Emma Saunders-Hastings: Philanthropy and Democracy

Christiane Wisehart, host and producer: I'm Christiane Wisehart, and this is Examining Ethics, brought to you by The Janet Prindle Institute for Ethics at DePauw University.

[music: Blue Dot Sessions, Gin Boheme]

Christiane: Inquiries around the ethics of philanthropy might seem pretty cut-and-dry at first glance. Are the people receiving donations better off than they were before they received help? Even if the answer to that question is yes, the political theorist Emma Saunders-Hastings argues that it's not the only critical question we should be asking about philanthropy.

Emma Saunders-Hastings: Even when money is transferred in ways that look desirable, there can be a second kind of effect happening. Not just resources being transferred, but relationships being changed… And so I think we need to take a more holistic picture of philanthropy and ask, what kinds of relationships does it shape, create, effect, undermine between people?

Christiane: Stay tuned for our discussion on today's episode of Examining Ethics.

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Christiane: We've discussed philanthropy on this show before, which makes sense because it's an issue basically begging to be examined by ethicists. However, political theorist Emma Saunders-Hastings argues that if we're just looking at philanthropy using an ethical lens, we're going to miss a lot of the ways that charity changes relationships, on both a personal and political level. Today on the podcast we're discussing her new book, *Private Virtues, Public Vices: Philanthropy and Democratic Equality*.

[interview begins]

Christiane: Could you briefly set the stage for us? What kind of questions are you tackling in this book?

Emma Saunders-Hastings: I try to look at philanthropy from the perspective of political theory. If we think about the kinds of celebrations or sometimes criticisms of philanthropy that are often made, they often focus on the personal ethics of donors, or on the outcomes that people think donations are bringing about. What I try to ask instead in the book is, how does philanthropy interact with the expectations we have for democratic institutions, and for the ways that people should relate as equals in political life?

Christiane: Do you have a definition of philanthropy that you're working with? Is it something that we would recognize from our own definitions of philanthropy?

Emma Saunders-Hastings: Yeah. My definition of philanthropy that I use in the book is meant to be broad and inclusive. I use it to mean voluntary contributions of private resources, usually money, but any resources for broadly public purposes. And for which the giver isn't receiving payment. So it doesn't make any assumptions about the motives that people have, describe the practice of private giving for public purposes.

Christiane: One of the overarching themes of your book is the need to look at philanthropy through a political lens rather than a lens of ethics. So can you help us understand why this might be helpful or why this is a project that you took on?

Emma Saunders-Hastings: So my starting point is sort of to say, once we accept that philanthropic donors are often well intentioned, that they have good motivations, and that philanthropy can do real good, can improve people's lives, can sometimes even save people's lives. Is that just all there is to be said about it? Is there no criticism left to make? A lot of both the celebration of philanthropy and some of the criticisms we've seen in recent years might lead us to believe that that's the case, because debate is so often about particular donors. And do we think they're good or bad people, and are they having a good or bad public influence? So I'm trying to step away a little bit from debates about the agendas of particular donors and ask instead, well, what's the appropriate distribution of control in public life, in a democracy? I think that's an important different perspective that maybe hasn't been as much emphasized in debates about philanthropy.

Christiane: So for those of us who may have never thought to question the good or the bad of philanthropy, what are some of the harms that philanthropy might do?

Emma Saunders-Hastings: So there are two that I focus on in the book. And I think the important thing to say is that these two kinds of harms, democratic harms I'm talking about, can apply even when philanthropy is in some sense, doing good as well. So my argument isn't that philanthropy is necessarily causing harm across the board, or frustrating people's interests in general. It's that there are two kinds of risks that come with even philanthropy that produces significant benefits. One is that it erodes democratic control over outcomes that affect people in common. Outcomes for which we should expect that citizens would have some kind of equal say, and where instead philanthropy can give control to rich donors. And secondly, that philanthropy can construct paternalistic relationships between donors and the people that they're trying to benefit. So relationships where beneficiaries are expected to defer to the donors' ideas about what would be good for them. So that's maybe less familiar as a democratic worry, but I argue that it stands in tension with the kinds of egalitarian relationships that people in democracy should have.

Christiane: You make a really strong case that philanthropy poses a challenge to democratic equality. How does this happen and why might it be harmful?

Emma Saunders-Hastings: So the democracy concern applies specifically to philanthropy that's having an influence on outcomes where we think control should belong to people. And that's partly why I separate out the paternalism concern as a separate category of concern. So

one central case that I talk about in the book is education. So especially primary and secondary education. I think that this is such a centrally important function in democratic societies, that there's a strong expectation that decision making about it should be responsive in some way to the preferences of citizens as voters. That doesn't mean that every little decision about education is voted on directly, but that people making the decisions are authorized by voters, and are accountable to them. And so the worry about philanthropy in some areas is that instead of it being citizens' preferences collectively that set the agenda, it becomes the preferences of a particular rich donor, or sets of rich donors sometimes acting in ways that are exercising influence over public officials or over bureaucrats without seeking legitimacy from a broader public.

So I think this poses similar kinds of concerns that people have about things like campaign finance regulation, other worries about money in politics. But often when we're thinking about money in politics, we're focusing specifically on money that's explicitly political donations. I think some philanthropic contributions can have parallel kinds of effects, and we're just maybe less likely to register them as a democratic problem.

Christiane: Right because, you point out that just campaign contributions, there are strings attached to philanthropic donations. And that, especially in the United States, there's a sort of deference towards the wishes of the donors. This starts to get kind of scary when you think about the massive amounts of money that are flowing out of these philanthropic organizations, like the Bill and Melinda Gates Foundation, or through Warren Buffet's foundations. I want to talk about the influence piece of that a little bit more. What are some examples? And I know you said that the idea of your book is not to get specific about donors' intentions. But what are some examples of the influence that elites can wield through this philanthropic giving?

Emma Saunders-Hastings: So one example that I mentioned in the book that looks maybe quite closely analogous to the campaign finance cases we've just been talking about occurs when donors offer money to public sector people in exchange for adopting, or on the condition that the donors' preferences are adopted. So the Bill and Melinda Gates Foundation in the past has offered grants for states that are applying for federal education grant money. The foundation's offered to fund that if the states can show that they're aligning themselves with the Gates Foundation's education reform priority. And so that looks to me sort of quite close to what you might expect in the campaign finance case, where a donor will give on the condition that, or in the expectation that public officials can show they're aligned with the donor's priorities.

Now, in the philanthropic case, we're talking about maybe nobody's selfishly motivated. It doesn't look like corruption in the ordinary sense, the public's officials accepting the gift presumably are motivated by wanting more resources to use to improve public education in their states. But the consequence is the same, that decisions being made about education priorities are being made in part because rich people were able to exercise that leverage to have their preferences adopted.

So that's a case where it looks quite close to familiar worries about campaign finance because it's money directly influencing, or looks like it's directly influencing public officials. There are

more complicated cases where the money bypasses public officials entirely, is maybe given directly to schools. And there, the worry might look less direct. It's not a sort of corruption of a public official in the same way. But what I argue in the book is that the consequences can be the same, that entities like schools that we expect to be delivering democratically-made and democratically-accountable policy are instead being largely driven by the preferences of donors. And that that creates hollowing out of democratic control in those areas that I think is troubling.

Christiane: So what would you say to someone who says, "Well, I don't donate to the Bill and Melinda Gates Foundation. I'm collectively donating with thousands of other people and we're contributing to a GoFundMe campaign or something. So it's a bunch of us that are doing this." Is the problem with democratic equality still there when you have thousands of donors say instead of maybe one or two?

Emma Saunders-Hastings: Well, it depends. So I think the most important thing to notice about super rich donors is that they have both greater bargaining power, because the money they can offer is that much more significant. And because it's sort of a single person, often negotiating with a particular recipient, they're in a better position to impose and then monitor and observe conditions on their gifts. So small donors, it's much rarer to see conditions attached to gifts and for those conditions to be enforced over time. Some of the kinds of control that I talk about in the book are more distinctively properties of large donations and large-scale giving through philanthropic foundations. But that doesn't mean there's no democratic worries in the other cases. I think just as with individual large donors, aggregations of many small donations often administered through a nonprofit can raise similar worries about some group of people, in this case, exercising control at the expense of the people more directly affected. So when we're talking about small donations, I think a lot depends on whether the group of people contributing and the group of people affected are the same people or are different people. What I really worry about are cases where the people most affected by donations don't have adequate, equal say in the processes that are affecting them.

Christiane: Yeah, and that brings me to another overarching idea in your book, which is that we need to look at philanthropy through the lens of relationships. You call this relationality. So could you explain what you mean by this, you know why it's important to think about the ways that relationships are affected when we're thinking about philanthropy?

Emma Saunders-Hastings: So maybe it's helpful to start by saying, what would be the view I'm trying to displace or reject? So you might think that the object of ethical evaluation when we're talking about philanthropy is the distribution of goods and resources after donations are made, better than the distribution of goods and resources before donations were made? Often from that point of view, I think philanthropy's going to look pretty good, right? Often it's money being given by people who can afford it, who don't need the extra money, and going someplace where it's going to benefit other people. What I want to say is that that's not the only question we should be asking about philanthropy. Even when money is transferred in ways that look desirable, there can be a second kind of effect happening. Not just resources being transferred, but relationships being changed. I can give someone money and make them better off in that

sense, but at the same time, create an expectation that they should do what I think would be good for them.

So at the same time as I'm making them in one way better off, I might be making them in one way worse off because they feel subordinated to my judgments about what they should do. I think we need to take a more holistic picture of philanthropy and ask, what kinds of relationships does it shape, create, effect, undermine between people? Now I'm not inventing this, this is in some ways a quite long standing idea. And I talk in the book about 19th-century and early 20th-century writers who were very focused on the ways that philanthropy could shape social and political relationships. But I think that that's a perspective that's sort of fallen out a little bit in favor of increasingly precise estimates of what the distributive consequences of philanthropy are.

Christiane: One of the ways that philanthropy changes the nature of the relationship between people is that it introduces paternalism into a relationship, which you said before is one of the big harms that you're identifying here. So could you help us with maybe some examples of how this might play out, or what this might look like, and why it's something that we might want to avoid?

Emma Saunders-Hastings: So again, the idea that philanthropy can be paternalistic, I think in some ways is sort of familiar or intuitive to people. And often, even donors want to sort of distance themselves from this idea and express the commitment to anti-paternalism: “I'm not doing *that*. This is what people used to do back in the 19th century, it's not what we're trying to do now.” So what I try to do in the book is get a little bit more precise on what I think paternalism means in general, how it can be reflected in philanthropic practice, and what the case of philanthropy can teach us about paternalism in general. Often in philosophy, when we're thinking about paternalism, the focus is either a two-person case of individuals, one of whom's paternalizing the other, or else government paternalism. I think philanthropy provides an interesting, different kind of case. It's paternalism at the level of civil society.

I use this term paternalism to mean “attempt to influence, coerce, manipulate a person for reasons, or with the justification that it's for her own good.” And in a way that expresses the belief that her ability to choose or act on her own behalf is inferior to that of the paternalist. So often worries about paternalism sort of take place in the context of worries about freedom. And traditional definitions of paternalism sometimes require that the paternalizer be coercing the person paternalized. If that was true, then a lot of philanthropy wouldn't look paternalistic because generally it's not coercing, it's offering an additional option. So this might be the defense you would use to say no, philanthropy can't be paternalistic.

What I argue in the book is that to focus just on coercion is too narrow a perspective. That what paternalism is really about, I think, is an attempt to put in place an unequal or asymmetrical relationship. And often, you can only really understand the worry about that by taking a wider view, looking at the way relationships are changing over time, as opposed to an instance of coercion, sort of one off, in the moment.

Christiane: I think one of the most compelling examples for me, and it's probably because it's something that I myself participate in, is the idea of in-kind donation. So instead of giving somebody $10, you make a bag for them that has $10 worth of toilet paper, and soap, and things like that. And the idea there is that I'm deciding what they would want to do with that $10, not letting them decide what they would want to do with that $10.

Emma Saunders-Hastings: One of the most long standing worries in charitable practice is that the people you're trying to benefit will use donations in the "wrong way," will use it in ways that maybe harm themselves, or in the better case, that are just sort of suboptimal, less rational, less improving than what the donor could do. I give some 19th-century examples in the book, but this is an idea that survives today, too. And a lot of people feel a reluctance to just give cash or give money. The preference for in kind donations is sometimes about not wanting to give too much control or too much scope for choice to beneficiaries if we think that they're going to exercise that choice or control badly.

Now, I think there's often something disrespectful about that. But that's what I argue in the book. Now I want to say, not all in kind donations are necessarily paternalistic. Sometimes there can be a non-paternalistic justification for giving in kind. If, for example, giving money wouldn't be enough to make an important good available in some context. So donating vaccines in a country where vaccine access is poor, that doesn't need to be paternalistic. It could just be that giving people cash wouldn't give them access to the thing they really want. So it depends, and arguments about paternalism always depend on the reasons that we can attribute for giving in one way rather than another.

Christiane: So one of the solutions that you put forth to the two concerns that we were just talking about, the democracy concern and the paternalism concern, is that we might want to democratize philanthropy. So what does that look like?

Emma Saunders-Hastings: So I think here, I would want to distinguish the kinds of responses that the large scale democratic concerns, like the education reform case we were talking about call for, versus democratizing philanthropy in the sense of trying to make it less paternalistic. So one decision-tree question, I guess for me, is what's the appropriate distribution of control over some decision or set of choices? In cases where we think that that belongs to people collectively, where it's something about public life that citizens should share control over, that's where maybe the language of democratization applies more intuitively. Whereas, if it has influence or control over something that is the personal choices of the beneficiary, then I think what democracy requires is more respect for the beneficiary's choices often, as opposed to trying to put it under collective control in some sense.

I'll come back to the paternalism thing later, but to take the democracy part of your question, I think it's really complicated because something that I try to acknowledge in the book is that we can't write as though public institutions are themselves perfectly democratic and adequately

represent all people who are concerned in decision making. So there's sometimes a slide from talking about democratizing philanthropy. And what people assume I mean by that, is that government should have full control over something. Government should just block philanthropy if it's happening in an area of public interest in some way. And for obvious reasons, that makes people really nervous because, well, you need to think about the governments we're actually talking about here. Not an ideally democratic government, but some that often disregard people's interests in important ways. And that are implicated in some of the philanthropic partnerships that I talk about in book.

I think the question is, how can the people affected by decisions be empowered with respect to those decisions? Sometimes the answer might go through public institutions, but sometimes it might also involve maintaining some philanthropic involvement in an area, but trying to redistribute control from donors to other people affected.

So one example I use is thinking about, well, what would democracy require of the tax deduction mechanism for incentivizing philanthropy that we see in a lot of countries? If you think that the important thing is that government be in control of everything, well, you might just say, let's get rid of it rather than letting philanthropists get a public subsidy for whatever it is that they want to do, let's redirect that money toward the treasury in general and let government decide how to spend it. I make an alternative suggestion in the book, which is that the tax deduction should only be available for unconditional or unrestricted donations. So ones where the donor isn't attaching restrictions on how it can be used. I don't think that's something that would overnight eliminate the problem of donors exercising power over important public matters. But what I'm looking for are solutions that strike a balance between realism about actually existing governments, and not wanting to put all the eggs in that one basket, but saying there can nevertheless be a concern about policy areas. Or important shared collective institutions being overly responsive to donor preferences rather than other people whose important interests are at stake.

Christiane: We've been mostly in the realm of the philanthropy in the United States. But you also have a chapter about philanthropy in the rest of the world, or philanthropy internationally. Obviously, again, you're advising us to think about relationships and relationality. So how does this work if I'm part of a philanthropic organization that is donating to a cause in Africa when there's this huge distance and cultural barrier and language barrier? So how does the relationality piece fit in with international giving?

Emma Saunders-Hastings: In the case of international giving, the most important question to ask, especially when it's really happening at a distance and the relationship is quite abstract in some ways, the most important question isn't often, what kind of relationship is the donor in to the affected person in the foreign country? It's, how are donations shaping democratic relationships within the host country? So I think that the dangerous cases are ones where donations and responsibility for public goods becoming oriented to external non-democratically authorized actors as opposed to institutions within the recipient country. And I talk about some

cases where it looks like this was a real problem, where in the interest of providing short term benefits, public accountability for important goods was eroded. And so I think obviously when we're talking about people who don't share democratic membership, that might look like the democracy where it fades away. But what I focus on in the international case, at least at the political level, is the potential for donations to displace democratic decision-making about some things, or to prevent democratic accountability from solidifying in the first place.

Christiane: If we read your book and we're starting to rethink our participation, what are some of the ways that we can still affect good in the world? What's some advice that you would give to Joe Schmoes like me?

Emma Saunders-Hastings: This is something that I try to think about for myself too. I emphasize relational values, but you might also think that one important way of respecting people is to show concern for their interests. And that can involve donating as well. So the concerns that I raise aren't meant to be ones that exclude philanthropy or other kinds of altruistic behavior, as ways of trying to benefit people. I suppose what I most hope people would take away from the book is to place more weight on democratic values and on the value of anti-paternalism than we often do. To adopt them as tests when they're thinking about giving, when they're thinking about, as the recipient of an institution, accepting a philanthropic gift, and when they're evaluating philanthropy that's happening in their own society, one important way that philanthropy changes and evolves over time is in response to public norms.

So I think that stronger norms about philanthropy not usurping democratic control, not exercising paternalistic influence over people, would be one important way of doing that. I'm interested in models of philanthropy, and also volunteering and political organizing that self-consciously emphasize these kinds of values. One of them for me, and one way I try to square the different values I think matter in this area, involves direct cash giving to poor people. So Give Directly is an organization that makes direct cash transfers by cellphone to poor households. And I think that there's really good evidence that this does an enormous amount of good, and in the familiar ways that people want to do in philanthropy. But it's also an organization that really self-consciously questions, donors or givers, entitlement to decide for poor people what would be best for them. So I think that it has both immediate value in producing welfare benefits, but also that it sets a good example of what respect, or one way that respect can manifest while still involving, at least in the short term, kind of second best world we're in, some philanthropic giving.

Christiane: A lot of times when I'm reading books for the show, I keep thinking of myself as peeling back layers, getting to the root of whatever the issue is. And I kept having this question to myself, which was, “Is the root of the issue here that billionaires shouldn't exist?” And you don't say anything about this in the book, but I'm wondering, is there something that we could do to democratize just how money is distributed amongst us?

Emma Saunders-Hastings: So I think that some of the problems I discuss would be significantly mitigated in a world with less income inequality, whether because that would mean that there are fewer people in a position to throw their weight around philanthropically, or because there might be fewer people in situations of desperate need. On both ends, we might worry less about these problems if inequality were less of a concern. But I don't think that means that we should put all our focus on fixing income inequality. I think that there are strong reasons to seek greater income inequality, not all of which have anything to do with philanthropy. It can be totally independent justice reasons for it. But I think that even without doing that, there could be ways of reducing the amount of control some people are able to exercise over people through their money. I suppose I favor kind of a two-front approach to this rather than treating it all as about money.

And I also think that even eras in the past where income inequality hasn't been as dramatic, there have still been some of the kinds of relational concerns that I'm talking about. You don't need to be a millionaire or a billionaire to act in condescending, subordinating ways towards people. Some of this can come about pretty casually in interactions, even with volunteer and civil society groups. I think that there is independent value to paying attention to qualities of relationships, even if we think, well, maybe some of this would be less of a problem if we could reduce inequality itself.

Christiane: Why do you care about this? Why is this something that you decided to write about?

Emma Saunders-Hastings: Gosh, that's the peeling back the layers question, isn't it? I've been interested in it for a long time. In college, like many young people, I was at the same time really drawn to nonprofit philanthropy and volunteerism, but struck by the fact that the political science courses I was taking didn't help me think about the ways that power was being exercised in those areas. I was in university when the Gates Foundation exploded as an actor in international philanthropy, and it was never covered in my international politics courses. I've been struck by a long time by what seemed to me, a gap between the practical importance of some of these things and the lack of adequate theorization of them. I guess, on a personal level, maybe I just really don't like seeing people talked down to, and I think that there is a habit of condescension and deference in this domain that does strike me as inappropriate to a democratic society. That strikes me as reinforcing norms that are inimical to relating as equals. Maybe that motivation was part of what kept me interested.

[Interview ends] **[music: Latché Swing, Songe D'Automne]**

Christiane: If you want to find more about our guest's other work, download a transcript or learn about some of the things we mentioned in today's episode visit prindleinstitute.org/examining-ethics.

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