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United Nations Research Institute for Social Development

## **Philanthropy, Elites and Inequality**

*Understanding Connections and Complexities  
to Generate Policy Insights*

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Between Elite Power and Social Mobilization**

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## Abstract

This paper investigates the role of elite philanthropy in the context of rising global inequality, asking whether philanthropic donations by wealthy individuals and foundations are well placed to help tackle structural inequality. We explore the challenges posed by the concepts of philanthrocapitalism and plutocratic philanthropy by analysing a network comprising the top 30 UK philanthropists and their connections to business and foundation interests, showing their financial scale and connectivity. We embed this new data into a review of the most recent social science literature of the elites, which focus on elite reproduction, how wealthy families perceive inequality, and how and why they engage in philanthropic activities. From these data, we develop an analysis of the current landscape of inequality based on that of British sociologist Mike Savage (2015) to argue that elite philanthropy as an ecosystem – made up of capital, people and institutions – is not well placed to systemically challenge inequalities, due to its financial size tending to be dwarfed by business activities, and social functions of philanthropy that help maintain the advantaged positions of elites. We conclude by outlining some policy implications of these findings with regard the Sustainable Development Goals pledge that ‘no one will be left behind’.

## Keywords

Elite; philanthropy; elite reproduction; tax; network analysis; inequality

## Bio

Dr Luna Glucksberg is a Research Fellow at the International Inequalities Institute (III) at the London School of Economics (LSE) where she works on inequality, elite reproduction, family offices and local wealth building strategies. She is widely published and her most recent work focuses on the intersections of gender, kinship and capital in the reproduction of dynastic elite families (Glucksberg, L. (2018) “A gendered ethnography of elites: women, inequality, and social reproduction” *Focaal* 81).

Louise Russell-Prywata is an Atlantic Fellow for Social & Economic Equity at the London School of Economics, where she is researching the financial influence of elite philanthropists. She is also Program Manager at OpenOwnership, an initiative combining policy and technology to increase transparency over company ownership; prior to this she spent several years fundraising from philanthropists, most recently at Transparency International UK.

## Introduction

The United Nations 2030 Agenda for Sustainable Development puts tackling global inequalities at its heart, declaring that ‘no one will be left behind’. Goal 10 targets income inequalities specifically, cementing a shift in international narratives to acknowledge that tackling poverty alone is not enough. With this as context, this paper examines the other end of the inequality spectrum, considering the role of global elites in the context of rising economic inequalities, focussing on elite philanthropy.

Largescale philanthropy undertaken by elites is becoming significantly more important in the international policy landscape. Private philanthropy is recognised by key international institutions as an essential contributor to tackling poverty, financing international development and achieving the Sustainable Development Goals (OECD 2016). The dollar value of philanthropic funding has increased rapidly over the last decade, driven by large markets such as the USA and UK (WINGS 2018); in the UK, private bank Coutts concluded that philanthropy is experiencing a “boom time” (Coutts 2017).

In the context of government austerity policies and public budget constraints in many countries, largescale philanthropy is increasingly providing funds alongside governments and multilateral organisations to tackle core inequality issues such as poverty and healthcare (OECD 2018). Although this growing funding stream is still small when compared to government official development assistance (ODA) – the OECD found that private foundations contribute an amount of development funding equivalent to 5 percent of global ODA (2018) – philanthropic funding is having a disproportionate impact for example through driving provision of funds in key sectors such as health (OECD 2018). These philanthropic flows are closely connected to international public institutions and non-governmental organisations (NGOs), with almost all projects implemented through these institutions. The findings caused the OECD to declare that “private philanthropy is reshaping the development landscape like never before” (ibid.); in recognition of the importance of philanthropy a new OECD Centre on Philanthropy was created, to provide research and data on philanthropic funding for development.

In response to the increasing influence of philanthropy, there is growing concern that philanthropy is at odds with democratic governance and in essence plutocratic (e.g. Reich et al. 2016; Callahan 2017). In this paper, we follow the work of Reich et al. (2016) to question the dominant narrative that elite philanthropists are, through their largescale philanthropic acts, simply “giving back” and acting against the structural inequalities that they themselves have benefitted from. Taking our starting point as the individual members of the global economic elite who are initiating and undertaking largescale philanthropy, we situate their philanthropy alongside other areas over which they exert financial influence, in particular through business roles, and examine sociological literature investigating the mechanisms that elites deploy to maintain their advantageous positions in society. We explore what these factors mean for the possibilities for largescale philanthropy to genuinely challenge inequalities on a systemic level.

Fundamentally, should we simply be grateful that some of the global elite are helping challenge inequality through philanthropy, or is there evidence that the nature of largescale philanthropy may indeed prevent it from genuinely driving forward the transformational shift towards greater economic equity?

Social scientists, and economists in particular, have produced robust data showing the scale of the problems we face in terms of global and country based inequality. For example, and amongst many others, Tomas Piketty's work (2014) has shown how inequality necessarily increases when, as is the case now, the rate of return on capital is higher than that on labour, meaning that inheritances and wealth accumulated in the past are more and more important in shaping an unequal landscape in the future.

Paul Segal, an economist at the LSE and formerly at the UN (Paul was part of the core team writing the Human Development Report 2002) argues that "richer countries tend to be substantially more equal than poorer countries, in large part because they redistribute more. This is enough to show that progressive redistribution need not hurt growth. But if it weren't, there is a huge academic literature on inequality and growth that fails to show that inequality-reducing policies lower income levels or growth" (Segal 2018: 2). In other words, his argument is that if we consider poverty reduction a moral imperative, then we have to tackle inequality.

We also have a growing body of research on elite philanthropy. Throughout the paper, we use this term to refer to charitable giving at significant scale undertaken by wealthy individuals (following Ostrower 1995), as opposed to a broader definition of philanthropy that would include all charitable donations made by individuals.

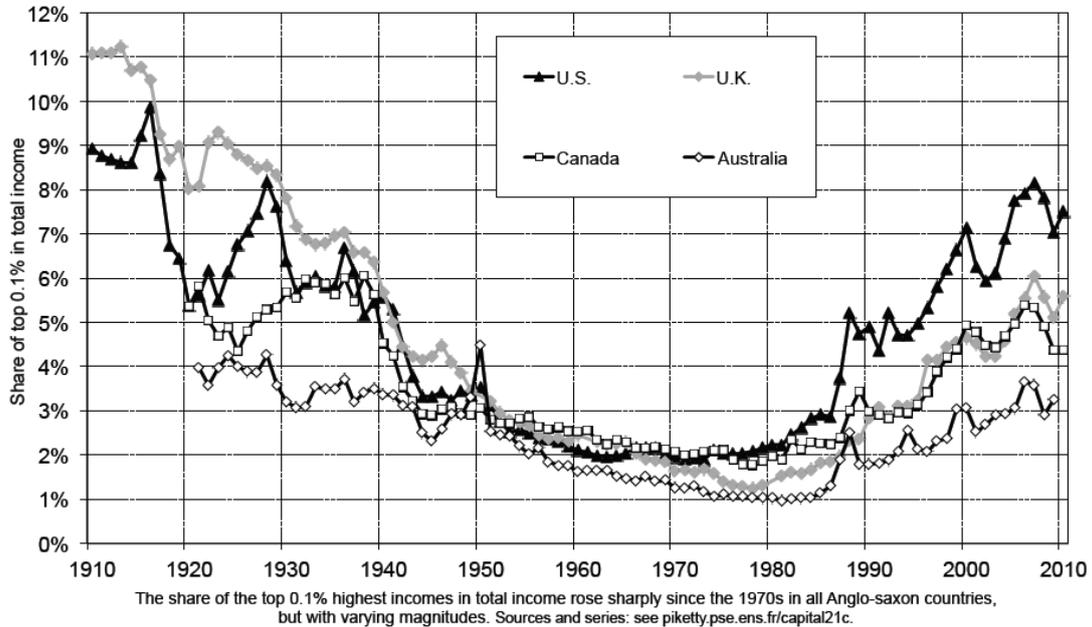
The concept of philanthrocapitalism (Bishop and Green 2010), which refers to the use of capitalist methods for the aims of philanthropy, and thus emphasizes quantifiable targets and efficiencies in philanthropic giving, is now common amongst many leading philanthropists. The concept of philanthropy as plutocratic, meaning that it is economic elites – i.e. the very wealthy – who are dominating the field of philanthropy through the sheer scale of their giving, is also gaining traction (eg: Reich et al. 2016; Giridharadas 2018). However, with respect to both of these concepts, the main empirical research so far has focussed on the US, which is understandable given that the biggest foundations and philanthropists are based there, and there is a tendency in the research to focus primarily on the philanthropic activities of elites rather than situate them in context of other financial activities such as business activity.

What is lacking, with few exceptions that are explored below, is work that tells us *how elites think* about inequality and their role in it, and how they see their philanthropic endeavours in that context. In other words, whilst we know the trends that describe inequality, and the effects of inequality, we lack knowledge about the sociological processes that drive them. Ground breaking work by Piketty (2014) and Milanovic (2016) has demonstrated the role of inordinate accumulation of wealth at the top in driving inequality, but apart from intuitive and simplistic explanations, solid, qualitative in-depth works on the worldviews and value systems of those elites that are at the top are few and far between.

This paper addresses the gap in empirical study of the philanthropists outside of the US, and presents original data based on the Sunday Times Rich List of the "most generous" UK philanthropists, using network analysis to map out and connect size and extent of their philanthropy alongside business interests. Secondly, we explore the emerging body of sociological research on how elites think about inequality. We then assess how these findings can be harnessed in pursuit of the aforementioned goals of a development where 'no-one is left behind.'

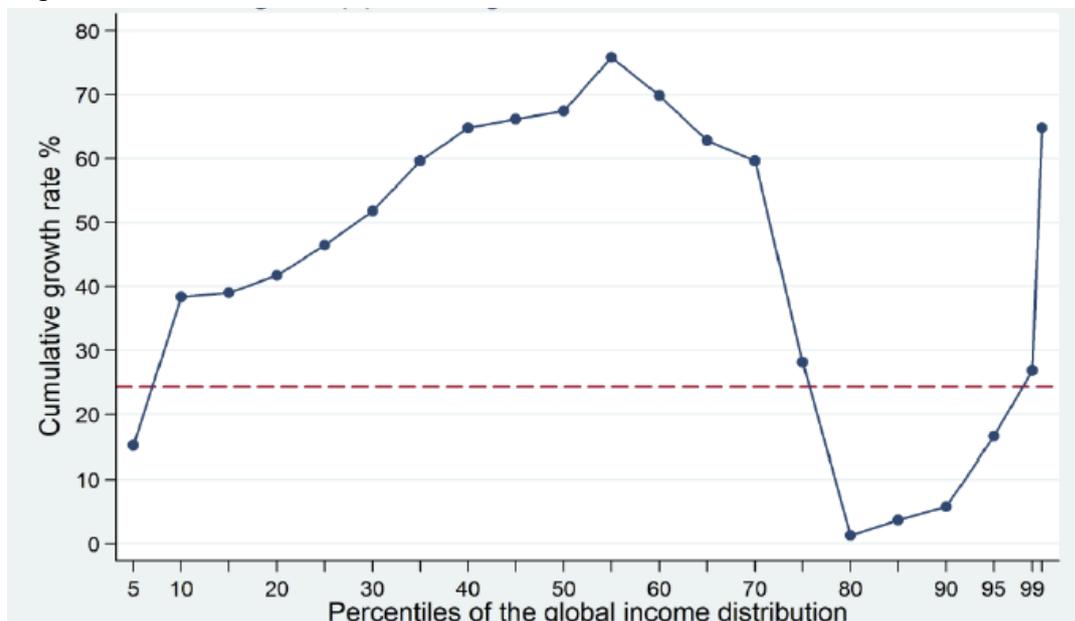
By bringing together new data on the 30 UK top philanthropists and contextualising it within the latest research on elite motivations and values, we are able to critically assess the value of philanthropy vis-a-vis the expectations of the OECD report that it is a driver, indeed an essential contributor, to tackling poverty and inequality. In our conclusion, we draw out policy implications based on our analysis, suggesting that increasing financial transparency and reducing the ability of capital to move freely around the globe in search of favourable taxation regimes may play a far larger role in reducing inequality than the objectively substantial donations that philanthropists are personally willing to contribute.

Figure 1: Rising inequality



Source: see [Piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c).

Figure 2: Global Growth Incidence Curve, 1988-2008



Source: *Lakner and Milanovic 2013*

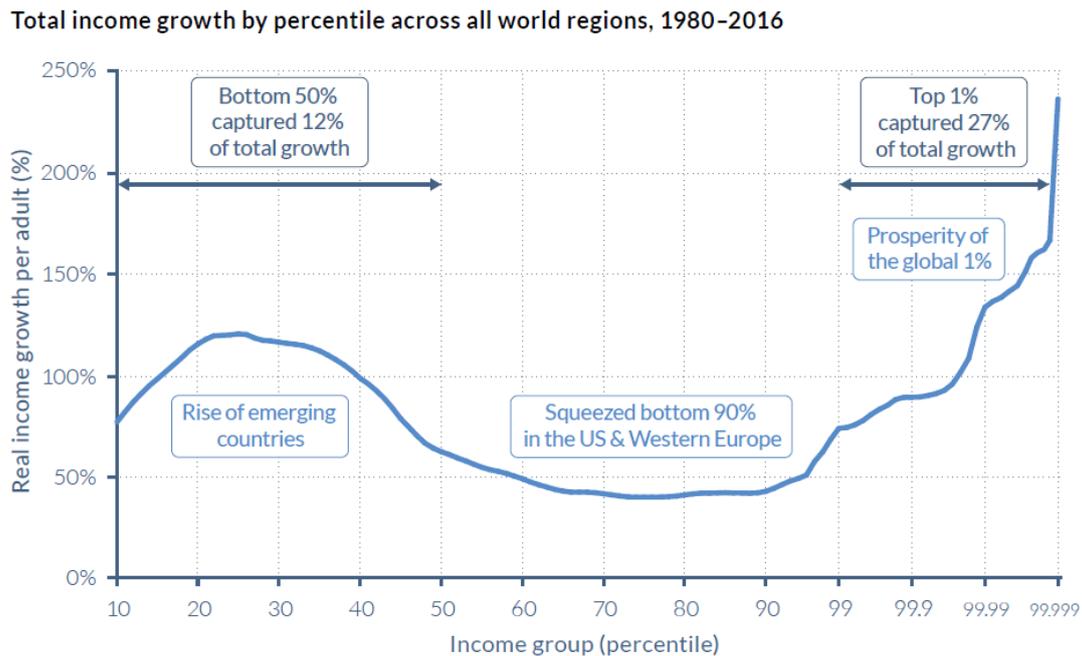
The current global rise in inequality has been defined, by different eminent academics, politicians and business people, as the defining challenge of our century, possibly only matched by climate change in its scope and repercussions. We explore here the main theoretical contribution made by the social sciences in this respect, with a view to establishing whether philanthropy may have a role to play in the demise, amelioration or decrease in global inequality.

Wilkinson and Pickett (2009) have looked at the consequences of it from a social and epidemiological perspective in the *Spirit Level*, showing remarkably negative effects of inequality on all members of Western societies, not just the poor or deprived ones. More recently they have updated their work focusing on the damaging effects of inequality from a psychological perspective, highlighting how damaging it is to the fabric of societies and our collective wellbeing (Wilkinson and Pickett 2018). Dorling (2014), a human geographer, has over the years demonstrated how untenable and unjust our society is becoming in terms of spatial and economic inequalities.

This current of thought can be traced back to the work of Tony Atkinson in the 1970s and 80s (summarised in his most recent thesis in Atkinson 2015), which provided the basis for what is now the famous work of French economic historian Piketty, whose book *Capital in the Twenty-First Century* (2014) has captured the attention of the world by pointing straight at our crisis of rising inequality supported by a wide array of hardly disputable data, displayed in a U-curve that most people are now familiar with. One of the most important things that Piketty demonstrated is the growing importance of accumulated wealth, or inheritances, compared with income from labour, in the distribution of wealth in contemporary western societies. This is despite the increasingly loud neoliberal discourse on meritocracy and ‘self-made’ individuals.

Branko Milanovic (2016), former lead economist in the World Bank research department, has managed to visualise this trend on a global level, with his now famous ‘elephant’ curve, which shows how economic growth has been unevenly distributed over the globe in the last few decades, resulting in almost no growth for the middle classes of the advanced countries – something many argue may have something to do with the recent rise in populism witnessed in these areas – but also a staggering degree of growth at the very top of the distribution curve, for the global 1 percent. This of course confirms Piketty’s data on the increased wealth of the elites of the world. Indeed, the latest data from the first World Inequality Report (Alvaredo et al. 2018) shows how between 1980 and 2016 the top 1 percent of the population globally captured 27 percent of total income growth, as figure 3 shows.

Figure 3: Top 1% captures 27% of growth



Source: WID.world (2017). See [wir2018.wid.world](#) for more details.  
 On the horizontal axis, the world population is divided into a hundred groups of equal population size and sorted in ascending order from left to right, according to each group's income level. The Top 1% group is divided into ten groups, the richest of these groups is also divided into ten groups, and the very top group is again divided into ten groups of equal population size. The vertical axis shows the total income growth of an average individual in each group between 1980 and 2016. For percentile group p99.999.1 (the poorest 10% among the world's richest 1%), growth was 74% between 1980 and 2016. The Top 1% captured 27% of total growth over this period. Income estimates account for differences in the cost of living between countries. Values are net of inflation.

Source: WID.world (2017)

## The top UK philanthropists and their interests mapped for the first time

The empirical data we present in this paper investigates two questions: what is the scope and extent of the financial influence of elite UK philanthropists; and how are business and charity connections situated alongside philanthropic giving? In our analysis we explore what our findings suggest for the ability of largescale philanthropy – which is driven to a significant extent by elites in the US and UK - to deliver substantive impact on global inequalities, and progress us toward a world where “no one is left behind”.

### Methodology

This research uses network analysis to bring together and graphically represent the philanthropic activities and business interests of elite UK philanthropists. Network analysis has been widely used to study the links between institutions that are formed by individuals holding common board positions – known as “board interlocks” – (see review by Lamb & Roundy 2016). Recently, network analysis was used to surface and examine connections among Danish elites in a variety of fields in order to identify those holding the most power (Larsen & Ellegaard 2017). Analysis of the board connections of specific individuals (mapping of ‘egonets’) has also been used to understand the role of individuals in influencing corporate behaviour (de Graff 2017).

This paper employs a similar approach to construct a network comprising the business and philanthropic relationships of elite philanthropists.

This research gathered data on a sample of 30 UK-based philanthropists, by using the top 30 philanthropists listed on the 2018 The Sunday Times Giving List (STGL 2018). STGL is compiled annually by the UK Association of Charitable Foundations (ACF) – the industry association for UK charitable foundations – and published each May by the UK national newspaper The Sunday Times, to accompany their annual Sunday Times Rich List (STRL).

The 30 philanthropists in the study constitute a sample of UK-based philanthropists that, in the year under review, have given at scale, both in absolute terms and as a percentage of their wealth. The amount given during the year in question ranges from £4 million to £300 million, with a mean of £57.3 million and median of £30 million.

Because in the UK philanthropy is a private activity, only regulated to a limited extent through the legal obligations placed on certain giving vehicles such as charitable trusts, it is not possible to say with certainty that this group, or indeed the full STGL, represents the UK-based philanthropists giving the largest amounts. What can be said with confidence, however, is that the sample in this study includes philanthropists that, in the year in question, gave at scale and are amongst the group of UK based philanthropists giving at the largest scale as measured by the total value of philanthropic giving.

The ACF's methodology uses publicly available information, so it is both possible that some gifts have been omitted, or that others have been overstated. However, given the high mean giving level, this sample adequately fulfils the criteria for this study as comprising elite philanthropists who gave at scale during the year in question.

To measure financial influence, this study used current Board level positions in large companies, as recorded on the Bureau van Dijk Orbis database, an internationally recognised source of private company information containing around 250 million companies globally. Data was collected during June-July 2018. Within this paper, our primary interest is not in the companies that elites benefit from financially (i.e. companies of which they are a beneficial owner) but in the influence flowing outward from them – for example to decide how and where financial resources are allocated or invested – enacted through the entities with which they are affiliated.

For each philanthropist in the sample, the following steps were undertaken to build the network:

1. Review STGL entry and related STRL entry, noting company and charity affiliations and year of birth/age (as additional identifying information to assist with de-duplicating results).
2. Use this information to locate the philanthropist on Orbis; collect data on current Board level positions, and confirm year of birth. By using both name and company affiliations, more accurate results could be obtained, including those where there was more than one entry of the philanthropist on Orbis using different versions of the name. In all cases, data was only included in the study if identifiers could be verified against the published biographical information in STGL and STRL.
3. For each large corporate entity that the philanthropist holds a current Board-level position with, record company operating revenue for most recent available year (most company information is for 2016 or 2017; the oldest is 2015 and the newest 2018). To simplify the

network, dormant and small and medium sized companies (as per Orbis classification) were excluded from the dataset; this is considered valid given the focus of the study is large-scale financial influence.

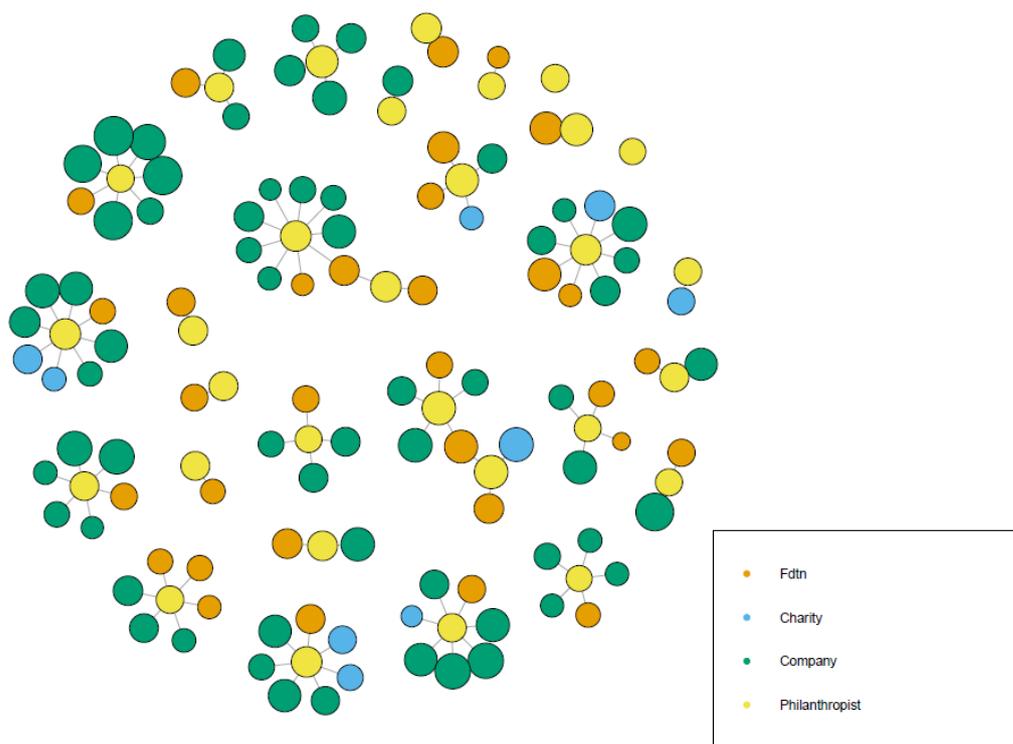
4. Where doubt remains over the match between the name of the philanthropist and the Orbis entry, cross check data with the Charity Commission England & Wales register and UK Companies House to confirm that the affiliation indeed belongs to the philanthropist, prior to recording the affiliation.

## Results

The empirical data collected show the 30 elite philanthropists in our sample to have enormous financial influence: together, these 30 philanthropists “gave or generated” \$2.2 billion for charity in the year in question. “Gave or generated” is the term used by STGL, and it should be noted that this encompasses a broad range of activities that are philanthropic in essence, if not with immediate charitable impact, for example endowing a charitable foundation that the philanthropist retains control over.

Between them, the 30 philanthropists held (at the time of data collection) current board level positions in 72 large companies with annual operating revenues totalling \$46 billion. They sat on the boards of 9 charities with total annual operating revenue of \$664 million, and hold board positions on 32 charitable foundations with annual operating revenue totalling \$1.3billion. It should be noted that the \$1.3 billion figure for charitable foundations is likely to include a significant proportion of the total \$2.2 billion given to or generated for charity. The graph in Fig. 4 provides an overview of this data, representing operating revenue using a logarithmic scale in order to shrink the size difference between nodes to a level at which the full graph can be viewed.

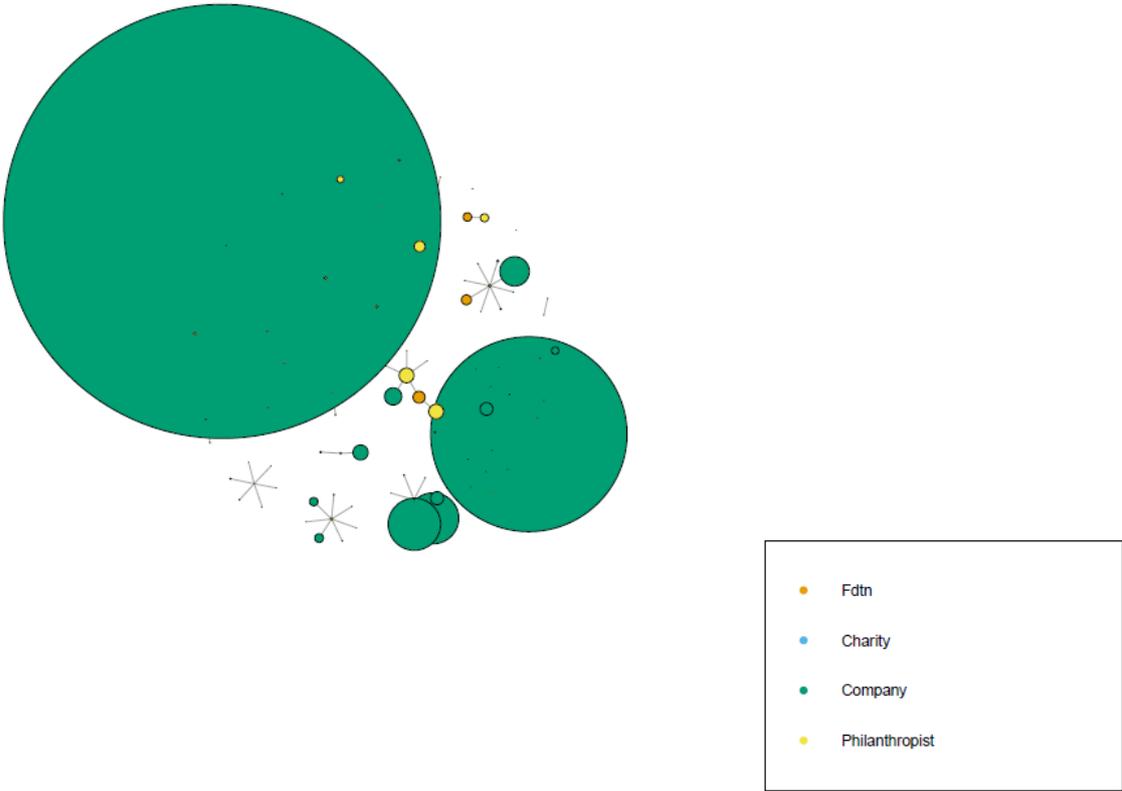
Figure 4: Graph showing company, charity and foundation connections of top 30 philanthropists on STGL 2018



*Source: Authors' data. Organisation nodes sized by annual operating revenue; philanthropist nodes sized by annual giving; sizing represented on logarithmic scale (thus a small size difference on this graph indicates a substantial difference between the two figures in USD).*

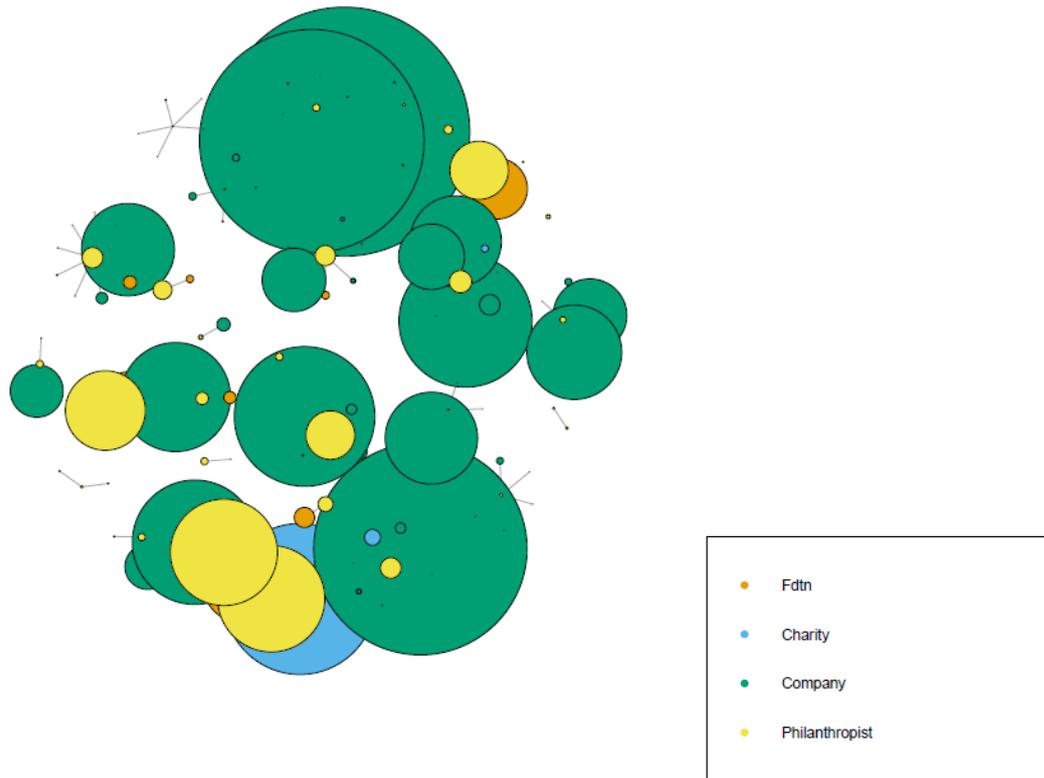
The network highlights the overall dominance of business connections compared with charity and foundation connections, both in terms of number and financial size. Looking more closely at business connections, current board level positions in large companies were identified for 19 of the 30 philanthropists. For all but 5 of these, multiple positions in large companies exist, and in the vast majority of cases business interests exceed philanthropic interests in size, often dwarfing them. This can more clearly be seen on Figures 5 and 6, in which company, foundation and charity nodes are sized by annual operating revenue, and philanthropist nodes sized by annual giving, using a normal (non-logarithmic) scale. Figure 5 includes all nodes, and shows that a small number of business nodes dominate the graph due to being so much larger in financial size than other nodes. Figure 6 removes the 8 nodes of size >\$1bn – all of which are companies - to illustrate more clearly that even when these largest nodes are removed, business connections still dominate.

Figure 5: The same graph as Figure 4, on a non-logarithmic scale



Source: Authors' data. Organisation nodes sized by annual operating revenue; philanthropist nodes sized by annual giving.

Figure 6: Company, charity and foundation connections of top 30 philanthropists on STGL 2018; nodes with operating revenue >\$1bn removed for clarity.



*Source: authors' data. 8 nodes have been removed, all of which are companies. Organisation nodes sized by annual operating revenue; philanthropist nodes sized by annual giving.*

Analysis of the board-level positions held by philanthropists suggests that in many cases the philanthropists in the sample derive financial benefit from their company connections; for example, described by the STRL as founders, or listed on Orbis as beneficial owners. This provides empirical support for the suggestion in the literature that the majority of elite philanthropists are generating significant wealth at the same time as undertaking their philanthropy.

On the other hand, eleven of the philanthropists did not have current board level connections to large companies, as identified by Orbis. A review of the biographical information accompanying the STRL entries indicates that four of the philanthropists previously held such positions but had sold their businesses or stepped down from large company positions prior to the data collection period of this study. This is evidence that these elite philanthropists have accumulated significant wealth within their lifetimes, as opposed for example to just inheriting wealth. A further two philanthropists are active artists, and operating in this sector may account for their lack of large company connections. From the biographical information in the STRL, only one philanthropist appears to have inherited wealth without accumulating significant new wealth. Insufficient information was available for the remaining three, however, the biographical information suggests that their partners have accumulated substantial wealth. All of these philanthropists are female, and from the data collected it is not possible to determine whether wealth was in fact generated by a spouse, inherited, or both. However, it is a potentially interesting finding given the sample is so gender skewed.

Of the 30 philanthropists in the sample, 23 are male, 3 are female, and 4 are listed on the STGL as a couple. For the couples, the authors checked Orbis data for both partners, and found that all board level affiliations to large companies were held in the male partner's name. In contrast to sociological research that highlights the importance of elite women in maintaining and undertaking the softer, philanthropic efforts that allow elite families to reproduce socially (Glucksberg 2018), this study suggests that when it comes to financial influence, elite philanthropy is still a very male dominated field. However, only a tentative conclusion is possible, as this may be an artefact of the STGL methodology; males may be more likely to be high profile or go public about their philanthropy.

## Elite reproduction and philanthropy literature

Piketty himself is clear on the fact that both accumulation of capital and its restraint will depend upon cultural factors, essentially how much inequality, and in particular the growth in importance of inheritances, society will be willing to accept (Piketty 2014). Given this, the reproduction of elites as dynastic families has recently become a focus of interest in the social sciences.<sup>1</sup> Harrington (2016) has demonstrated the role of the wealth management sector in the accumulation processes that allow wealthy individuals and families to retain and grow their fortunes through the use of different mechanisms, often centring around the use of foundations and trusts located in off-shore tax havens. Scholars have also found that there are important cultural and gendered processes at play in the practice not only of wealth accumulation but also of inter-generational wealth transmission, especially in the successful cases when it is achieved smoothly. Indeed, the successful transmission of wealth, which we know to be amongst the top priorities of billionaires and ultra-high net worth individuals (UHNWIs), (Wealth-X 2016) is not an easy, risk free process.

Inheritances can and often are squandered in legal fights, divorces, arguments and feuds from different branches of wealthy families, not to mention heirs that may not be interested, able or generally trusted to run the family business or its investments. Families are aware of these risks and often at least attempt to put in place succession plans, with the help of consultants and advisors. More and more elites are learning that inheritors are 'made' throughout their lives, they need to be educated (Kahn 2010) and socialised into their wealth if they are to be successful at handling and – crucially – passing it down to the next generations when their time has come (Glucksberg and Burrows 2016; Kuusela 2018).

On the other hand, recent work on how elites feel vis-a-vis the rise of global inequality has generated some useful, if troubling, insights. Hetch's work (2018) on financial elites show how her respondents felt at the very least ambiguous about inequality per se as being a problem. Notwithstanding the fact that her sample was limited, the majority of her respondents, employed in the financial sector in the city of London, self-identified as rich or wealthy and did not see this wealth as at all problematic, ascribing it to their own hard work and not connecting it with any problems in society.

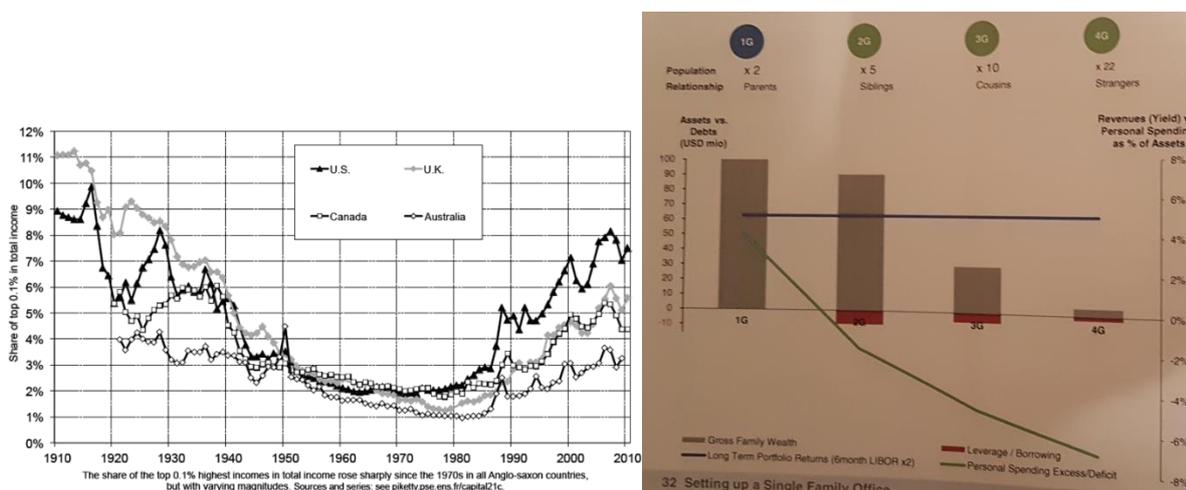
Forthcoming work by Glucksberg (2019) amongst family offices supports this view, by showing how wealthy families are primarily concerned with their own ability to survive *as elites* whilst faced with the very real threat of capital dissolution through the generations. In what Glucksberg describes as 'slipperiness' at the top of the distribution curve, the families privilege

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<sup>1</sup> Khan 2010, 2012; Kuusela 2018; Glucksberg 2018; Sklair 2018; Glucksberg and Burrows 2016; Gilding 2005.

their own *individual* perspective – fear of slipping down the steep inequality curve at the top, lose capital due to the ‘third generation curse’, awareness of taxation, inflation, divorces and family disagreements as ever present risks – as opposed to the *aggregate* rise in inequality, with wealth flowing towards the top, which the world at large is concerned by. Figure 7 visually summarizes this conundrum between individual and aggregate perceptions of wealth accumulation. The families and offices that Glucksberg researched were not, therefore, concerned with the global rise in inequality but with their own imminent, possible and or potential loss of capital through the generations.

Figure 7: Aggregate and dynastic inequality curves



a) Source: [Piketty.pse.ens.fr/capital21c](http://Piketty.pse.ens.fr/capital21c). b) Source: Dedieu 2015  
 Source: Authors' own juxtaposition

In this context, philanthropy can be used by families and their advisors in many ways: here we will focus on two examples that seem especially important to the dynastic project of elite reproduction. On the one hand, philanthropy can be deployed as part of a broader strategy intended to generate identification with, commitment and loyalty to the family in the new generations. On the other, philanthropy can be a useful pedagogical tool to teach younger generations initial lessons in investment, monitoring, reporting and relating to a board.

The first role of philanthropy has been explored by Sklair (2018), whose work demonstrates the importance of forging a narrative able to capture the new generations' imagination, so they can commit themselves to continuing in the footsteps of their predecessors. Philanthropy helps cement the stories that families chose to tell about themselves, for example in their commitment to environmental, educational or medical causes around the globe, especially when the children are young or going through teenager hood and are liable to rebel against a purely financialized view of their future. This is important both for families who are still running the family business themselves but also, possibly even more so, for families that have been through a liquidity event, which involves selling the core business and thereafter becoming ‘simply’ investors. In both cases the new generations, the children, have to be socialized into the family as an elite dynasty, an entity that will continue beyond their own lives and which requires commitment not just to their own wellbeing but to that of future generations of the family.

Secondly, philanthropic giving is also often used to teach children of the families very preliminary lessons on financial investment: for example, they may be given a certain amount of money, which they are free to donate as they wish, but may be required to present to the family a plan justifying their reasoning, their choice of a particular charity, and then report back over time as to how their ‘investment’ is doing, i.e. how is the charity performing in pursuing their objectives. In this case philanthropy is clearly a pedagogical tool to educate children into thinking strategically about how to invest their money wisely, getting them used to explain and argue their point in front of adults and so on, preparing them to present to a board when the time comes. What is more, should they make a mistake, should the charity turn out not to be doing well, should a child lose interest, there is no real downside for the family; but the potential to teach children very valuable lessons whilst also increasing their positive exposure as givers is clearly a substantial lure (Glucksberg and Burrows 2016).

Finally, we would like to consider, however briefly, the rise of what some have described as ‘philanthrocapitalism’, i.e. the application of capitalist, profit driven, business-oriented methodologies to traditional philanthropy, usually on a large scale. The argument in this case is that philanthropy can only benefit by being subjected to the same rigorous standards applied in business to accumulate wealth in the first place. McGoey (2016), who has extensively scrutinized the philanthropic activities of the Bill and Melissa Gate Foundation, considers that far from being a new, technical or technocratic development, philanthrocapitalism is simply a new version of a very old and well established idea expressed in primis by Adam Smith, when he argued that individual self-interest, allowed to operate under free market conditions, will ‘naturally’ bring about the common good. Specifically, McGoey (2012:197) argues that “what may be most new about philanthrocapitalism is the very explicitness of the self-interested motives underlying large-scale charitable activities. [...] what is most notable about the new philanthropy is the explicitness of the belief that as private enrichment purportedly advances the public good, increased wealth concentration is to be commended rather than questioned.”

## Analysis

Let us now bring together these two rather different sets of data – network analysis and elite literature – and see how they can help us address our original question of whether elite philanthropy is well placed to help the fight against inequality.

We have presented a ground-breaking network analysis of the top 30 philanthropists in the UK and their business and philanthropic interests. This data shows that UK philanthropy is a) clearly dominated by financial elites, with a very likely bias towards men and b) these philanthropists have huge amounts of business interests, especially in the financial sector, which clearly gives them a disproportionate amount of influence in society, both through their interests and their philanthropic activities. This kind of conjunction has been referred to in US literature as ‘plutocratic philanthropy’ and this paper demonstrates empirically its clear presence and importance in the UK context as well.

We then introduced a body of literature showing that elites, especially dynastic families, engage in philanthropy in an instrumental way, to create narratives about their families that their descendants – the next generation – will feel comfortable subscribing to, erasing less savoury elements of the story of how the family acquired and accumulated wealth over time. Research

also reveals philanthropic giving to be a useful pedagogic tool used by families to educate their young on how to select appropriate causes, how to monitor their spending, and how to present and justify their reasoning to an older group of family members, in preparation for their own business careers.

What is more, elites, both new financial elites and multi-generation dynastic families – but these spheres often do overlap – do not see themselves as causally implicated in the growing economic inequality the world at large is experiencing. They perceive themselves as either deserving of the wealth they have accumulated through skill and hard work (Hecht 2017), or fear its dissolution down the generations (Glucksberg forthcoming 2019), pouring their energies towards more and more complex financial and legal structures, such as trusts incorporated in off-shore territories (Harrington 2016), to protect their capital in perpetuity (Glucksberg and Burrows 2016).

In his recent book ‘Social Class in the Twenty-First century’ sociologist Mike Savage (2015) used the image of a mountainous landscape to describe inequality in the UK today, and its growth. The difference from the past, he explains, is that the peaks are much higher and the slopes much steeper than they were, for example, in the 1960s, when inequality was low and social mobility high. The climb today is harder and the advantaged, the middle classes and those he classes as elites –roughly the top 6 percent - do all they can not only to climb themselves but most of all to help their children up, so they start their ascent farther up the slopes than others and are therefore more likely to get higher. A very similar point has been made with regard to the US in ‘Dream Hoarders’ by Richard Reeves (2017).

Savage here was only considering the UK context, and considers the top 6 percent of his sample as elites: our concern here is of a different nature, since we are concerned with a much smaller number of elites likely to fall comfortably within the top 0.1-1 percent globally. All the same, we think that the mountainous landscape works as a metaphor for economic inequality on a global level, and all we need to do is imagine it as even more extreme, with steeper climbs and more forbidding peaks for our purposes, in terms of assessing the contributions of our philanthropists.

When we consider their wealth but, much more so, the influence they wield in a financial context, and compare it with their charitable donations, the financial size of businesses they are connected to in almost all cases dwarfs the philanthropic donations, so much so that it is difficult to meaningfully visualise using a standard linear scale (see Fig. 5). This means that, in our mountain metaphor, the donations are pebbles or grains of sands - in a couple of cases small rocks - compared to the huge boulders that are continuously, relentlessly being amassed at the top. The sand and pebbles may be rolling down through philanthropic donations, but to expect this movement to somehow redress the balance of this landscape and make it less vertiginous seems somewhat disconnected from reality and all we know about inequality.

When we consider the fact that, as Oxfam reminds us, one billion people currently live on less than one dollar per day whilst the richest eight men on the planet now control the same amount of wealth than the bottom half of the population (Hardoon 2017), we believe we are facing a systemic issue that cannot be fixed with the sand of charitable donations whilst wealth, like huge boulders, is being accumulated at ever increasing rates further and further up, inaccessible and unaccountable. In line with McGoey we therefore do not believe that elite philanthropy –

though she was referring specifically to foundations (2015) – can bring about the fundamental systematic shifts in distribution of economic resources that is needed to address global inequalities.

On the level of individual projects and donations, we acknowledge that some largescale philanthropy is funding initiatives that reduce inequality – from providing healthcare through to funding campaigning and other activities designed to “change the system” rather than merely ameliorate the effects of current inequality. However, our data suggest that as an overall ecosystem, largescale philanthropy in the UK is delivered by financial elites. Analysed in context of the sociological literature, this philanthropy performs valuable functions that assist those elites in maintaining their advantaged positions, and tends to be dwarfed (in terms of financial size) by other non-equalising (or less equalising, if we were to be generous) activities of those elites. This leads us to conclude that regardless of short and medium term positive effects on inequality of some largescale philanthropic initiatives, the existence of philanthropy at scale, and the tendency to increasingly rely on it, represents an obstacle on a genuine path towards global equality. It makes more palatable the accumulation of huge amounts of wealth in the hands of a few and furthers the belief that individual gain and global poverty are structurally unrelated, indeed that one can help fix the other.

## Conclusion

This paper has brought together cutting edge sociological research on elites, inequality and philanthropy with a network analysis of the top 30 philanthropists in the UK, for the first time mapped in relation to their business and philanthropic interests.

In view of our data and our focus on how elites think about inequality and philanthropy, our initial question of the role of philanthropy in the amelioration of the state of rising global inequality finds a tentative, if possibly unpalatable answer. Far from helping to challenge structural inequality, at a systemic (rather than individual project level), elite philanthropy appears to facilitate and help the elites remain in power by legitimizing the system producing the inequalities they benefit from in the first place. Of course there are other factors outside the scope of this paper that also influence the overall ability of largescale philanthropy to challenge inequality, such as policies relating to wealth taxation and regulation of philanthropic donations and legal entities. These should be explored further in future research. We also acknowledge that philanthropic interventions may, as Reich et al. discuss, in some cases may be advantageous compared with democratically mandated support, for example through permitting experimentation and long term horizons (Reich et al. 2015). Again, incorporating this in an overall assessment of philanthropy may be a fruitful avenue for future research.

In terms of policy implications, and considering the many concerns over the lack of democratic accountability over largescale philanthropy that we only briefly discussed in this paper, our findings suggest that a more effective way to challenge structural inequality would be to not increase reliance on elite philanthropy, but instead take measures to prevent and control the level of wealth that is accumulated by elites. Even before public policy shifts are explored in areas such as the taxation of wealth, simply collecting more of the revenue that elites currently avoid by diverting profits through various offshore centres would make a significant shift – Zucman (2015) for example estimates that 10 percent of the world GDP is held in tax havens globally - and use them instead to meet the democratically assessed needs of our societies and

their citizens. As well as this, efforts to slow down the speed and ease with which capital and profits can move, smoothly and untraced, would contribute to the public budgets of many countries.

Secondly we would argue that as well as redistribution through taxation, philanthropists who have substantial business interests would contribute more to global inequality by embedding pre-distribution in their own organizations, through higher wages for their workforce and smaller differentials between shop-floor workers and top managers. National and international incentives to do this should be explored.

Finally, we would recommend closer scrutiny and stronger regulation of institutions such as foundations, whom already have a mandate for public good, to ensure that they fulfil these mandates in practice.

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