
2 ‘World-making’ and major philanthropy

Mairi Maclean, Charles Harvey,
Jillian Gordon and Eleanor Shaw

Entrepreneurial philanthropists: ‘Carnegie’s children’

The ‘Big Society’, unveiled by the Conservative Party in the run-up to the 2010 general election, is endowed with the triple aim of empowering communities, opening up public services and boosting social action (HM Government, 2010, 2011). Described by Cameron (2010) as ‘the biggest, most dramatic transfer of power from elites in Whitehall to the man and woman in the street’, the ethos of the Big Society is around fostering community spirit and action at grassroots level. The emphasis is thus firmly on localism, volunteerism, communities, charities and ‘social enterprises’ (Hurd, 2011) – these being companies that employ business models to achieve social and environmental ends (Chell *et al*, 2010; Nicholls, 2010). In this way, the notion of the Big Society is very much geared to solving Britain’s problems from the bottom up, and to encouraging the various ways that harnessing energies at a local level can affect communities and neighbourhoods. Despite the priority accorded to microstructures, however, the coalition government would be missing a trick if it did not seek at the same time to tap into the larger-scale endeavours of super-wealthy entrepreneurs engaged in major philanthropy. Giving has flatlined in the UK, despite our being a nation of givers (Cowley *et al*, 2011; Hurd, 2011), and with decreasing public funding large-scale philanthropists are arguably all the more needed to step into the breach. The purpose of this paper is to turn the spotlight on the role that super-wealthy entrepreneurs can play in helping to bring the vision of the Big Society to fruition.

In this paper, entrepreneurs who come to engage in major philanthropy are referred to as 'entrepreneurial philanthropists', and entrepreneurial philanthropy is defined as 'the pursuit by entrepreneurs on a not-for-profit basis of big social objectives through active investment of their economic, cultural, social and symbolic resources' (Harvey *et al*, 2011: 428). Entrepreneurial philanthropists – such as Bill Gates, Conrad and Barron Hilton, Andrew Mellon, John D Rockefeller and Henry Wellcome – are distinguished by their drive to amass significant personal fortunes, accompanied by a desire to use a large share of their wealth to pursue philanthropic ventures over which they can exercise control (Bishop and Green, 2008; Schervish *et al*, 2005). The pioneer of entrepreneurial philanthropists, however, whom many hold in high esteem, is Andrew Carnegie (Harvey *et al*, 2011), who is distinguished as the first benefactor to give away a greater proportion of his wealth in his own lifetime, an amount equivalent, in today's money, to US\$9.12 billion (Officer and Williamson, 2009). His maxim 'The man who dies thus rich dies disgraced' (Carnegie, 2006: 12) is one that philanthropists have taken to heart. Bill Gates, Warren Buffett and, in the UK, Sir Tom Hunter have expressed their desire to follow Carnegie's example by distributing the bulk of their wealth to good causes during their own lifetimes, becoming 'role models' or advocates of giving. In this they are all 'Carnegie's children' (Bishop and Green, 2008). Taking control of the distribution of their wealth enables them to exercise choice in the manner in which it is distributed and in the selection of beneficiaries. During in-depth interviews conducted by the authors with entrepreneurial philanthropists from India, Australia and the UK as part of a study into individual and business giving, such individuals have regularly expressed a wish not to 'burden' their own offspring with more wealth than they could ever need in their lifetimes.

Maintaining social harmony

In recent years, social and economic dislocation has become increasingly acute in Western societies, including the UK (Chell *et al*, 2010), where pay differentials between rich and poor are at an all-time high (Beckford, 2011). Inequalities of power require greater justification at times of economic crisis, when social competition and the potential for social conflict are accentuated. Engaging in philanthropy enables wealthy actors to play a part in maintaining social harmony (Smith and Stevens, 2010; Zahra *et al*, 2009), to use their resources to help knit up the fabric of what David Cameron has memorably dubbed Britain's 'broken society', the corrosive effects of which were in ample evidence in the riots which broke out in English cities in summer 2011.

The research that inspired this paper found that entrepreneurs, in engaging in philanthropic endeavours, apply the principles gleaned through their business ventures. They deploy the various forms of capital available to them – economic capital, drawing on the vast wealth at their disposal; cultural capital, in the form of entrepreneurial capabilities and experience; social capital, as expressed through relationships built through business ventures; and symbolic capital, as manifest in their reputation, brand and credibility – to devise innovative solutions to deep-rooted social problems (Harvey *et al*, 2011; Shaw *et al*, 2012). Entrepreneurial philanthropists are concerned with achieving impact, and with having a return on their investment in the form of tangible results. To this end, they monitor outcomes and measure the success of their activities. They wish to fund success and, to do so, their philanthropic projects must be ultimately sustainable. They wish, in short, to make a measurable, strategic and long-term difference through projects that hold meaning for them and their families.

The field of power

A by-product of engaging in philanthropic activities, however, is that these may serve to boost the cultural, social and symbolic capital of entrepreneurs at the same time, and in this way increase their perceived worth, enhancing their effectiveness as multi-positional actors within what Bourdieu (1996) refers to as the 'field of power' (Maclean *et al*, 2010). The field of power is the integrative domain that brings together elite actors from different walks of life, including those from business, politics, public administration, media and the law. It is here that resource-rich actors meet and exchange views, and seek to shape agendas and legitimate preferred outcomes. It is through coalitions, alliances and networks forged within the field of power that entrepreneurs seek to influence societal decision-making processes, resource flows, institutional changes and public opinion.

Entrepreneurial philanthropy is far from being a one-way street (Harvey *et al*, 2011). Instead, research suggests that investment in philanthropic projects can be highly profitable for individuals, enhancing their cultural, social and symbolic capital, which in turn may make them richer in economic capital. Charitable giving has become an integral part of the elite equation (Bourdieu, 1977), in the sense that society expects wealthy people to give. It is also redemptive, offering a means through which excessive wealth and social inequalities may become more acceptable to society at large.

'Robber barons' or a major resource for good?

Major philanthropists have not always received good press. Both Carnegie and Rockefeller, for example, were branded hypocrites and 'robber barons' (Cannadine, 2008: 505–41; Nasaw, 2007: 481–4), while Mellon was put on trial for tax evasion. But their philanthropic projects – including library building, educational projects and university endowment – are evidence enough of a sincerity to improve the life chances of others. So while engaging in philanthropy may be a way for the wealthy to gain symbolic capital, reputation and credibility, and to legitimize their wealth, the benefit to the public outweighs the fact that philanthropy may be 'a model that prioritizes elites' (Nicholls, 2010: 625).

Today, as in Carnegie's time, the right to possess great wealth is a contested issue. Carnegie's *The Gospel of Wealth* (1888), which Rockefeller followed and which Gates and Buffett view as 'practically holy scripture' (Bishop and Green, 2008: 13), has presented wealthy entrepreneurs with a dignified and face-saving way out. By 'giving back' to communities of their own accord (Maclean *et al*, 2012), they might demonstrate that inequality was a (temporary) phenomenon that, through wise spending, can deliver public good. In exchange for such benevolence, entrepreneurs-turned-philanthropists would gain the right to engage in 'world-making' on a large scale. World-making concerns 'the embedded ways in which agents relate to and shape systems of meaning and mobilize collective action to change social arrangements' (Creed *et al*, 2002: 475). The essence of world-making, and how major philanthropists shape society, remains in place today. So, in recognizing that the accumulation of wealth and philanthropy are closely linked, and that both are linked to power, the nature of entrepreneurial philanthropy will be redefined here as 'a world-making process through which already successful entrepreneurs use their power to accumulate more power, extend their social and political influence, and increase their capacity to shape society according to their will'. The Bill & Melinda Gates Foundation (2011), for example, with its strapline that 'all lives have equal value', aims to 'roll back malaria' and end polio through its global health programme, grow better rice for a hungry world through its global development programme, and make American classrooms 'world-class once again' through its United States programme. In this way, it uses the financial muscle of its super-wealthy benefactors to make a positive and enduring difference to people's lives.

Engaging in major philanthropy allows super-wealthy entrepreneurs to enhance their symbolic capital, reputation and credibility. Nevertheless, there are 'certain arenas in which self-interest is considered morally laudable, or in which social conscience is considered personally rewarding' (Suchman, 1995: 585). The world will continue to change, and with it the problems for which

major philanthropy may continue to provide solutions (Calás *et al*, 2009). The world-making capacities of major entrepreneurial philanthropists, through which they can harness their wealth to improve the lives of others, are a major resource to be tapped, as in Carnegie's day. At a time of diminishing public funding, major philanthropic endeavours must form an important part of the coalition government's attempt to realize the far-reaching vision of the Big Society, complementing the localism agenda and enriching lives through effective giving.