

What are Philanthropic Organizations Hiding?

An Interview with Linsey McGoey

By Marc-Olivier Déplaudé and Nicolas Larchet

Linsey McGoey discusses philanthropic organizations such as the Gates Foundation and the Chan Zuckerberg Initiative. Addressing the problematic aspects of “philanthrocapitalism”, she draws attention to the growing lack of transparency and accountability of those foundations.

Books & Ideas: How did you make the transition from journalism to social science?

Linsey McGoey: I did a journalism degree in Canada at Carlton University, which has an excellent journalism program. There, I began to do a little bit of freelance work for a fairly small newspaper called *The Ottawa Express*. I was then for a very short period their news editor. I wanted to see a little bit more of the world, though. So I took a six-month trip to South America. I quit my job at *The Express* after only about four months. I was fairly young; I had just finished university; I was about 24. So, I was not exactly free-lancing for *Narco News*, they published a couple photographs I took, but I never managed to get an article in with them, and I was free-lancing for a couple of other places but not very successfully. So, I thought, as a lot of people do, « I'll go back to school ». I applied to do a Master's degree at the London School of Economics and I moved to London about fourteen years ago. I pursued a Master's degree in anthropology, followed by a Ph. D. in sociology.

Books & Ideas: How did your interest in the field of « ignorance studies » develop during your Ph. D. research?

Linsey McGoey: When I first started my Master's, I was still interested in some of the issues that I had been investigating during my time in South America. I was interested in the political economy of the global economy governance. I was interested in some of the IMF's stipulations for certain economic policies they wanted certain nations such as Argentina to follow. But then, once I began my Ph. D. in sociology, my research interests just took another direction in that I was very much interested in studying Western institutions in as close upper manner as I could. So rather than basing my research in a non-Western setting, I decided to do an interview-based study in pharmaceutical regulation based in the United Kingdom, partly because I was concerned with the amount of political influence that pharmaceutical companies wielded. I had the good fortune to do my Ph. D. with a really excellent mentor and supervisor, named Nikolas Rose, and partly through my interests in Nikolas' work, I came to be very interested in the work of Michel Foucault. It was a productive, a deliberate almost misreading of some of Foucault's work on the power of knowledge nexus that led me to an interest in the strategic use of ignorance. It was also in a sense another productive interpretation, or slightly counterintuitive reading of the work of Nietzsche, in particular in *Beyond Good and Evil* where he talks about this sort of reciprocity between a will to knowledge and a will to ignorance. Based on this phrase, « the will to ignorance » that comes from Nietzsche, I began to look at pharmaceutical regulators from a perspective of « what are they trying not to know? », because it is not in their institutional interest to know certain phenomena that might make their various roles and duties to a number of different constituencies possible to execute. Therefore, they have to protect public safety as well as to appease pharmaceutical actors. Based on that dueling need, or emphasis, I have found that they sometimes, I argued, strategically try not to know certain information about the possible adverse of pharmaceutical drugs. This led me to start to do a lot of work on the sociology of ignorance.

Books & Ideas: What led you to focus on the Gates Foundation and on so-called “philanthrocapitalists”?

Linsey McGoey: Following my Ph. D. I was lucky enough to receive a postdoctoral fellowship at the University of Oxford. I worked in two centers there: the first was the Department of Geography, working with Andrew Berry who's done some very important work, trying to understand the interplay between secrecy and corporate culture. Following on from my postdoctoral fellowship with Andrew Berry, I went to the Said Business School, which had been newly established at Oxford and which had a really thriving science and technology studies division, added up by people like Steve Woolgar and Steve Rayner. While there, I was really interested in seeing a book that had just been published, that was called *Philanthrocapitalism: How the Rich Can Save the World*, written by Matthew Bishop and Michael Green. As someone who had a long-standing interest and active engagement in alterglobalisation political movements and mobilizations, so someone who had been following left-wing politics for about twelve or thirteen years before I moved to Oxford. I was quite astonished by the sort of salutary way Bishop and Green were promoting this notion of philanthrocapitalism. At the business school, there was a fairly unskeptical and very uncritical attitude towards this phenomenon which thought that in a very unproblematic way you could merge and marry the realms of non-profit world and the for-profit corporate industry in any various domains. So, essentially, how they describe philanthrocapitalism, the idea that non-profit organizations are increasingly

trying to apply mechanisms of organizing and revenue-maximizing pursuits and strategies for the corporate realm to the non-profit sector, but they also define it as the idea that capitalism, they suggest, is a naturally philanthropic phenomenon because it creates certain forms of dynamism which promote economic growth, which inevitably leads to positive benefits for all. That was our perspective. Having had a long-standing interest in the history of capitalist development, a long-standing interest in critical politically economic perspectives on so-called laissez-faire, capitalist economies, I was very skeptical of the idea that capitalism was itself this naturally sort of beneficial or munificent mode of economic organizing. So I set to research the phenomenon by doing interviews with a number of different institutions that were troubled by the growing influence of the Gates foundation. So I needed a concrete example for trying to study the new philanthrocapitalism and I chose the Gates foundation.

***Books & Ideas:* Creating a foundation can be seen as a way to produce ignorance, to conceal dubious business practices. Why did you choose not to explicitly address this in your book?**

Linsey McGoey: There were many reasons why I purposefully chose to try to disentangle – or not conflate – my interest in the productive uses of ignorance and my work on philanthropy for this particular book. The main reason was I wanted it to be as widely read as possible by the general audience. So there is very little sociological theory in the Gates foundation book. It was my first effort to try to write in a more journalistic manner and to try to convey ideas that might have been, in some ways, counterintuitive to a general public as clearly as possible. For many people, just the idea that philanthropic organizations, as globally revered and celebrated as the Gates foundation, might be creating unintended effects, either through the unexpected result of certain activities that might lead to chaotic results for a population such as what happened when it tried to engage with public education in the United States... The Gates foundation was, from a well-meaning perspective, trying to improve education standards, but a number of the policies adopted from small schools' initiatives to the privatization drive to the support for charter schools have, I argue, led to poorer outcomes than positive ones. Also, though quite explicitly, the Gates foundation was playing a strong role in trying to involve the private sector in development policies: its own actions, whether well-meaning or not, were quite nefarious for certain constituencies that were vocally trying to raise concerns with this philanthropy, yet not really managing to elicit much of a response from the Gates foundation. They were also not managing to make their concerns salient to a wider audience who really often finds that just the idea of philanthropic organizations can sometimes perpetuate inequality or can consolidate power for the benefactors rather than in some ways promoting a greater degree of democratization. Even those ideas were so complicated to try to explain in a clear manner that I purposefully decided not to engage with a discussion of the valuable strategic uses of ignorance in this one volume.

***Books & Ideas:* Foundations have a reputation for being opaque, thus resistant to sociological investigations. Do you have any advice for young researchers in this field?**

Linsey McGoey: I think we're facing an upward struggle when it comes to accessing the decision-making dynamics of these institutions, and I think problems of non-transparency are bound to become worse in upcoming years. Therefore, we have to be realistic about the risks

ahead. When you look at an organization like the Gates foundation, most of my interviews from this book did not come from staff there. It's true, I managed to secure two interviews with staff there before my access was shut down. They were both carried out by phone, I never visited the organization, I was never invited to engage in a deep way. But I was able to elicit useful information about other activities by people who were affected by their practices. I did interviews at places like the World Health Organization, Médecins Sans Frontières, a number of different organizations that have both praise and concerns towards the foundation.

Another way you can access about a foundation's activity are by looking at their public 990 forms, which are stipulated by their internal revenue service, the IRS, and are publicly accessible documents. But unfortunately, a lot of newer philanthropic organizations that are emerging will not be mandated to provide 990 forms in the same ways that traditional foundations, like the Gates Foundation, are. Thus, one of my biggest concerns, for example with the Chan Zuckerberg Initiative, which was established in 2015 by Mark Zuckerberg, is that it's not a traditional philanthropic organization. It's a limited-liability company, and as a result of its structural corporate data, it is not subject to the same disclosure regulations that the Gates Foundation faces. We will likely know a lot less about the Chan Zuckerberg Initiative than we do about the Gates Foundation. We will be very much reliant on what they wish the public to know.

I think the first starting point is a really healthy degree of skepticism. Researchers can do a lot to try and push mainstream media to have a more critical perspective of philanthropic organizations: one of my major findings in my book is that in the earlier twentieth century, there was a very vociferous and engaged outspoken public debate about the nature and the intentions of philanthropic organizations and philanthropic benefactors like Andrew Carnegie and John D. Rockefeller. Fast forward a hundred years, there is almost none of that same public engagement or interest, with the only exception of the 2016 US presidential elections. Suddenly, the politicization of the Clintons foundation's activities as well as the Trump Foundation's activities let a healthy degree of public engagement and interest. What a young researcher can do today is to try to harness that enhanced political will to try to study philanthropic organizations and their effects and to try to find ways to force organizations to answer the critics in an engaged way. If they claim to be benefactors of humanity, then one way to fulfill that purported goal is to actually engage with members of the public who foundations might have been averse to speak with in the past.

***Books & Ideas* : Unlike public institutions, philanthropic organizations are not held accountable for they way they spent money. How would you explain this unequal treatment?**

Linsey McGoey: That is because of the political clout of the benefactors who have been successful in convincing regulators that democracy thrives most effectively if there is a plural number of institutions pursuing different ends. I think there is a strong philosophical position that can be taken in defense of philanthropic exemption from some of the disclosure requirements or public constituencies, obligations that an elected body might face. I don't personally adhere to this political position. From a normative sense, I am very very concerned about the ways philanthropic benefactors managed to harness this arguably defensible political

position in order to face very very little scrutiny by the public that they purportedly are meant to be serving.

Historically, the regulations, the very few regulations that foundations face have come when you, for whatever reason, see a cross-partisan desire or call for the limits of certain organizations to be reined in, for the influence of certain foundations to be reined. What happened in the 1950s and 1960s is that there was a very strong right-wing concern with the perceived left-wing influence of some of the major organizations of the 1950s, such as the Ford Foundation and the Rockefeller Foundation, which were seen as being not sufficiently attentive to the needs of the private sector in the United States. You had the very unusual case of the grandson of Henry Ford very publicly resigning from the Board of the Ford Foundation in the 1970s because he suggested that his activities weren't sufficiently attentive to the needs to protect private industry, to allow capitalist organizations to flourish. His criticisms came at the end of a very vociferous number of decades when conservative spokespeople and elected officials suggested we need to ensure that foundations face some levels of checks and balances. This is what led to minimum payout rolls, which meant that founders could not sit on endowments in perpetuity without disbursing them to members of the public. This also led to the need to report every grant disbursed through these 990 forms. I have been calling for a long time now, and so have other influential scholars based in the United States, for a similar congressional inquiry to the types of investigations that led to the 1969 Tax Reform Act. Right now, I see very little political will for that possibly happening in the United States. Obviously, Mr. Trump's own charitable and philanthropic activities were incredibly dubious, incredibly suspicious. There were questions over whether or not he had actually disbursed much charity at all and he has not been held accountable for these very serious questions. I don't see the possibility of sustained political debate taking place over the next 2,3 or 4 years.

Books & Ideas: Philanthrocapitalists often present their practices as “new”, when they actually are quite old. How do you interpret such amnesia?

Linsey McGoey: What if the interesting thing about the new philanthrocapitalists today, the so-called self-titled philanthrocapitalists, is their presumption of their own novelty when it comes to a number of different things. The first problematic presumption of novelty comes from their suggestion that the new philanthrocapitalists have an unprecedented emphasis placed on the need to measure the impact of one's philanthropic bequests and grants. The second presumption of novelty is that the idea that their efforts to marry the realms of the business sector and non-profit worlds is somehow itself a revolutionary or avant-garde action. I think historically that neither of those assumptions are founded in any level of historical truth or accuracy. You only have to look at two key movements in order to dispel the notion of novelty that they wish to harness or propagate. The first is the fact that people like John D. Rockefeller and Andrew Carnegie were actually quite obsessed with trying to show the impact of their philanthropic activities. They specifically wished to divorce their own giving from earlier alms-giving efforts rooted in the Christian notion of charity, which saw the effort to give as munificent and worthy regardless of practical effects on any recipient. It was the impact on the giver, on the donor that was most important in certain aspects of Christian theology. Both those individuals, Carnegie and Rockefeller, were Christians, particularly Rockefeller who was a practicing Baptist. He himself did not find that Christian ethos satisfactory when it came to his philanthropy. He specifically wanted to model his giving on the sort of tight demands for efficiency and organizational effectiveness that he saw in the business realms. He was in it inherent of the so-called Efficiency Movement which was an important movement in the late

19th century, which was founded on some of the Taylorist principles that were influential in all aspects of industrial development. So the fact that we had this early twentieth-century Efficiency Movement that occurred over a hundred years ago and that was explicitly applied to philanthropic efforts is something that today's philanthrocapitalists never acknowledge.

I don't know whether their deliberate amnesia of that historical legacy is simply a result of their genuine ignorance or whether it is strategically done in order to politically harness the value of seeming more revolutionary or avant-garde than they actually are in practice. I think disseminating this history is important for calling into check the idea that because they are applying new methods, they are inevitably going to lead to more positive outcomes. In reality, the efforts to combine a certain emphasis on efficiency with philanthropic giving has been done and tried, and it has at times been positive. But as we found in the 1930s when the Great Depression hit, the absence of a strong state for reinforcing and helping those most marginalized by the economic crisis led to a state infrastructure that was important for mitigating some of the negative impacts of philanthropies that were just dying out. There wasn't enough money to sustain these philanthropies. Therefore, regardless of how efficient you were trying to be in your giving practices, the facts that your efforts are not necessarily sustainable means that they won't necessarily be as effective as you presume.

Published in *Books & Ideas*, 13th February 2017.