

Bono Wants To Save The World But He Needs Your Money To Do It

By Matt Patterson

Summary: Through his nonprofit ONE Campaign, the rock star Bono advocates Western aid to help impoverished people in Africa and elsewhere. Liberal advocacy groups have long argued that poor countries are helpless, that their governments are victimized by corporate exploitation, and their people are in need of help from Western governments and nonprofits. But these ideas are increasingly questioned and rejected. For all his good intentions Bono and ONE may be making bad conditions worse.

The rock star Bono wants us — the taxpayers of the West — to eradicate AIDS, cancel the debts of the developing world, and end world poverty. Born Paul David Hewson on May 10, 1960 in Dublin, Ireland to a mixed Protestant/Catholic family, the 17 year-old answered a “musicians wanted” post on a school bulletin board. Hewson and three others, all of them in their teens, formed a rock band. In time it became internationally known by the name “U2.” Rechristened with the name “Bono” by his band-mates, Hewson became the band’s lead singer.

U2’s star rose with a series of critically and commercially successful albums in the 1980s. Like many highly acclaimed and wealthy members of the entertainment industry, Bono began to lend his name and the prestige of the band to chic benefit concerts like Live Aid, the 1985 concert organized by musician Bob Geldof and dedicated to raising funds to fight famine in Ethiopia. By the end of



U2 singer Bono, co-founder of the ONE Campaign

the 1990s, Bono had fully entered the world of philanthropy.

A *Rolling Stone* magazine profile of the singer traced his arc from rock star to humanitarian:

Bono ... had been motivated to use his star power after seeing a Secret Policeman’s Ball benefit show for Amnesty International in 1979 ... In 1999, he stepped up his activism, tirelessly campaigning for third-world debt relief and shining a light on poverty and the AIDS pandemic in Africa. In 2002 he accompanied President Bush during his White House lawn speech on the U.S.’s commitment to Africa.

In 2004 he co-founded the ONE campaign and the following year Bono and Geldof organized concerts that became giant rallies urging the governments of the world’s wealthiest countries to pay more attention to world poverty and debt relief. From 2003 to 2010, Bono was nominated for the Nobel Peace Prize three times for his humanitarian work. In 2004, he was awarded

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the Pablo Neruda International Presidential Medal of Honor by the government of Chile.

The ONE Campaign

Bono's most high profile nonprofit venture, the ONE Campaign, has ambitious objectives. In its 2010 annual report ONE identifies its top priorities as combating poverty and disease and "fighting corruption by increasing transparency." ONE also wants to ensure that by 2015 no child is born with HIV. ONE professes to "hold world leaders to account for the commitments they've made to fight extreme poverty, and we campaign for better development policies, more effective aid and trade reform."

The group was one of the first to urge that the \$1 billion in foreign debt of earthquake-stricken Haiti be cancelled. It takes credit for helping to persuade the G7, IMF, World Bank, and InterAmerican Development Bank to forgive the debt.

Like many large nonprofits, ONE claims to have a large membership base. It boasts that it is "[b]acked by a movement of more than 2.5 million ONE members." It's unclear what membership actually means, however,

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because ONE is essentially a pressure group that claims not to solicit donations from the general public. How ONE calculates the number of its "members" is a mystery.

Where the ONE Campaign gets its funding is much less of a mystery. Its board of directors is littered with the wealthy and influential.

Warren Buffett's daughter, Susan A. Buffett, who chairs the Sherwood Foundation and the Susan Thompson Buffett Foundation, is a board member. So is John Doerr, a partner with the venture capital firm Kleiner Perkins, which works closely with Al Gore's investment firm, Generation Investment Management (GIM), in support of alternative energy and environmental programs. Morton H. Halperin, the veteran left-leaning Washington activist and political operative and a "senior advisor" to George Soros's Open Society Institute, is also on the ONE board.

ONE also cultivates Republicans such as its board members Josh Bolten, President Bush's White House chief of staff from 2006 to 2009, and Howard Buffett, another child of the second richest person in America.

The ONE Campaign has taken in nearly \$62 million from various philanthropies since 2007. Among its bigger donors are Bill & Melinda Gates Foundation (\$52,695,468 since 2007); Susan Thompson Buffett Foundation (\$3,041,732 since 2008); Schwab Charitable Fund (\$3 million since 2009); Sherwood Foundation (\$2,006,475 since 2008); and the Dallas Foundation (\$1 million since 2007).

The ONE Campaign grew out of another group called DATA (Debt, AIDS, Trade, Africa) which was founded in 2002 by Bono and Geldof, Kennedy cousin Bobby Shriver, activist-sommelier Jamie Drummond, and activist Lucy Matthew. DATA merged with ONE in 2008.

The Failings of Foreign Aid

The ONE Campaign is an advocacy organization. As Bono says in his concerts, "We don't want your money, just your voice."

But of course, he *does* want your money; he just wants the government to collect it and spend it for him. ONE wants Western governments to spend tax dollars on development and aid programs overseas, all toward the goal of eliminating poverty. As Bono once boasted to reporters, "I'm going to spend the rest of my life on this, I'm going to make that kind of extreme poverty history."

But Western governments have already been pouring staggering sums into foreign assistance programs for decades. The results of government aid should discourage those like Bono who lobby for ever-increasing amounts of it. Unfortunately, when governments hint at reducing their aid commitments, ONE and the rest of the aid community are quick to criticize. For example, on February 14, 2012, ONE released a statement critical of President Barack Obama's fiscal 2013 budget. "We do have concerns about cuts to ... health and humanitarian efforts ..." the group said.

According to Dambisa Moyo, an Oxford-trained economist and former consultant for the World Bank, over the past half century over \$2 trillion in Western aid has been lavished on poor countries. Since the 1940s, approximately \$1 trillion in aid has been transferred to Africa alone.

Dr. Moyo argues in her 2009 *New York Times* bestselling book *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa*, that this money has been largely wasted. Certainly, the Zambian native writes, it has utterly "failed to deliver the promise of sustainable economic growth and poverty reduction."

Moyo does see a correlation between aid and economic growth, but not the one that Bono would hope for. "Over the past thirty years," she writes, "the most aid-dependent countries have exhibited growth rates averaging *minus* 0.2 percent per annum" (emphasis added). Between 1970 and 1998 aid transfers to Africa peaked but in that same time frame

poverty on the continent actually *shot up* from 11 percent to a shocking 66 per cent.

It would be an understatement to say that Moyo and her book incensed the aid community. ONE board of directors member Jamie Drummond, who co-founded the organization with Bono, blasted *Dead Aid* as a “a poor polemic, with nothing new of substance, filled with anecdotal micro examples which ignore mountains of evidence.”

But Moyo is not the only prominent economist to take a dim view of Western aid programs. William Easterly, former senior research economist at the World Bank, finds that aid has had virtually zero impact on economic growth in recipient countries. In his book *The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (Penguin, 2007), Easterly writes, “Over 1950-2001, countries with below-average aid had the same growth rate as countries with above average foreign aid.” Easterly feels this gives the lie to the notion, common among advocates of foreign aid, that poor nations require assistance from rich countries to escape their “poverty trap.” Overall, he writes, “Poor countries without aid had no trouble having positive growth.”

How can it be that so much money has done so little good? Easterly argues that much of the money has been diverted to consumption rather than to the types of capital investment needed to raise GDP. (In fact, a 1996 paper by London School of Economics economist Peter Boone found that aid had zero effect on investment).

And much of the aid money meant to go to the poor peoples of Africa has ended up instead in the coffers of the continent’s corrupt governing elite. In 2002, an African Union study estimated that corruption cost the continent approximately \$150 billion a year. Compare that to the \$22.5 billion in aid rich countries gave to sub-Saharan Africa in 2008 alone, according to the Organization for Economic

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Economist and foreign aid critic Dambisa Moyo

Cooperation and Development (OECD), and you get a sense of how endemic and crippling the corruption problem really is.

Much of the money spent on aid to Africa is simply wasted. Just ask Paul Theroux, a volunteer Peace Corps teacher who first arrived in Malawi more than 45 years ago. In a withering critique of the Western aid establishment in general and Bono in particular (“The Rock Star’s Burden,” *New York Times*, December 15, 2005), Theroux argues that “the impression that Africa is fatally troubled and can be saved only by outside help ... is a destructive and misleading conceit,” that does lasting harm to Africans by fostering a culture of dependence and helplessness, while raising the public profiles and satisfying the outsized egos of celebrities and politicians.

Theroux blasts the “more money” approach favored by Bono, which he feels has mani-

festly failed. “We should know better by now,” he writes. “I would not send private money to a charity, or foreign aid to a government, unless every dollar was accounted for – and this never happens. Dumping more money in the same old way is not only wasteful, but stupid and harmful.”

Stupid and harmful – this is the opinion of a man who has seen the country he volunteered to help slide backwards even as it received gushers of aid. Malawi, he notes, is “worse educated, more plagued by illness and bad services, poorer than it was when I lived and worked there in the early 60s.” But Malawi’s pitiful condition is not a result of insufficient foreign aid. “Malawi has been the beneficiary of many thousands of foreign teachers, doctors and nurses, and large amounts of financial aid, and yet it has declined from a country with promise to a failed state.”

Sadly, the evidence suggests that aid to Africa

has made little difference in improving the economies of that troubled region. In fact, many areas of the continent are now worse off than they were decades ago, before the flood-gates of Western aid were fully opened.

A Personal Encounter with Liberal Hypocrisy

In summer 2011 U2 brought its “U2:360” world tour to the Washington, D.C., area. As a longtime fan, I’ve seen the band in concert many times, bought all their albums, collected rare live recordings and studio outtakes, and written about U2 for national media outlets like the late Andrew Breitbart’s “Big Hollywood” website. The Irish quartet has been my favorite band since my childhood in Colorado.

But as the “360” concert approached, I found myself anticipating it with less fervor than previous U2 shows. I had grown tired of the band using up ever-larger portions of its concert program to evangelize for Bono’s political and humanitarian causes. Bono would protest the War on Terror and the prison for terrorists at Guantanamo Bay, agitate for the release of political prisoners abroad, and show videotaped segments about the dangers of handguns. I had heard his appeals for his audience to work to end poverty and eradicate AIDS in Africa. I had seen and heard it all in nearly every U2 show.

I decided to write an op-ed to voice my concerns over Bono’s crusades, which the *Baltimore Sun* published on June 22, 2011, the day of the band’s concert at Baltimore’s M&T Bank Stadium. I wrote:

Tonight, U2 bring their enormously successful 360 Tour to Baltimore, and if previous U2 shows are any guide (trust me, I’ve seen them 11 times), the show will feature not only the soaring anthems for which they are rightly known but also a healthy dose of promotion for the band’s many charitable causes.

But before concert-goers respond to Bono and Co.’s call, they should know of the somewhat checkered history of the band’s activism.

Last year, Bono’s nonprofit ONE foundation was at the center of semi-scandal when it was revealed that in 2008 the organization raised \$14,993,873 in public donations — of which only \$184,732 (or just over ONE percent) was distributed to charities. Where did the rest go? Well, more than \$8 million went to salaries for executives and employees at ONE.

I noted that ONE spokesman Oliver Buston responded to these criticisms, saying, “We don’t provide programs on the ground. We’re an advocacy and campaigning organization.”

I also pointed out that while Bono and his crew were demanding that governments move quickly and give generously to aid the world’s needy, the U2 organization was aggressively reducing its own tax burden. In 2006, U2 moved part of its extensive business operations from Ireland to the Netherlands to take advantage of generous tax breaks offered to artists.

In my op-ed I explained that many left-wing advocacy groups, especially in Europe, were infuriated by the discovery that U2 was business-minded about trying to retain its earnings. Some of them even protested the band’s 2011 appearance at England’s famous Glastonbury Festival. “Bono claims to care about the developing world, but U2 greedily indulges in the very kind of tax avoidance which is crippling the poor nations of this world,” said a spokesman for Art Uncut, a left-wing arts group.

U2 attracted more bad publicity in the U.S. where environmentalists were outraged to discover that U2’s guitarist who goes by the

name “The Edge” (born David Evans, 1961) was planning to build five mansions on a ridge above the southern California seaside town of Malibu. The California Coastal Commission strongly objected. “In 38 years of this commission’s existence, this is one of the three worst projects that I’ve seen in terms of environmental devastation. . . . You can’t be serious about being an environmentalist and pick this location,” said commission executive director Peter Douglas.

Knowing that my *Sun* article might be read by many passionate fans who would be at the evening’s concert, I described my own deep appreciation for U2’s music. As a lifelong U2 fan, I worried that the band is eroding its own musical legacy by repeatedly appropriating its songs for political and social causes. As I wrote

Like a lot of fans, there has scarcely been a major event in my life for which a U2 album did not serve as soundtrack. As Bono once astutely observed, when people cheer U2 songs, they are really cheering their own lives. The songs become melded with intensely personal moments and emotions, an existential alchemy that only music can achieve. When music becomes appropriated to serve fashionable trends, however, it loses its power to move.

Take “One” for example, widely considered one of the best love songs ever written. Bono has hijacked this song’s simple and evocative title to serve as moniker for his dubious and inefficient foundation, thereby emptying the music of the meaning and memories his fans have poured into it all these years.

That’s a shame.

A Politician Reacts

The op-ed generated a backlash from supporters of Bono's tireless political activism.

A few days after the concert, Senator Ben Cardin (D-Md.) publicly attacked me for daring to challenge Bono and the efficacy of ONE. Cardin wrote a letter to the editor of the *Sun*, published on June 24, accusing me of spreading "misinformation" about ONE:

Rather than Mr. Patterson's suggestion that ONE is somehow a failed charity, they are, in fact, a global advocacy organization fighting poverty in Africa by moving government officials to better use development assistance funding to reach the largest amount of people.

Another *Sun* reader, a self-professed Democrat, wrote a letter to the editor (July 7) criticizing Cardin's defense of Bono and his charity. Simon Moroney wrote that

When the Irish government put a cap on the tax exemption on royalties in 2006, U2 promptly moved that portion of their business to a Dutch tax haven. So while Bono was getting access to many of the world leaders to pressure them to double their aid budget to 0.7 percent of GDP, he himself was not even paying basic taxes. He wants ordinary people like me to pay for the causes he berates world leaders for not embracing.

Moroney questioned why Cardin would defend Bono's ONE campaign, "a lobbying group with no mandate or accountability, set up by a man who is not even a U.S. citizen. It has no relevant expertise on aid policy, let alone on the best interests of Maryland taxpayers."

With this unexpected attack from the Left,

U2 was forced to enter what was quickly becoming a media firestorm that threatened the band's image and its charity's reputation. On July 12, The Edge, the U2 guitarist, wrote his own letter to the *Sun* editor responding to Moroney. Mr. Edge defended U2 against "the totally false and possibly libelous accusation" that the band's business move to the Netherlands constituted *tax evasion*.

For the record U2 and the individual band members have a totally clean record with every jurisdiction to which they are required to pay tax and have never been and will never be involved in tax evasion.

This was a red herring. No one had accused U2 of committing the crime of illegally evading taxes. Corporations move their operations to lower-tax jurisdictions all the time.

The real issue is *hypocrisy*. When U2 band members lobby governments to increase their taxpayer-funded contributions to humanitarian relief while pursuing a strategy to minimize their own tax rates, they appear not to be practicing what they preach.

What's interesting is that Sen. Cardin, The Edge, and other critics ignored the main point of my original *Sun* article: U2 is an organization steeped in liberal hypocrisy. It doesn't live up to its own political ideals, and it is denigrating its musical legacy by using its beautiful and meaningful songs to serve fashionable political and social causes. The media is silent because those facts are unimpeachable, and U2's hypocrisy is indefensible.

Bono's personal sincerity is unquestioned and he deserves credit for working with Republicans and conservative politicians. In 2000 Washington pundits were astounded when North Carolina Senator Jesse Helms invited Bono to lunch to discuss AIDS in Africa. The two publicly lavished praise on

each other's commitment to fighting AIDS, confounding their own supporters.

Everyone who has worked with Bono praises him for his deep knowledge of issues and his willingness to cross party and ideological lines to help alleviate the suffering of the world's poorest people.

But the truth is that corruption and misery can't be cured by the ONE Campaign's "advocacy organizing" to force Western governments to pour aid money into poor countries. To be sure, direct assistance to earthquake victims in poor Haiti and tsunami victims in rich Japan can provide immediate relief to those in need. But delivering endless streams of government aid exacerbates the poverty and corruption that appears endemic to poor countries.

And urging audiences of music fans to support these efforts spoils a good concert.

Matt Patterson is senior editor at the Capital Research Center and the Warren T. Brookes fellow at the Competitive Enterprise Institute.

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Your contribution to advance our watchdog work is deeply appreciated.

Many thanks.

Terrence Scanlon
President

PhilanthropyNotes

DANIEL J. POPEO

We are saddened to note the death of Daniel J. Popeo, the chairman and founder of the Washington Legal Foundation, one of the first conservative public interest law organizations. Dan also assisted in founding the Capital Research Center in 1984 and he served on our board of trustees from 1984 to 2005. He will be remembered for his outspoken support for the rule of law, for a strong philanthropic sector that is independent of government, and for the rights of donors – “donor intent.” He was 61.

MoveOn needs money to train 100,000 activists to help **Occupy Wall Street** cause havoc across America this spring. Amazingly, one fundraising letter compares the hooligans of OWS to civil rights icon Rosa Parks. It says “the brave folks who organized the freedom rides and the lunch-counter sit-ins had similar training.” MoveOn brags that a “huge army of volunteers from unions, community organizations, and environmental groups, alongside local MoveOn volunteers, are preparing to host trainings in hundreds of cities and planning massive protests nationwide. Students are organizing for spring mobilizations on campuses everywhere.”

The ex-leader of the Portland, Ore.-based **Child Foundation** has been sentenced to five years’ probation and fined \$50,000 fine for funneling millions of dollars to Iran in violation of U.S. trade sanctions, the *Oregonian* reports. **Mehrdad Yasrebi**, an Iranian national with permanent U.S. residency, created the foundation in 1994 and oversaw it until 2010. Yasrebi pleaded guilty last year. Prosecutors claim some of the foundation’s funds found their way to a radical Islamic cleric in Iran.

Goldman Sachs WATCH

Goldman Sachs has promised to look into claims made by employee Greg Smith, who wrote in a *New York Times* op-ed in mid-March that he decided to cashier his 12-year career at Goldman because of the company’s “toxic and destructive” culture. Smith said company executives “callosly” discussed “ripping their clients off” in order to boost Goldman’s profits. Smith was executive director and head of the bank’s equity derivatives business overseas. Goldman noted that Smith is one “of nearly 12,000 vice presidents” among more than 30,000 employees.

Goldman Sachs has agreed to fork over \$7 million to settle regulatory claims that it failed to oversee commodities trading accounts properly. The U.S. Commodity Futures Trading Commission said the investment bank did a bad job supervising certain broker-dealer accounts from 2007 to 2009. The \$7 million penalty consists of a \$5.5 million civil penalty and forfeiture of \$1.5 million in fees and commissions.