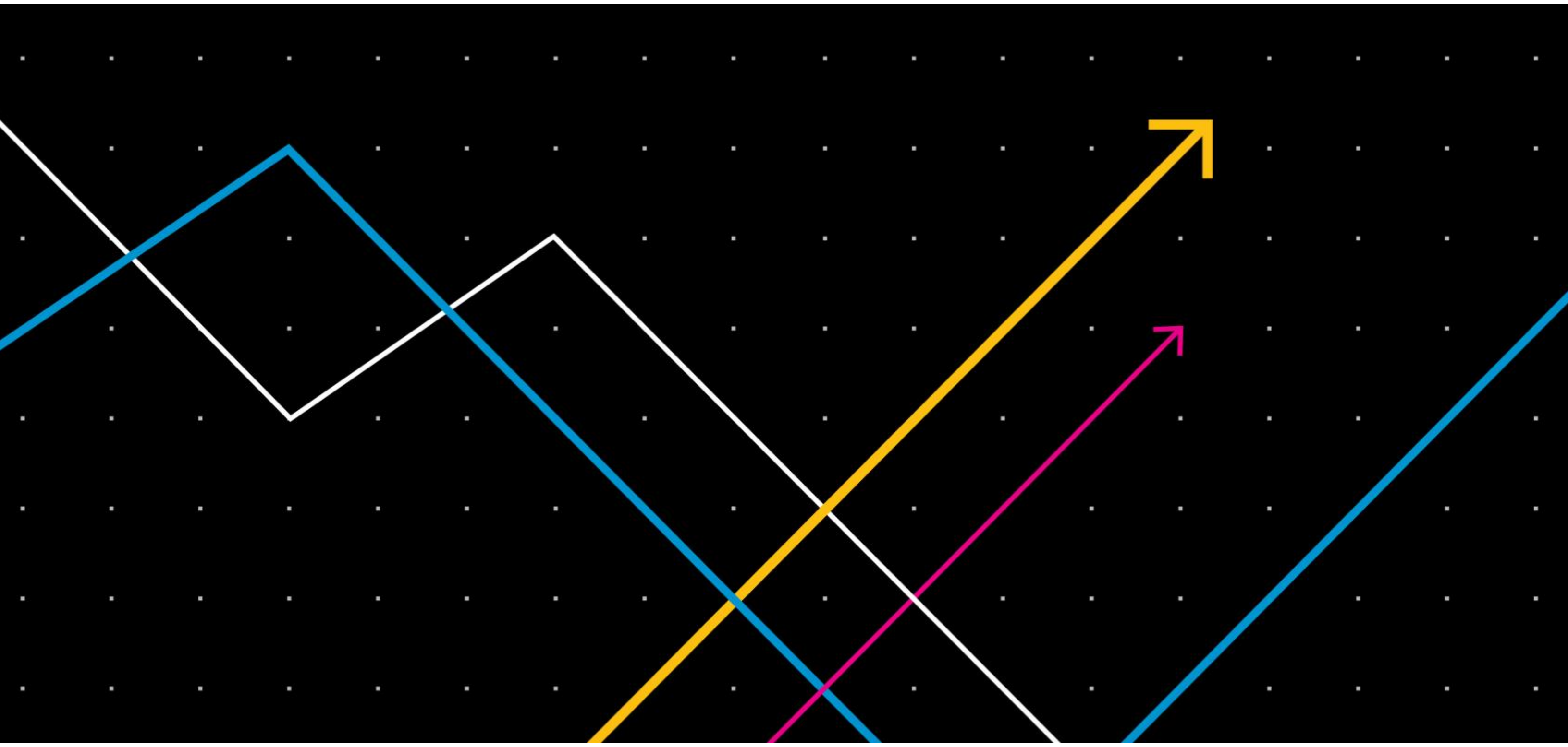

RESEARCH REPORT

Impact Investing and Critiques of Philanthrocapitalism

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Impact Investing and Critiques of Philanthrocapitalism

One of the most striking features of public discourse surrounding social change over the past several decades is how the same forces presented by some commentators as solutions to the world's most serious problems have been presented by others as the leading causes of those problems. In particular, one prominent strain of thought that developed in the first decade of the new millennium champions the application of market forces, innovative business practices, entrepreneurial vision, and private sector resources to the most significant social and environmental challenges facing our society and the planet. In a 2008 book, Bishop and Green popularized a term for this union of philanthropic aims and capitalist means: philanthrocapitalism. Yet the global financial crisis, which was developing as the book was published, ravaged much of the world economy and ended up highlighting the damage that can be done by market forces, innovative business practices, and entrepreneurialism. The crisis also brought about a wave of attention and activism directed toward wealth and income inequality (Freeland 2012; West 2014) that was amplified by social movements such as Occupy Wall Street, politicians such as Bernie Sanders, and scholars such as Thomas Piketty (2008).[1]

Because these issues have become more salient, the promotion of philanthrocapitalism has invited significant critique rooted in considerations of economic justice. The union of philanthropy and capitalism means that attempts to promote the public welfare through market forces and business practices has often provoked critical analysis of the economic systems on which those forces and practices depend and from which they are derived. Commentators have presented the tensions within philanthrocapitalism as among the defining dynamics of contemporary social and political life. "There is no denying that today's American elite may be among the more socially concerned elites in history," noted Anand Giridharadas, a former *New York Times* journalist, in his best-selling book *Winners Take All*. "But it is also, by the cold logic of numbers, among the more predatory in history" (2019, 7).

It is only within the broader context of these debates surrounding philanthrocapitalism that the place of impact investing in public discourse can be understood. (Impact investing is here defined as investments seeking social or environmental impact alongside financial returns.) This is the case for at least two reasons. First, compared with philanthrocapitalism more generally, impact investing does not attract much media scrutiny as a stand-alone field or practice area (outside of trade publications). When it does receive scrutiny, it is frequently discussed alongside other market-based or market-aligned

approaches to social change, such as philanthropic grants, varieties of corporate social responsibility, and social entrepreneurship.

Second, over the past few decades, the demarcations between distinct categories on what one commentator has called the “loans-to-gifts spectrum” have blurred (Villanueva 2018, 5). This is not just the case technically, as private foundations increasingly use program- and mission-related investments alongside grants and impact investors consider deeply concessionary investments that bring low levels of profit. It is also the case conceptually, as those working in the philanthropy sector increasingly turn to “investing” as a frame for grantmaking, with an eye toward social returns (Brest 2020, 389; Frumkin 2003; Haydon, Jung, and Russell 2021). At the same time, the surging critical engagement with philanthropy has encouraged an understanding of it in more transactional terms, whereby a donation is exchanged for returns involving increased status, legitimation, or access (Dean 2020). If there is “no such thing as a free gift,” to quote the title of a recent book critical of philanthrocapitalism by the sociologist Linsey McGoey, then nearly all philanthropy can be understood as a form of investment by the donor, and impact investment’s distinctness as a category of social action and resource allocation premised on the expectation of a return on investment erodes.[2]

The blurring of the boundaries between different forms of social capital allocation helps explain why public attitudes toward impact investing are often forged during high-profile contests over philanthrocapitalism’s legitimacy and value, even if impact investing as a distinct practice is not explicitly invoked. A number of high-profile initiatives, institutions, and individuals that are especially implicated in those contests have a disproportionate hand in shaping public discourse surrounding impact investing. These most often involve claims of transformative promise or sweeping indictments.

This report, which is based on an extensive review of the treatment of philanthrocapitalism and impact investing in the general and trade presses and on social media over the past several years, outlines the most significant and prominent critiques of philanthrocapitalism. These critiques include the following:

- The hype surrounding philanthrocapitalism falls short of reality.
- Philanthrocapitalism is tethered to the status quo and therefore cannot be an agent of radical, transformative change.
- Philanthrocapitalism is an agent of privatization and undermines the development of public infrastructure and democratically accountable institutions.

- Philanthrocapitalism is apolitical and obscures the clash of interests that must be resolved through political action.

These critiques overlap and interact to coalesce into a general atmosphere of suspicion and apprehension that now shades many high-profile discussions of impact investing. After discussing these critiques, this report concludes by demonstrating how they shape the discursive contexts in which attitudes toward impact investing are forged, using debates about philanthrocapitalism's role in the response to the COVID-19 crisis as a case study.

The Messianism of Private Capital

As is the case with philanthrocapitalism, the instances of impact investing that have tended to draw the most public and media attention have been those in which the boldest claims have been made on its behalf. The subtitle of Bishop and Green's 2008 book that coined the term *philanthrocapitalism*, "how the rich can save the world," expressed an ambition, a messianism even, that became central to impact investment's public identity. That sense of millennial promise, for instance, defined much of the early coverage of microfinance. Heady claims proliferated that it would "eradicate poverty in a generation" and that, before long, poverty would only be encountered in museums (Bateman and Ha-Joon Chang 2012, 14). More recently, the promotion of the first experiments with social impact bonds also seemed to hold out similar transformative potential (Cohen 2019, 19–27).[3]

But those bold claims have also engendered a backlash when they have been confronted with an accounting of impact investing's real-world impact. Indeed, a general theme that runs through much of the public criticism of impact investing is that many of the claims surrounding it are full of "hype" (it's one of the few assessments on which the socialist publication *Jacobin* and the libertarian *Reason* can agree). Even those most committed to impact investing and to philanthrocapitalism often see the need to deflate overheated claims regarding those movements. Researcher David Roodman's assessment of the microfinance industry can be applied to impact investing and philanthrocapitalism more generally: the "greatest danger" that they face has "been the hubris that came with success" (2012, 6, 14).

Indeed, a sort of set routine has been established in which the potential of various forms of impact investing is inflated with grand claims as investments are made and then deflated as the results are assessed, leading to a countervailing burst of disillusionment. Microcredit provided an early, influential model for this "rise and fall" dynamic. It helped promote faith in entrepreneurism as an engine of social change and itself represented a kind of impact investment that attracted enormous amounts of capital

and excitement. In 2005, eBay founder Pierre Omidyar donated $100 million to his alma mater, Tufts University, to invest in microcredit. The following year, Muhammad Yunus and the Grameen Bank were awarded the Nobel Peace Prize for their work on microcredit in Bangladesh. Microcredit's success also attracted for-profit investors, and the movement's increasing commercialization soon led to widely disseminated stories of abuse, predatory rates, and debt traps. In the Indian providence of Andhra Pradesh, for instance, reports linking the suicide of scores of farmers to crippling microcredit debt led the government to shut microcredit enterprises down. Not long after these revelations, microcredit's reputation suffered another blow as a series of academic evaluations, including several using randomized trials, provided evidence calling into question the widespread claim that microcredit frequently brought people out of poverty (Morduch and Ogden 2019, 12–26; Roodman 2012, 4).[4]

These two themes, abuse and unmet expectations, came to dominate many of the accounts of microcredit in the popular press, overshadowing a more modest accounting of its positive impact (so much so that one critic wondered whether it was actually the degree of hype that had initially surrounded microfinance that had been overhyped) (Roodman 2012, 13). Indeed, those two themes comingled in many of the most critical of those accounts, as microcredit's failure to meet its "transformative" ambitions sat alongside accounts of the exploitation of debtors, such that the modest social returns attributed to it were at times viewed not merely as disappointing, but, when weighed against the transformative promise, as deceitful, a type of abuse in itself. Investigations into microfinance contributed to a sort of public morality tale in which the grand ambitions of impact investing were regarded as inherently suspect, providing cover, deliberately or not, for darker truths about the harms wrought by capitalism or the deification of markets (Bateman and Ha-Joon Chang 2012; McGoey 2015).

The disillusionment associated with the initial ambitions of several high-profile impact investing initiatives must be understood alongside a much broader cynicism toward the claims of philanthrocapitalism more generally, claims which tend to match in amplitude the enthusiasm of philanthrocapitalism's most prominent boosters. The cynicism is fed by high-profile pronouncements where rhetoric (of philanthrocapitalists or the media) falls far short of reality and where high-minded pledges are determined to have been public-relations exercises. To take just one of the more recent examples, in August 2019 the Business Roundtable issued a statement signed by 181 CEOs that redefined their understanding of the purpose of the corporation from serving shareholders to serving "*all* stakeholders—customers, employees, suppliers, communities and shareholders." The statement earned front-page coverage in the *New York Times*, even as progressive commentators expressed doubts that it would translate into concrete action. Nine months later, at the start of the COVID-19

crisis in the United States, the *Times* examined the signatories' responses and found that the corporations they led were "furloughing employees, paying dividends to shareholders and provoking complaints from workers that they [weren't] adequately protected from danger." A half year later, the *Times* reported on an even more systematic analysis showing that the signatories had "done no better than other companies in protecting jobs, labor rights and workplace safety during the pandemic, while failing to distinguish themselves in pursuit of racial and gender equality." The results had fallen short of the promise, the *Times* concluded. Elizabeth Warren was even more direct, retrospectively labeling the Roundtable's statement a "publicity stunt."[5]

There are, in fact, a range of reasons why skeptics claim philanthrocapitalism, and impact investing in particular, fall short of their putative promise. Some explanations acknowledge the value of certain forms of impact investment in theory, but posit it's too rarely actualized in practice, pointing out, for instance, that too few investors are willing to accept the concessionary returns necessary to achieve significant impact.[6] Others point to technical liabilities, such as the difficulty of quantifying social impact with the metrics that investors favor (Edwards 2008; Muller 2019). A number of other explanations will be discussed in greater detail in this report. Taken as a whole, these disappointments fuel the suspicion that there is an alternative truth behind the celebratory claims made on behalf of impact investing, and that the gap between promise and actuality is not incidental but rooted in some greater flaw or debility in philanthrocapitalism. They push disappointment in the direction of critique.

Philanthrocapitalism and the Master's Tools

One way to understand the clash between the champions and critics of impact investing is in terms of a contest over the relationship between philanthrocapitalism and the status quo. As discussed above, the champions of impact investing and of philanthrocapitalism more generally often cite the transformative promise of the two approaches. Yet there is a certain ambiguity in many of these assertions. On the one hand, they are frequently staked to the conviction that, as Sir Ronald Cohen insists in his latest book championing impact investing, "Things cannot continue as they are" (referring, in this case, to "dangerous inequality and degradation of our planet" [2019, 3]). Hence the claim implicit in the title of the book's first chapter, that impact investing can be an instrument of "revolution."

Yet for all the talk of its "disruptive" nature (Cohen 2019, 55; NewSchools Venture Fund, n.d.), impact investing is often associated, at least by many of its leading critics, with the preservation and replication of existing economic and political systems and power dynamics. To the extent that one believes that those systems really do require radical reform or transformation, impact investing, or any

kind of philanthrocapitalism, is often perceived to be inadequate to the task, because it is so rooted in or constrained by the mechanisms, values, and discourse of the current system. It is, in other words, insufficiently disruptive by design (Bugg-Levine and Emerson 2011; Wrobel and Massey 2021, 21).

Indeed, the charge that philanthrocapitalism is yoked to the status quo, and more precisely, to the root causes of the problems it seeks to address, lies at the heart of many of the most prominent critiques of it. Several powerful metaphors have been used to communicate versions of that indictment. Both McGoey and Giridharadas, for instance, have frequently challenged the notion that "arsonists make the best firefighters," a framing that focuses on individual philanthrocapitalists or philanthrocapitalist institutions that are deeply complicit in many of the world's most serious problems but that also present themselves as best equipped to solve them (Giridharadas 2018, 129).[7] The challenge is presented more broadly in the frequent invocations of the admonition from writer and activist Audre Lorde: "For the master's tools will never dismantle the master's house. They may allow us temporarily to beat him at his own game, but they will never enable us to bring about genuine change" ([1984] 2007, 110–114). The metaphor shifts attention to the systems or structures that undergird efforts at social change, whether patriarchal, capitalist, or racist, beyond the individuals or institutions promoting them (Ramdas 2011).

These arguments flip one of the central tenets of philanthrocapitalism: that it is proximity to, familiarity with, or mastery of market forces and entrepreneurial practices that distinguish certain people or institutions as particularly well equipped to address pressing social problems. "One key ingredient of philanthrocapitalism," write Bishop and Green, "is the responsibility and willingness of economic winners…[to] apply to their giving the same talents, knowledge and intellectual vigor that made them rich in the first place" (2008, 271).

These critiques of philanthrocapitalism share its insistence on the importance of the relationship between capitalism and philanthropy; yet rather than seeing the two as mutually reinforcing, they see their relationship as debilitating and disqualifying. In this view, the tools of capitalism are by their very nature incapable of fully addressing the harms that capitalism produces. Such arguments have gained strength and persuasiveness in recent years as suspicion of capitalism itself has grown. A 2019 Gallup poll, for instance, found that 57 percent of Americans view capitalism negatively; according to the 2020 Edelman Trust Barometer, 56 percent of global respondents thought capitalism was doing more harm than good. These critical views are especially high among younger Americans: according to polling from Axios/Momentive, "In 2019, 58 percent of Americans ages 18–34 reacted positively to the word capitalism. That's plunged to 49 percent today."[8] The belief that transformative reform of the current social order must be free of the hold of the market and staked outside the demesne of neoliberalism has

been a staple of socialist thinking for decades. Yet it has now taken root in institutions that sit near the center of that order. These efforts have helped to make the "master's tool" critique more mainstream (Giridharadas 2018, 15).[9]

This critique can assume two forms. The first points largely to an effort's inadequacy or operational deficiency. At its most generous, this critique concedes that philanthrocapitalism or impact investing can do some good, even a considerable amount, but that such efforts must not be regarded as a substitute for deep, systematic changes in the structures of power and resource allocation necessary to truly address the root causes of the ills facing contemporary society. Impact investing and philanthrocapitalist approaches in this view are palliative measures, but not necessarily toxic ones.[10]

The second goes beyond assertions that philanthrocapitalism does not do enough good and claims that it does harm that undermines and negates whatever positive impact it might achieve. In this view, philanthrocapitalism is actively complicit in upholding the systems and structures that cause many of the ills it seeks to address, and impact investing serves as a substitute for, or diverts attention from, more radical efforts to address the root causes of those ills. Global health activists, for instance, have recently warned that "philanthropic funding can act as a political analgesic. Instead of treating the source of pain, philanthropy offers temporary relief that disarms potential civic action to address a lack of domestic action on health."[11] Such a challenge shares affinities with the greater attention recently directed to the issue of tainted money, and the increased public scrutinization of the source of funds being tapped by philanthropy, under the assumption that gifts often function as a form of "reputation laundering" (Giridharadas 2018, 7–8).[12]

In fact, this line of critique targets all the strains of "washing" (greenwashing and impact-washing, most prominently), in which types of philanthrocapitalism are promoted and their impact overstated as a deliberate means of obfuscating the effects of certain business or investment practices. Giridharadas powerfully expressed the general scope of this critique in the *New York Times*, writing, "Of course, world-changing initiatives funded by the winners of market capitalism do heal the sick, enrich the poor and save lives. But even as they give back, American elites generally seek to maintain the system that causes many of the problems they try to fix—and their helpfulness is part of how they pull it off. Thus their do-gooding is an accomplice to greater, if more invisible, harm."[13]

Another version of this critique has emerged from *within* the philanthrocapitalist camp. Some promoters of philanthrocapitalism recognize much of this critique but regard it as a challenge to intensify their own work to address the harms it cites. They stake out territory on a middle ground that calls not for the dismantling of entire current economic or social structures but for deep reform, a

transformation in which those who benefit from such systems, whose *privilege* is rooted in them, must take a leading role, often by using those systems and that privilege as instruments of change. It is no accident that the Ford Foundation's Darren Walker, who has been a vocal proponent of impact investment, is the most prominent champion of this view. It is those who have benefited most from capitalism who bear a special responsibility to save it from its own excesses, he has argued, by using "access to the resources, networks, and power" as a tool to extend those privileges to all. Explaining why the Ford Foundation has embraced mission-related investments, Walker writes, "We are stewards of enormous resources—participants in and beneficiaries of a capitalist system. As a result, our work is quite literally enabled by returns on capital. In turn, I believe we are obligated 'to strengthen and improve' the system to which we owe our good fortune" (Walker 2019, 32, 87–89). This is a chastened, reflective philanthrocapitalism. Yet for all its self-conscious accounting (and perhaps atoning) for privilege, it is still subject to doubts regarding how deeply market-based approaches can reform market-based systems, and whether the master's tools can perform transformative work (Giridharadas 2008, 165–76).[14]

The Agents of Privatization

Another dynamic that has shaped critiques of impact investing in contemporary public discourse is the assumption that support for impact investing is tethered to a broader agenda of privatization, and to the broader program of neoliberalism more generally (including deregulation, the prioritizing of the private over the public good, and a preference for market motifs, motives, and mechanisms) (Eikenbery and Mirabella 2018; Haydon, Jung, and Russell 2021, 8, 11, 14–15; Wong 2020). A focus on the bonds between philanthrocapitalism and neoliberalism can lead to the suspicion that any financial support or investment in market-based approaches to advance the public good is part of a broader assault on the legitimacy and vitality of public systems and institutions. Within such a Manichean framework, there can be few neutral parties. The forces of neoliberalism are arrayed on one side and the defenders of democratic accountability and the public sector on the other.

Maintaining these battle lines does not require champions of impact investment or of philanthrocapitalism to issue explicit declarations of allegiance. They do not need to believe themselves to be active promoters of an agenda of privatization for critics to assume they are fighting on its behalf. Nor does the fact that public sector institutions themselves can make impact investments necessarily scramble the terms of conflict. As political theorist Chiara Cordelli has recently argued, in recent decades, the US government itself has become a leading agent of privatization, increasingly outsourcing

"a large part of the practice of governing to private institutions, whether these be for-profit or nonprofit organizations," and in the process calling into question the foundations of its own legitimacy.[15]

Yet even as the battle lines seem clearly drawn, both sides root their campaigns in a common acknowledgement of the public sector's limited capacities. This is a general article of faith among leading proponents of philanthrocapitalism (Haydon, Jung, and Russell 2021, 12); it also features prominently in much promotion and analysis of impact investing (Cohen 2019, 68).[16] Historical accounts of the rise of impact investing over the past two decades, for instance, often trace it to declining governmental budgets and spending. Medical anthropologist Susan Erikson, for instance, has written that the growth of impact investing and innovative financing mechanisms in the 1990s, such as green, catastrophe, and pandemic bonds, represented an effort to "make up for the tax-revenue shortfalls in health, education, and social-welfare provisions resulting from the neoliberal austerity schematics introduced in the 1980s" (Erikson 2019, 86). In these accounts, philanthrocapitalist mechanisms and interventions are developed to fill gaps produced by ineffectual or poorly funded government (Horvath and Powell 2016, 90).

Yet even as critics and champions of impact investing largely agree on the basic outline of this history, there is a sharp divide as to its interpretation. Many partisans of privatization approach the decline in the capacity of the state in light of their suspicions regarding the inherent limitations of the public sector. Critics of philanthrocapitalism, on the other hand, often point out that its promoters are not merely passively responding to certain political and economic realities but are actively shaping them. They consider tightened budgets and ineffectual government to be political artifacts, the consequence of particular neoliberal policies either embraced internally or imposed by external actors. They argue that philanthrocapitalism, presented as a technocratic response to state incapacity and government failure, is in fact often complicit in that reality because it celebrates and draws attention and resources to market-based solutions, leading to underinvestment in the public sector and a declining faith in the sustainability of public goods (Horvath and Powell 2016; Saltman 2018). For instance, critics have argued that in the realm of global health, philanthrocapitalism's championing of the role of private pharmaceutical companies has led to a lack of funding for public sector health infrastructure (McGoey 2015, 172). The mechanisms of the threat that impact investing poses to public sector infrastructure is perhaps most evident in K–12 education, where investments in private charter schools and educational technology are often presented by critics as attempts to undermine teachers' unions, teachers' autonomy, and public education more generally (Haydon, Jung, and Russell 2021, 12; Hursh 2018; Ravitch 2013; Saltman 2018). Conflicts over the status and fate of public education are

especially high profile, and their bitterness and vociferousness color debates over the legitimacy of impact investing more generally.[17]

It is perhaps in discussions of taxation that philanthrocapitalism is most vividly presented as an agent of the hollowing out of the state. On the one hand, the relationship between philanthrocapitalism and the diminished financial resources available to government is clear. The funds that supply personal and corporate philanthropy, as well as impact investing, are augmented by low tax rates, and at times by tax avoidance and evasion. The charitable deduction also represents a transfer of public funds from the Treasury to private hands (Reich 2018). But the antagonism between tax paying and philanthrocapitalism takes another form, one that involves not merely the division of financial resources, but the allocation of attention, prestige, and status. This was made clear in one of the more high-profile recent critiques of philanthrocapitalism, which was made at the 2019 World Economic Forum at Davos—in the belly of the philanthrocapitalist beast. At a panel during the conference, Dutch historian Rutger Bregman issued a rebuke that became a viral sensation when he noted the lack of any discussion at Davos of the significance of tax payments in addressing the world's most significant challenges. "It feels like I'm at a firefighters conference and no one is allowed to speak about water," he declared. "We can talk for a very long time about all these stupid philanthropy schemes, we can invite Bono once more, but, come on, we got to be talking about taxes. That's it. Taxes, taxes, taxes—all the rest is bullshit, in my opinion."[18]

Bregman called attention to the problem of tax avoidance and to the fact that governments could likely make legitimate claims on a good part of the financial resources used to fund the philanthrocapitalist schemes celebrated at Davos. But he also made a point about what gets talked about, honored, valued, and seated at center stage—and what does not. "Stop talking about philanthropy and start talking about taxes," he insisted to the crowd. The corollary is that talking about philanthropy is a way not to talk about taxes. In a joint interview with Bregman and Oxfam executive director Winnie Byanyima (who had been on the Davos panel with him), Giridharadas made this point directly. "There are terms such as 'social impact' and 'social venture capital' and 'impact investing,'" he noted. "They are ways of encouraging us not to use words like 'power' and 'justice' and 'dignity.' They are an attempt to make us not speak about unions and taxes."[19]

The Meaning of Sacrifice, the Pursuit of Profit, and the Critique of the Win-Win

One of the unifying principles across the spectrum of philanthrocapitalism is the moral logic of the "win-win." It is certainly fundamental to the promotion of impact investing. As a subtitle of a chapter in Cohen's *Impact: Reshaping Capitalism to Drive Real Change* explains, "It is possible to do well and do good at the same time" (2019, 33). The attention given to the intersection of profit-making and the pursuit of the public good has a long pedigree, going back at least to 17th- and 18th-century political theorists such as Bernard Mandeville and Adam Smith. As Smith wrote in *The Wealth of Nations*, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages" ([1776] 2007, 16). What's different now, McGoey argues, are the intentional and performative elements that have been introduced into the relationship between philanthropy and capitalism. Instead of relying on the invisible hand of the market, promoters of philanthrocapitalism celebrate the hand of the entrepreneur or investor, who is explicit and deliberate about both the aims of making a profit *and* of improving the world (2015, 95). Because of this self-conscious and promotional element, the win-win arrangement characterized by impact investing does not merely describe the combination of profit and purpose for the investor, but the even broader legitimation of capitalism and market forces alongside the advancement of the public good.[20]

For this reason, if the principle of the win-win links many types of philanthrocapitalism, it also provides a target for many of philanthrocapitalism's critics. Attacks on that principle, for instance, sit at the heart of Giridharadas's *Winners Take All* and McGoey's *No Such Thing as a Free Gift*. These critiques constitute a repudiation of the fundamental premise of philanthrocapitalism. They seek to sever the union and to call out the inherent tension between, as one academic critic recently phrased it, "these contradictory aims of wealth extraction and public purpose" (Saltman 2018, chap. 4). Such critiques represent the flip side of the classic rejection of corporate social responsibility, championed by Milton Friedman in the 1970s, that insisted that the sole responsibility of business was to pursue profit. Friedman's theories of profit maximization and critics' charges regarding the incoherence of philanthrocapitalism seek to clearly demarcate and police the boundaries between business investment and philanthropic activity.[21]

Critiques of the win-win, of philanthrocapitalism more generally, and of impact investing in particular, often reflect the erosion of the boundaries between profit-making, which can be considered a legitimate enterprise, and profiteering, an illegitimate form of activity that is by definition

incompatible with the public good (Morduch and Ogden 2019, 17). In many critical accounts of "win-win" solutions, it's striking how seamlessly suspicions of those who pursue market-based reforms to achieve some public good bleed into charges of profiteering, in which the pursuit of the public good seems to fade away entirely, eclipsed by the heedless pursuit of private gain. Progressive critics of private investments in K–12 education, for instance, often dismiss investors' pretense "of doing good" and instead portray them as working within the same amoral and immoral category as companies that offer privately contracted education services or that make investments in schools, almost entirely motivated by profit—hedge funds, for instance, that invest in charter schools largely for generous tax credits (Saltman 2018). Another version of this critical assessment features mission drift and internal corruption: even if an enterprise was not initiated with profit-making paramount, the capitalist or commercial imperative will overwhelm and despoil the philanthropic one. Philanthrocapitalism, in this view, is not really a marriage of equals. What Yunus warned about microfinance could be extended to all impact investments: if you have investors who aim to maximize profits, you might start out a do-gooder, but you'll end up a "loan-shark."[22]

Another way the win-win has been challenged, especially with respect to mission-related and program-related investments made by foundations, is through claims of conflicts of interest. In a recent article in *The Nation*, for instance, journalist Tim Schwab inventories all the Gates Foundation's grantmaking to private for-profit companies and finds "close to $250 million in charitable grants from the Gates Foundation to companies in which the foundation holds corporate stocks and bonds." Schwab highlights the foundation's investment in Mastercard (through Berkshire Hathaway stock) and points to its grants to a Mastercard affiliate that aims to increase access to digital finance in Kenya. The insinuation, which runs throughout Schwab's writing, is that such grants have been motivated, at least in part, by the drive to increase the foundation's investment returns, that they have represented a corrupt form of "self-dealing" incompatible with legitimate philanthropy. McGoey has also focused on the Gates Foundation's grantmaking to for-profit corporations as the embodiment of philanthrocapitalism's inherently suspect nature, providing cover for rapacious, corporate profiteering (McGoey 2015, 222, 228).[23]

The potential incompatibility of profit and social purpose is heightened when profit is associated with another's misfortune. This unease does not have to imply some broader critique of capitalism, though it often anticipates or gestures toward one. It can stem instead from a sort of primal belief in the ethical incompatibility of helping others in desperate need while deriving a personal benefit from them.[24] This belief is evident in the ways public officials and scholars have "reckoned" with new models of global health financing. As the *Economist* explained in a 2017 article, embracing humanitarian impact

bonds, which hedge against pandemics or natural disasters, requires “becoming less queasy about putting the words ‘profit’ and ‘human suffering’ in the same sentence.”[25] Yet, as Erikson (2019, 80) notes, “the ethical heft” of the pandemic bond and other similar financial instruments compels a reckoning that “is graver than overcoming an upset stomach” and is not so easily dismissed.

That “ethical heft” only deepens when profit is pursued in the midst of a publicly recognized crisis or disaster; indeed, finding opportunities for profit within crisis is often considered a distinctive mark of the profiteer, or what Naomi Klein (2007) labeled the “disaster capitalist.” This, of course, might prove a problematic categorization for the impact investor, who is drawn to crisis as much or even more by an urgent sense that their resources are especially needed than by the lure of profit. In addition, the parameters of what constitutes a crisis have expanded in recent decades in public discourse, especially on the left, to include not merely natural disasters and political tumult, but also the more generalized precarity that mutual-aid theorist and activist Dean Spade describes as “the ongoing-crises of racist criminalization, brutal immigration enforcement, endemic gender violence, and severe wealth inequality, [that] threaten the survival of people around the globe” (2020, 1). Such an expanded definition suggests that impact investing will, to the extent it is aimed at any of the conditions produced by such forces, be permanently dogged by charges of profiteering.

Against the ethic of the win-win, critics of philanthrocapitalism often pose an alternative ethic rooted in a commitment to sacrifice and grounded in a belief that social change, if it is to be legitimate and/or effective (by no means the same thing), must involve a significant reduction in the power, resources, or status of those who currently hold the most of them. “Changing the world asks more than giving back,” Giridharadas writes. “It also takes giving something up.” Calls to sacrifice can be rooted in religious or spiritual rationales that understand sacrifice to be a good in itself. Beyond this, an ethic of sacrifice poses a challenge to that of the win-win in other ways. A sacrifice can be understood as an acknowledgement of complicity in or even as an act of expiation for the state of the current economic system, whereas an embrace of win-win arrangements is often portrayed by critics as a tacit endorsement of the status quo. A sacrifice can also be understood as a literal act of redistribution, as one step in the larger political project of combating inequality. A win-win, on the other hand, can be viewed as a push in the opposite direction. As one financial journalist commented, “Impact investing, by its nature, involves making the rich richer when increasing inequality is one of the world's great dangers.” (Of course, if the rich get richer but the rest get even richer still, income inequality would decrease.)[26]

Sacrifice has also become one of the primary lodestars for critics of philanthropy who work in the sector. Foremost among them is the Ford Foundation’s Darren Walker, for whom an ethic of sacrifice is

one of the main rhetorical instruments allowing his commitment to social justice to be reconciled with his belief in the redeemability of capitalism. It is a bedrock of his revised "Gospel of Wealth," which calls for the fruits of capitalism (philanthropy) to address the excesses of capitalism. Walker ties the imperative to sacrifice to an acknowledgement of privilege, and a commitment to use privilege for good and to reduce it by addressing the root causes of inequality and inequity. "If it doesn't hurt … then you're not giving enough," Walker has instructed. "This conception of sacrifice is profound: Only when it is uncomfortable, even painful to give of ourselves, only when your life makes a meaningful shift away from something you otherwise might want, do you know that you are giving beyond your own benefit" (2019, 23–32).[27]

Certain tensions and ambiguities run through these calls for philanthropic sacrifice and characterize the reformist discourse surrounding philanthrocapitalism more generally. For one, if philanthrocapitalism is powered by privilege, it confronts the possibility of burning through its stock of fuel. Recent calls to "shift power" often do not fully outline how much individuals and institutions are called to give up (Walker, for instance, talks about "sharing privilege" as well as disavowing it [2019]).[28] After all, some degree of sacrifice might be necessary to preserve the system on which privilege is grounded. "If we, the beneficiaries of a system that perpetuates inequality, are trying to reform this system that favors us," Walker writes, "we will have to give up something" (he cites legacy admission to universities and certain tax preferences). But this exchange also allows for the retention of significant power and privilege. Similar questions trailed the "social justice bonds" that Walker championed during the pandemic. These bonds have allowed foundations to increase their spending by borrowing at historically low interest rates, without dipping into their endowments. The bonds were widely cheered in the press, but critics have noted that the financing has allowed the Ford Foundation and other foundations to retain their large endowments and the power and privilege that comes with them. The sacrifice these critics called for would have led to a transfer of funds from Ford to grassroots nonprofits, such that Ford's endowment would be permanently reduced and the power dynamic between it and its grantees permanently altered.[29]

Similar questions about the nature of sacrifice confront the field of impact investing. At a basic level, sacrifice has often been understood in terms of the amount of profit expected by investors, with some critics arguing that deeply concessionary investments are necessary for real social change (though there has been no consensus regarding how large concessions should be).[30] Yet it would be a mistake to assume that accepting a significantly below-market rate would fully satisfy the critical imperative to sacrifice and to challenge the primacy of the win-win. There are now calls from within the impact investing field to move beyond "arcane notions of market-rate versus concessionary returns" to

consider how power itself is allocated through the question of who makes investment decisions or designs financial instruments.[31] Those who now push for more participatory forms of funding and community wealth building note that even an investment made at a below-market rate constitutes an exercise of power, power that must be shared with or given up to those closest to the problems impact investments seek to address (Wrobel and Massey 2021). This form of sacrifice extends to impact investments advanced as reparations for racist exploitation and unjust property appropriation, and that therefore call into question the legitimacy of the current economic and social structures that have produced the wealth being invested. Even as it affirms the power of impact investment as a practice, this form of investing also levels a critique at the field more generally and the field's complicity in unjust systems and structures (Morduch and Ogden 2019, 12).[32]

There is another, related challenge to the philanthrocapitalist's gospel of the win-win, one that posits instead a zero-sum world in which competing economic and political interests clash and in which a win for some entails a loss for others. This conception is somewhat skeptical toward the notion of sacrifice as an affirmative, voluntaristic ethic embraced by those with power and privilege. Instead, it assumes that true sacrifice must be *imposed* on the wealthy and powerful through the political process, fueled by social movements and social pressure. In this view, the promotion of the public good is a zero-sum affair that requires taking power from those who have it, not waiting for them to share it.[33]

One version of the critique of philanthrocapitalism's endorsement of the win-win focuses on its promotion of a politics that seeks to obscure clashing interests (be they economic, national, or cultural) (Haydon, Jung, and Russell 2021, 16). As Giridharadas notes, philanthrocapitalism favors solutions to social problems that are depoliticized and "perpetrator free" (2018, 103). It promotes "change the powerful can tolerate." It champions "impact investing—not the closing of the carried-interest loophole."[34] By focusing on the consumer and not the citizen, philanthrocapitalism also downplays the importance of collective action in achieving change that the powerful would tend to resist. What the scholars Marshall Ganz, Tamara Kay, and Jason Spicer write about social enterprise and social entrepreneurship might also be applied to the critique of impact investing: its "rise distracts from and undermines the critical role of an organized citizenry, political action, and democratic government in achieving systemic social change, by offering itself as a private, market-based alternative."[35]

If philanthrocapitalism's critics suggest it favors a depoliticized gospel of the win-win, they also believe this to be a deeply political strategy, in that it ultimately serves to preserve and promote the philanthrocapitalist's interests, which they believe run counter to those of the vast majority of the public. Behind the mask of the win-win, they maintain, is the zero sum. This was one reason why the story about William McGlashan, the investor who helped create the $2 billion impact investment Rise

Fund and who was convicted of paying bribes to cheat on his son's college entrance exam as part of a college admission scandal, garnered such media attention (the fact that Bono was an investment partner didn't hurt either). Prosecutors depicted McGlashan as living a "double life." As one explained, "Publicly as co-founder of a social impact fund, he devoted his career to addressing inequalities through making investments that sought to bring positive change by leveling the playing field … But privately, when no one else is looking, he did the exact opposite."[36] Yet critics of impact investing saw more continuity between these two identities, given the ways in which they believed philanthrocapitalism propped up the interests of the powerful. As Giridharadas told *Vanity Fair*, "When someone like that is caught showing how desperately they cling to the status quo, and how clinging to the status quo is so overpowering that they're willing to break federal law, it doesn't just implicate one man. It raises a question about the sincerity of a lot of people in that field. Because the whole premise of impact investing is that the rich—while advancing social justice—should actually make a buck from it."[37]

The COVID-19 Crisis as Test of Impact Investing

In the early months of the COVID-19 crisis, commentators predicted that it would pose a "test" for philanthrocapitalism.[38] Indeed, both the potential benefits of philanthrocapitalism and nearly all the previously mentioned types of critiques of it gained significant attention in public discourse with respect to responses to the pandemic. Because in many of those smaller-scale responses the boundaries between the charitable and the commercial were blurred—as people supported local businesses and even paid workers to stay home—the COVID-19 crisis primed the public for an appreciation of the value of philanthrocapitalism and of the ways that investing in for-profit enterprises could promote the public good. This appreciation was intensified in the aftermath of the nationwide protests over the murder of George Floyd, which saw a surge of funding directed to Black-owned businesses and of social investments benefiting communities of color. The growth of such targeted impact investments might be one of the most significant philanthropic legacies of the pandemic.[39]

Yet, at the same time, because the pandemic has brought so much loss—of basic social interaction, of economic opportunities, of life itself—it has also highlighted the significance of sacrifice and called attention to the gulf separating those who have borne the bulk of the burdens of the crisis and those who have not. There has been widespread reporting and critical commentary on the fact that the wealth of billionaires has continued to explode during the pandemic. "Twenty million Americans lost their job in the pandemic," President Joe Biden noted during his April address to Congress. "At the same time, roughly 650 billionaires in America saw their net worth increase by more than $1 trillion."[40] The sense

that this dynamic is deeply unjust has been pervasive. A poll from Vox and Data for Progress, for instance, showed that although a plurality of respondents felt positively about billionaire philanthropy, 72 percent agreed it was unfair that "the rich got richer during the pandemic," a conclusion "shared across all racial, partisan, socioeconomic, and other demographic groups."[41]

These dynamics have provided the context for the intense media focus on the role philanthrocapitalism has played in supporting the research, development, manufacture, and distribution of COVID-19 tests, treatments, and especially vaccines. The last half year has witnessed perhaps the highest-profile, sustained journalistic engagement in recent memory with issues surrounding for-profit investments in private industry—and specifically the pharmaceutical industry—as a means of serving the global public good. It is likely that for many, assessments of these investments will shape broader attitudes toward the legitimacy of philanthrocapitalism, and of impact investing, for years to come.

This discourse has often focused on the Bill and Melinda Gates Foundation and Bill Gates himself as embodiments of the benefits and dangers of philanthrocapitalism. In the years before the COVID-19 crisis, the Gates Foundation made a number of investments in pharmaceutical and biotech companies to incentivize work on mRNA vaccines, including a $55 million equity investment in the German company BioNTech in 2019. Over the past several decades, it has also helped establish several multilateral institutions that facilitate public-private partnerships to promote the research, development, manufacture, and equitable distribution of vaccines. These include GAVI, the Vaccine Alliance, the Coalition for Epidemic Preparedness Innovations, and most recently, the Access to COVID-19 Tools Accelerator (which includes COVAX). By the end of 2020, many of the platforms that seemed closest to delivering a COVID-19 vaccine that could be widely distributed—Moderna, BioNTech, Novavax, and the University of Oxford—had all received funding from the Coalition for Epidemic Preparedness Innovations or the Gates Foundation. This funding came with "global access agreements" requiring recipients to commit to providing low-income countries with access to vaccines.[42]

In the pandemic's first year Bill Gates emerged not merely as the leading "spokesman for science," explaining to the public the stakes of the search for a COVID-19 vaccine, but also as the leading defender of the current regulatory, legal, and ideological frameworks in which that search took place, "a global health system based on proprietary science and market monopolies." He championed the idea that the dynamism of private pharmaceutical firms could be harnessed to the global good in a time of crisis. In doing so, he offered a high-profile legitimation of philanthrocapitalism, and of impact investing as one key type of it. In this view, supporting and investing in pharmaceutical and biotech firms, and then encouraging governments and philanthropies to subsidize the distribution and sale of the vaccines produced by them to low-income countries, was the surest path to vaccine equity.[43]

In the last months of 2020, when the results of initial tests from several vaccine manufacturers showed extremely promising results, this model seemed to be poised for vindication. "Covid vaccines offer Big Pharma a chance of rehabilitation," announced the *Financial Times*.[44] Yet as deep inequities in vaccine distribution throughout the world emerged, the philanthrocapitalist approach also came under sustained attack.

At one level, the pandemic stoked long-standing debates about the legitimacy of corporations deriving private benefit from crisis response. "The question is really, 'Is this a time to profit?'" asked Mustaqeem De Gama, councilor at the South African mission to the World Trade Organization in Geneva, referring to pharmaceutical companies that insisted on maintaining strict intellectual property rights for COVID-19 vaccines. The news that many of those companies had made billions from the sale of vaccines (or from government subsidies), enriching top executives with funds that might have been directed to expanding vaccine access in low-income countries, was regarded by some as prima facie evidence of the moral bankruptcy of the current system of global public health.[45] Gates himself seemed to have anticipated this critique, even as he insisted on the vital role that for-profit enterprise could play in creating, producing, and distributing the vaccine. "Nobody's trying to make money selling this vaccine to developing countries," he told *Fast Company* in December 2020. Given not all vaccine manufacturers agreed to forgo profits on their vaccines, Gates seemed to be trying to maintain a distinction between illegitimate profiteering and the legitimate profit-generating work taken on by pharmaceutical companies. "If the private sector is willing to step up and manufacture this vaccine … they shouldn't have to lose money to do it," Gates insisted. "At the same time, any Covid-19 vaccine must be classified as a 'global public good,' and remain affordable and accessible to all."[46]

These lines were further blurred by heightened attention directed to the charge that impact investing in vaccines often involved a problematic conflict of interest. Schwab, who during the pandemic has emerged as one of the most vocal critics of the Gates Foundation and of Gates as a philanthropist, has made this one of the central themes of his reporting on the foundation, highlighting in *The Nation* that the foundation, through its investment in pharmaceuticals related to COVID-19 vaccines, was "in a position to potentially reap considerable financial gains from the Covid-19 pandemic." Stated without judgment, this might represent a simple recapitulation of impact investing, but the insinuation was clearly that the investments were suspect and might be violating some crisis-based norm. Schwab (2021) made similar accusations against Wellcome Trust, highlighting a "conflict of interest" in the foundation's investments in pharmaceutical companies like Roche, with which the foundation is also partnering in efforts to support new COVID-19 therapeutics. In his reporting, Schwab has linked his

exposure of these funding relationships to investigations of members of Congress for stock trading based on nonpublic information about the pandemic.[47]

The pandemic has also elevated the charge that philanthrocapitalism is an agent of privatization that weakens public health infrastructure. For decades, this critique roiled the field of global health; in the past few months, it has received widespread attention from the US media. It erupted in a particularly powerful fashion in the early days of the pandemic, when global health activists presented the pandemic as an opportunity to advance a new paradigm for public health. A number of Global South countries, led by South Africa and India, joined by a corps of global health activists in calling for a "people's vaccine" that would require production facilities to be government controlled and intellectual property and technology related to that production to be widely shared.[48]

Philanthrocapitalism has long been dogged by the most radical possibilities it seems to foreclose, but during the pandemic these possibilities have received more sustained attention in the press, and for many who had not given these possibilities much thought, demands for their realization have become even more urgent and the path to doing so more concrete. In that context, philanthrocapitalism has begun to emerge—as have its most prominent champions—as an active impediment to the establishment of an alternative, more egalitarian system based on open science and cooperation between nations. As three prominent critics of the current system recently insisted, "It doesn't have to be this way."[49] They join a rising chorus in denouncing the operating "charitable models"—which rely on market forces and private industry and which insist that poor countries depend on rich countries and wealthy donors "for their leftovers"—for preventing the emergence of vaccines as a true public good. For all its talk of transformational change, philanthrocapitalism in this critique has been exposed as being staked to the status quo, its win-win rhetoric masking a "zero-sum vaccination battle" that has allowed wealthier countries to horde vaccine stock and the power to determine vaccine access.[50]

The Gates Foundation has been at the center of these critiques. It was attacked, for instance, for allegedly pushing the University of Oxford to partner with AstraZeneca after it had considered placing the rights to its vaccine candidate in the public domain. By the same token, during the pandemic, Bill Gates has not merely been depicted as the most prominent champion of philanthrocapitalism and the most celebrated impact investor, but, because of his vocal defense of intellectual property protections for pharmaceutical companies making COVID-19 vaccines, also as an obstacle to the development of public infrastructure that could guarantee vaccine equity. A tagline for an article in the *New Republic*, accompanied by an illustration of a demonic Gates with devil horns, declared Gates a "vaccine monster" and promised to explain "how Bill Gates impeded global access to [the] COVID vaccine."[51] It illustrated a shift in public critiques of Gates; whereas in the early months of the pandemic, the most vitriolic were

linked to outlandish conspiracy theories about his plans to promote a vaccine as a means of implanting microchips in unsuspecting people, by the pandemic's second year, many touched on his role as defender of intellectual property rights. Both assumed that personal profit lay at the heart of his vaccine advocacy, but whereas defenders of philanthrocapitalism could easily dismiss the former, the latter represented a legitimate challenge to the movement.[52]

This challenge will likely shape attitudes toward philanthrocapitalism long after the pandemic subsides. As the *New York Times* noted in May 2021, referring to Covax, if the initiative "manages to help protect the world's poor from a virus that has already killed more than 1.3 million people, it will affirm the strategies [Bill Gates] has promoted in his philanthropic work, including incentives for drug companies. If the endeavor falls short, however, it could intensify calls for a more radical approach." In most contemporary critiques, philanthrocapitalism is considered a rival to that more radical approach.[53]

Yet it is unlikely that the pandemic will deliver a complete vindication—or repudiation—of philanthrocapitalism, or of impact investing in particular.[54] On the one hand, early investments in pharmaceutical and biotechnology companies "laid the groundwork for the historic sprint to develop effective vaccines," as the impact investing trade publication ImpactAlpha noted in June 2021. On the other, as the publication went on to highlight, those investments, and the broader philanthrocapitalist framework of which they are part, have largely failed to secure an equitable distribution of the vaccines.[55] At the very least, though, the COVID-19 crisis has provided superbly potent instantiations of the major critiques of philanthrocapitalism that have developed over the past two decades. In the contests over the legitimacy and value of impact investing that will unfold in the years to come, these pandemic-related challenges will serve as key reference points, for critics, champions, and those who position themselves somewhere in between.

Notes

[1] Angus Deaton, "Republic of Unequals," *Prospect*, January 4, 2021, https://www.prospectmagazine.co.uk/opinions/us-inequality-wealth-divide).

[2] Contemporary critics build on the work of the French theorist Pierre Bourdieu, who showed that "philanthropy brings rewards in the form of cultural, social and symbolic capital, which may be converted, when skillfully directed and in the right circumstances, into fresh economic capital, sometimes on a prodigious scale." See Maclean and coauthors (2021).

[3] In subsequent editions of Bishop and Green's *Philanthrocapitalism*, the subtitle was changed to "how giving can change the world."

[4] Stephanie Wykstra, "Microcredit was a hugely hyped solution to global poverty. What happened?" *Vox*, January 15, 2019, https://www.vox.com/future-perfect/2019/1/15/18182167/microcredit-microfinance-poverty-grameen-bank-yunus; Claire Provost, "The Rise And Fall Of Microfinance," *The Guardian*, November 21, 2012, https://www.theguardian.com/global-development/poverty-matters/2012/nov/21/rise-fall-microfinance.

[5] Similar suspicions about the gaps between public pledges and reality are frequently directed toward large-scale philanthropic giving, and toward the recent surge of pledges to address racial inequity. See, for instance, Roxanne Roberts and Will Hobson, "The pandemic is testing the generosity of billionaires," *Washington Post*, June 4, 2020, https://www.washingtonpost.com/lifestyle/style/the-pandemic-is-testing-the-generosity-of-americas-billionaires-a-washington-post-survey-of-the-50-richest-americans-looks-at-who-has-given-and-who-hasnt/2020/06/01/28149f42-96d2-11ea-9f5e-56d8239bf9ad_story.html; Michael Harriot, "It Turns Out, All Those 'Woke' White Allies Were Lying," *The Root*, May 24, 2021, https://www.theroot.com/it-turns-out-all-those-woke-white-allies-were-lying-1846959017.

[6] See, for instance, Paul Sullivan, "An Argument for Investing Where the Return is Social Change," *New York Times*, April 2, 2021, https://www.nytimes.com/2021/04/02/your-money/impact-investing-social-change.html.

[7] McGoey first used a version of the "arsonist" line in a 2008 review of Bishop and Green's *Philanthrocapitalism*. McGoey, "Doing good and doing well," *The Spectator*, November 15, 2008, https://www.spectator.co.uk/article/doing-good-and-doing-well; Linsey McGoey, "Why Billionaires Like Bill Gates Can't Fix the Problems They Helped Create," *New York Times*, May 25, 2021, https://www.nytimes.com/2021/05/25/opinion/bill-melinda-gates-foundation.html; Bonnie Chiu, "Impact Investing Needs to the Urgent Challenge of Reducing Racial Inequalities," Forbes, July 22, 2019, https://www.forbes.com/sites/bonniechiu/2019/07/22/impact-investing-needs-to-rise-to-the-urgent-challenge-of-reducing-racial-inequalities/?sh=45ff451f4b23.

[8] Felix Salmon, "America's continued move toward socialism," Axios, June 25, 2021 https://www.axios.com/americas-continued-move-toward-socialism-84a0dda7-4b8d-483a-8c4e-0c2e562c4e67.html.

[9] Max Ehrenfreund, "A majority of millennials now reject capitalism, poll shows," *Washington Post*, April 26, 2016, https://www.washingtonpost.com/news/wonk/wp/2016/04/26/a-majority-of-millennials-now-reject-capitalism-poll-shows/; Alex Daniels, "Hewlett Commits $50 million to New Effort to Rethink How Capitalism Should Work," *The Chronicle of Philanthropy*, December 8, 2020, https://www.philanthropy.com/article/hewlett-commits-50-million-to-new-effort-to-rethink-how-capitalism-should-work.

[10] See, for instance, Kavita Ramdas, "Point: Philanthrocapitalism is not Social Change Philanthropy," *SSIR*, December 15, 2011, https://ssir.org/point_counterpoint/philanthrocapitalism.

[11] Julia Greenberg and Aggrey Aluso, "Funding for global health: Too much and not enough," *Alliance*, December 1, 2020, https://www.alliancemagazine.org/feature/funding-for-global-health-too-much-and-not-enough/.

[12] Mike Scutari, "Scrutiny of Donors and 'Reputation Laundering' is Growing Thanks to COVID and Protests," *Inside Philanthropy*, June 24, 2020, https://www.insidephilanthropy.com/home/2020/6/24/scrutiny-of-donors-and-reputation-laundering-is-growing-thanks-to-covid-and-protests; Leslie Albrecht, "Will Jeff Bezos's philanthropy provide a 'halo effect' for Amazon? Critics say yes," Marketwatch, February 12, 2021, https://www.marketwatch.com/story/is-this-amazons-attempt-at-reputation-laundering-5-unanswered-questions-about-jeff-bezos-philanthropy-11612798076; Lewis Beale, "How the Rich Mask Their Greed With Ostentatious Philanthropy," *The Daily Beast*, April 20, 2021, https://www.thedailybeast.com/how-the-rich-mask-their-greed-with-ostentatious-philanthropy.

[13] Bruce Watson, "The troubling evolution of corporate greenwashing," *The Guardian*, August 20, 2016, https://www.theguardian.com/sustainable-business/2016/aug/20/greenwashing-environmentalism-lies-companies; David Gelles, "Social Responsibility That Rubs Right Off," *New York Times*, October 17, 2015, https://www.nytimes.com/2015/10/18/business/energy-environment/social-responsibility-that-rubs-right-off.html; Yasemin Saltuk Lamy, Christina Leijonhufvud, and Nick O'Donohoe, "The Next 10 Years of Impact Investment," *SSIR*, March 16, 2021, https://ssir.org/articles/entry/the_next_10_years_of_impact_investment; Anand Giridharadas, "Beware Rich People Who Say They Want to Change the World," *New York Times*, August 24, 2018, https://www.nytimes.com/2018/08/24/opinion/sunday/wealth-philanthropy-fake-change.html.

[14] Walker, "Ford Foundation's Darren Walker: How to save capitalism from itself," *Fast Company*, October 17, 2019, https://www.fastcompany.com/90411391/ford-foundations-darren-walker-how-to-save-capitalism-from-itself; David Bank, "Pushing impact investing 'beyond neoliberalism,'" Medium, May 26, 2018, https://medium.com/@davidmbank/pushing-impact-investing-beyond-neoliberalism-d3b132bcf778.

[15] Chiara Cordelli, "Why Privatization is Wrong," *Boston Review*, November 24, 2020, https://bostonreview.net/politics-philosophy-religion/chiara-cordelli-why-privatization-wrong.

[16] Antony Bugg-Levine, "Blazing New Paths For Social Impact," *SSIR*, October 31, 2012, https://ssir.org/articles/entry/blazing_new_paths_for_social_impact.

[17] Rob Larson and Nathan J. Robinson, "Humanity Does Not Need Bill Gates," *Current Affairs*, May 4, 2021, https://www.currentaffairs.org/2021/05/humanity-does-not-need-bill-gates; Lauren Debter, "The Easiest Money Bill Ackman Has Made Lately Is in a Bunch of Charter Schools," Forbes, October 3, 2018, https://www.forbes.com/sites/laurengensler/2018/10/03/the-easiest-money-bill-ackman-has-made-lately-is-in-a-bunch-of-charter-schools/?sh=43b280f9317a.

[18] Dylan Matthews, "Meet the folk hero of Davos: the writer who told the rich to stop dodging taxes," Vox, January 30, 2019, https://www.vox.com/future-perfect/2019/1/30/18203911/davos-rutger-bregman-historian-taxes-philanthropy; Eli Rosenberg, "An angry historian ripped the ultrarich over tax avoidance at Davos. Then one was given the mic," *Washington Post*, January 31, 2019, https://www.washingtonpost.com/business/2019/01/31/an-angry-historian-ripped-ultra-rich-over-tax-avoidance-davos-then-one-was-given-mic/.

[19] Rutger Bregman, Winnie Byanyima, and Anand Giridharadas, "Fightback against the billionaires: the radicals taking on the global elite," *The Guardian*, February 7, 2019, https://www.theguardian.com/books/2019/feb/07/rutger-bregman-winnie-byanyima-anand-giridharadas.

[20] Catherine Cheney, "Q&A: Impact investing must break from 'exploitation and extraction' strategy," devex, October 31, 2019, https://www.devex.com/news/q-a-impact-investing-must-break-from-exploitation-and-extraction-strategy-95910; Andrew A. King and Kenneth P. Pucker, "The Dangerous Allure of Win-Win Strategies," SSIR (Winter 2021), https://ssir.org/articles/entry/the_dangerous_allure_of_win_win_strategies.

[21] We can see the policing of these boundaries in a recent proposal for an "emergency charity stimulus" during the pandemic that would mandate increased payout rates for philanthropic foundations. It includes a clarification that impact- and program-related investments (along with administrative expenses) should be excluded from calculations of the increased payout. Milton Friedman, "A Freidman Doctrine—The Social Responsibility of Business is to Increase its Profit," *New York Times*, September 13, 1970,

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