

Finance Capital Uses Non-Profits for Privatization

Agenda

Why We Are REALLY Beyond the Non-Profit Industrial Complex In the Age of Neo-liberal Monopoly Capitalism

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Theme: [Global Economy](#), [Poverty & Social Inequality](#)

INCITE!, a radical organization by and for women of color, wrote a book entitled “The Revolution Will Not be Funded: Beyond the Non-Profit Industrial Complex.” This important text contains essays from radical scholars, activists, and organizers who assess the non-profit’s place in US monopoly capitalism. The book concludes that non-profits co-opt and corrupt grassroots social movements that seek to replace monopoly capitalism with a new and just social system. The following essay adds to this important work by covering the ways in which non-profits have changed in US capitalism’s neo-liberal stage of development.

Historical Context

Originally, the tax-exempt non-profit emerged as a response to the revolutionary elements of the Black freedom movement. As Robert Allen explains in “Black Awakening in Capitalist America”, the Ford Foundation and similar “philanthropic” organizations were part of a larger strategy of US Empire to channel the resistance of Black America in the nation’s burning ghettos into forms of protest acceptable to the hegemony of racism and capitalism. The Ford Foundation specifically did this by financing and thus sanitizing the ideological and political initiatives of the Congress of Racial Equality (CORE) and other mainstream civil rights organizations. At the federal level, the US government’s “War on Poverty” programs worked in conjunction with foundations and non-profits to stifle Black militancy on a larger scale.

“The War on Poverty” used non-profits as the material force of the Economic Opportunity Act of 1964. One such non-profit was the Community Action Agency (CAA). The CAA received federal funds to advocate and organize the poor locally and administer concrete services like food, healthcare, and housing assistance. As the US exited its period of leftist upheaval in the age of industrial capitalism and entered the age of neo-liberal austerity, the rulers of finance capital began retracting “War on Poverty” programs. CAAs were forced to meet the needs of the increasing numbers of poor and homeless walking through their doors and do so with fewer resources. US government enforced austerity additionally decimated funding for CAAs, as the US ruling class pursued more profitable projects like gentrification, privatization, mass incarceration, surveillance, war, and bank bailouts. The non-profit’s role was due for a makeover.

CAAs and the NEW non-profit

CAAs exemplify the original purpose of the non-profit as a mechanism to smooth over the

roughest edges of US capitalism. However, in the age of neo-liberal monopoly capitalism, existing programs that address the needs of the exploited are being rolled back to feed the bottom line of Finance capital. Wall Street has transferred most of the world's wealth into their dollar schemes. The ultimate goal of Wall Street is to privatize Medicaid, Social Security, public education, and the entire public sector to subsidize its losses and crashes. Non-profits are being employed by finance capital to cement its privatization agenda, thus making the institution not only limiting in nature but thoroughly corrupting as well.

Teach for America (TFA) and LIFT are two non-profits currently serving the privatization agenda. Financial corporations, such as Goldman Sachs, JP Morgan, Bank of America and capitalists like the Walton and Gates families, fund both LIFT and TFA.

TFA demonizes public education teachers and directly aids the Obama Administration's "Race to the Top" program. TFA replaces veteran teachers with a two-year scab labor force from the nation's elitist colleges. Most of the time, this is done to school districts residing in Black and brown communities. "Race to the Top" gives local districts the ultimatum of either closing their public schools, firing their teachers and administrators, turning their schools over to charter schools, or all of the above. Teach for America happily brands itself as a "movement" of "education reform", one that accommodates Obama's privatization of public education.

LIFT serves the same function, but in the social services sector. Elitist college students work as "advocates", a euphemism for de-professionalized caseworkers and social workers. LIFT employs mainly volunteers. Non-administrative staff, the vast majority of employees, is subsidized through Americorps. And like TFA, LIFT demonizes whom they wish to replace: case workers and social workers. Yet the agency strongly claims it provides a better model than the social services system despite having no concrete services of its own. LIFT's ultimate aim is to exist as a one-stop shop for referrals in a privatized social services system.

Conclusion

The Black liberation movement and left radicalism of the post-New Deal period sparked a strong response from the rulers of monopoly capitalism. COINTELPRO conducted mass assassination, infiltration, and imprisonment campaigns on Black radicals. The US government moved swiftly to end the Vietnam War, prop up a Black misleadership class, and conduct a minimal "War on Poverty" to stem the tide of revolutionary sentiment in the US. Non-profits have played a large role in channeling revolutionaries into comfortable careers that promote liberalism and collaboration with monopoly capital. With no radical movement to co-opt, non-profits are now employed to complete the privatization agenda of finance capital. Teach For America and LIFT are concrete examples of this phenomena. However, Western NGO's operating in neo-colonial countries should also be considered as being complicit in monopoly capital's thievery on an international scale.

Liberal and progressives in the US all too often de-politicize the non-profit and separate the institution from its role in larger society. Careerists approve of non-profits in their search for a comfortable salary in the midst of the mass immiseration of the world's oppressed by neo-liberal capitalism. For those of us whose futures depend on revolutionary change, the non-profit stands at the forefront of our struggle against privatization, austerity, and imperialist war. "Civil society" in this period is a weapon of inequality and plunder. We need

to build a grassroots social movement where *the people* are the power and not the financing of the capitalist class.

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