



THE YOUNG FOUNDATION

Press Release

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**“Just another Emperor? The myths and realities of philanthrocapitalism”
By Michael Edwards, published simultaneously in London and New York**

Large scale philanthropy from very rich businesspeople in finance and IT has been one of the major new phenomena of the 2000s. Major players include the Gates Foundation, as well as foundations established by figures such as e-bay founders Pierre Omidyar and Jeff Skoll. With fifty-five trillion dollars in philanthropic resources expected to be created in the United States alone in the next forty years, ‘philanthrocapitalism’ has been heralded by some as the solution to many of the world’s problems, applying business methods to social problems as diverse as AIDs and global poverty.

Just another Emperor is the first book to take a comprehensive and critical look at the claims made by the philanthrocapitalists and to assess their likely impact. Its author is one of the world’s leading writers on civil society who has worked in senior positions at many international organizations.

While acknowledging the potential positive impact of new sources of philanthropy, Edwards warns that the hype has run far ahead of the reality. He shows that there is very little evidence to support the claims that business methods are superior in achieving social goals (in the words of Jim Collins, author of the most successful business book of this decade, “we must reject the idea – well-intentioned, but dead wrong – that the primary path to greatness in the social sectors is to become more like a business.”) He also shows that philanthrocapitalism is as much a symptom of a particular phase of economic change as a cure.

Edwards sets out a series of recommendations for the new philanthropists including greater humility, and more recognition of the central role played by independent civil society groups and by governments in achieving social justice, along with specific proposals to:

- Spend fifty per cent of each foundation’s annual payout on ‘social justice philanthropy’
- Give beneficiaries a voice in decisions – in place of the claims of venture philanthropy which demand all power for the donors
- Fund independent impact research and use the results to stimulate a public conversation about the future of philanthropy

The author quotes Bill Gates' recent comment that "reducing inequity is the highest human achievement" and the comment of Wal-mart CEO Lee Scott that "the question of how to assure that American capitalism creates a decent society is one that will engage all of us in the years ahead." Philanthrocapitalism could contribute to these goals – but only if it adopts a more rigorous approach that is open to public scrutiny. If not, its leaders may find themselves at the receiving end of the same kind of backlash that greeted previous concentrations of private wealth and power

Notes to Editor

- *Just another Emperor? The myths and realities of philanthrocapitalism* by Michael Edwards is published by The Young Foundation and Demos: A Network for Actions and Ideas on 10th March 2008.
- **About the author:** Michael Edwards has authored numerous books and articles on the global role of civil society. He has held senior management positions at international organizations working on issues of development and global governance, including Oxfam-GB, Save the Children-UK and the World Bank. At publication of this book he is Director of Governance and Civil Society at the Ford Foundation, but writes here entirely in a personal capacity. The views expressed in this book should not be taken to represent the opinions or policies of the Ford Foundation. Edwards wrote this book while away from the Ford Foundation on sabbatical in 2007.
- **The Young Foundation** is a centre for social innovation based in London. It combines research, social venture funds and local projects, and hosts the global social innovation exchange which links several hundred organisations around the world. Since its foundation in the 1950s it has been a pioneer of social entrepreneurship and innovation and has helped to created over 100 successful organizations.
- **Demos: A Network for Ideas and Action** is a non-partisan public policy research and advocacy organisation that focuses on issues of economic justice and opportunity, democracy reform, and restoring the ability of government to serve the public good. Founded in 2000 in New York City, Demos has staff, fellow and affiliates working in the U.S. and around the world.

Notes about the launch event

- Michael Edwards is available for interviews and features. Contact Natalia Chan at natalia.chan@youngfoundation.org.
- 10th March: London launch event at RSA with Michael Edwards to speak followed by responses and Q&A. If you would like to attend please contact Natalia Chan at natalia.chan@youngfoundation.org.
- A New York launch event for *Just Another Emperor* will take place in early April. Contact communications@demos.org for more information.

To download a PDF of the report or to order a print copy, visit www.justanotheremperor.org.