

Really want to make a difference, Zuckerberg? Let go of your power

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The Facebook CEO is the latest 'philanthrocapitalist' to try to make a better world. But when the rich meddle with development, can they ever disrupt the status quo?

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As 2015 closed out, philanthropy entered a new zenith. First, Mark Zuckerberg, joined the ranks of philanthrocapitalists, announcing that he will give away 99% of his Facebook shares. His intentions, thus far, are a bit vague - curing disease, education, connecting communities and "advancing human potential". Perhaps he had McKinsey & Company's guide: "Designing philanthropy for impact" as his bedside reading.

Meanwhile, on the eve of COP21, Bill Gates also announced his latest venture, to launch a multibillion dollar green tech revolution. It was hailed in alongside heads of state including President Obama and Prime Minister Modi. The model for his energy revolution follows a template from previous initiatives on vaccines and agriculture: bring in some billionaires, the private sector, match fund by governments, and solve the world's biggest challenges.

It's difficult to argue with such largesse. No doubt these new riches will find their way into the development funding landscape. Development finance is a hot topic, and private sources of finance are something that all NGOs rely on to varying degrees. I would be surprised to find any development organisation without a major donor strategy at the ready.

But funding from the Gates or the Zuckerbergs also come with some fairly complex strings, the heart of which is that most of this funding may actually impede the real work of development - aptly described by Amartya Sen as being about freedom and wellbeing - not simply to increase income. The barriers to these aren't necessarily technology, or even lack of funds: they're more often political and, as the recently deceased development economist Douglas North articulated, in the institutions that govern society.

Wealthy charitable foundations and/or not-for-profit LLCs (limited liability companies), as Zuckerberg's venture will be, aren't much different from the big foundations of their 20th-century forefathers, the Rockefellers, the Fords, the MacArthurs. All are founded on the backs of an unequal society, concentrating wealth into the hands of unaccountable private voices to determine what the priorities for society should be, and indeed who gets to benefit. And development actors all beg for the privilege to be involved.

"I wake up every morning and pray they [the large foundations] will disappear," says Mike

Edwards, former head of civil society and governance at the Ford Foundation. “They’re past their sell-by date, un-reformable, and too focused on incremental change.”

Large-scale change rarely comes from an NGO sitting in Oxford or Washington, drinking from the foundation well, he argues. Edwards’ central issue is that larger foundations, which ultimately dominate development discourse, are not concerned with real, lasting change - change which needs a rich tapestry of grassroots civil society organisations that hold power to account, and shift the political game entirely. “They thrive on inequality between foundations and recipients, made up of conservative liberals,” he argues. “No one is going to relinquish control over money.”

Inderjeet Parmar, a City University professor of international politics who has studied the influence of large foundations, argues that the wealthy foundations, whose boards are drawn from the upper classes, are among the most powerful institutions in the world today and that they sustain a social order that won’t challenge the power of elites.

Zuckerberg, for example, has been heavily criticised in India, for promoting his version of offering limited internet access to everyone. He even wrote a letter for the Times of India attacking his critics. Rights groups have argued that his proposal is a power grab for Facebook, and concentrates information into the hands of a few select companies, ultimately reinforcing poverty and class structures.

There are modest differences between philanthropists, of course. The Soros Foundation aims to promote open societies and improve democracies. But they still maintain power structures from within, by predominantly funding only “pre-selected” organisations. Thus Soros gets to determine how democracy should be improved, rather than leaving it up to democracy itself - the antithesis, in some ways, of what they’re trying to engender.

Occupy would never have been funded by a large philanthropic organisation, but the spontaneous global movement is almost wholly responsible for putting the issue of inequality on the political map. Large private donors are prepared to fund technocratic causes, and in more enlightened cases - “democracy”, but they’re not prepared to relinquish power and control themselves. In fact, they only serve to concentrate power further into an increasingly narrower set of ideas about how change happens.

For example, the Gates Foundation makes a decision about vaccines and requires governments to match fund the donation to access it. Those governments then have to choose between saying no to funding for vaccinating, or diverting funds from something else, such as public health or education. Gates made the de facto decision for that government. His new agricultural alliance was similarly defined: bring together large agri-business and government to improve agriculture in Africa on a technology-rich, large-land-holder led platform. Green agro-ecology approaches, despite having been proving significant success in the region where it has been applied, get sidelined.

Parmar sees this as even more sinister. “There are other priorities other than those that are publicly stated - increasing the level of power, through increasing their networks in non-western countries,” he says.

The funding arena has become increasingly narrow, focused on issues like health or education. Very few focus on voice, power or challenging the mainstream. Anyone who has filled out long funding application forms, struggling to come up with short-term targets and outcomes, will have felt the limits of the donor relationship. Indeed, most foundations are now more focused on “value for money” than ever before, in spite of the fact that development is complex, and attribution for success can’t usually be ascribed to any one intervention.

Coupled with the trend towards governments limiting the ability of charities or grassroots organisations to campaign in many parts of the world - from India to China, and increasingly on western shores - development NGOs, enabled by the funding community, are at risk of becoming little more than contract agencies who deliver basic public services while further entrenching a system of inequality and divisions. If governments are stripping citizens’ rights, if communities are divided, if resources are extracted only to benefit the wealthy elite, then we will be aiding and abetting the status quo, leading to a shrinking and less vibrant civil society in the long run. And a less vibrant and agile civil society signals a reduction in long-term development for the many. “Is there a model of power and development which is more focused on local concerns through local participation itself?” asks Parmar.

A powerful letter written by Jessie Spector, the executive director of Resource Generation, urges Zuckerberg to let go of power and to fund root causes. In an ideal world, Zuckerberg never would have been allowed to accrue this much wealth and dictate how it would be spent. But in the world of realpolitik, I would take Spector’s recommendations further, and say to Zuckerberg: set up an independent entity; don’t sit on the board; set some guidelines about tackling root causes like corporate power or tax justice; ensure smaller organisations have access to the funds without jumping through excessive hoops; make sure it’s governed openly by a broad group of stakeholders, representing gender, race, class, none of whom can sit on the board indefinitely and finally, agree to relinquish control. Only then can Zuckerberg truly begin to make a positive difference with his wealth and dent the power dynamics that dominate the funding community.

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