Elites and Inequality

A Case Study of Plutocratic Philanthropy in the UK

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Bios

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Abstract

This paper investigates the role of elite philanthropy in the context of rising global inequality, asking whether large-scale philanthropic donations by elites are well placed to help tackle structural inequality. The challenges posed by such "plutocratic philanthropy" are explored through analysis of a network of the top 30 philanthropists in the United Kingdom and their connections to businesses and foundations, which shows their financial scale and connectivity. This new data is embedded into a review of the most recent social science literature on elites, which focuses on elite reproduction, how wealthy families perceive inequality, and how and why they engage in philanthropic activities. From this data, the paper develops an analysis of the current landscape of inequality, based on the work of British sociologist Mike Savage (2015), arguing that elite philanthropy as an ecosystem—made up of capital, people and institutions—is not well placed to systemically challenge inequalities, because the financial size of elites' philanthropy tends to be dwarfed by their business activities, and the social functions of philanthropy help maintain the advantaged positions of elites. The paper concludes with informed policy considerations on the role of elite philanthropy in light of the results of the analysis.

Keywords: Elite reproduction; foundations; network analysis; sustainable development; tax

1. Introduction

The United Nations 2030 Agenda for Sustainable Development puts tackling global inequalities at its heart, with Goal 10 pledging to “reduce inequality within and among countries” (United Nations Committee for Development Policy 2018), cementing a shift in the international narratives to acknowledge that tackling poverty alone is not enough. With this as context, this paper examines the role and ability of elite philanthropy to tackle rising economic inequalities.

Large-scale philanthropy undertaken by elites is becoming more important in the international policy landscape. Private philanthropy is recognized by key international institutions as an essential contributor to reducing 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 United States and the United Kingdom (Milner 2018); in the United Kingdom, 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, large-scale philanthropy is increasingly providing funds alongside governments and multilateral organizations 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)—private foundations contribute an amount of development funding equivalent to 5 percent of global ODA (OECD 2018)—philanthropic funding is having a disproportionate impact, for example through driving provision of funds in key sectors such as health and influencing development agendas and donor priorities (OECD 2018). These philanthropic flows are closely connected to international public institutions and non-governmental organizations (NGOs), with almost all projects implemented through such institutions. The findings caused the OECD to declare that “private philanthropy is reshaping the development landscape like never before” (OECD 2019). In response to the increasing influence of philanthropy, there is growing concern that philanthropy is at odds with democratic governance and in essence plutocratic (Reich et al. 2016; Callahan 2017).

In this paper, we follow the work of Reich, Cordelli and Bernholz to question the dominant narrative that elite philanthropists are, through their large-scale philanthropic acts, simply “giving back” and acting against the structural inequalities that they themselves have benefitted from (2016). Taking our starting point as the individual members of the UK elite who are initiating and undertaking large-scale philanthropy, we situate their philanthropy alongside other areas over which they exert financial influence, in particular through business affiliations, 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 large-scale philanthropy to genuinely challenge inequalities on a systemic level.

The evidence presented in this paper concerns the business interests of Britain's top philanthropists and demonstrates the presence and importance of plutocratic philanthropy in the United Kingdom. Indeed, we show how the scale and influence of philanthropic giving in the United Kingdom is dwarfed by the scale and influence of philanthropists' corporate interests. This is important because these corporate and financial interests often drive the very inequality that much philanthropy is designed to ameliorate. We also show how philanthropy plays a role in helping elites legitimize their own wealth, and thus in legitimizing inequality. We therefore argue that these combined factors cast doubt over whether philanthropy in the United Kingdom is well placed to help fight inequality, and whether policy concerned with reducing inequality is thus best directed towards the promotion of elite philanthropy.

The paper proceeds as follows: we introduce the thinking of key inequality scholars by way of context. We then delve into the new, empirical data on UK philanthropists which forms the core of the article. To understand the importance of this information we consider the most recent sociological thinking on elite reproduction and the function of philanthropy in legitimizing elite families' wealth. We conclude with informed policy considerations on the role of elite philanthropy in light of our results.

2. Inequality, Philanthropy and the Rise of the Top 1 Percent

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 economic inequality. For example, and amongst many others, Thomas Piketty's work has shown how inequality necessarily increases when, as is the case now, the rate of return on capital is higher than economic growth, meaning that inheritances and wealth accumulated in the past have become more important in shaping an unequal landscape in the present and in the future (2014).

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

Wilkinson and Pickett have examined the consequences of inequality from a social and epidemiological perspective, showing remarkably negative effects of economic inequality on all members of Western societies, not just poor or marginalized groups (2010). More recently they extended this work to focus on the damaging effects of inequality from a psychological perspective, highlighting how inequality damages the fabric of societies and collective wellbeing (Wilkinson & Pickett 2018). Dorling, a human geographer, has demonstrated how untenable and unjust UK society is becoming in terms of spatial and economic inequalities (2015).

This current of thought can be traced back to the work of Atkinson in the 1970s and 80s (summarized in Atkinson 2015), which provided grounding for the now famous work of economic historian Thomas Piketty, whose 2014 book *Capital in the Twenty-First Century* has captured the attention of the world by pointing straight at our crisis of rising inequality supported by a wide array of data, such as the striking U-curve, illustrating the increasing income share of the top 0.1 percent. 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 reality is clearly in contrast with the continued neoliberal discourse justifying inequality on the basis of both meritocracy, and the hard work of "self-made" individuals.

Branko Milanovic, a respected former World Bank economist, has visualized this trend on a global level, with his now famous "elephant" curve (Lakner and Milanovic 2013). It 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 but a staggering degree of growth at the very top of the distribution curve for the global 1 percent (Milanovic 2016). This aligns with Piketty's data on the increased wealth of the elites of the world. Indeed, data from the first World Inequality Report shows how between 1980 and 2016, the top 1 percent of the population globally captured 27 percent of total income growth (Alvaredo et al. 2018).

Alongside this substantial literature examining inequality, there is a growing body of research on elite philanthropy. Throughout the paper, we use this term to refer to charitable giving at significant scales undertaken by wealthy individuals (following Ostrower 1997), as opposed to a broader definition of philanthropy that would include all charitable donations made by individuals. Elite philanthropy has been used to describe both high net worth individuals (HNWI; net assets of USD 1-30 million) often giving tens of thousands per year through philanthropy, and ultra-high net worth individuals (UHNWI; >USD 30 million in net assets) whose philanthropic giving may be millions of dollars per year (Hay & Muller 2013). As the number of individuals in both of these categories increases globally, elite philanthropy is becoming more widespread (Hay & Muller 2013).

This paper focuses solely on *ultra*-high net worth individuals with annual philanthropic giving of millions of dollars, as this is where concerns about elite philanthropy are primarily directed (Callahan 2017). The concept of philanthropy as plutocratic, meaning that it is economic elites—that is the very wealthy—who are dominating the field of philanthropy through the sheer scale of their giving, is rapidly gaining traction (Giridharadas 2018; Callahan 2017). However, the main empirical research so far has focussed on the United

States, which is to some extent understandable given it is by far the largest national market for philanthropy (Leat 2016). In addition, there is a tendency in the research to focus mainly on the philanthropic activities of elites rather than situate them in the context of other financial activities such as business activity.

This paper takes steps to address the gap in the empirical study of philanthropy outside of the US. Philanthropy undertaken through UK foundations is estimated to be GBP 2.4 billion (USD 3 billion) annually, which although it is much smaller than the USD 52 billion annual foundation giving in the USA, is larger than most other western countries, and growing (Leat 2016). This paper brings together two components. First, we present original data based on analysis of the Sunday Times Rich List of the "most generous" UK philanthropists, using network analysis to visualize and study the extent of philanthropic giving in the context of the philanthropists' business interests. Second, we explore an emerging body of sociological research focusing on how elites think about inequality. We then assess how these findings can be harnessed in pursuit of the aforementioned goals of global development to specifically reduce economic inequality.

What is lacking, save for the few exceptions that are explored in this paper, is research 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 and the roles that philanthropy plays in this. Piketty (2014), Milanovic (2016) and others have demonstrated the role of inordinate accumulation of wealth at the top in driving inequality, but solid, qualitative in-depth works on the worldviews and value systems of those elites that are at the top are few and far between. We review them after discussing the empirical data on top UK philanthropists.

3. The Top UK Philanthropists and Their Interests Mapped for the First Time

The empirical data we present here 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 large-scale philanthropy—which is driven to a significant extent by elites in the United States and the United Kingdom—to deliver substantive impact on global inequalities, and help deliver on SDG 10.

Methodology

Social network analysis is used to situate the philanthropic activities of this sample of elite philanthropists alongside their business interests, rendering visible the extent to which elite philanthropists concurrently hold influential positions within the corporate world. The subjects of empirical study are individuals at the pinnacle of elite philanthropy (as described by Callahan 2017), who each gave a minimum of GBP 4 million (USD 5 million) in philanthropic donations within a one year period.

Social network analysis has been widely used to study links between institutions that are formed by individuals holding multiple board positions, known as “board interlocks” (see review by Lamb and Roundy 2016). Social network analysis allows the extent of connections to be studied amongst groups of elites rather than at an individual level; for example, it has been used to analyse elite Danish society to identify a national power elite (Larsen & Houman Ellersgaard 2017). This group level of analytical focus is valuable in moving the discourse beyond critiques of individual philanthropists towards analysis of philanthropy as part of a wider system of elite reproduction. This is also the level at which philanthropy is licensed and incentivized by the state, so understanding elite philanthropy at this level is essential to developing effective future policy.

In situations where it is not possible to obtain data for a complete network, social network analysis can still be usefully deployed. Analysis of the connections stemming from specific individuals—referred to as the mapping of “ego networks”—has been used to understand the role of individuals in influencing corporate behaviour (De Graaff & Van Apeldoorn 2017). The research presented in this section employs a similar ego network approach to construct a network comprising business and philanthropic activities of elite UK philanthropists. It seeks to answer two questions:

1. How active are elite UK philanthropists within the corporate world, in terms of current board level positions?
2. How does the financial influence of UK elite philanthropists exerted through philanthropy compare with the size of corporate activity over which they have influence?

Two datasets were combined to form the network. A sample of 30 elite UK philanthropists was collected by taking the names and total annual philanthropic donations of the top 30 entries on the 2018 Sunday Times Giving List (STGL; Charities Aid Foundation 2018b). The STGL is compiled annually by the UK Association of Charitable Foundations (ACF)—the industry association for UK charitable foundations—and published by UK national newspaper *The Sunday Times* alongside *The Sunday Times* Rich List (STRL; The Sunday Times 2018). In the year under review, the 30 philanthropists in the sample made philanthropic donations at a large scale, both in absolute terms (at least USD 5 million) and as a percentage of their overall wealth (at least 2.7 percent of net worth as estimated by STGL).

Because philanthropy in the United Kingdom is only regulated to a limited extent, it is not possible to say with certainty that the elite philanthropists in the sample, or indeed the full STGL, were those donating the largest amounts of money during the year. The STGL methodology uses publicly available information, so it is possible that some donations have been omitted, or others have been overstated. However, a high mean giving level of USD 73.9 million ensures that the sample adequately fulfils the criteria for this research as comprising elite UK philanthropists.

To measure connections to companies, data was collected on all board level positions in large companies held by the 30 philanthropists at the time of collection. These data were obtained from the Bureau van Dijk Orbis database, a source of company information containing 250 million companies globally. Data was collected June-July 2018, and therefore broadly covers the same period as STGL data about philanthropic donations.

To measure the financial scale of business, charities and charitable foundation entities that philanthropists have connections to, the annual operating revenue of all entities was collected from the Orbis database, an established measure of overall size of organizational activity. For this study, its use has substantial advantages over other measures such as market capitalization (for companies) or endowment size (for charitable foundations): operating revenue gives a more meaningful measure of overall scale of activity during the year, and can be used for companies, charitable foundations and charities.

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

1. Review STGL entry and related STRL entry, recording name and total annual philanthropic giving (converting GBP to USD). Note biographical information including year of birth or age, and company and charity affiliations, to assist with correctly identifying the individual.
2. Locate the philanthropist on Orbis; confirm year of birth and affiliations mentioned in STGL to ensure the correct individual has been identified. For all current board level positions at large companies, charitable foundations and charities, record position, name of company and date position commenced.
3. For each company, charitable foundation and charity, record operating revenue in USD for most recent available year. To simplify the network, dormant and small and medium sized companies (as per Orbis classification) were excluded from the dataset; this is considered valid as the focus is on large-scale financial influence.
4. Where doubt remains over the match between name of the philanthropist and Orbis entry, cross check data with the Charity Commission register[1] and UK Companies House register[2] to confirm whether the affiliation belongs to the philanthropist. Data were only included in the study if at least two identifiers (for example year of birth and "holds position at company x") could be verified against published information.

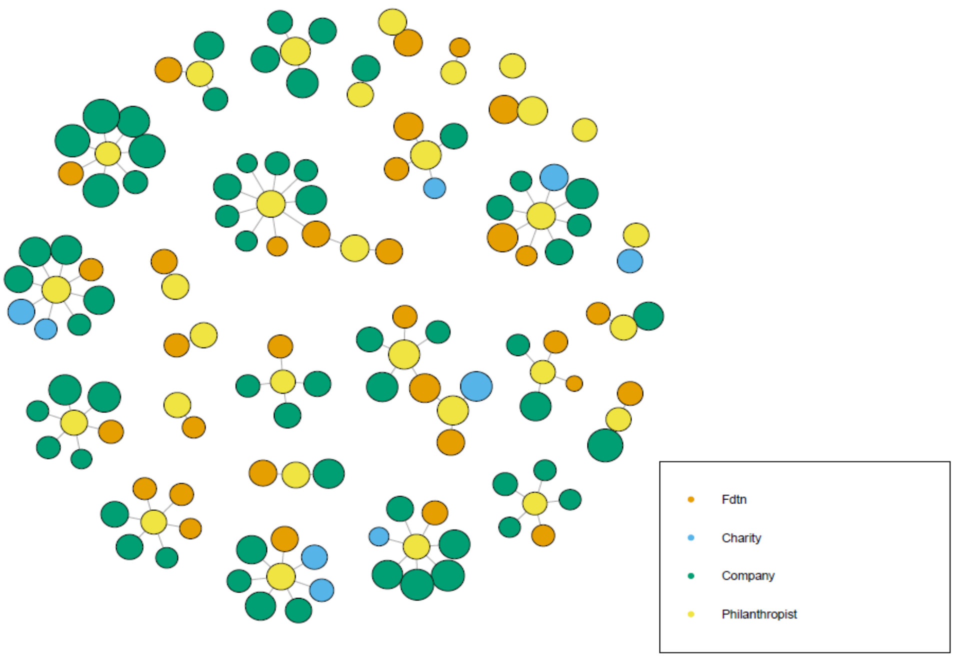
1 https://apps.charitycommission.gov.uk/showcharity/registerofcharities/RegisterHomePage.aspx
2 https://beta.companieshouse.gov.uk/

4. 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” USD 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 62 large companies with annual operating revenues totalling USD 46 billion. They sat on the boards of 9 charities with total annual operating revenue of USD 664 million, and hold board positions on 32 charitable foundations with annual operating revenue totalling USD 1.3 billion. It should be noted that the USD 1.3 billion figure for charitable foundations is likely to include a significant proportion of the total USD 2.2 billion given to or generated for charity. The graph in figure 1 provides an overview of the distribution of the philanthropists’ connections, 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 1: Company, charity and foundation connections of top 30 philanthropists on STGL 2018

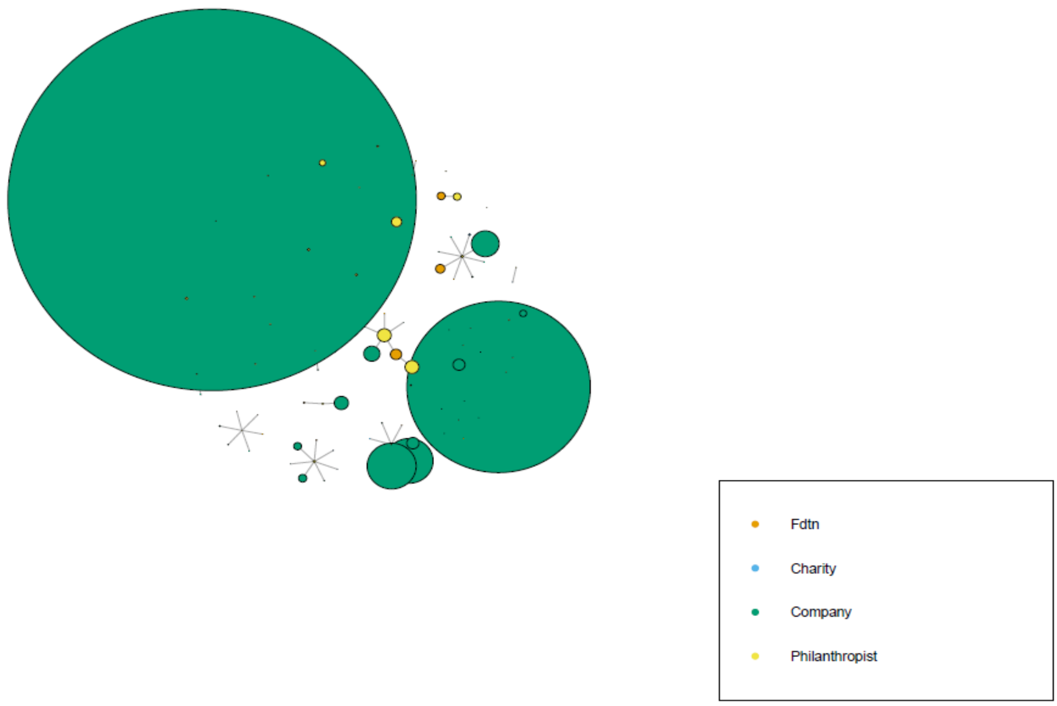


Source: Russell-Prywata’s data.

Notes: Organization 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 in figures 2 and 3, 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 2 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 3 removes the 8 nodes of size greater than USD 1 billion—all of which are companies—to illustrate more clearly that even when these largest nodes are removed, business connections still dominate.

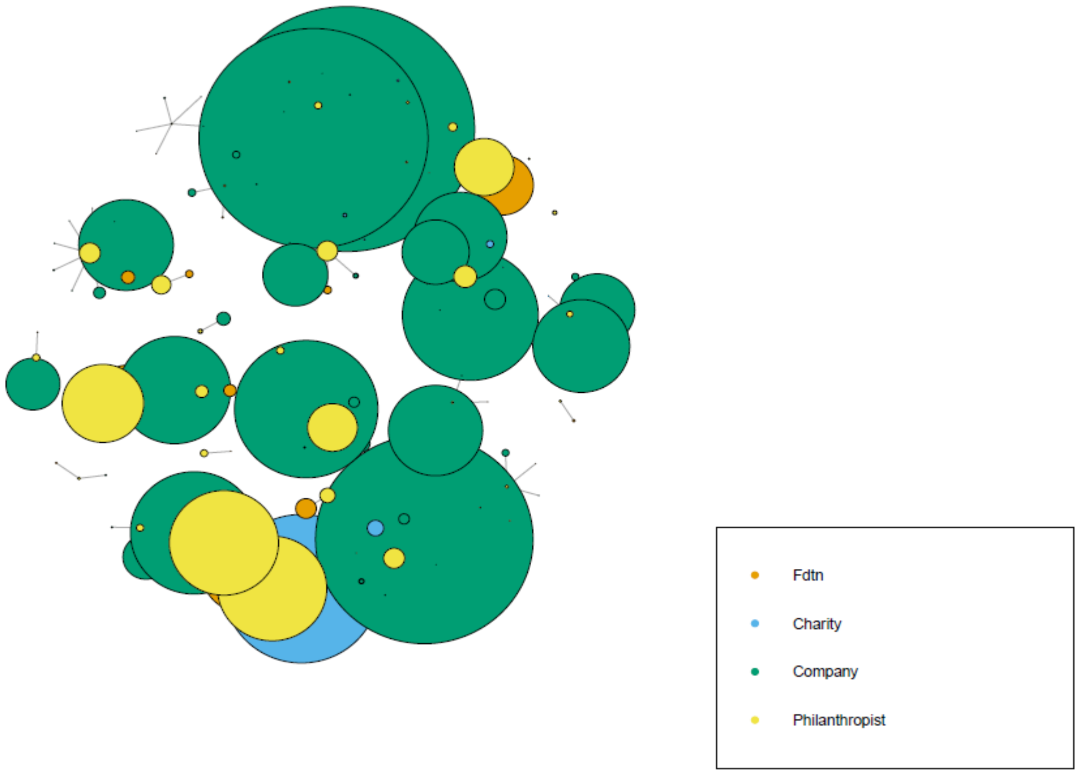
Figure 2: Figure 1 presented on a non-logarithmic scale



Source: Russell-Prywata's data.

Notes: Organization nodes sized by annual operating revenue; philanthropist nodes sized by annual giving.

Figure 3: Company, charity and foundation connections of top 30 philanthropists on STGL 2018 with operating revenue < USD 1 bn



Source: Russell-Prywata's data.

Notes: 8 nodes with operating revenue of > USD 1 billion have been removed, all of which are companies. Organization nodes sized by annual operating revenue; philanthropist nodes sized by annual giving.

Despite the dominance of business connections, 11 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. 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 that 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

Piketty's Capital in the 21st century (2014) explains clearly how elite wealth grows over time, through the mechanism of r>g: the rate of return on capital (r) has been, over the long run, greater than the rate of economic growth (g), meaning that investments from capital have grown at a faster rate than income from labour. It follows that those who already have capital, that is the elites, increase their wealth, whilst those who have to earn an income fall behind, and inequality increases. Piketty describes this as the return of patrimonial capitalism and highlights the importance of being born into an elite family in order to belong to the elite at all. Within this frame, sociological studies not just of elites per se, but of elite reproduction, have been trying to understand the mechanisms which allow these families to successfully reproduce, that is, pass their wealth down a generation to their heirs. Interestingly, Piketty also argues that the level of capital accumulation allowed in each society, and its possible restraint, will ultimately depend upon cultural factors, that is how much inequality, and in particular the growth in importance of inheritances, society will be willing to tolerate.

The scale of the issue is vast. According to the 2018 World Wealth Report (Capgemini 2018), the combined wealth of HNWIs grew 10.6 percent over the course of 2017, surpassing USD 70 trillion. From a different perspective, economists Zucman, Fagan and Piketty, using global tax data, estimate that around 8 percent of global financial assets of households—or USD 7.6 trillion—are hidden in tax havens, and that this has grown by about 25 percent over the last five years (Zucman et al. 2015). On an aggregate level, it has been estimated that up to USD 58.1 trillion of private wealth will be "transferred and divided among heirs, charities, estate taxes, and estate closing costs" over the next generation, in the United States alone (Schervish and Havens 2012, quoted in Rosplock and Hauser 2014:14).

Harrington 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 (2016). Glucksberg has 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 (2018). Indeed, the successful transmission of wealth, which we know to be amongst the top priorities of billionaires and ultra-high net worth individuals, (Camper and Nicholsons and Wealth-X 2016) is not an easy, risk free process, and it involves substantial investments in terms of emotional management and affective labour (Yanagisako 2002), usually carried out by the women of the family, as well as the hired wealth managers.

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 (Khan 2010) and socialized 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 (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. Hecht’s work (2017) on financial elites shows 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 about family offices supports this view, by showing how wealthy families are primarily concerned with their own ability to survive as elites whilst faced with what they perceive as 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 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.

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. First, philanthropy can be deployed as part of a broader strategy intended to generate identification with and commitment and loyalty to the family in the new generations. Second, 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 (2017), 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 choose to tell about themselves, for example their commitment to environmental, educational or medical causes around the globe, especially when the children are young or going through their teenage years and are liable to rebel against a purely materialistic 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 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, 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 & Burrows 2016).

Finally, we would like to consider, however briefly, the rise of what some have described as “philanthrocapitalism”, that is the application of capitalist, profit driven, business-oriented methodologies to 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 (2015), who has extensively scrutinized the philanthropic activities of the Bill and Melinda Gates Foundation, considers that far from being a new innovation, 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.”

5. 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 United Kingdom and their business and philanthropic interests. This data demonstrates the clear presence of elite philanthropy in the United Kingdom. When compared with an estimated USD 12.7 billion total donations by individuals in the UK (not including those made through entities such as foundations; Charities Aid Foundation 2018a), it is clear that elite philanthropy is operating at a significant scale. The donations made just by the 30 elite philanthropists in the sample are of a size equivalent to 17 percent of total giving by individuals in the United Kingdom.

The data evidences that the philanthropists in our sample have multiple and sizeable business interests; this suggests they are able to exert substantial influence in society both through their business interests and their philanthropic activities. This kind of conjunction has been referred to in US literature as “plutocratic philanthropy” (Callahan 2017) and this paper demonstrates empirically its 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 pedagogical 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, both new financial elites and multi-generation elite dynastic families 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), 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 & 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 United Kingdom 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 categorizes as elites—roughly the top 6 percent—do all they can not only to climb up themselves but most of all to help their children up, who 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 United States 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. However, Savage's metaphor of economic inequality as a mountainous landscape can be extended to 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 in the context of the influence they hold in the corporate world, 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 visualize using a standard linear scale (see figure 2). Using our mountain metaphor, the donations can be viewed as pebbles or grains of sands—in a couple of cases small rocks—compared to the huge boulders that are continuously, relentlessly being put to work to increase the fortunes amassed at the top. Although sand and pebbles—some of them of substantial size when viewed in isolation—are rolling down through philanthropic donations, to expect this movement to somehow redress the balance of this overall landscape and make it less vertiginous seems somewhat disconnected from reality.

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 as the bottom half of the population (Oxfam 2017), it becomes clear that we are facing a systemic issue that cannot be fixed with charitable donations whilst wealth is being accumulated at ever increasing rates further and further up. We therefore do not believe that elite philanthropy, on a systemic level, is well placed to bring about the fundamental shifts in distribution of economic resources that is needed to address global inequalities.

On the level of individual projects and donations, it is clear that some large-scale philanthropy is funding important and socially valuable work to 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 suggests that large-scale philanthropy in the United Kingdom is led by financial elites. Analysed in the 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-equalizing (or less equalizing, 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 large-scale philanthropic initiatives, the existence of philanthropy at scale, and the trend highlighted by organizations such as the OECD to increasingly rely on it (OECD 2018), represents an obstacle on a genuine path towards greater global equality. It only 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 inequality are structurally unrelated, indeed that one can help fix the other.

6. 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 United Kingdom, 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, the ecosystem of elite philanthropy appears to facilitate and help elites retain their advantaged positions by legitimizing the system producing the inequalities they benefit from in the first place.

There are other factors outside the scope of this paper that will also influence the overall ability of large-scale 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 Rob Reich argues, in some cases be advantageous compared with democratically mandated support, for example through permitting experimentation and long term horizons (Reich 2018). Again, incorporating this in an overall assessment of elite philanthropy may be a fruitful avenue for future research.

In terms of policy implications, our findings caution against increasing reliance on elite philanthropy to challenge structural inequality. Given the substantial and often wide ranging financial influence of elite philanthropists, combined with the beneficial social and intergenerational effects of philanthropy for elites themselves, our work highlights the need for the incentives and policy structures that support elite philanthropy to be analysed in the context of other financial interests of elites.

Furthermore, our findings suggest that in order to successfully reduce inequality, stronger actions are required to prevent and control the level of wealth accumulated by elites. In addition to public policy shifts in areas such as the taxation of wealth, simply collecting more of the revenue that elites currently avoid by diverting profits offshore would be a significant shift—for example an estimated 10 percent of the world GDP is held in tax havens globally (Zucman et al. 2015); such revenue would undoubtedly be better used to meet the democratically assessed needs of our societies and their citizens.

There is a pressing need to advance such an agenda. The growth in elite philanthropy, both in the United Kingdom and elsewhere, appears set to continue (Leat 2016). Governments are increasingly partnering with—and depending on—private wealth to support the delivery of public goods at home and abroad (OECD 2016). Identifying where elite philanthropy may in fact be an obstacle to challenging systemic inequalities, and taking action to change this, will be essential to driving genuine progress to achieve the economic equity envisaged in the Sustainable Development Goal 10 to “reduce inequality within and among countries”.

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