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Social Sciences

Small Change: Why Business Won't Save the World
Michael Edwards
Berrett-Koehler
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"At a time when business cannot even fix itself, one wonders why anyone should believe that it can fix the rest of society and its institutions," Michael Edwards writes in *Small Change*, his response to the rise of philanthrocapitalism, which applies business thinking and market mechanisms to philanthropy. The term comes from Matthew Bishop and Michael Green's 2008 book Philanthrocapitalism: How the Rich Can Save the World, a title that begs for, if not an outright guffaw, at least a rueful smile.

In public policy debate, as in comedy, timing is everything, and Edwards takes full advantage of business's recent debacles. He writes, "Larry Ellison, who founded Oracle, thinks that 'the profit motive could be the best tool for solving the world's problems, more effective than any government'—until government has to bail you out, of course…"

Edwards agrees that business tools—eyeing projects through the lens of efficiency and return on investment—can indeed be useful. A helpful section describes hybrid business-philanthropic approaches, including Corporate Social Responsibility, the idea behind fair-trade coffee; and nonmarket peer production, which builds public assets around what we hold in common—like Wikipedia.

However, business's ability to effect change is necessarily limited by the simple fact that "[c]reating markets is not synonymous with solving social problems." Further, business is vested in the current state of affairs, and is unlikely to get at the root causes of problems or raise fundamental questions about economic systems, equality, or power.

The contrast between civil society structures and market mechanisms is central to the book. Edwards notes that it's not healthy or democratic for a few rich philanthrocapitalists to be making decisions about social change. That's a job for the body politic. He believes that collective action is the most powerful and cost-effective route to real social transformation. Anything less than that is just "small change," tinkering with society as it currently is, with its

power structures and inequalities intact.

Edwards is a former director of the Ford Foundation and has a background in international relief and development. It's easy to see why his arguments might stir controversy; he does not mince words. Perhaps his book is best read as a splash of cold water on the "irrational exuberance" that markets tend to create, and a call for greater civil involvement.

As he writes, "Social transformation is not a job to be left to market forces or to the whims of billionaires." When we support the development and involvement of our millions, the basis for social progress will be enduring and democratic.

Teresa Scollon