it is important to note that, from its origins, the idea of mutual aid included an element of protest and rebellion, and that is something that should be taken into consideration when looking at the differences between philanthropy (and charitable giving) and collective action. As Jia Tolentino points out, “both mutual aid and charity address the effects of inequality, but mutual aid is aimed at root causes—at the structures that created inequality in the first place” (2020, unpaginated). In many ways if should not come as a surprise that many of the stories about mutual aid and support networks have come from the United States, for all these networks and examples of altruism and generosity also speak out to the systemic failure of a system that has left those most in need behind. I will be returning to this idea in my conclusion.

As such, we need to be vigilant that mutual aid is not conflated with philanthropy for, at their core, they speak to different causes and, equally important, they seek to solve a different set of problems.

4. Instrumentalizing philanthropy for urban governance

The exceptional situation caused by the COVID-19 crisis has led to a decline of public scrutiny and accountability of decision makers, including local governments. Cities, local and national governments seemed to have surrendered to (private) philanthropy in order to implement measures, without any form of public consultation: New York State Governor Andrew Cuomo announcement in mid-May to form a new partnership with the Gates Foundation to “reimagine education” -challenging “the old model of everybody goes and sits in the classroom” - caused great unease and controversy in the education sector over the use of technology, privacy and resources in an already underfunded school system, especially in the wake of previous failed projects endorsed by the Gates Foundation in NY State (Strauss, 2020; Teachout and Garofalo, 2020). Equally, Cuomo’s decision to enlist former Google CEO Eric Schmidt to head a commission to “reimagine New York” post-COVID was met with great scepticism by local officials who regarded with scepticism the role of wealthy private individuals in what should be a public decision process (Sandler, 2020).

In the case of Madrid, the President of the Region Isabel Díaz Ayuso underwent much criticism when she unilaterally chose three fast-food chains to deliver school meals to children from low income families during the COVID-19 lockdown imposed by the Spanish Government. Despite being questioned by health experts, opposition parties and families for what was seen as an unhealthy and cost-saving measure, Díaz Ayuso argued that the urgency of the situation gave her no choice. Eventually, after almost two months of feeding hamburgers and pizzas to the kids, the president gave in to the complaints and decided to cancel the deal with the fast-food providers (Ferrero, 2020).

Citing the urgency of the situation, measures like this have been adopted or passed by local (and national) governments in many countries around the world, often cases in the form philanthropic engagements. When recently discussing the role of philanthropy in the COVID-19 crisis, New Yorker former mayor and billionaire Mike Bloomberg argued that “philanthropy can’t replace the efforts of national governments on a challenge as massive as the coronavirus pandemic (…), but it can support and augment those efforts, and help fill in gaps, and that’s what we’re doing” (Sullivan, 2020, unpaginated). Yet it is precisely those gaps we need to be more vigilant about.

5. Conclusion

Looking ahead, it is hard not to cast a sombre outlook of the world that is yet to come. At the risk of being overly provocative, I would like to return briefly to philanthropy’s so-called “social compact”, and the (increasingly challenged) notion that philanthropy creates value in society. Although this is not a new debate, we should take issue way in which philanthropy as something universally good is being repeated again and again like some sort of mantra. I find very problematic the way in which philanthropic institutions, or the individuals that represent them, argue that philanthropy will solve humanity’s problems when, for over two centuries, we have seen those problem persist or being exacerbated. Also, at stake here is the way in which, in many cases, the story has become about philanthropy, and not about the structural issues it seeks to address. As Hay and Muller have argued, perhaps it is time we ask ourselves about “the extent to which super-philanthropy is diverting attention and resources away from the failings of contemporary manifestations of capitalism” (Hay and Muller, 2014, 649).

It is perhaps no surprise then that mutual aid has emerged with such intensity in the United States and other parts of the world, not only as a response to a tragic health, social and economic disaster but also in the wake of the failure of National Governments and society as a whole to react and act upon underlying structural problems that have persisted for generations.

As we are all aware of, the recent demonstrations and protests that have shaken the United States in the wake of George Floyd’s murder at the end of May 2020 speak not only to police brutality but to decades of structural racism, inequalities and injustices sweeping American cities (and many other places) for the past several decades.

In a recent online segment, Comedy Central Daily Show host Trevor Noah made a very poignant analysis about the wave of unrest and urban violence taking place across the United States. As Noah argues, once the social contract that binds us together as a society has been broken and violated by those same individuals whose job is “to serve and protect” us, what stops us from breaking that contract? As Noah expresses it,
When you see George Floyd on the ground, and you see a man losing his life in a way no person should have to lose their life -at the hands of someone who is supposed to enforce the law- what part of the contract is that? And a lot of people say, ‘Well, what good does this do?’ Yeah, but what good doesn’t it do? That’s the question people don’t ask the other way around. ‘What good does it do to loot Target? How does it help you to loot Target?’ Yes, but how does it help you to not loot Target? (Noah, 2020, min. 10-11).

It is in this context that we need to ask ourselves not only what we ought to expect, but also what we should expect from those in positions of government, power or influence. And this includes as well philanthropic organizations, and the individuals who run them and fund them.

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