Billionaires in World Politics: Super-Agents Transforming Structures?

Introduction

When Forbes started its famous global listing in 1987, the world’s richest 200 individuals accounted for US$ 300 billion of wealth – in 2011, they possessed US$ 2.4 trillion, and the overall number of billionaires worldwide had risen from 140 to 1210, who now collectively own US$ 4.5 trillion.¹ Though largely under-researched as a political phenomenon,² the rise of billionaires has already transformed electoral politics in several countries, with cases such as Berlusconi in Italy, Bloomberg in New York, Thaksin in Thailand, Piñera in Chile, or Blocher in Switzerland. As many billionaires have made their wealth in global business and finance, several of them have also entered global politics.

¹ For the Forbes list and its methodology, see: http://www.forbes.com/wealth/billionaires and http://www.forbes.com/free_forbes/2007/0326/170.html. The focus on “billionaires” is somewhat arbitrary: the discussion in this paper can be applied to many millionaires just as well. However, “billions” are the common accounting unit for states and multinational corporations, and it is thus symbolically interesting that some individuals play in the same accounting league. Also, the Forbes list is the only useful list of the world’s ultra-wealthy, and, nowadays, it only includes billionaires.
² Besides – quite insightful – journalistic bestsellers like Superclass (Rothkopf 2008) or Richistan (Frank 2007), very little comparative political science research on the ultra-wealthy exists so far. Winters’ (forthcoming, 2011) study of oligarchy will be a first remedy (see Winters & Page 2009 for a discussion of oligarchy in the USA).
Their status equips billionaires with qualities that turn them into singular individual actors. Most obviously, their enormous wealth is a highly fungible power resource that allows them to pursue their goals quite autonomously. Moreover, the very process of accumulating these material assets appears to create a self-understanding that emphasizes strong voluntarism. Having succeeded in conquering the business world is likely to confer a sense of “anything is possible” to billionaires’ ventures into politics. Or, as George Soros once put it: “Yes, I do have a foreign policy, and now I have it more consciously. My goal is to become the conscience of the world” (Kaufman 2002: 293). Especially through philanthropy, billionaires like George Soros and Bill Gates have made bold attempts to transform the world’s political and socio-economic structures. Their activities raise important questions about the role of individuals in world politics, which relates to a central ontological problem of social science: the relationship between agents and structure. For the most part, this paper will be content to remain at the pre-theoretical level, attempting to establish how and to what an extent billionaires are “super-agents” with extraordinary capacities to “change the world”.

*Individuals, agency and structure in IR*

Mostly developed by scholars within sociology and the philosophy of science, the agent-structure discussion entered International Relations (IR), which had addressed similar concerns less rigorously through the “levels of analysis” and “images” perspectives, rather late (Wendt 1987, Dessler 1989, Hollis & Smith 1994). “It emerges from two uncontentious truths about social life: first, that human agency is the only moving force behind the actions, events, and outcomes of the social world; and second, that human agency can be realized only in concrete historical circumstances that condition the possibilities for action and influence its course”
(Dessler 1989: 443). This leads to an understanding of agents and structures as mutually constituting each other (Giddens 1984, Sewell 1992): it is agents that establish, sustain or transform social structures, while, simultaneously, existing structures enable or constrain agency. Taking such a co-constitution of agents and structures seriously implies that “where both agents and structure are conditions of possibility for the other, and each has emergent powers irreducible to the other, then the interplay between the two could not possibly be determined in advance of the research process” (Wight 2006: 280).

It seems clear that the rise of billionaires since the 1980s is linked to several structural changes that have created an enabling context which allows more individuals to become billionaires. During the 20\textsuperscript{th} century, the two World Wars, Communist revolutions, and the Great Depression had destroyed much previously existing wealth, and progressive income taxation, combined with stricter controls of finance, limited the accumulation of wealth post-WWII (Atkinson & Piketty 2007, 2010). Micro-economic research has examined the conditions under which a few actors can dominate so-called “winner-take-all” markets (Frank & Cook 1995, Rosen 1981). This can happen in oligopolistic or monopolistic markets (here one can think of the oil, gas and other natural resources billionaires), but also in highly competitive markets when extraordinary achievement is coupled with extraordinary rewards (the paradigmatic examples being entertainment or sports superstars). Confirmation for this comes from statistical analysis that finds billionaires concentrated in countries with high corruption scores, but also in countries with high economic freedom scores (Neumayer 2004, Torgler & Piatti 2007).
Globalization, which grew steadily since the 1950s and strongly since the 1970s, is the structural trend that has amplified the benefits of those who succeed in “winner-take-all” markets, if only for the simple fact that it enlarges such markets. Support for this argument can be found in the fact that owners of multinational corporations form the largest group of billionaires on the Forbes list. Within globalization, the re-emergence of global finance since the 1970s is particularly important for two reasons: as it links and integrates national capital markets, it facilitates the growth of corporations and their owners’ wealth; and it also allows greater opportunities to financial investors/speculators to become billionaires, which is again reflected by this profession’s prominence on the Forbes list.

Clearly, states have been highly involved in facilitating globalization as an enabling condition for the rise of billionaires (Helleiner 1994, Frieden 2006). They have been even more directly responsible for another structural factor that makes capital accumulation easier: the significant reduction of taxes on high incomes and wealth (Roine, Vlachos & Waldenström 2009), especially since the 1990s. This is related to the growth of tax avoidance opportunities being offered by tax havens, which have become key nodes for private capital flows since the 1970s (Palan, Murphy & Chavagneux 2010, Shaxson 2011). In combination, both taxation trends create an environment that enhances the chances of some to become ultra-rich, because they face less re-distributional state action.

None of these favorable structural conditions are uniform across countries, which continue to differ with regards to their integration into the global economy and the tax

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3 Of course, large domestic markets – like the US, China or Germany – can also produce billionaires, even in mainly domestic economic sectors like retailing or real estate. In the literature, “winner-take-all” does not literally mean “all” as under a monopoly, but simply “a large share” – market leaders.
regimes they apply. Still, overall they create a global context that affects most individuals in their pursuit of wealth. Another structural factor of great consequence, which concerns all of the other factors mentioned above, is the peacefulness that developed countries have enjoyed since WWII. Not only, because wars are the most potent destroyers of assets, but also, because the sacrifices of the 20th century’s two world wars had created strong egalitarian demands for taxing the affluent – which appear to decrease in times of peace (Scheve & Stasavage 2010).

**Individual agency in IR**

Most theorizing in IR has been concentrating on systemic structures and collective actors – and for good reasons: world politics is a crowded arena in which even great powers face strong constraints on their behavior (Waltz 1959). This leads even someone as attentive to the mutual constitution of agents and structures as Alexander Wendt to privileging third image theorizing, going as far as treating the state as a person (Wendt 1987, 2004). The Oxford Handbook of International Relations is exemplary in this respect: The only entry that somewhat covers individuals’ roles is the one on the foreign policy decision-making subfield (Stuart 2008), while the entry on moral agency is focusing mostly on collective actors, because “[i]ndividual human beings on their own lack the power, coordination, and resources necessary to achieve many espoused goals” (Erskine 2008: 701). Such a statement is simply wrong when billionaires control financial resources that rival many states’ budgets.

Despite overall neglect, some renewed attention to the first image has occurred within all the major IR approaches. Ironically, while liberalism could be expected to be the approach predestined to address the first image, given its foundational thinkers’
focus on individual freedom and choice (Locke, Smith, ...), liberal IR theory has been surprisingly silent about the role of individuals in world politics. Following neo-liberal institutionalism’s over-engagement with structural realism, the reorganization of liberal theory since the 1990s has emphasized the importance of societal preferences that shape states’ foreign policies (Moravcsik 1997: 517f, also 1999). While this privileges organized interests/collective actors, such a perspective also drives studies of individuals’ preferences – but they matter only insofar as they are being aggregated, explaining, for example, how higher levels of education lead to more support for free trade within a nation (Hainmueller & Hiscox 2006, Mansfield & Mutz 2009). Realist approaches remain wedded to state power and international power structures, but the rediscovery of “great statesmen” picks up on classical realists’ concerns with leadership (Byman & Pollack 2001). Here, the precondition for individuals to make a difference remains, however, their institutional position as leaders of powerful states.

The most sophisticated attempts to “bring the individual back” into world politics have been developed within the constructivist research agenda, which seems logical, because the agent-structure problematique and the social interactions that construct reality are at the heart of this approach (Berger & Luckmann 1967). Thus, various studies of political entrepreneurs have analyzed how individuals within epistemic communities (Adler & Haas 1992) or advocacy networks (Keck & Sikkink 1998) use their abilities to provide expertise and/or ideas to influence politics. Stacie Goddard has recently theorized such entrepreneurship more systematically: “[t]o study entrepreneurs is to ask how particular actors come to realize their capacity for radical transformation – why it is that some actors exhibit the power to effect change, while others only reproduce the structure around them” (2009: 253). She distinguishes two
understandings of how political entrepreneurs can effect change: (1) a strongly
agent-centered approach that emphasizes the categorical attributes of individuals,
and (2) a more structural approach that focuses on the position of entrepreneurs in
social relations. This reflects Colin Wight’s understanding of agency as “the ability /
power to act with intention”, which is “inextricably linked to social contexts through the
relations in which it is embedded” (2006: 212+213). Yet, most individuals lack
autonomous control over resources – even “great statesmen” must adhere to
budgetary procedures and constraints. And other categorical attributes like skills or
knowledge/expertise are problematic, because most of the time one can only observe
them in action, with hindsight. For these reasons, Goddard, in line with most research
on political entrepreneurs, looks at how their capacity for change derives from their

Billionaires as super-agents?

Unlike most individuals, billionaires do have “state-like” budgets under their control.
The Forbes list measures their wealth in terms of assets at market prices, and
therefore does not give a clear indication of the amount of disposable wealth or the
potential financial power of billionaires, because not all assets are liquid or could be
liquidated at market prices, which, naturally, fluctuate. The annual reshuffling and
turnover on the Forbes list – only 52 persons from the 1987 inaugural list were still on
the list twenty years later⁴ – indicates the volatility of many fortunes. Still, financial
assets are highly fungible and, in theory, many billionaires probably could follow Bill
Gates’ example and transform shares in their companies into capital used for other
purposes, shifting from being an economic to becoming a social or political
entrepreneur. In line with Amartya Sen’s (1999) approach to agency, which sees it as

the capability to effect change according to one’s objectives, billionaires can therefore be seen as super-agents. Such an understanding also reflects William Sewell’s discussion of agency, as he highlights the capacity of agents to mobilize and transpose resources from one context to another (1992: 16-20).

But whether individual billionaires are in fact able to transpose their financial assets into political power needs to be determined empirically. New sociological studies of the wealthy in Germany emphasize exactly this difference between the purely material capabilities that wealth offers (Reichtum) and the capacity of individuals to use their wealth for something else than just wealth-generation (Vermögen). Research is showing that, at a general level, wealthy individuals do exhibit a stronger self-understanding of having capabilities to effect change than the average middle-class citizen (Lauterbach & Tarvenkorn 2011, Grundmann 2011). Wealthy individuals also appear as generally more socially engaged, but this seems to depend on the sources of their wealth: the (broadly defined) social engagement of those who earned their wealth as entrepreneurs is 20% higher than of those who inherited their wealth (Ströing & Kramer 2011: 104). The very experience of success in the business world can thus be seen as building agency-capacity among billionaires, because it instills a strong sense of voluntarism in individuals. It does not, however, guarantee that economic entrepreneurs become successful political entrepreneurs, as the following proposal by the CEO of a leading aircraft manufacturer vis-à-vis an American congressman illustrates:

“I want to sell a plane to Muammar Qaddafi and he wants to buy one. But we have sanctions in place (…). The U.S. wants this guy dead. So, (…) if you help

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5 In German, both Reichtum and Vermögen mean “wealth”, but vermögen is also a verb that means “being able to do something”. See Druyen 2011 and Lauterbach, Druyen & Grundmann 2011.
me get the okay to sell him the plane, I'll build it with explosive bolts (...).
Then, one day he's flying over the Med and we push the button. He's gone. I make my sale. Everyone's happy.” (Rothkopf 2007: xxiii)

In this example, the CEO exhibits an extraordinary voluntarism, and he controls the resources to effect change, but his exclusive focus on a business logic of consequences prevent him from seeing why an elected politician would be unable to respond to his proposal.

*Billionaires’ goals in world politics: security, material interests, and esteem*

Once we have identified the autonomy of billionaires, the next research question concerns their motives and why they choose to pursue some goals and not others. Although notoriously difficult to assess, as they can be hidden and mixed, motives are essential for any understanding of agency – unless one reduces motives and goals to being structurally induced, e.g. by an anarchical state of nature. With regards to states as actors in world politics, the discussion in IR used to be narrowed down to how they pursue relative security and/or absolute economic gains (Grieco 1988). Constructivist research has argued that states’ objectives also depend on their identities and the prevailing (inter)national norms (Checkel 1998, Finnemore & Sikkink 1998), which imbue actors with a logic of appropriateness (March & Olson 1998).

Richard Ned Lebow has recently integrated these constructivist insights into a cultural theory of IR, which is particularly useful here, because he distinguishes fundamental motives and goals in politics that he assumes to exist at any level of agency, individual or collective (Lebow 2008: 114-117). Besides security and material interests (what he calls “satiation”), which entail the acquisition of power and wealth,
he identifies esteem as a third goal in politics, which depends on obtaining honor or standing (ibid. 43-121, esp. 91). As a relational goal that requires recognition by others, esteem’s precise meaning is cultural in the sense that it varies across time and societies, depending on what is being recognized (and thus socially constructed) to bring honor. All three goals clearly matter when billionaires act in world politics.

Billionaires do have to worry more about their security than ordinary citizens, because their wealth makes them tempting targets for extortion, as several high-profile kidnappings of billionaires (or their family members) have proven. Nevertheless, often they can rely on protection by the states in which they reside, and they obviously have the funds to pay for supplementary private protection, so that fear for their personal security is probably not a major concern for their involvement in politics. They can, however, impact upon the international security agenda if they view security not just as a personal affair, and decide to finance war or peace efforts. Several allegations of terrorist financing by billionaires have been put forward, e.g. concerning links between Saudi billionaire Khalid Bin Mahfouz and al-Qaeda, or American billionaire Raj Rajaratnam and the Tamil Tigers in Sri Lanka. But they remain unproven so far, because hard evidence is hard to come by – if such financing happens, it will happen secretly, so as not to expose the source. More in the open, other billionaires have used their funds to support peace efforts: Ted Turner’s one-billion-dollar donation to the United Nations in 1997 is among the most

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6 Ironically, even one of the foundational works of rational choice allows for individuals to enter politics for “the income, power and prestige” that come with public functions (Downs 1957: 137). To what an extent each of these goals matter for an individual clearly can make huge differences for their behavior, but Downs goes on to discuss only material self-interest. For honor in IR, see also Markey 2000 and Joshi 2008.

7 Among the most famous cases are J. Paul Getty’s grandson in 1973, Hong-Kong tycoon Li Ka-shing’s son in 1996, Walter Kwok in 1997, and Eddie Lampert in 2003, but the list is much longer. Mahfouz sued against these allegations, and won all his lawsuits; see Ehrenfeld 2005: xi-xiv and http://www.binmahfouz.info/en_index.html.

famous examples, but this can also operate on a smaller scale, such as the Irish American Chuck Feeney’s donations to Sinn Fein to support the peace process in Northern Ireland during the 1990s (O’Clery 2007: 184-194). These cases also demonstrate the links between billionaires’ source of wealth and their political efforts, a global outlook in business translating into transnational political engagement: Mahfouz used to be the partial owner of the global scandal bank BCCI, Rajaratnam runs a hedge fund, Turner founded CNN, and Feeney made his fortune with a duty-free shopping chain.

Billionaires also engage in world politics just to satisfy their material interests. Jeffrey Winters and Benjamin Page (2009) have already analyzed such behavior with regards to the specter of oligarchy in the United States. The most straightforward examples are lobbying endeavors vis-à-vis governments and international organizations, in order to advance individuals’ business interests. As with billionaires financing terrorism or war, such actions will tend to be covert and thus difficult to research. A case in point would be the Indian steel-magnate Lakshmi Mittal, among the world’s ten wealthiest individuals, and his efforts to influence British, U.S. and EU politicians in order to boost the business prospects of his company ArcelorMittal. He apparently wants to make more money to be able to continue buying the most expensive homes in the world, and to finance the most extravagant parties. Another striking example are the Americans David and Charles Koch, each in the Forbes top

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twenty, who co-own the petroleum- and chemicals-based Koch Industries. As their conglomerate would be financially affected by climate change mitigation policies, between 2005 and 2008 alone, the brothers have put around US$ 25 million into think tanks and foundations that intervene with skepticism or denial in the global climate change debate (Greenpeace 2010). Mittal’s and the Kochs’ business empires are both truly global, with operations in around 60 countries, which explains their transnational political activism.

The pursuit of esteem by billionaires is an easier goal to study, because honor depends on public recognition. As Richard Ned Lebow argues, honor as the means to achieve esteem is directly related to one’s standing, and honor societies therefore tend to be highly stratified (2008: 63-72, 162-164). Esteem should thus be of particular importance in the contemporary world where the inequalities between those at the very top and the rest have been widening over the past twenty years, where now a good thousand billionaires own as much wealth as the poorest half of the earth’s adult inhabitants (Davies 2008). One can also assume that once an individual has enough power and wealth to fulfill all security and material goals, esteem becomes more important. Many achievements, such as winning yachts races or assembling prestigious art collections, might bring honor. But the politically most relevant aspect of competition for honor in today’s world appears to be philanthropy, at least in the American cultural context (Friedman & McGarvie 2003), as evidenced most recently by the so-called “Giving Pledge”. Officially launched by America’s wealthiest individuals, Warren Buffet and Bill Gates, in June 2010, it invites American billionaires to make a public “moral commitment to give (…) the majority of their
wealth to the philanthropic causes (…) of their choice”. 59 pledges have been made so far, out of a potential 413 American billionaires on the current Forbes list. Among such giving, international philanthropy like the Bill & Melinda Gates foundation’s, which has granted US$ 9 billion to global health initiatives between 1998 and 2007 (McCoy et al. 2009), can have profound impacts on world politics. It may also earn Bill Gates a Nobel Prize for Peace in the future.

*International philanthropy practices, honor and individual agency*

Going back to Greek mythology – Aeschylus recounting the Titan Prometheus’ *philanthropos* as he gave fire to humans – the basic meaning of philanthropy refers to a love for humanity that manifests itself in serving others. Robert Payton and Michael Moody define it as “moral action”, used by individuals to “implement their moral imagination” and to “interven[e] in other people’s lives (…) to do them good and to advance the public good” (2008: 96). Such an agency-centered interpretation can be useful to understand the altruistic individual, giving anonymously, only concerned about his or her self-esteem. It cannot, however, explain why philanthropy is being pursued more or less, during different time periods, in different societies. Based on her fieldwork among American philanthropists, Francie Ostrower arrives at a definition that emphasizes the socially constructed aspect of philanthropy. She sees philanthropy as “a mark of class status that contributes to defining and maintaining the culture and organizational boundaries of elite life”, which “takes on meaning in the context of a cultural emphasis on individualism and private initiative and a mistrust of governmental power and large-scale bureaucracies” (1995: 6+8).

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As such, philanthropy can be studied through the perspective of practices, the “socially meaningful patterns of action” (Adler & Pouliot 2011: 4, see also Pouliot 2008), which link agency with structure. It is only against the background knowledge of a culture of philanthropy that the performance of philanthropic acts brings honor to an individual, fulfilling his or her quest for esteem by others.

Nicolas Guilhot (2007) has already applied such a Bourdieu-inspired understanding of practices to George Soros’ international philanthropy in establishing the Central European University in Hungary. But just as Bourdieu’s theory of practice leaves little room for agency (Sewell 1992: 13ff), Guilhot’s analysis comes close to structural Marxism when he sees Soros’ philanthropy as a strategy by “the new transnationalized social strata representing the hegemony of financial capital, whose power depends on their capacity to perpetuate the new socioeconomic order” (2007: 447). At a general level, philanthropy may indeed be interpreted as a habitus among the ultra-wealthy to legitimate their privileged position and the capitalist system in which they have thrived, as data on average giving in the U.S. shows. Estimates indicate that North American high-net worth individuals give around 8% of their wealth to philanthropy (Center for Global Prosperity 2010: 10). This is highly correlated to the structure of the U.S. tax system, which foresees generous income tax rebates if one donates income to one’s private foundation. Such foundations must, in turn, give away 5% of their wealth to charitable causes every year (Silk et al. 2003). Among such giving by Americans, international philanthropy has been increasing steadily throughout the second half of the 20th century (Curti 1963: 506f), tripling from US$ 12 billion in 1988 to US$ 37 billion in 2008 (Hudson Institute 2006, 2010).
The problem for a structural understanding of practices, however, is that most billionaires do not donate most of their wealth to philanthropy. Likewise, the decision over which charitable causes to support relates to *habitus* to some degree: the arts, disease research and universities are among the “habitual” recipients of philanthropy in the United States. But more specific decisions about what and how to give cannot be explained without a greater focus on the individual philanthropist’s agency.

Friedman’s historical analysis of American philanthropy captures as much:

> “[P]hilanthropy has had much to do with a specific person who has intended at least some measure of charitable benevolence towards others (...). To a greater or lesser extent, the philanthropist has imposed his/her vision of a good society (...) on others (...). Yet, the individual philanthropist has never (...) been separable from the institutional context of his/her behavior.”
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> (Friedman 2003: 9)

Thus, Bill Gates’ philanthropic focus on education and health can be seen as a “habitual” pursuit of honor in the American cultural context, whereas his decisions to give most of his wealth and to shift his entrepreneurship from Microsoft to his foundation require us to take agency more seriously.\(^\text{13}\) It could even be argued that Buffet and Gates’ “Giving Pledge” is a voluntary attempt to create something like a practice of “giving it all away” among the world’s ultra-wealthy, and hence constitutes an example of super-agents trying to transform the *habitus* of philanthropy. George Soros’ international philanthropy, which started as early as 1979 (Kaufmann 2002: 163ff), and which tries to foster “open societies”, also appears as much more creative than a simple perpetuation of an existing *habitus*.

\(^{13}\) This connects with Marcus Komprobst’s notion of “judgment” (2011), who has recently argued that the scholarly categories of agent’s logics of action are insufficient to capture the element of creativity in individual’s choices, which are better to be analyzed with the notion of “judgement”.

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As mentioned before, a key aspect of agency is the ability of agents to mobilize resources from one background to another – which is exactly what both Gates and Soros have been doing. Both achieved market-leader positions with their businesses: Gates in founding Microsoft (Wallace & Erickson 1993), Soros in founding the Quantum fund, for many years the most profitable hedge fund. And both transferred their material and entrepreneurial resources into their philanthropy, which is global and results-oriented like their businesses. Such an approach to philanthropy – dubbed social entrepreneurship (Bornstein 2004) or philanthrocapitalism (Bishop & Green 2008) – may indeed have turned into a new practice among billionaires, but it is individuals like Soros and Gates that created this role model.

**George Soros: building civil society**

George Soros’ liberal worldview has been strongly influenced by his personal experience of totalitarian Nazi and Stalinist rule as a teenager in his native Hungary, and by his subsequent studies with Karl Popper at the LSE during exile in London. As he explains himself, after a successful career in hedge fund management, during the late 1970s,

> “I determined (...) that I had enough money (...), that what really mattered to me was the concept of an open society, based on the recognition that we all act on the basis of imperfect understanding. (...) Therefore, (...) we need a democratic form of government (...); we need a market economy (...); we need to protect minorities (...), we need the rule of law.” (Soros 1995: 112f, see also Kaufman 2002: 27-72).

He went to support dissidents in Eastern Europe (Charter 77 in Czechoslovakia, Solidarnosc in Poland), and established his first foundation in Hungary in 1984, which promoted academic and cultural exchanges. Soros was no billionaire yet, but these
early efforts required relatively little money to produce results – one of his operations with the greatest impact was to send several hundred Xerox machines to Hungarian cultural and educational institutions (Kaufman 2002: 189-200). As the Soviet Union crumbled and his fortune reached ten digits, Soros delegated more and more of his business to his associates and employees, and turned his philanthropy from private side-projects into his main activity (Soros 1991). He set up an Open Society Foundation (OSI) network all over the former Soviet Union and Warsaw Pact countries, with the explicit goal to build open societies, funding a wide variety of educational projects, human rights associations and independent media. Between 1994 and 2000, his personal contributions to his various foundations totaled more than US$ 2.5 billion (Kaufman 2002: 256).

This is not the place to analyze Soros’ philanthropy in detail. In terms of impact, there have been great achievements, for example his US$ 100 million intervention to prevent Soviet science from disintegrating or his US $50 million rescue mission to supply the besieged Sarajevo with drinking water during the Bosnian war in 1992/3 (ibid. 268ff). There also have been substantial failures, for example when trying to advance civil society in China (ibid. 213-221) or when promoting a master plan for economic reform of the Soviet Union (Soros 1991: 99-117). Most studies of the post-Soviet transformations in Eastern Europe agree that Soros’s OSI network contributed much to foster civil societies, whose actors became key players in the transitions toward democracy (Carothers & Ottaway 2000, Stewart 2009). Research also shows that Soros, through his foundations, provided very targeted and critical support to the – eventually winning – opposition groups during the so-called “color revolutions” (Sussman & Krader 2008), especially in Georgia (Angley 2010) and Ukraine (Wilson 2006). As such, one can interpret Soros’ philanthropy as a super-agent’s attempt to
transform social and political structures in a variety of countries. The best
confirmation for such an evaluation comes from the fact that, after the “color
revolutions” in Eastern Europe, several governments in Central Asia clamped down
on foreign NGOs’ activities in their countries, specifically Soros’s foundations, notably
in Kazakhstan and Uzbekistan, but also in Russia (Berg 2008).

In terms of agency, three central aspects run through Soros’s philanthropic
biography. One is a strong sense of voluntarism to change the world, which he
expressed himself repeatedly:

“I was a confirmed egoist but I considered the pursuit of self-interest as too
narrow a base for my rather inflated self. If truth be known, I carried some
rather potent messianic fantasies with me from childhood which I felt I had to
control, otherwise they might get me into trouble. But when I had made my
way in the world I wanted to indulge in my fantasies to the extent that I could
afford.” (Soros 1991: 3)

Second is a strong capacity to transpose such voluntarism from his business career,
which was built on daring speculative bets, often involving political changes (Slater
2009: 69-107), to his political endeavors. “In both business and philanthropy he shied
away from permanent entanglements (…), he favored projects of limited duration but
great potential impact” (Kaufman 2002: 179). Diane Stone has argued that the very
decentralized structure of Soros’ OSI foundation leads to institutional logics becoming
more important, rather than Soros being the great decision-making man (Stone 2008:
17f). This is certainly true to some extent, but Soros has been fully aware of this
problem from the beginning: “I don’t like foundations. I think foundations corrupt the
impulse that lead to their formation. That is so because foundations become
institutions and institutions take on a life of their own” (Soros 1991: 130). In terms of
strategy, setting priorities, and shifting funds accordingly, Soros always tried to “stay ahead of the curve”. One clear instance of this is his shifting of his activities from Eastern Europe to U.S. domestic politics (Soros 1995: 137ff + 177ff).

Finally, Soros’s agency reveals a continuous struggle for esteem, evidenced, for example, in the many books he has published. But he is also frankly open about this: “I have had these illusions, or perhaps delusions, of grandeur and they have driven me” (quoted in Kaufman 2002: 292). His biographer recounts how Soros was being laughed at by the political establishment after advocating a Marshall Plan for Eastern Europe at a think tank conference on European security in 1988 (ibid: 228ff, also 290ff). This quasi-traumatic episode showed him the limits of moving from finance to politics, but four years later, his financial success helped him to overcome these. His greatest investment feat, the speculation against the British pound in 1992, gave him worldwide publicity as “the man who broke the Bank of England” and made a billion dollars profit on it. “He made a conscious decision to exploit this new notoriety (…) to gain influence among world leaders and to become what he has since described as a stateless statesman” (Kaufman 2002: xiii, see also 235-241).

**Conclusion**

This paper has argued that billionaires can be super-agents in world politics, with a large degree of autonomy that is mainly due to the fungibility of their wealth, which can be used to pursue security, material interests or esteem. Their potential influence depends on their capacity to transpose their resources – which also involve entrepreneurial skills – from the economic to the political realm, which cannot be taken for granted. In fact, the examples mentioned throughout the paper are quite exceptional, as most billionaires on the Forbes list do not seem to move into global
political affairs. Or, at least we have difficulties to know about this, because when billionaires finance war efforts or lobby for their material interests, their activities will tend to be covert and thus difficult to research. Those billionaires that pursue esteem, mainly through international philanthropy, are easier to study, because honor relies on public recognition. The examples of Bill Gates and George Soros, even if they remain exceptional, show the significant impact individual billionaires can make on world politics. Gates is reconfiguring global health (McCoy et al. 2009), while Soros is building civil societies. They are both extraordinary agents transforming structures in world politics.

The most potent challenges to billionaires’ agency come from perspectives that emphasize either agent’s embeddedness in networks (Goddard 2009), or that their agency simply reflects the enactment of habitual practices (Adler & Poulil 2011). Thus, Diane Stone (2008) has argued that Soros’s foundations form a network in which participating institutions have high degrees of autonomy. While certainly important for many agents, how one is structurally positioned in networks will often matter less for billionaires, again simply because of their wealth. Once their willingness to support certain causes is known, billionaires are usually facing countless requests for partnering with others who hope to gain funding. This gives billionaires a high degree of autonomy in choosing their position within networks. The challenge of practices is more critical. Nicolas Guilhot (2007) posits that Soros is merely performing philanthropic practices that perpetuate the existing capitalist order. To some degree, this appears true, except that there is not one capitalist order (Hall & Soskice 2001), and whether capitalists pursue purely material interests or mostly honor makes big differences. The Koch billionaires’ interventions in world politics, as they try to undermine climate change mitigation in order to further their material
interests, are quite different from Soros’s pursuit of esteem as he tries to advance public goods like education and civil liberties. Whereas the Koch brothers’ vision is a libertarian variety of capitalism, Soros’s comes closer to some kind of “social neoliberalism” (Soros 2000: 138-166). Opting to promote this or that variety of capitalism is an expression of agency.

Bill Gates’s and George Soros’s philanthropy might, however, have established role models that turn international “social entrepreneurship” into an international practice (Bornstein 2004). If their example becomes part of billionaires’ *habitus*, we would see a curious new form of Polanyi’s double-movement (Polanyi 1957): the social structures that market economies destroy (yet depend upon) would not be provided by states anymore, but by the billionaires whose very wealth derives from their success in the markets. Billionaires’ philanthropy would then not simply circumvent the state (especially its taxation), but potentially replace some of its most basic functions. Whether this would make the world a better place is another research question. What is certain is that citizens in democracies have good chances to change their governments if they are unhappy with their performance. But they have a harder time changing their billionaires.
References:


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