

## Down with Philanthrocapitalism, Says an Entertaining Polemic



*Anand Giridharadas says the global elite is complicit in the problems it purports to solve*

It is more than 20 years since Samuel Huntington introduced the concept of Davos Man in his great book “The Clash of Civilisations”. Now Anand Giridharadas has gone one better and taken his reader deep inside the mind of that peculiar creature. Everybody knows the basics: Davos Man believes that markets are more efficient than governments and that globalism is preferable to nationalism or localism. Mr Giridharadas’s trick is to focus on the more intriguing parts of the Davos world-view: that businesses can “do well by doing good”; that philanthropy needs to be “reinvented” for the age of the internet and the t-shirt-wearing billionaire; and that one of the greatest problems facing the world, even as some inner-cities are ravaged by drugs and violence, is that there aren’t enough Davos Women to join the Davos Men in this win-win nirvana.

A few years ago Mr Giridharadas, who works as a political analyst for msnbc and teaches journalism at New York University, stumbled across a big problem—that the rise of the win-win mantra had coincided with one of the longest periods of wage stagnation in American history. Davos Man’s smiley-faced faith in business-led solutions (green bonds, impact investing, social innovation and the rest) concealed a harsher reality. Businesses were relentlessly pursuing

efficiency and cutting costs—shifting jobs to cheaper places or forcing people to work longer hours—and then recycling a fraction of the profits they made into Davos-style consolations.

All this recycling is wonderful for the billionaires who derive a warm feeling from spending their money on helping the poor. It is wonderful for CEOs who can burnish their brands by embracing the latest fashionable good cause. It is particularly wonderful for the “thought-leaders” who can spend their lives hanging out with Sergei and Mark and suggesting clever ways for their philanthrocapitalist masters to cure the world’s ills. But it does little to make up for the winner-takes-all philosophy that is driving companies to hold down wages and transfer the burden of risk onto their employees. And it does little to solve the problems of “the unexotic underclass”—white ex-working-class men in particular—who have been deemed too boring and reactionary for the Davos crowd to bother about.

It is easy to raise objections to Mr Giridharadas’s argument. He ignores the fact that figures like Bill Gates have done a great deal of good. He doesn’t mention that, even though incomes in the West have stagnated in recent decades, hundreds of millions of people in the emerging world have been lifted out of poverty. His anti-business animus is blunt-edged: he would have been better off focusing on genuine scandals such as tax-dodging rather than railing against efficiency-seeking in general. Yet in some ways these objections miss the point. “Winners Take All” is a splendid polemic that is all the better for simplifying and exaggerating.

Mr Giridharadas writes brilliantly on the parasitic philanthropy industry that somehow manages to hold its meetings in desirable resorts (Davos in the ski season, Bellagio in the summer) rather than in Detroit or Lagos. In one particularly stomach-turning section he reports on a luxury cruise, Summit at Sea, where various bigwigs discuss ways to improve the world while sitting in the well of the Bliss Ultra Lounge. “The boat’s not about getting drunk and getting naked,” a motivational speaker intones. “Well, it’s sort of about that. But it’s also about social justice.”

He produces worrying case studies that illustrate his theme of companies creating big social problems and then offering sticking-plaster solutions in the form of philanthropy. For example, Purdue Pharma has an impressive record of providing grants that “encourage the healthy development of youth by reducing high-risk behaviours such as substance abuse”. But one reason that the company can afford such largesse is that it has made a fortune from marketing OxyContin, a drug that, thanks to over-prescription, is at the heart of America’s opioid epidemic.

The only genuine failure of this otherwise excellent screed is that Mr Giridharadas does not push his argument further. He rightly goes beyond inequality of wealth to address inequality of power: how win-win fixes invariably take problems out of the political realm and sub-contract them to unaccountable global elites. But he says nothing about the fascinating issue of inequality of esteem.

The Davos elite is not content with hoarding an inflated proportion of the world’s wealth and power. It is trying to appropriate an outsize share of the world’s esteem by reinventing philanthropy in its own techy and globe-trotting image. It is not just Davos Man’s vices that are fuelling the populist fire. It is his virtues too.

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