

**LSE**

International  
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# Elites & Inequality

*A Case Study of Plutocratic Philanthropy in  
the UK*

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# Overview

- **Context:** increasing philanthropy and rising inequality
- **Research gaps**
- **Our data** on the top 30 UK philanthropists: methodology & findings
- **Recent advances** in sociological research
- **Analysis:** what does our data & this literature suggest for how well placed philanthropy is to help tackle inequality?
- **Policy implications**

# Context

- Philanthropy is becoming more important to global development
- Elite philanthropy “boom time” (UK - Coutts)
- Rising inequality & international acknowledgement that we need to reduce inequality
- **How well placed is largescale philanthropy, undertaken by elites, to tackle structural inequality?**

# Existing Research & Gaps

- Elites research:
  - How do elites think and feel about inequality? (Hecth 2017)
  - Savage (2021) wealth as the weight of the past
  - How does elite philanthropy help or hinder the reproduction of inequality? (Glucksberg, forthcoming; Sklair and Glucksberg, 2020)
  - What is the role of philanthropy in elite reproductive processes? (Sklair 2018)
- Philanthropy research:
  - “philanthrocapitalism” - Bishop & Green (2010)
  - Hay and Miller (2013), Callahan (2017)
  - Philanthropy as plutocratic – e.g. Reich et al. (2016), Giridharadas (2018), (Leit 2016)
- Almost entirely US focussed

# Methodology: network analysis + literature review

## Network methodology:

- Mapping ego-networks
- 30 elite philanthropists in UK
- Situate annual giving alongside business, charity & foundation interests (board positions)
- Interested in financial size of these

## Data Sources:

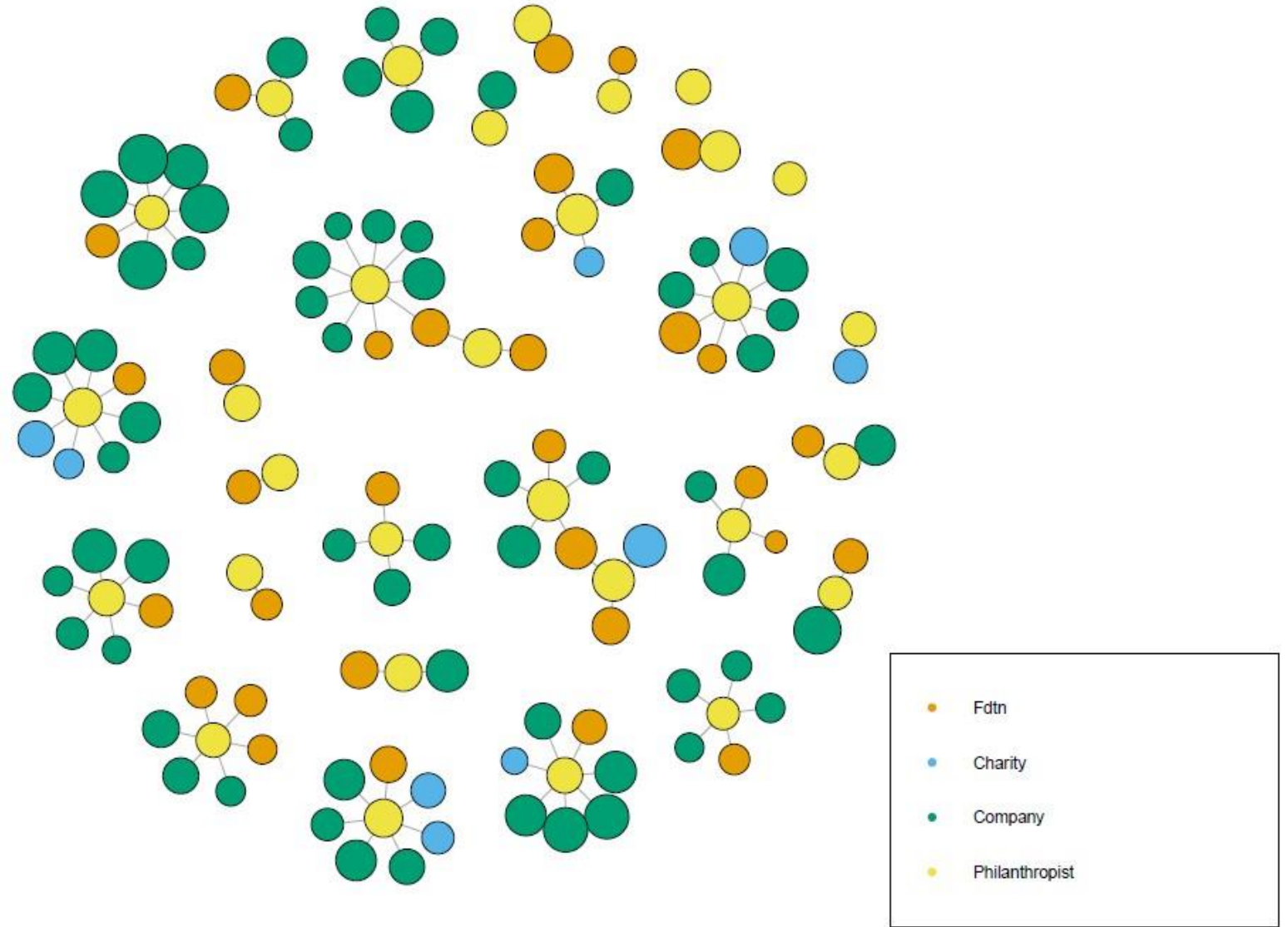
- Sunday Times *Giving* List
- BvD Orbis database



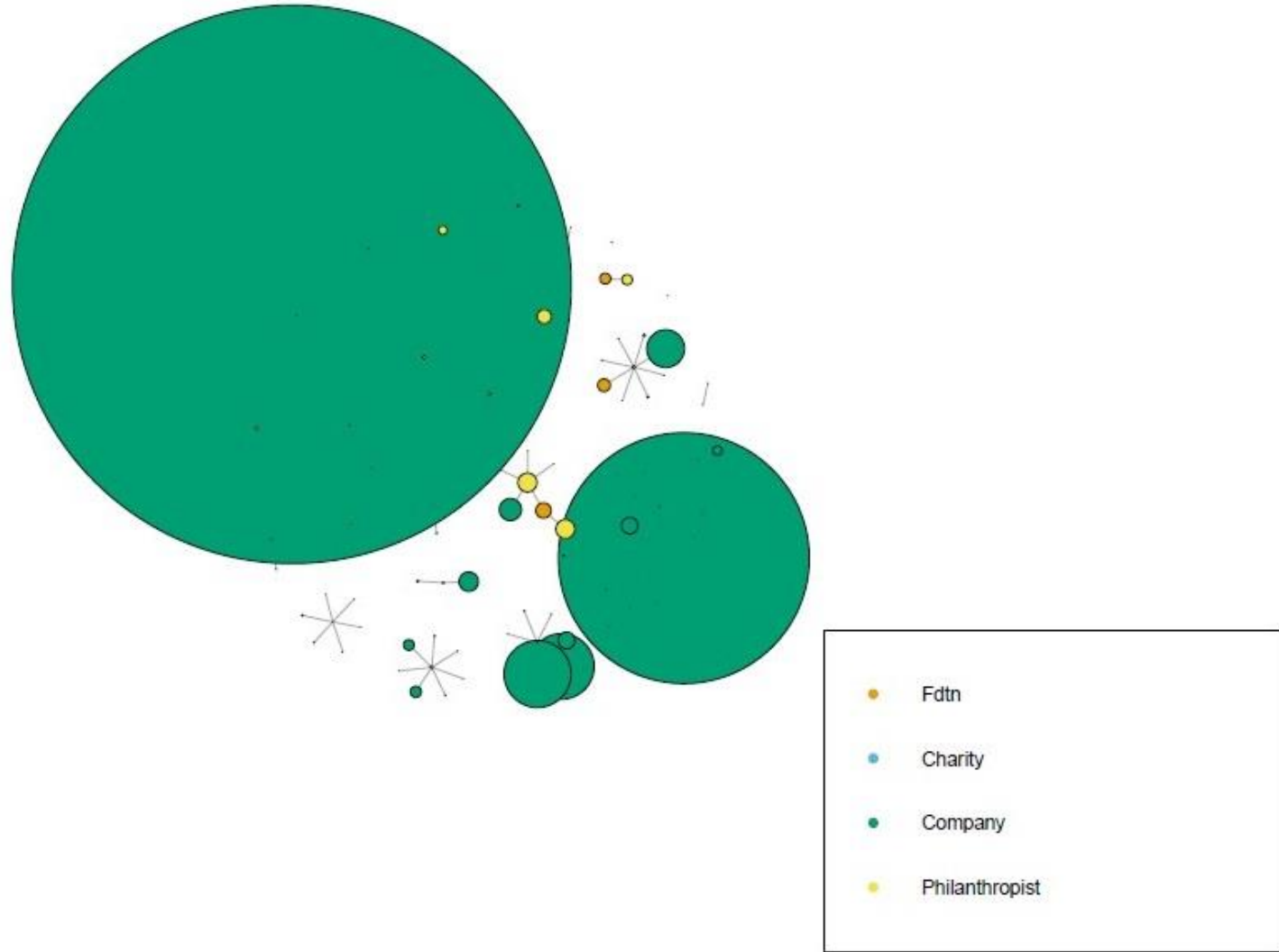
# Advantages & Caveats

- Sunday Times Giving List
  - ✓ Range of annual giving: £4million - £300million
  - ? Reliant on publicly available information
- Orbis company information
  - ✓ Good international coverage
  - ? Issues with disambiguating individuals
- Measuring “financial influence” through Board positions
  - ✓ Captures many common methods of influence
  - ? Type of influence exerted will vary widely

Graph 1:  
affiliations of  
30 UK  
philanthropists  
(nodes sized  
by financial  
size using log  
scale)

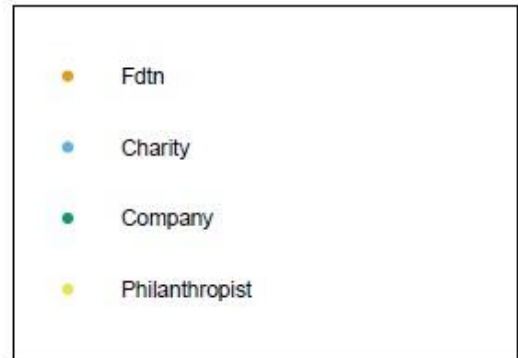
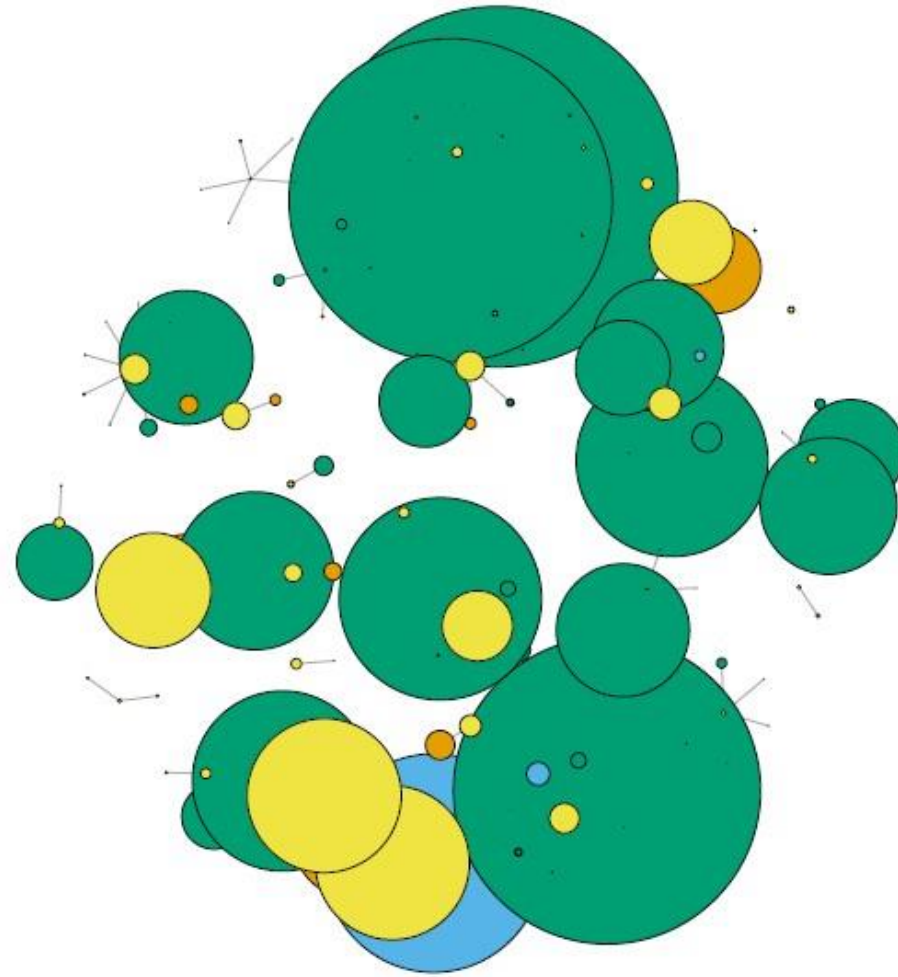


Graph 2:  
the same  
affiliations  
plotted using a  
standard linear  
scale





Graph 3:  
affiliations of  
30 UK  
philanthropists  
with node of  
size >\$1bn  
removed  
(std. linear  
scale)



# Sociological advances in understanding elites & inequality

- Harrington (2016): The role of the (private) wealth management sector
- Hetch (2018): Economic evaluation and relative (dis)advantage
- Glucksberg and Burrows (2016): The role of Family Offices
- Kuusela (2018): Learning to own
- Sklair (2018) Philanthropy and dynastic reproduction in Brazil
- Monier (2018) The role of social capital in transnational elite philanthropy: the example of the American Friends groups of French cultural institutions
- Toft and Friedman (2021) Family wealth and the class ceiling: the propulsive power of the bank of Mum and Dad

# Analysis: network data + elites literature

- Plutocratic philanthropy is clearly present and significant in the UK landscape
- Elite families engage in philanthropic activity for a variety of reasons, many of which tend to reinforce their identity and position in a highly unequal and competitive space at the very apex of the distribution curve

# Mountains and grains of sand

- When we consider their wealth but, much more so, the influence elites 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).
- 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.


# Policy implications

## Be wary of increasing reliance on elite philanthropy to tackle structural inequalities


1. Increase measures to prevent and control the level of wealth accumulated by elites
  - Reduce tax avoidance – 10% global GDP held in tax havens (Zucman)
  - Improve transparency & regulation of cross-border financial flows
2. Expect and demand philanthropists (& others) running businesses to embed more predistribution in their operations, eg:
  - Reduce wage differentials between top & bottom paid workers
  - Explore national & international incentives for companies to increase predistribution
- 3. Improve regulation of charitable foundations to maximise their public benefit

# Contact info

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