

PHILANTHROCAPITALISM

BY MATTHEW BISHOP AND MICHAEL GREEN

How the rich can save the world and why we should let them and how **Philanthrocapitalism** can be seen as a kind of venture capital for real long-term investment.

In **Philanthrocapitalism**, Matthew Bishop and Michael Green examine this new movement and its implications. Proceeding from interviews with some of the most powerful people on the planet including Bill Gates, Bill Clinton, George Soros, Angelina Jolie, and Bono, amongst others, they show how a web of wealthy, motivated philanthropists have set out to change the world.

Their results will have huge implications: in a climate resistant to government spending on social causes, their focused donations may be the greatest forces for societal and individual behaviour change in our world, and on occasions a source of political controversy.

For philanthropists of the past, charity was often a matter of simply giving money away. For philanthrocapitalists of the new generation who are billionaires, reshaping the way they give is like business. Largely trained in the corporate world, these "social investors" are deploying big-business-style strategies and expecting results and accountability to match. For example, Bill Gates, the world's richest man, is leading the way: he has promised his entire fortune to finding a cure for malaria that kills millions of children in the poorest countries of the world.

Modern, problem-solving philanthropy was invented in the Tudor era, in tandem with the emergence of capitalism. Today, Britain's schools, hospitals, and museums are mostly run by the state, yet many of them were founded by great donors of the past. Philanthropy retreated in Britain during the 20th century because the British came to see the state as the answer to its social problems, and the higher taxes reduced the incomes of the wealthy and thus reduced their ability to give. However in the past 25 years, the limits of government have become clearer and taxes have fallen as a result of good tax planning, allowing for a new generation of entrepreneurs.

According to Forbes magazine, in 2008 the world had a record 1,125 billionaires, up from a mere 140 in 1986, as well as thousands of multi-millionaires.

One of the key ingredients of philanthrocapitalism is working with celanthropists, who are celebrities that work in partnership with wealthy business people. They mobilise public opinion to donate to charitable causes alongside raising the profile of not for profit organisations or giving money to scientific causes, or to leverage political change. Companies who encourage their employees to give something back include a leading global investment bank that launched a philanthropic fund in 2007 which expects each of its 350 Partners to contribute a fixed percentage of their annual pay. Tax havens such as Monaco and Luxembourg, have also started to promote themselves as centres of philanthropy.

Combining on-the-ground anecdotes, expert analysis, and up-close profiles of the wealthy and powerful, this book offers a fascinating insight into a small group of people who will positively change an enormous number of lives. This new generation of philanthropists understand innovation and risk-taking, and will play a crucial part in solving major problems in the world.

While some critics worry that private and charitable funding risks supplanting government support, it is argued, it can only encourage governments to give as much.

“Thoroughly researched and enjoyable”

Financial Times

“Important. Well-written. Timely. Here in this wonderful book, Matthew Bishop and Michael Green shine a light on sparkling examples of effective philanthropy, and how some of the most accomplished people are trying to solve the world’s most intractable problems. A superb portrait of a vital new force shaping the world today. Philanthrocapitalism deserves to be widely read.”

Jim Collins, author of Good to Great

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