

Philanthrocapitalism and Global Health

To appear in *Global Health and Global Health Ethics*, ed. Gillian Brock and Solomon Benatar (OUP).

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Abstract. This chapter examines the ethics of philanthrocapitalism, especially concerning its operation in the domain of global health. Philanthrocapitalism involves individuals who have become massively wealthy in capitalist systems applying the very same skills and techniques that they used to create their wealth to the project of giving their fortunes away. Philanthrocapitalism has become a vital topic in global health above all because of the Bill & Melinda Gates Foundation (BMGF), which through the sheer scale of its grant-giving holds more influence over the direction of global health policy than any actor other than the United States. Philanthropy on the scale of BMGF is possible only in circumstances of extreme wealth inequality, and so any celebration of the good done by BMGF needs to be tempered by a sober assessment of the justice of a system that allows such extreme wealth accumulation. The chapter examines whether giving by the super-wealthy should be thought of as a duty, or a matter of discretion, and the extent to which givers are required to choose causes that maximise the good done. It concludes with an ethical analysis of the effects of BMGF on global health, examining both BMGF's effects on global health governance and its gradual broadening of focus from technocratic isolationism toward international consensus building, and an increasing focus on women's empowerment.

Keywords: philanthrocapitalism, effective altruism, Gates Foundation, philanthropy, global health governance, Bill Gates, Melinda Gates, Bloomberg, accountability, inequality, World Health Organization.

1. Introduction

Philanthropy is usually taken to involve private individuals donating their resources—whether time, or money or property—voluntarily for the public good. (Payton 1988) Philanthropy has a history that stretches back thousands of years, but both the scale and the manner of philanthropic giving have changed significantly since the turn of the millennium. CNN founder Ted Turner's 1997 decision to donate \$1 billion to the United Nations, and his widely publicised criticisms of other billionaires for not doing more, are often thought to have incited changes that led to Bill Gates and others committing to massive programmes of giving to promote global health. (Callahan 2017)

The term 'philanthrocapitalism', was coined by Bishop (2006) drawing attention to significant new departure beyond the sheer increased scale of philanthropic giving, namely that individuals who had become massively wealthy in capitalist systems were now applying the very same skills and techniques that they used to create their wealth to the project of giving their fortunes away. The spirit of philanthrocapitalism, Bishop and Green argued, is 'successful entrepreneurs trying to solve big social problems because they believe they can, and because they believe they should'. (2008, 30)

The Bill & Melinda Gates Foundation (BMGF) is emblematic of philanthrocapitalism, and given the sheer scale of its influence in global health, the Foundation will be a central focus of this chapter. BMGF was launched in 2000 from a merger of several other Gates run foundations, and funds projects in global health and global development as well as public education in the US. In 2006 Bill Gates announced he would transition out of his day-to-day role at Microsoft to concentrate on BMGF. Up to the end of 2017, Bill and Melinda Gates had donated \$35.8 billion to the Bill & Melinda Gates Trust (BMGT).¹ Their friend, the investor Warren Buffett has also contributed over \$30 billion to BMGT

¹ Owing to a series of canny investments, the Gates's private wealth continued to increase despite this largesse, with Bill Gates being rated as either the wealthiest or second wealthiest person in the world for 18 of the last 19 years, and with a net worth of \$96.5 billion at the time of writing. (Forbes.com 2019)

since 2006. BMGT manages investments to return a profit, and transfers proceeds to BMGF. By the end of 2017, BMGT had \$50.7 billion in assets. BMGF distributed \$4.7 billion in grants in 2017, of which \$3 billion was devoted to global health and global development. By the end of 2017, BMGF had distributed \$45.5 billion in total. (Bill & Melinda Gates Foundation 2019)

Bill and Melinda Gates combined with Warren Buffett in 2010 to launch the Giving Pledge. The organisation encourages billionaires worldwide to ‘publicly dedicate the majority of their wealth to philanthropy’, and thereby to ‘help shift the social norms of philanthropy toward giving more, giving sooner, and giving smarter.’ (The Giving Pledge 2019) The organisation also runs an influential yearly conference for billionaires to discuss how best to give. By 2019, 204 billionaires had publicly signed up to the pledge. (The Giving Pledge 2019; Callahan 2017, 19–28)

Other notable philanthrocapitalist projects set up by some of the world’s wealthiest individuals, each of whom are also signatories to the Giving Pledge, include the Chan Zuckerberg Initiative (founded by Facebook founder Mark Zuckerberg and his wife Priscilla Chan, which focuses on science, education and opportunity for all); the Jack Ma Foundation (set up by Jack Ma, the founder of the Alibaba, to focus on education in rural China); and Bloomberg Philanthropies (set up by Michael Bloomberg, and which among other interests has concentrated on global health and U.S. public health).

Bishop and Green (2008) argue that the core feature that distinguishes philanthrocapitalism from earlier forms of philanthropy is the role of leverage. Philanthrocapitalists seek to use their foundations to leverage resources that are much larger than their initial donation from either the public sector or from other private individuals, in order to maximise the effectiveness of their giving. This contrasts with more passive approaches to philanthropy, in which wealthy foundations give grants towards specified goals, but without any special attempt to enlist other resource holders to their cause.²

Philanthrocapitalists are in a vastly stronger position to leverage funds and to change the direction of public policy than other actors. First, and most obviously the sheer fact of their enormous wealth—especially when combined with global fame as the public face of one the wealthiest and most powerful corporations on the planet—gives them a depth of networks and influence among other social and political elites. Because of this potential for outsize influence, Bishop and Green (2015) describe philanthrocapitalists as hyperagents, and it is this feature that is central to their optimistic vision of the potentially transformative effects of philanthrocapitalists:

they do not face elections every few years, like politicians, or suffer the tyranny of shareholder demands for ever-increasing quarterly profits, like CEOs of most public companies. Nor do they have to devote vast amounts of time and resources to raising money, like most heads of NGOs. That frees them to think long-term, to go against conventional wisdom, to take up ideas too risky for government, to deploy substantial resources quickly when the situation demands it—above all, to try something new. (Bishop and Green 2008, 12)

Thus, Bishop and Green’s basic case for philanthrocapitalism is that people who are extremely wealthy, powerful and well-connected will use their power and contacts to leverage far greater resources from elsewhere in order to maximise the success of their goals.

It is important to notice that the very features that Bishop and Green celebrate—the philanthrocapitalist’s unusual skill in leveraging resources, and their lack of accountability to others—is precisely what many others find objectionable. To say that some have an oversized ability to influence the way that broader societal decisions are made implies by the same token to imply that the vast majority have far less power.

² Considered in this way, there are strong continuities between philanthrocapitalism and the kind of philanthropy practised in the early twentieth century by Andrew Carnegie and by the Rockefeller Foundation. For example, Carnegie’s library building programme would pay for a library for a community only on the condition that the local authorities would pay for staffing and upkeep in perpetuity. Birn and Richter (2018) argue that there are striking parallels between the mode of operation of BMGF, and the Rockefeller Foundation which was active at the beginnings of international health, but argue that BMGF if anything is even less accountable than the Rockefeller Foundation was.

It is useful to distinguish the two elements of *outsized influence* and *leveraging of public resources*. Where there is outsized influence without a significant leveraging of public resources, then what the philanthropist does will be in addition to what the state does. This may well allow them to take risks, such as paying for basic research that could lead to a new vaccine, which could pay off handsomely but would be too speculative for the state to support. Where this is the case, then the philanthrocapitalist's funding may bring significant additional value. However, if the philanthrocapitalist's plans involve extensive leveraging of public resources, then their plans will be in competition with other uses of public resources. The opportunity cost of the success of philanthrocapitalist's leverage will be the sidelining of some other policies.

If the philanthrocapitalist's goals are well-chosen, and coincide with those that would have been chosen by citizens through a well-ordered deliberative process, then this unaccountable leveraging of public resources might seem relatively benign. But it is important not to forget that the philanthrocapitalist's goals could also be rather distant from those that most citizens would support. For example, there are a significant number of billionaires, and a large network of foundations that are supported by them, which purport to be philanthropic while acting to undermine goals such as Universal Health Coverage, and reductions in carbon emissions. (Mayer 2016; Callahan 2017) To the extent that public resources are diverted towards goals that are distant from those that would be chosen through a well-functioning deliberative process, this is deeply ethically problematic. In such a case, the deployment of over-sized networks of power and influence to steer public choices could be described as co-option or institutional capture—and arguably corruption. (Beetham 2015)

Philanthropy on the kind of scale pursued by BMGF is possible only in circumstances of extreme global wealth inequality. By 2017, the wealthiest 1% of individuals globally owned 33% of global wealth—up from 28% in 1980. The poorest 50% of the global population owned 'almost no wealth' with its share of the global total remaining fixed at around 2% over this period. (Alvaredo et al. 2018, 200) Even focusing on the larger group of the bottom 75%, this group owned only around 10% of global wealth during this period. (Alvaredo et al. 2018, 200) Wealth inequalities are even more eye-watering at the level of those rich enough to sign the Giving Pledge. The charity Oxfam estimated that as of 2019, the richest 26 people on the planet had the same wealth as the poorest 3.8 billion. (Oxfam International 2019) This inequality has also accelerated rapidly: in 2010 it would have taken the combined wealth of the richest 388 to have the same as the poorest 50%. It is sobering to reflect that a single individual such as Bill Gates or Warren Buffett has more than the combined wealth of over a hundred million of the world's poorest people.

In thinking about the ethical challenges posed by extreme wealth, it is helpful to distinguish between injustices in the way that fortunes are amassed, and injustices that arise from extreme inequalities in wealth regardless of how these inequalities were amassed. In a classic thought experiment Nozick (1974, 161–2) imagines how a sports star such as the then-famous basketball player Wilt Chamberlain could, through a combination of talent and sheer hard work, come to extreme wealth as a result of a series of voluntary transactions of those who wished to pay to see him play.

Nozick assumes that any distribution of wealth that arises from an initially just starting point, and which proceeds by just steps will itself be just. However, as Cohen (1995, Chapter 1) argues, there are a reasons for thinking that inequalities can be ethically objectionable, even if those who become wealthy have played according to the rules in obtaining and their wealth. Centrally objectionable features of unequal societies include inequalities in power, social status, and abilities to exercise political liberties. A just society will require at least a reasonable degree of equality of power and wealth between citizens.

While the causes of the rise in global inequality are complex, and the comments made here can only be programmatic, there are strong reasons to think that the sharp rise in inequality, and the correlative rise in the numbers of individuals who are wealthy enough to do philanthropy on a grand scale are explained by institutional changes to the global economy rather than features for which individual members of the super-rich could plausibly take credit. This will be significant if, as Scanlon argues, wealth inequality 'is objectionable, and unfair, when the institutional mechanisms generating it cannot be justified in the right way.' (2018, 138)

During the period of the Bretton Woods system (1945–1971), there were stringent capital controls in the world's major economies, which severely restricted capital flows across borders. For example, in

1963 the top marginal rate of income tax was 91% in the U.S. and 89% in the UK. The decline of the Bretton Woods system saw an end to capital controls, and in the wake of this came international tax competition—and a growing belief amongst policy-makers that income and corporation taxes needed to be reduced in order to avoid capital flight. By 1989, the top marginal rate of income tax had fallen to 28% in the U.S. and 40% in the UK, before rising slightly to 35% (US) and 45% (UK) at the time of writing. Rates of corporation tax also declined sharply during the same time period. (See Piketty 2014 for data and analysis.) The decline of capital controls also made possible aggressive tax avoidance through tax havens and the use of complex international ownership regimes, which have allowed the super-rich to further reduce their tax liabilities.

During the same time period, the global economy transitioned from one in which the predominant sources of wealth was physical goods, to one in which the predominant source of wealth is intangible goods such as intellectual property, brands and media platforms. Markets for intangible goods exhibit features such as network effects, high up-front costs but low marginal costs, and customers getting used to particular services and products, which together make for what Arthur (1989) describes as an economy of increasing returns—namely, one in which companies that get ahead will tend to increase their lead. Where there are increasing returns, there are significant path dependencies, and markets will tend towards monopoly or at best oligopoly without firm governance. Oligopolistic and monopolistic markets generate excess profits for producers at the expense of consumers: this is why anti trust and competition law exists. Though the details of the cases are beyond the scope of this article, it is important to note that Microsoft was judged guilty of anticompetitive practices in major cases in the U.S. (*United States v. Microsoft Corporation*, 253 F.3d 34 (D.C. Cir. 2001)), and the EU (*Microsoft Corp. v Commission of the European Communities T-201/04*). Thus, a proportion of the wealth now being funnelled into BMGF arose as a result of attempts to unlawfully stifle competition.

To say the least, the sheer scale of inequality and the nature of the institutional mechanisms have exacerbated it complicate and render controversial the work of large scale philanthropists—with some commentators choosing to focus solely on the good done by foundations, while others are more inclined to assess the apparent benevolence in the context of what they judge to be the systemically unjust system that allowed the accumulation of wealth and power in the first place. This can at times give debates within the area a polarised feel, which one prominent writer described as a feeling of being ‘whiplashed between hope and fear.’ (Callahan 2017)

2. Duty, supererogation and the ends of charitable giving

Common-sense morality distinguishes between obligatory actions (those that there is a duty to do), permissible actions (those that an agent may or may not do as she chooses), and impermissible actions (those that an agent has a duty not to do). Supererogatory actions are actions that are good or praiseworthy for an agent to perform, but where doing so is permissible rather than obligatory. Acts of heroism are usually taken to be paradigm cases of such acts.

Large scale philanthropy by the ultra rich is often addressed as if it were a matter of supererogation, rather than duty. For example, Bill Gates is commonly praised for being generous in making such large donations to BMGT.³ The view of large scale philanthropy as supererogation presupposes something like the following picture. So long as any legally required taxation has been paid, then the residual money belongs to the philanthropist and it is his or her right to decide how to spend it. It is morally permissible for an ultra rich person to spend their money on whatever they choose; if they prefer to spend it on conspicuous consumption—private jets and Fabergé eggs, say—no one is entitled to require them to do otherwise.

Acceptance of this worldview would explain why large scale philanthropy is thought to be morally praiseworthy, in that the philanthropist is doing much more to help others than their duty would require. It would also explain why philanthropy by the ultra rich is usually thought praiseworthy, even when it produces a lot less good than other things that the philanthropist could have done with the same

³ Those who sign the Giving Pledge often explain their choices in terms of the ability to make an impact or other broader values (Sadeh, Tonin, and Vlassopoulos 2017) but it is also clear that they tend to interpret any relevant duties as imperfect ones that allow them significant leeway in determining how and when to give.

sum.⁴ Framing philanthropy as optional but praiseworthy might also go some way toward explaining the advantageous tax arrangements that accompany philanthropy in many countries—with tax relief on donations by philanthropists to charitable foundations, and philanthropic foundations being tax exempt—a set of tax subsidies that cost the U.S. Treasury at least \$50 billion per year.⁵ (Reich 2018, 9)

The picture of philanthropy as supererogation—and hence as something that should be praised, and in addition incentivised through the taxation system—can be challenged in various ways. The first is by reflecting more deeply on the fact of very large inequalities in wealth and power, and how this should lead us to frame the fact of extraordinary wealth. Perhaps, rather than thinking of great wealth merely as providing opportunities for the ultra-rich to benefit others, it would be better to think of such wealth as wronging or actively harming the other 99.99% through the ways that great wealth undermines the central value of social equality. (Robeyns 2016) The circumstances that allow the philanthrocapitalist to function so effectively may be judged seriously unjust, even if the philanthrocapitalist uses their power and resources in a way that brings significant health benefits to many who are badly off. Second, and separate from the idea that massive wealth by itself wrongs, it could be questioned whether there is an ethical entitlement to keep hold of massive amounts of surplus resources in the first place when many are in dire and urgent need. If either of these ethical arguments are correct it would entail that it is *not* permissible for the ultra rich to hang onto the majority of their riches; it would also (as we shall discuss further below) have implications for who should decide how the riches that are devoted to philanthropy should be used.

The ethically questionable nature of extreme wealth means that there are two levels at which the ethics of large scale philanthropy could be discussed. First, philanthrocapitalism could be examined at the level of ideal theory, in which a world with the high levels of inequality necessary for large-scale philanthropy to be possible is compared against a rather more equal world in which there is little need for philanthropy. To the extent that the unequal world which contains effective philanthropy is more unjust than a less unequal world in which no one individual has a private wealth greater than the combined wealth of millions, then perhaps the best that could be said for philanthropy is that it is ‘commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary.’ (King 2010, 25)

Second, philanthrocapitalism could be examined through the lens of a real world approach to philosophy: given that there are individuals who are extremely wealthy (even if in a just world no one would be that wealthy), what are the ethical principles by which these individuals should approach spending their resources, and to what extent should global health be a key priority for them? I shall address philanthrocapitalism at the level of ideal theory in the next section, before moving on to it as a real-world approach in subsequent sections.

3. Philanthrocapitalism and ideal theory: Carnegie and the ‘Gospel of Wealth’

In his famous essay ‘The Gospel of Wealth’ Andrew Carnegie (1889), the ultra wealthy steel magnate and philanthropist, provides an early and ambitious defence of great wealth inequality as a necessary component of philanthropy at scale. He argues for four main propositions. First, that the existing economic system which gives rise to massive inequalities should continue, because it is an engine of growth. Second, that those who become wealthy should give away most of their fortunes within their

⁴ While some signatories of the Giving Pledge are active in global health and take great pains to use their resources effectively, many do little for the worst off and may if anything widen structural inequalities, for example donating heavily to whichever of the world’s wealthiest universities they studied at, or funding extravagant schemes such as the \$250 million given by Barry Diller and Diane von Furstenberg to build Pier 55, a new floating 2.4 acre park in Manhattan. (Kilgannon 2018)

⁵ While philanthropists have standardly set up not for profit foundations to take advantage of the improved tax status, doing so comes with a set of requirements (different from county to county) about financial reporting, and disbursal of funds. A recent trend—which received much publicity when the Chan Zuckerberg Initiative took up this option—has been for philanthropists to set up Limited Liability Companies (LLCs) rather than foundations, in order to reduce their public accountability. For a detailed analysis of how LLCs are likely to exacerbate some of the problems that philanthrocapitalism creates, see Amarante (2018).

own lifetimes: ‘The man who dies thus rich dies disgraced.’ Third, that it is much better for society if a few rich people distribute their resources philanthropically, than it would have been if the money had been redistributed through the taxation system:

Under its [i.e. philanthropy’s] sway we shall have an ideal state, in which the surplus wealth of the few will become, in the best sense, the property of the many, because administered for the common good; and this wealth, passing through the hands of the few, can be made a much more potent force for the elevation of our race than if it had been distributed in small sums to the people themselves. (Carnegie 1889)

Fourth, the objects of the philanthropist’s munificence should not be the worst off, but those who are industrious and upwardly mobile:

It is not the irreclaimably destitute, shiftless, and worthless that it is truly beneficial or truly benevolent to attempt to reach and improve. For these there exists the refuge provided by the city or the state, where they can be sheltered, fed, clothed, and kept in comfortable existence, and—most important of all where they can be isolated from the well doing and industrious poor, who are liable to be demoralized by contact with these unfortunates. (Carnegie 1889)

It seems unlikely that any aspiring philanthrocapitalist today would make such an argument so baldly and unreflexively—but the very tendentiousness of Carnegie’s claims are useful in drawing out some of the key ethical challenges that would have to be met by any attempt to defend the combination of large scale inequality and large scale philanthropy as an ideal, over the alternative of a well-ordered egalitarian state.

First, whatever the merits of the claim that economic inequality is helpful for economic growth in terms of GDP per capita might be, the idea that increasing wealth inequality is good for health is a non-starter. The lack of correlation between GDP per capita and improved life expectancy in middle and high income countries is well known; and there is a wealth of evidence on the social determinants of health that point to the harmful effects of income and wealth inequalities on health outcomes such as life expectancy. (Commission on the Social Determinants of Health 2008; Wilkinson and Pickett 2009)

Second, any attempt to interfere in individuals’ lives faces the challenge of legitimacy. Carnegie argues that things will go better if the philanthropist, rather than the state, decides how to spend large amounts of resources. In assessing the merits of this claim, it is important to ensure to compare like with like: it would not be fair to compare an ideal philanthrocapitalist against the supposed deficiencies of actual states, any more than it would be to compare the fruits of a zealous and pigheaded philanthrocapitalist ideologue against an idealised egalitarian democracy.

There are strong reasons to think that, other things being equal, functional democratic institutions will be both more legitimate and more accountable than philanthropically funded arrangements. Decisions about social goals and the direction of social policy are inherently contestable, due to what Rawls (2001, 35–36) called the burdens of judgement. While there is expertise that is relevant to setting goals in global health and in domestic social policy, such expertise does not uniquely determine what should be done. Moreover, expertise in making money through software development or oil exploration does not imply expertise in solving major global health challenges such as air pollution, antimicrobial resistance, or strengthening health systems. Thus, the crucial question is how to proceed legitimately given a range of reasonable disagreement about fundamental questions such as the nature of the good life, or how to reconcile best overall outcomes with giving some priority to the worst off.⁶

⁶ The need for tradeoffs between efficiency and helping the worst off has often been noted in the parallel literature on government aid: ‘If the over-riding objective is to make as much aid as possible work as well as it can, then aid would be given to countries characterised by good governance; with democratically elected, accountable governments and strong parliamentary systems capable of scrutinising public finances and officials; a free press and a vibrant civil society...In contrast, those countries and communities most in need of aid will be those most likely to be deficient in many, if not most, of the core characteristics that are likely to be quite crucial in ensuring the delivery of effective aid...If aid is to be channelled predominantly to those who need it, then a degree of “failure” must be expected.’ (Riddell 2014, 29)

Any legitimate approach needs to take account of the basic democratic idea that citizens—regardless of their level of wealth—are in Rawls’s words ‘self-authenticating sources of valid claims’ (1993, 72) and have a right to co-determine the conditions in which they live. Functioning democratic institutions meet this requirement through democratic political control and accountability. If political institutions fail to pursue the public interest then those running the programmes can be replaced and held accountable. By giving a voice to all citizens and a power to vote out politicians who are not perceived to promote the public good it creates incentive compatibility. Sen (1981) argues that it is because of this that we do not see famines occurring in democracies, while they are frequent in non-democratic regimes.

In contrast, philanthropically led approaches will find it more difficult to ensure incentive compatibility. If philanthrocapitalists do a bad job of helping those they purport to be helping, it is unlikely that this will lead to serious consequences for the philanthrocapitalist. The people who are the beneficiaries of the giving have no power to vote out or sanction the philanthrocapitalist if the solutions they impose fail to work, so it could very easily happen that the benefits provided by the philanthrocapitalist are not those that individuals would have chosen, and may not be beneficial for them.

Putting all of these features together—the need for legitimacy, the lack of expertise of philanthropists, and the requirement for incentive compatibility—and considering them also in the light of the variety of reasons there are for objecting ethically to gross disparities of wealth and power (Scanlon 2018) then there would seem to be a good reason to favour democratically controlled approaches over philanthropic ones at an ideal level.

However, perhaps the most salient starting point in thinking about global health ethics is the fact that the world is very far from ideal. What should the role of philanthropy be, given a much less than ideal world? We address this question by examining the goals that philanthrocapitalists should have, and the extent to which these goals should be a matter of discretion for them. The chapter then concludes by examining some of the effects of BMGF in practice.

4. Effective altruism, and the goals of philanthrocapitalism

Even if the claim that wealth inequality is per se ethically problematic is left on one side, there are reasons to think that it is difficult to justify having large amounts of surplus resources when others lack the resources to meet even their basic needs. Peter Singer famously argues that even moderately wealthy people should give a sizeable proportion of their income to charity, based on the claim that ‘if it is in our power to prevent something very bad from happening, without thereby sacrificing anything morally significant, we ought, morally, to do it’. (Singer 1972) Clearly many of the evils that global health policy aims to ameliorate—such as suffering and deaths from avoidable illnesses— would count as very bad occurrences on any plausible reading of the term.

If Singer is correct about this principle (which he thinks should appeal not just to consequentialists, but to a wide range of those who believe that there is a duty to perform ‘easy rescues’), then giving to meet the basic needs of others without losing anything morally significant is not a matter of supererogation, but of duty: ‘we ought to give the money away, and it is wrong not to do so.’ (Singer 1972, 235) Singer intended this argument to have implications for the obligations of people on middle incomes and higher within wealthy countries. But if the argument establishes a duty and a direction in which to donate for those on middle incomes, it would a fortiori establish such a duty for the ultra rich.

While there is some room for dispute about how much individuals on different degrees of wealth and income could give away without sacrificing anything morally significant, it seems clear that anyone whose wealth runs into billions could give away more than 95% of their assets without reaching this threshold. The philanthropist Ed Scott, who made his fortune in IT middleware, explained how he got into philanthropy as follows: ‘I realized that unless you’re a very greedy person, you can’t actually spend more than ten or fifteen million dollars on yourself’. (Callahan 2017, 39) Of course, there are some projects that are impossible to pursue without hundreds of millions if not billions—for example, owning a painting by Leonardo da Vinci. A couple of things to say about cases like this. First, it is far from clear that forgoing owning an artwork, while still being able to see it in a public gallery involves a sacrifice of something morally important. Second, the extremely high prices such items command is a product of absolute scarcity of supply and extreme wealth inequality. Given the vanishingly small

number of works by sought after artists like Leonardo, or Vermeer that remain in private hands and could potentially be bought, the project of owning such a painting may well be unfeasible even for someone who hangs on to their billions.

Singer also takes away a broader message from his argument: not only is there a requirement to give, but a requirement to give *effectively*. Effectiveness is important, as the ethical justification for giving does not (or should not) consist in the ‘warm glow’ that givers gain, but in the benefits that accrue to others. Givers need to discipline their giving with an impartial standard of effectiveness:

if an uncle dies of cancer, you might naturally want to raise money for cancer research. Responding to bereavement by trying to make a difference is certainly admirable. But it seems arbitrary to raise money for one specific cause of death rather than any other...By all means, we should harness the sadness we feel at the loss of a loved one in order to make the world a better place. But we should focus that motivation on preventing death and improving lives, rather than preventing death and improving lives in one very specific way. Any other decision would be unfair to those whom we could have helped more. (Macaskill 2015, 42)

This line of argument raises two important questions. First, whether there is a duty to give effectively to the extent that one is giving at all, and second, if so whether the duty would prevent philanthropists from making a free choice among the different projects and goals they support in their giving.

A would-be philanthropist might attempt to resist the requirement for effectiveness by falling back on the claim that it is *their money*, and so they should have free discretion in deciding whether and if so how to give it away. In doing so, they could deny that there is a duty of easy rescue at all. Alternatively, they could argue that while there are *some* duties of easy rescue, what would be required to meet these duties would be much less than the amount that they are in fact giving, and anything they give above this threshold is supererogatory. Either way, the key premiss would be that *if* an act of philanthropy is supererogatory, then the giver’s discretion between what to fund with those resources should be absolute. To put this thought more precisely, the claim is that if someone could have permissibly funded neither A nor B, then it must be permissible for them to choose to fund A (which creates much less good) over B (which would create much more good). Recent work within the effective altruism literature denies the legitimacy of this inference: Pummer (2016) argues that even if it would be permissible to choose neither A nor B, it does not follow that it would be permissible to choose A over B. On this argument, once one has committed to act in some way (say by donating), and where both options would entail the same personal costs or inconvenience to you, it is not permissible to make the choice that would do less rather than more good.

To the extent that it is accepted that the ethical justification for giving is benefits to others, then there are strong reasons to think that any such giving needs to be effective if only in the minimal sense that of ‘using evidence and reason to figure out how to benefit others as much as possible’. (Centre for Effective Altruism 2019) Some within the movement (such as Macaskill, above) argue this commitment should require in addition the more specific requirements that the broad areas chosen for giving should themselves be decided on the basis of reason and evidence, and there should be an overall measure of effectiveness (For discussion, see Gabriel (2017)). This thicker conception of effective altruism conflicts significantly with the kind of liberty that many philanthropists would want to have in how they approach their work.⁷

Would a requirement to give effectively entail that philanthropists behave unethically if they, for example, fund something that they are passionate about—say, improved palliative care within their own wealthy country—rather than a much more cost-effective intervention such as vaccine delivery in a much poorer country? It would be too hasty to assume that the philanthropist’s priorities and approach have no legitimate role to play within a philanthropic approach that takes effectiveness seriously. What counts as an ethically justifiable use of resources will differ according to one’s underlying ethical theory. Some reasonable moral perspectives allow for agent relative duties and

⁷ On a practical level, if philanthropists did not get any say into the causes their foundations supported—except perhaps as a tie-breaker—then we can easily see how this would make giving on a large scale much less attractive.

prerogatives; and on this basis it could be justifiable to devote more resources to improving one's own community, or to furthering a particular health cause, even if other potential causes could have created more good. As Lim (2018) examines, this ends up greatly complicating the idea of effectiveness in philanthropy. Perhaps the most that can definitely be required is that philanthropic foundations should make public the ethical principles on the basis of which they will allocate grants, so that others can scrutinise and critique both the ethical cogency of the principles, and the extent to which their decisions are congruent with these principles.

5. Philanthrocapitalism in practice in global health

Analysis of the effects of philanthrocapitalism in global health has tended to be fairly polarised between a heroic narrative of millions of lives saved, and a darker one of institutional capture and arbitrary power. Recent empirical work suggests that both pictures are too simple. While it is true that BMGF set out from a technocratic and largely isolationist approach that led it to disdain international standards and cooperation with international institutions, and also that it has enormous power and influence within global health, it is important to acknowledge how much the organisation has changed as it has grown. Two crucial changes, as this section explores, have been BMGF's increased appreciation of the benefits of working in partnership with governments and other organisations; and its move from narrowly targeted technologically led initiatives to an endorsement of the need for structural and social changes. So the overall picture is complex: it is one of an institution with vast power and wealth, which is not in its mission and strategy legally accountable to anyone beyond its three trustees, but also an organisation that holds itself accountable via epidemiological standards, and has frequently changed direction as it has discovered more about what worked. It is important first of all to understand a little of the institutional context within which BMGF's power has grown.

5.1 Changing patterns of global health governance

Faith amongst politicians in the public sector's ability to deliver on improving the lives of the worst off has declined as inequality has increased, though whether this reduced faith constitutes the dawning of genuine insight as opposed to acceptance of neoliberal dogma is hotly disputed. Leaving on one side whether the merits of this broad shift away from the public sector and towards the private was merited, it is clear that one corollary of it has been a decline in influence since the 1980s for international bodies such as the World Health Organisation (WHO). The high-point of WHO's influence is widely thought to have been the late 1970s, when the Declaration of Alma Ata triumphantly promised Health for All by 2000, and the global Smallpox eradication campaign was completed. Since then, a more complex and fragmented environment for global health governance has emerged, in which well-funded international initiatives such as GAVI, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and foundations such as BMGF operate alongside a diminished WHO. (Frenk and Moon 2013)

WHO's budget is made up of mixture of assessed contributions, which are levied on individual member states on the basis of the state's wealth and population, as well as voluntary contributions, which come a variety of sources such as member states, international bodies such as the World Bank, and private foundations such as BMGF and Rotary International. A key challenge for the WHO has been a reluctance by member states to increase assessed contributions. In 1993, the World Health Assembly voted that assessed contributions should not increase even in nominal terms. Since then, WHO's core budget has thus been steadily eroded via inflation. Over the same time period there has been a significant rise in voluntary contributions, nearly all of which are earmarked for particular purposes. The net result has been that while in the 1960s around two-thirds of WHO's budget came from assessed contributions, by 2017 this figure had fallen 21.4%. (Clift and Røttingen 2018) In 2017 BMGF contributed \$324 million, over 10% of WHO's \$3.15 billion annual budget, vastly more than any non-state actor, and more than every state except the U.S. (World Health Organization 2019)

A central challenge for WHO is that its stated priorities are significantly different from those that voluntary contributors such as BMGF wish to support. WHO's leadership favours structural interventions such as implementation of universal health coverage, and action on social determinants of health, while 'many large donors have given priority to infectious diseases, to the extent that the WHO's polio programme accounted for more than 20% of the programme budget in 2016–17'. (Reddy, Mazhar, and Lencucha 2018, 7) This is clearly a significant problem: as the Director-General

of the WHO, Dr Tedros Adhanom Ghebreyesus, put it in arguing for why WHO needs a budget that allowed for much greater flexibility, ‘No organization can succeed when its budget and priorities are not aligned.’ (World Health Organization 2018)

The shift from assessed and voluntary contributions has been argued to undermine WHO’s authority within global health governance, while benefiting donors:

The current dominance of earmarked contributions in effect uses the WHO to channel donor priorities. Donors then benefit from the legitimacy and credibility of a democratic institution while circumventing the very processes that underpin and establish its legitimacy, the point being here that the WHO finds itself in an ever-crowded governance contest and this reality is often beyond the control of the WHO. (Reddy, Mazhar, and Lencucha 2018, 8)

One central point of contention is whether the rise of BMGF has, in addition to the benefits that the additional billions of funding for global health projects has brought, caused significant harm by contributing to undermining WHO’s role in global health governance.

BMGF’s yearly grants for global health and global development (\$3 billion) are now nearly as large as WHO’s entire budget. Separately from this, BMGF is also the second largest contributor to WHO’s budget. BMGF thus wields enormous sway over the governance of global health. Birn and Richter (2018) argue that unlike other bodies that wield similar power, BMGF has no semblance of democratic accountability, as it is ultimately accountable only to its three trustees—Bill and Melinda Gates and Warren Buffett. The rise of the Global Fund, they argue, further contributes to the perception of BMGF’s gain being WHO’s loss. The Global Fund was set up in a structure deliberately parallel to and not controlled by WHO or the UN, and has received \$2 billion from BMGF alongside over \$42 billion in contributions from states and private actors, and has funded programmes in 140 countries. While WHO and UNAIDS do not have a vote on the Global Fund’s board, BMGF does.

5.2 BMGF’s journey from isolationism to partnership working

In its early years, BMGF approached its task like a venture capitalist scouting out investment opportunities—looking for areas that had been neglected, in the aim of getting an out-sized return on investment. Feyerskov, who has done much to research BMGF’s history and development, quotes one BMGF Senior Programme Officer as follows about these early days: ‘We didn’t care much for what the other guys were doing out there, and picking areas that few were interested in made sure that we could be in the driver’s seat.’ (2015, 1104) As part of this mindset BMGF (and Bill Gates in particular) was actively resistant to adopting internationally established norms such as the Millennium Development Goals (MDGs), and deeply sceptical of the value health systems strengthening. Bill Gates is reported as having said that he was ‘vehemently *against* health systems’, and that he would ‘not see a dollar or a cent of my money go to the strengthening of health systems.’ (Storeng 2014, 868) His underlying objection seemed to be based on what he saw as a lack of evidence of effectiveness for health systems strengthening, and a preference for targeted interventions whose effectiveness could be more easily measured.

Focusing on targeted interventions while leaving unaddressed the structural determinants of health was not as successful as BMGF had hoped. Mahajan (2018) provides a useful case study of the shifts in BMGF’s approach in India. In 2002–3, BMGF founded Avahan, an initiative for HIV/AIDS prevention in India with an initial commitment \$200 million. Initially Avahan was isolationist—working neither with the Indian government’s National Aids Control Organization nor the Indian government more broadly. However, as the initial strategy was rolled out, and success against benchmarks measured, a need to widen focus became apparent:

Avahan’s programmes initially had worked with the assumption that incisive interventions would lead members of high-risk communities to change their behaviour. For instance, in programmes targeting sex workers, there had been the expectation that peer-led outreach that provided easy access to condoms and educational materials would lead sex workers to modify high-risk behaviour. However, quick change was not easily observed...there was a whole host of social issues that prevented sex workers from using condoms even when they were fully aware of the dangers of HIV transmission. Information, condoms and conversations, in themselves, did not change behaviour. Avahan developed new insights about high-risk behaviour which led to a focus

on questions of violence. ...What started out as incisive interventions grew to be more capacious programmes which attempted to address complex social interactions. (Mahajan 2018, 1361–2)

In explanation of Avahan's initial strategy of isolation, it cited the urgency of the problem of HIV/AIDS, and the need to avoid stifling bureaucracy. One important point of learning was that it had initially framed the problem of HIV prevention much too narrowly, and that once the problem was seen broadly enough it was obvious that it required structural solutions in which government and sex workers would be key stakeholders. Ashok Alexander (2018), who directed the program, writes powerfully about his own change of perspective and the vital contribution of leadership of the sex workers for the project's success.

The lessons of this and similar programmes seems to have hit home. In an important public confirmation of BMGF's changed approach, Melinda Gates announced in an article in *Science* in 2014 that the foundation had shifted from a 'bias toward technological solutions' and now incorporated a 'greater appreciation for the social and cultural factors that influence how individuals, communities, and countries develop'. (Gates 2014, 1273) In a further shift, the article signalled that women's empowerment was now a central concern BMGF, arguing that 'we cannot achieve our goals unless we systematically address gender inequalities and meet the specific needs of women and girls in the countries where we work.' (Gates 2014, 1273) In the years since 2014, BMGF has further increased its commitment to women's empowerment.⁸ (Gates 2019)

Early ethical critiques of BMGF tended to focus on the combination of the ill-advisedness of taking a narrowly focused and technocratic approach to structural problems, the ways in which BMGF's use of its power and influence to encourage other actors to adopt technocratic approaches was likely to have baleful effects overall, and also the lack of accountability that comes from BMGF having only three trustees. However, as we have seen the fuller picture is more complex. As it has matured, BMGF has become much closer in approach to existing global health organisations, and much keener to work with partners to achieve internationally agreed global health goals. For example, it now runs the Goalkeepers initiative to attempt to keep international progress towards the sustainable development goals (SDGs) on track. (Bill & Melinda Gates Foundation 2018)

Reubi (2018) argues that thinking about the nature of BMGF's accountability also needs to be more nuanced. While the organisation scores weakly on democratic accountability, it does not follow that the organisation acts in a way that is arbitrary and unreasoned. Philanthrocapitalist organisations like BMGF and Bloomberg Philanthropies are enthusiasts for data, measurement, and audit. Indeed BMGF has invested over \$300 million in the Institute for Health Metrics and Evaluation, which publishes yearly global burden of disease reports, to improve the quality of global health data. Setting goals such as numbers of lives saved, and measuring progress against these goals rigorously, and making much of this data available for others to pore over and critique, creates a form of epidemiological accountability. So while there may be little or no democratic accountability, Reubi argues that the 'reasoned critiques' of global health commentators 'can and already have forced philanthropists to listen and change the ways they work'. (2018, 106)

6. Conclusion

Philanthrocapitalism has risen against a background of very great, and still rising, global wealth inequality. It is hard to believe that current levels of global wealth inequality are fair, but given the lack of institutions at a global level that will fundamentally alter this, it is reasonable to assume that significant inequalities will continue. Whether philanthrocapitalism should be welcomed depends in large part what the relevant comparator is. If the alternative is a well-ordered world with much less wealth income inequality then the answer must be no; but if the alternative is the continuance of great

⁸ Fejerskov (2018) examines in much more detail than we can here some of the mechanisms by which BMGF came to adopt a perspective more similar to other key players in global health. One significant influence—particularly as BMGF expanded after the Warren Buffett donation in 2006—was what Fejerskov describes as 'normative isomorphism', namely that 'groups of professionals sharing similar perceptions of appropriate organizational practices gradually entered into the foundation and shaped its approach to the field.' (Fejerskov 2015, 1108)

inequality, but where ultra wealthy persons spend their money on nothing but conspicuous consumption, then the answer must be yes.

Beyond these obvious points, performing a rigorous ethical analysis of a large scale philanthrocapitalist endeavour such as BMGF is complex and challenging. Large scale organisations not only change norms and practices elsewhere, but are also acted upon and change themselves, so any such analysis, in order to be convincing, needs to be systemic and diachronic. In the case of BMGF, the unchanging commitment to data and effectiveness has led over time to a more systemic approach to change and a greater willingness to partner with other organisations, leading even some of those most initially sceptical of its endeavours to reassess its contribution. One crucial question that remains is the extent to which such epidemiological accountability alone is a good enough substitute for a significant deficit in democratic accountability.

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