

# The Ethicality of Welfare Crowdfunding in the Context of the Neoliberal Welfare State: A Rawlsian Perspective

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Despite crowdfunding platforms' growing involvement in financing welfare, related ethical issues have received little scholarly attention. To address this gap, we focus on GoFundMe, the leading welfare crowdfunding platform in the US, to examine whether it facilitates the establishment of a just society that democratizes access to funding. Informed by Rawls's ethics, we conduct a comprehensive analysis, arguing that GoFundMe's *modus operandi* merits criticism. We advance three interrelated arguments for why GoFundMe is morally problematic. First, it distributes information and primary goods unfairly, perpetuating inequalities that disadvantage the most vulnerable. Second, it uses narratives that may distract public attention from systemic flaws in welfare provision, potentially reducing social pressure for institutional reform. Third, its emphasis on individual choice and responsibility may contribute to momentum for neoliberal policymaking. We show why scholars, policymakers, and platforms should engage in debate about regulating welfare crowdfunding activities to improve their ethicality.

**Key Words:** ethics of crowdfunding, Rawls's theory of justice, social inequalities, social welfare, neoliberalization of the state

**A**doption of neoliberal policies in the last four decades has led to decreased public funding, privatization of public services, and greater reliance on a business logic in public education, health, and social care worldwide (Harvey 2005; Fotaki, 2010a, 2011). Digital platforms like GoFundMe have developed rapidly to allow people to crowdfund their unmet welfare-related needs (Berliner and Kenworthy 2017). These "welfare crowdfunding platforms" enable anyone, anywhere, and at any time to appeal online for financial help, bypassing governmental institutions, NGOs, and charities that have traditionally provided such aid. Notwithstanding their private, for-profit status, these platforms organize the raising of small sums of money online for various welfare purposes, including healthcare, unemployment, and education. The direct involvement of a potentially limitless pool

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of internet users in funding welfare has inspired great optimism about these platforms' capacity "to facilitate profound and beneficial economic and social change" (Greenberg 2019, 306). For example, they have been lauded for their potential "to democratize access to capital to the benefit of those on the fringes of traditional markets" (Gleasure and Feller 2016b, 106), incorporating greater justice, transparency, and equality into fundraising (Mollick and Robb 2016). GoFundMe, in particular, has been widely portrayed as a complement and alternative to traditional welfare funding, providing a novel means to address growing gaps in the social safety net, inequitable access to welfare services, and soaring healthcare costs (Berliner and Kenworthy 2017).

Despite growing interest among practitioners, the media, and scholars, academic research has not yet comprehensively investigated the complex ethical aspects of platforms like GoFundMe (Berliner and Kenworthy 2017; Snyder 2016; Snyder, Mathers, and Crooks 2016). Extant literature offers valuable insights into donors' motivations and characteristics (Gleasure and Feller 2016a; Meer 2014), information asymmetries, herding, and rationality in donors' decision making (Argo et al. 2020; Meer 2017). However, little is known about the conditions under which these platforms can contribute to a fairer society by enabling access to funding for those who need it. We recognize that these platforms aim to establish justice from below by democratizing the welfare funding process. Nevertheless, it remains unclear whether this aim can be achieved by a few profit-driven platforms exercising control over funding activities and distributing welfare without transparency. Specifically, clarity is lacking on whether they can reduce access inequalities for those already disadvantaged under current welfare arrangements. This research gap and the lack of open discussion of the ethical implications of these unregulated platforms for welfare policy are worrying, given their exponential growth and potentially wide-ranging and profound impacts on people's lives.

In this article, we aim to deepen scholarly understanding of these issues by examining the moral implications of GoFundMe, the leading and most representative welfare crowdfunding platform in the US. Specifically, we analyze how GoFundMe's current configuration impacts on the establishment of a just society and under what conditions it might lead to fairer access to funding. In our analysis, we draw inspiration from one of the most critical political philosophy works on distributional equality and fairness in the market economy, Rawls's (1971, 2001) influential *Theory of Justice*, and its subsequent extensions and revisions. Established in 2010, GoFundMe is a privately held, American, for-profit company that has revolutionized giving practices, introducing many laypeople to the empowering potential and user-friendly affordances of peer-to-peer fundraising (Wade 2023). Although it allows people to fund various projects, from graduations to honeymoons, most donations are for welfare purposes, and particularly medical expenses. As a for-profit company in traditionally nonprofit charitable giving markets, GoFundMe is extraordinarily successful, controlling over 95 percent of welfare crowdfunding activities in the US (Ainsley Harris 2018).

In our analysis, we argue that although GoFundMe's *raison d'être* reflects Rawls's first principle of justice to promote liberty, its *modus operandi* may run

contrary to Rawls's second principle of justice to ensure fair distribution favoring the least advantaged, despite its claim to promote egalitarianism. From a Rawlsian perspective, our critique of GoFundMe as ethically problematic revolves around three interrelated arguments. First, its opaque configuration perpetuates preexisting social biases and inequalities, as the funds generated benefit the better-off and more educated owing to the platform's inadequate provision and manipulative use of information. Second, GoFundMe's narratives, while apparently benign, may distract public attention from systemic flaws in welfare provision, potentially normalizing welfare provision by unregulated private actors and reducing social pressure for institutional reform. Third, GoFundMe's narratives and logic may feed the neoliberal voluntarist myth that individual actions by many anonymous donors can and should provide a sufficient social safety net, contributing to further devolution of the state's responsibility for its constituents' welfare. It is crucial to acknowledge the potentially negative impact of this shift to the neoliberal logic, which minimizes the role of public funding and offloads it to anonymous private donors.

In the remainder of this article, we discuss the role of crowdfunding platforms in welfare provision (section 1) and explain the scope of our ethical analysis (section 2). We then outline concepts and criticism of Rawls's work (section 3) before focusing on three critical arguments supporting our ethical critique of GoFundMe (section 4). We address the theoretical and practical implications of our analysis (section 5) and conclude on a more constructive note by proposing changes to mitigate the negative ethical impacts of crowdfunding.

## 1. RELIANCE ON CROWDFUNDING FOR SOCIAL WELFARE

A fundamental question in every democratic society is who should be responsible for its citizens' welfare, especially the weakest ones. Until the nineteenth century, with rare and partial exceptions, states took almost no responsibility for citizens, while philanthropists, churches, charities, and families provided welfare services. The first employment-based occupational insurance schemes mitigating the risk of ill health, work accidents, and old age occurred in the late nineteenth century (Esping-Andersen 1990). In the "welfare states" that subsequently emerged, governments assumed "responsibility for securing some basic modicum of welfare for [their] citizens" to mitigate the effects of natural and social contingencies on individuals' life chances (Esping-Andersen 1990, 18–19). Welfare state policies institutionalized norms, practices, and expectations regarding citizens' entitlements, and criteria for support were independent of personal and family relationships (Björnberg and Latta 2007). Unlike family support or occupational insurance, the states' public support policies affected individuals through formal enforcement mechanisms designed to harmonize wealth production and distribution (Myles 1988).

Throughout the twentieth century, welfare states continued to expand, and by the late 1980s had become a dominant fixture in "every modern industrial state" (Gutmann 1988, 3). Given differing approaches to state involvement in welfare

provision, the extent of and contingencies on access to benefits vary among countries (Blanc and Al-Amoudi 2013). Nevertheless, all welfare state models have been in crisis since the late 1970s, with public spending cuts and extensive privatization of state-provided welfare services (De Blok and Kumlin 2022). In recent decades, governments worldwide have systematically reduced and limited eligibility for welfare benefits at the expense of the least well-off (Fotaki 2022; Blanc and Al-Amoudi 2013).

Ongoing erosion of the welfare state and developments in IT and internet technology have contributed to the proliferation of crowdfunding platforms designed to address unmet welfare needs. These “welfare crowdfunding platforms” rest on the egalitarian principle that productive assets should be distributed as widely as possible, rather than concentrated in only a few hands (Sajjad et al. 2023). The idea is to facilitate a simple procedure for fund-seekers to post their welfare-funding requests and raise large sums of money by aggregating numerous small contributions from “crowds” of people via the internet (Mollick 2014). Unlike other crowdfunding platforms that reward contributors for their support, welfare crowdfunding platforms offer no tangible incentives. Instead, donors may receive symbolic rewards such as honorable mentions, but above all they value the feeling of contributing to others’ well-being (Moysidou 2021). In some senses, welfare crowdfunding platforms resemble cooperatives, with people voluntarily joining them to address specific needs or pursue joint economic, social, or cultural goals. However, unlike cooperatives, these platforms are not democratically controlled or owned by the crowd, nor does each member have voting rights. Rather, these private, for-profit digital entities control fundraising activities without transparency about their profits, strategies to increase their donor base, and their power and other activities.

## 2. THE SCOPE OF OUR ETHICAL ANALYSIS

In this study, we focus on the US context, as both the largest welfare crowdfunding market and an example of a “reluctant” and “residual” or even “laggard” welfare state (Jansson 2014; Skocpol 1995). The US devotes a smaller proportion of its gross national product (GNP) to social welfare than its European counterparts, and its welfare state is more fragmented and less inclusive or extensive (Hacker 2002). Historically, core social programs emerged later in the US than in Europe, and programs in some notable areas, like national health insurance, never fully materialized (Howard 1999). Instead, the US has emphasized the role of voluntary associations, including markets, cooperatives, and nongovernmental organizations (NGOs), in providing welfare, healthcare, and income maintenance benefits. The US state offers welfare selectively, promoting individual rather than collective responsibility for individuals’ well-being. Even in generous social-democratic models, institutions struggle to protect their constituents (Cribb 2008); yet the US system of welfare provision experiences significantly more problems than welfare states in similarly affluent democracies (Gutin and Hummer 2021). It is less equitable, with differential access for the wealthy and vast disparities in well-being, life expectancy, and infant mortality outcomes (Schneider et al. 2021).

In the UK, provision of free and universal publicly funded healthcare through the National Health Service has long been widely perceived as an essential feature of national identity and collective consciousness (Fotaki 2006). However, in the US, where private healthcare markets and health insurance play significant roles in providing such services, there has long been powerful opposition to universal public healthcare. Given these fundamental differences, our arguments and ethical critique are less relevant to countries with comprehensive social-democratic welfare states, although we may expect similar developments in the latter if their decline continues.

In the context of profound inadequacies in the US welfare system, GoFundMe was launched in 2010 as a private, for-profit organization to enable citizens to solicit funds for their welfare needs. At that time, the US economy was recovering from its worst recession in decades, suffering from growing wealth inequality, drastic austerity measures, and diminishing faith in political institutions (Wade 2023). In this post-global financial crisis world, GoFundMe emerged as part of a movement prompting the public—“the crowd”—to participate in the value creation process (Bayus 2013), leveraging active participation and civic engagement (Haltofova 2018). The platform quickly transformed the traditional fundraising landscape by allowing people to directly support those needing emergency financial assistance. Unlike 501(c)3 charities, donations to a personal GoFundMe fundraiser are considered personal gifts, are not tax-deductible, and go directly to a specific individual/family.<sup>1</sup> Predictably, GoFundMe gained popularity in regions that provide limited publicly financed welfare services (Bassani, Marinelli, and Vismara 2019), lack universal health coverage, encourage market solutions to social problems, and cover citizens’ needs through private welfare schemes (Lublóy 2020).

Today, GoFundMe is synonymous with welfare-related fundraising in the US.<sup>2</sup> As a private enterprise, it generates revenues through voluntary gratuities from donors (at a suggested 10–20 percent per donation). Whereas nonprofit organizations are obliged to share information about the grants they give and receive, GoFundMe has avoided public discussion of its annual revenues, probably to quell perceptions of proudly profiting from the suffering of others. Thus, we cannot estimate how much giving through GoFundMe has supplanted giving to nonprofit organizations (Beaty 2024). Recently, GoFundMe announced that since its launch it has generated \$30 billion, with 150 million users to date (Beaty 2024). For comparison, in 2022 alone, charitable giving to nonprofit organizations reached \$499.3 billion (Giving USA 2023) and total annual healthcare spending was \$4.5 trillion in the US (Hartman et al. 2024). Although GoFundMe’s total giving is relatively small compared with charitable giving and healthcare spending, its exponential growth over the past ten years indicates its potential future impact. It took five years to raise the first \$1 billion on its platform, nine months for the second billion, and only seven months for the third (Adams 2016).

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<sup>1</sup> Only donations made to GoFundMe charity fundraisers are guaranteed eligible for tax deduction in the US.

<sup>2</sup> We have searched fruitlessly for data on the percentage of welfare supported by GoFundMe as the platform is not transparent about this.

Although GoFundMe is not transparent about its total donations relating to welfare, this figure can be estimated from the number of health-related crowdfunding campaigns, representing a third of all donations on the platform (Cerullo 2019). In 2010, GoFundMe hosted approximately 42 medical campaigns seeking a total of \$717,125. By 2018, this had risen to 119,373 campaigns each year seeking more than \$4.6 billion in the US (Angraal et al. 2021). From 2016 to 2020, GoFundMe raised over \$2 billion for healthcare-related needs (Kenworthy and Igra 2022). Since 2020, given the American welfare state's poor response to the pandemic, the US public have relied more heavily on GoFundMe. In the first few months of the pandemic, GoFundMe launched over 175,000 COVID-19-related campaigns, and this unprecedented crowdfunding activity has persisted (Igra et al. 2021). GoFundMe reports more than 250,000 campaigns financing medical needs each year, raising more than \$650 million (Cadogan 2022). Seventy-eight percent of these campaigns are for routine medical care, which in theory is less costly than specialist and invasive procedures (Saleh et al. 2020), highlighting the immense financial cost of accessing even essential medical care in the US healthcare system.

The shortcomings of the welfare system account for GoFundMe's more pivotal role in the US than in any other country. In similarly wealthy countries such as the UK and Canada, the platform is less prominent and needed than in the US (Saleh et al. 2020). Moreover, in these and other countries with universal healthcare systems, campaigns are generally confined to treatments not covered by public healthcare systems, including financing "alternative" therapies (Lublóy 2020). In contrast, such campaigns in the US are more likely to cover basic needs and routine medical procedures (Saleh et al. 2020). GoFundMe's normalization and institutionalization for accessing welfare in the US accentuates the pressing need for a thorough ethical critique of the platform in this context.

We analyze GoFundMe's ethical standing through the prism of Rawls's theory because the latter is one of the most influential theories on what constitutes just and acceptable allocation of resources in the context of the liberal market economy. Rawls explored the importance of the welfare system for distributional equality and how to organize it inclusively without violating the free choice of others (Rawls 1982). Importantly, his work emphasizes the importance of protecting individual rights and liberties in ensuring fair distributions of resources. We accept that Rawls's premises arose in a different world, where developing a fully-fledged welfare state to address inequalities was a viable policy objective. In other words, we generally agree with Blanc and Al-Amoudi's (2013) argument that Rawls's restrictive definition of the domain of the principles of justice is broadly appropriate to healthy welfare states. We also recognize that the power of private corporations has increased since Rawls developed his theory (Berkey 2021).

Nevertheless, such criticisms do not diminish the value of Rawls's fundamental premise that social welfare and access to healthcare are essential foundations for self-respect (Blanc and Al-Amoudi 2013; DeGrazia 1991). They are prerequisites for enjoying other primary social goods, such as basic liberty rights in a democratic polity. In other words, Rawls's work reminds us of social institutions' importance in ensuring fairness and justice in the liberal market economy by distributing primary



goods. Despite its drawbacks, Rawls's work offers valuable insights through his prescient arguments on justice that inspire liberal societies' pursuit of fairness, reasonableness, and solidarity.

The questions addressed by Rawls's work continue to confront ethicists (e.g., medical and business ethicists) and are difficult to answer based on traditional ethical theories alone (Doorn 2010). Unsurprisingly, his work has been extensively applied in the field of ethics, and particularly in business ethics (for an inventory of recent applications, see Doorn 2010). It has formed the basis for a plethora of publications in leading academic journals, including *Business Ethics Quarterly* (e.g., Berkey 2021; Blanc 2016; Norman 2015; Phillips 1997; Singer 2015) and the *Journal of Business Ethics* (e.g., Alm and Brown 2021; Cohen 2010; Lindblom 2011; Martin 2015). Moreover, core business ethics theories, such as stakeholder theory (Freeman 1994) and the social contract theory of the firm (Fia and Sacconi 2019), are genuinely Rawlsian in their inspiration. Overall, Rawls's work, promoting the idea of a just society that prioritizes social security and care for the less privileged, is a valuable tool for our analysis of GoFundMe's involvement in social welfare provision. Nevertheless, we also note room for critical evaluation and examination of how far Rawls's fundamental premises can explain and promote justice in today's world. Thus, while we adopted an increasingly critical stance towards his approach to justice in the course of our analysis, we concur with Berkey (2021) and Chandler (2023) that Rawls is still our go-to philosopher. The questions he poses concerning the just distribution of scarce resources are more relevant than ever. For example, Price and Edwards (2020) reveal that since the policy shift toward neoliberalism more than four decades ago, the US has seen a wealth redistribution of over \$50 trillion from the working class to the wealthiest 1 percent, threatening the country's future (Price and Edwards 2020).

In the next section we examine Rawls's work, highlighting concepts and ideas central to our arguments and its extended application to understanding shifts in contemporary welfare provision. We also discuss its limitations before proceeding to our ethical critique in Section 4.

### 3. RAWLS'S JUST SOCIETY AND THE ROLE OF PRIVATE ACTORS

The issues of justice, social equality, and welfare are central to Rawls's (1971, 1977, 1980, 1999, 2001, 2005) highly influential work. Rawls (1971, 2001) developed a framework for establishing and maintaining a well-ordered society by creating a distributive system of social goods that emphasizes fairness over absolute equity. His hypothetical concept of the "original position" was a thought experiment to identify the principles that free and equal citizens will agree to in designing a fair society. This was one of Rawls's (1971, 62) critical thought experiments elaborating on justice as fairness by nullifying "the accidents of natural endowment and the contingencies of social circumstance" (Rawls 1971, 62). In this position, individuals operate under a metaphorical "veil of ignorance" that screens out knowledge of social positions, comprehensive doctrines, native endowments, ethnic background, and sex. Decision makers are assumed to be ignorant of their physical and social

endowments or social disadvantages, obliging them to distribute primary goods rationally and opt for social arrangements favoring the least advantaged if in a position to do so.

Rawls (1971) postulated that individuals in the original position will select two principles of justice: the liberty principle and the difference principle. The first asserts an equal right to the most extensive scheme of basic liberties, including “freedom of the person” and freedom of speech. The second stipulates two sub-requirements for acceptable inequalities: that social positions must be equally accessible to those endowed with similar talent and motivation, and that any inequalities must always benefit the least advantaged members of society (Rawls 1971, 2001). Rawls assumed that decision makers in the original position are rational. However, this assumption has been extensively criticized for being either irrational (e.g., Choptiany 1973; Harsanyi 1955; 1975) or holding when the original contracting parties are extremely risk-averse (e.g., Moreno-Ternero and Roemer 2008; Roemer 2002). Experimental philosophers have explored this kind of decision making in the lab, strongly disproving Rawls’s assumption of rationality (e.g., Bruner and Lindauer 2020; Lissowski, Tyszka, and Okrasa 1991). For instance, Frohlich and Oppenheimer (1993) found that subjects placed in circumstances of choice approximating the Rawlsian original position, in choosing the restricted utilitarian principle, appear to want to balance the needs of the badly off with those who have worked harder and thus deserve to receive more. We agree that individual decision makers are rarely rational thinkers and tend to underestimate the risks accruing from their choices (as in referendums on important and complex policy issues such as Brexit). However, even if not those that individuals in the original position would choose, they must still obey these principles, as they dictate the distribution of primary goods by designated social institutions.

Another crucial idea in Rawls’s work is the basic structure of society (BSS), defined as the “major social institutions [that] distribute fundamental rights and duties and determine the division of advantages from social cooperation” (Rawls 1971, 7). The BSS distributes primary goods, including basic rights and liberties, freedom of movement, free choice of occupation, powers and prerogatives, opportunities, income and wealth, and social bases of self-respect (Rawls 1971, 2001). Self-respect is “perhaps the most important primary good” (Rawls 1971, 440; 2001, 60). Hence, providing social foundations for self-respect is an essential function of basic institutions to ensure that citizens have a sense of their worth as people and can advance their ends with self-confidence. Rawls did not specifically include healthcare as a primary social good, seeing it as a “natural good” less amenable to direct control by the BSS. Sen (1992) and Nussbaum (1999) criticized Rawls’s use of primary social goods as the principal measure of equality because individuals’ ability to access and use them varies. Access to healthcare is rarely a matter of individual choice, but is vital for functioning, enjoying a fair and rightful share of primary goods, and flourishing. Accordingly, scholars have argued for extending Rawls’s ideas to include the right to health and fair healthcare distribution as an essential component of welfare, claiming that any social system concerned with justice must provide access to healthcare (Ekmekci and Arda 2015).



The primacy of the BSS means that some principles of justice have methodological and regulative primacy over others (Freeman 2019): “Justice as fairness starts with domestic justice—the justice of the basic structure. From there, it works outward to the law of peoples, and inward to local justice” (Rawls 2001, 11). Crucially, Rawls drew a critical distinction between a well-ordered society of justice as fairness and the concept of a “private society” (Blanc and Al-Amoudi 2013). In his view, the domain of influence of the principles of justice belongs to the BSS and does not guide individuals’ actions or define the fair distribution of privileges within private voluntary organizations and firms (Child and Marcoux 1999; Phillips and Margolis 1999). However, Rawls is notorious for failing to unambiguously define the BSS (Blanc 2016). His stance on the boundaries of the BSS and the role of corporations in this structure is rather loose, because “the concept of the basic structure is somewhat vague” (Rawls 1971, 9). Rawls generally treated corporations as private voluntary associations outwith the BSS (Rawls 2001, 10, 164), yet he considered ownership of the means of production to be integral to the BSS (Rawls 1999, 6), hinting that corporate governance might also belong within this structure (Rawls 2001, 178).

The elusive Rawlsian dichotomy of the BSS between the “main elements of the economic and social system” and the “rules and practices of private associations” (Rawls 1971, 7–8) has generated extensive debate on whether private corporations should be subject to Rawlsian principles. On the one hand, scholars like Phillips, Freeman, and Wicks (2003), Freeman (2018), and Singer (2015) have argued that principles of justice apply only to institutions that exert a “pervasive influence” on individuals’ life prospects (Rawls 1971, 82). This view, which Berkey (2021) calls the “coercive account,” posits that corporations fall outside the BSS because they are voluntary associations with no power to inhibit those who do not share their basic rules from exiting contracts. In the coercive account, institutions belong to the BSS only if their rules are imposed on them rather than chosen voluntarily, and this should be “universally true,” that is, true for all individuals (Singer 2015, 80). Government rules are coercive because “the power of the government cannot be evaded except by leaving the state’s territory” (Rawls 2001, 93). Corporations, by contrast, are not legally coercive because exiting their authority is neither lawfully nor otherwise universally restricted.

On the other hand, a plethora of scholars have criticized this limiting view of the BSS and called for reassessment of its boundaries and the domain of the principles of justice under specific conditions and contexts (Arnold 2013; Blanc 2016; Blanc and Al-Amoudi 2013; Fia and Sacconi 2019; Hsieh 2004; Néron 2015; Rönnegard and Smith 2024). As Norman (2015) argues, the current economic, legal, and sociological context and the increasingly prominent role played by corporations should push egalitarians to correct errors and omissions in Rawls’s analysis. Blanc (2016) suggests that corporations coercing citizens through labor law are entitled to enter the domain of basic institutions, as they *de facto* discharge BSS functions. Arnold (2013) concurs that corporations establish authority relations with employees, and consequently do not fit into the category of free associations. Similarly, Majumdar (2019) and Martins (2018) argue that corporations now have deontic powers that did

not exist before, while also shaping power relationships through various means, exerting economic, social, and political influence. As they continuously shape social cooperation, they must fall within the domain of the Rawlsian principles of justice. Overall, this view on extending the BSS, which Berkey (2021) calls the “profound effects account,” is grounded in Rawls’s (1999, 7) claim that the basic structure is the primary subject of justice because “its effects are so profound and present from the start.” Thus, whenever firms distribute primary goods, they allocate power and authority, incomes and wealth, and the basis of self-respect. Therefore, they should be seen as part of, or at least connected to, Rawls’s BSS.

Nevertheless, scholars who accept the “profound effects” account do not always agree with including corporations in the constitutional design of society, because justice is a characteristic of the conduct of both individuals and private actors who are not part of the BSS (Murphy 1998; Cohen 1997). Critiquing Rawls, Cohen (1997) argues that we should not focus exclusively on coercive institutions, but must apply the principles of justice to all social interactions, including individual conduct. If “the basic structure is the primary subject of justice because its effects are so profound and present from the start” (Cohen 1997, 7), it is unclear why our notion of the BSS should rule out institutions that do not operate through legally coercive mechanisms, but whose effects are, indeed, tremendously profound and present from the start. As Berkey (2021) shows, there are reasons to reject the view that the principles of justice do not apply to the internal affairs of private associations, even if they are not part of the Rawlsian basic structure.

We argue that, despite its limitations, Rawls’s contractarian work is highly appropriate for analyzing GoFundMe’s ethical footprint. Remaining loyal to the exit criterion in determining whether an institution is part of the BSS, GoFundMe is not legally coercive; hence, it cannot be part of the BSS because fund-seekers can exit the relationship by securing welfare support elsewhere without incurring any cost. However, we stress that Rawlsian principles should be applied to GoFundMe and other welfare crowdfunding platforms in the US context, not because they are legally coercive institutions, but because some tenets of justice must apply to the conduct of private institutions (Berkey 2021). Since the US welfare state can no longer guarantee effective redistribution policies, GoFundMe is currently performing, at least partly, the function of the BSS by distributing welfare funds in a failing welfare state. Indeed, as discussed in section 2, GoFundMe has started to exercise some systemic influence over the distribution of basic goods in the US, and its power and influence are expected to grow further. This may prompt detrimental developments, with even more extensive roles in BSS institutions. As we shall show in our ethical analysis, dependence on GoFundMe in the future may empower it to act in a way that will (or might) affect the US welfare state (Berkey 2021).

#### 4. AN ETHICAL CRITIQUE OF WELFARE CROWDFUNDING

Rawls’s first principle of justice, emphasizing the protection of basic rights and liberties, provides a *prima facie* justification for GoFundMe’s existence. Considering the decline of the welfare state and GoFundMe’s potentially vital role in

protecting basic liberty, the platform is unlikely ever to be prohibited in the US. Building on this pragmatic argument, we posit that GoFundMe serves an essential objective of justice from below through participation in direct democratic procedures. Given its potential to democratize welfare provision by empowering citizens and promoting their involvement in deciding the best arrangements for their welfare, we do not advocate its prohibition. Nevertheless, we claim that GoFundMe currently functions counter to the establishment of a fair society from a Rawlsian perspective. Its institutional arrangements relying on “crowds” cannot harness its potential to respond to unmet needs without undermining the principles of justice.

We present three distinct but interrelated arguments for why the current form of welfare crowdfunding, represented by its leading platform, GoFundMe, is morally problematic and merits ethical criticism. Our arguments delineate the conditions under which GoFundMe might pose moral dilemmas from a Rawlsian perspective. However, we cannot claim that fairly functioning welfare crowdfunding platforms might offer less fair or less feasible solutions than a fully-fledged welfare state. In practice, even robust welfare states have proven unable to ameliorate all inequalities, not least because of the competing particularistic and universalistic claims of different social groups, such as those in employment, the elderly, and disabled people versus the unemployed, poor, immigrants (Fotaki 2022), and racial minorities (Perocco 2022). Accordingly, we neither argue against distributing welfare funds through GoFundMe *per se*, nor advocate for welfare states as the best possible way to achieve equitable distribution. Rather, our practical aim is to inform and guide improvements to GoFundMe and similar platforms to reduce their adverse effects on fairness and equality while building on their democratizing potential.

#### 4.1 The “Unjust Distribution” Argument

In line with Rawls’s legitimate concern to protect the least advantaged, GoFundMe emerged to allow everyone, particularly those in need, to access funds for welfare services that dysfunctional welfare states fail to provide. GoFundMe shifts the locus of decisions away from a small pool of experts toward a much broader population of contributors, empowering traditionally underrepresented groups to obtain needed funds (Gleasure and Feller 2016b). Theoretically, this shift to decentralized lay structures could address the problem of epistocracy (Méndez 2022), which emerges when superior competence and power is assigned to technocrats. Here, GoFundMe would appear consistent with Rawls, who was one of the harshest critics of meritocracy legitimating socioeconomic inequalities and opposing redistribution (Bruni and Santori 2022).

In reality, however, GoFundMe, as currently configured, perpetuates biases and fails to strengthen the position of the worse off. Empirical evidence shows that the platform neither addresses the structural causes of preexisting inequalities, nor removes the causes of racial and other disparities in access to capital. Instead, its fundraising success is disproportionately concentrated among an elite that includes mainly white (Younkin and Kuppaswamy 2018), thin and good-looking (Jenq, Pan, and Theseira 2015), English speakers of higher social status and education, with sizable preexisting social networks and the means and flexibility to undertake online

fundraising (Berliner and Kenworthy 2017; Burtch and Chan 2019; Kenworthy et al. 2020; Paulus and Roberts 2018). Nor does GoFundMe seem to empower lay citizens by increasing their participation in decision making about their health or societal welfare (Arnstein 1969). In contrast, it excludes traditionally disadvantaged groups, who systematically garner less funding despite being more likely to launch crowd-funding campaigns (Burtch and Chan 2019). This indicates that GoFundMe is morally problematic from a Rawlsian perspective, as it fails to distribute primary goods fairly and empower those who supposedly lack merit. Considerable disparities in people's ability to access health and healthcare arise from educational inequalities, socioeconomic status disparities, and life circumstances (Fotaki 2010a). However, GoFundMe is not concerned with these; it focuses on running a profitable business.

On GoFundMe, individual donors are regularly called to decide on matters on which they lack reliable and detailed information and expertise (Bennett, Chin, and Jones 2015). For instance, unlike the FDA for insurance companies, no scientific advisory committee is in place to approve or reject treatments funded on GoFundMe. As the crowd lacks the necessary expertise and knowledge to determine what is the highest good for the fund-seeker, what gets funded is often "panda bear science, the science that is super sexy" (Siva 2014, 1086), including scientifically unproven experimental therapies that may be ineffective and unsafe for patients (Snyder, Turner, and Crooks 2018). Moreover, far from reducing the inherent information asymmetries that characterize specialist welfare services, GoFundMe exploits and amplifies them. For instance, donors on GoFundMe may be manipulated into giving money by "doctored" narratives, such as faking or exaggerating illness (Zenone and Snyder 2019). In summary, GoFundMe's failure to ensure that its users can make free and informed choices creates an ethically problematic situation from a Rawlsian perspective.

Yet, according to Rawls (2001, 8), for a society to be just, it must be "well-ordered," meaning that its basic governing principles must be transparent to all, and that individuals who are free and equal must be able to participate in these mechanisms. This does not apply to GoFundMe. Its algorithms and governance mechanisms are opaque, as the crowd has no access to information about its internal processes and selection criteria for approving the hosting and promotion of campaigns online. This is problematic because no mechanism currently exists to hold crowdfunding platforms accountable for their decisions and funding allocations (Moysidou and Hausberg 2020). If welfare crowdfunding platforms are to contribute to a fairer society, regulators must compel them to share information, rather than relying on a business model that stirs potential donors' (less rational) emotions and biases.

A fundamental assumption of Rawlsian ethics is that primary goods are distributed according to rational decision makers' chosen principles. In reality, however, people seldom make rational choices (Kahneman and Tversky 1979; Tversky and Kahneman 1981), especially on healthcare issues. For instance, in situations of extreme need and threats to life, people may not typically act as rational choosers (Fotaki 2010b). Instead, when faced with such conditions or relying on highly

specialist treatments about which they know little, afflicted individuals may defer to experts or seek their assistance in making decisions (Fotaki 2020; Nolte, Anell, and Merkur 2020). To prevent such irrational decisions in the distribution of primary goods, Rawls proposed the establishment of institutions with accountable officials to distribute primary goods according to his principles of justice. Although he later revised his assumptions of rationality as a primary decision-making driver (Rawls 2001), such an arrangement would ensure fair distribution of primary goods, regardless of whether individuals are rational. In other words, his proposed principles may lead to a just society because, even if they are not those that people would choose, they must still follow them. However, this is not the case with GoFundMe, which does not enable (and even impedes) the distribution of primary goods based on rational decision making unaffected by donors' biases and immediate interests. Empirical evidence shows that rational principles do not guide donors' decision making on GoFundMe, as they often engage in "herding" (Kuppuswamy and Bayus 2017), basing their decisions on inferences from earlier decision making by others.

This is ethically problematic and dangerous, as prior support and contributions may influence later decision making. Since the crowd's behavior may be severely misguided, funds may easily end up with the wrong people, not those in need. Rawls also postulated that decision makers in the original position will gradually acquire more information as they move through different stages of elaborating a fair social contract, while remaining ignorant of their capacities in that society and the contexts they will inhabit. In this scenario, he argued, decision makers will eventually come to appreciate and address imperfections in human decision making, including irrationality, systematic racism, the dangers of epistemic elites abusing their power, elected officials responding to populist demands, and so on. Such accretion of knowledge will lead to significant changes in the institutions of the BSS aimed at ensuring social cooperation while allowing decision makers to make fair judgments. However, in its present form, GoFundMe hinders the accumulation of relevant knowledge to inform decision making because it relies on sensationalist, evocative, and catchy narratives to generate donations, and lacks transparency and accountability.

All these issues cast doubt on the alleged democratizing effects of GoFundMe, while unfair distribution of welfare funds influences all aspects of individuals' lives. We argue that this effect is more problematic in the context of GoFundMe than in public institutions distributing welfare, as discussed previously in relation to the state failure literature. To explain the far-reaching consequences of this, consider an imaginary but not atypical case of a disadvantaged citizen in the contemporary US context. "Mary" is a young woman who became a mother aged fifteen and quit school to work to support her family of two. Struggling to make ends meet, Mary has never been able to afford healthcare coverage. Diagnosed with a malignant melanoma, she visits medical institutions hoping to get treatment, only to discover that she cannot afford an operation without health insurance. Mary experiences this as an instance of society's disregard and a "slap in the face" that negatively impacts her self-esteem. Unable to raise a bank loan, she turns to GoFundMe to cover her treatment. In making this decision, she knowingly or unknowingly exposes herself



to the risk of a whole new level of social rejection. When refused treatment by the US healthcare system, she could blame “the system” and even consider acting to change it. However, she is far more likely to construe the failure of her GoFundMe campaign as evidence that, beyond a limited number of policymakers and politicians, the whole of society is against her. By inducing Mary to regard herself as unworthy and less morally deserving than others, this direct rejection by the “crowd” may deliver the *coup de grâce* to her self-esteem, leaving her demotivated and devastated while pushing her further to the margins of society, unable and unwilling to enjoy other primary goods. Rather than enhancing her “social bases of self-respect” that Rawls’s (1971) theory of justice posits as “perhaps the most important primary good,” it excludes and stigmatizes her even more.

#### 4.2 The “Weakening Social Welfare” Argument

In Rawlsian ethics, societies without robust social welfare systems are not well-ordered (Rawls 2001). The US welfare system’s shortcomings are longstanding: unaffordable medical treatment was the leading cause of private bankruptcy in the US well before GoFundMe started operating (Himmelstein et al. 2019). At first glance, GoFundMe, which emerged in the context of an already dysfunctional US welfare state, might appear to contribute to improving collective well-being by covering gaps in welfare. Research confirms a higher number of medical crowdfunding campaigns in regions where allocations of public financial resources to health are lower (Bassani, Marinelli, and Vismara 2019), indicating that GoFundMe is more active where public welfare provision is restricted.

However, despite GoFundMe’s ostensible aim to address the symptoms of systemic failure in the US welfare system rather than substitute for it, we show that the platform may be equally problematic owing to its narratives and *modi operandi*. Specifically, GoFundMe deploys narratives presenting itself as the best solution to welfare provision, potentially distracting public attention from systemic flaws. In media interviews, some GoFundMe executives have disavowed any intention of substituting for the welfare safety net,<sup>3</sup> yet they concurrently claim that GoFundMe aspires to become “the most helpful place in the world for people and organizations” (Cadogan 2022), “the first and only choice that people think about when they think about social fundraising” (Ainsley Harris 2018), and the singular “giving layer of the internet” (Solomon 2019). Its website does not state that GoFundMe should not be relied on as a *de facto* safety net to alleviate widespread vulnerability. Rather, statements like “Your home for help” or “Fundraising on GoFundMe takes just a few minutes” appear in large print, indicating that this platform is where people should seek help because the funding process is easy, quick, and fair.

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<sup>3</sup> For example, GoFundMe’s CEO, Tim Cadogan is widely reported to have made comments such as: “We are proud of the role that GoFundMe plays in connecting those in need with those who are ready to help ... But our platform was never meant to be a source of support for basic needs, and it can never be a replacement for robust federal COVID-19 relief that is generous and targeted to help the millions of Americans who are struggling” (Budryk 2021). Before the COVID-19 pandemic, GoFundMe’s former CEO, Rob Solomon was reported to have made comments to the same effect. (We thank the journal’s reviewers for alerting us to this point and for the quotations provided.)



At the same time, GoFundMe fails to inform the public about biases prohibiting the crowd from reaching informed, thoughtful, and deliberative outcomes. It merely provides fund-seekers with detailed guidance on narrating their story to achieve funding success. In these narratives, they depict themselves as victims of fate, and present their funding needs as the result of supposedly exogenous and unpredictable factors (Berliner and Kenworthy 2017). By attributing the need for funding to unavoidable “bad luck,” such stories may direct public attention away from institutional inefficiencies and systemic flaws, thus prompting the crowd to normalize an unfair situation. In its CEO reports (Beaty 2024), GoFundMe strives to regularize asking for help, which may impede institutional reform, especially as the public becomes ever less aware of the feasibility and benefits of reforms. Empirical evidence confirms that GoFundMe’s narratives fail to induce collective action intentions in healthcare, as opposed to more politicized narratives referring to systemic problems (Moysidou and Cohen-Chen 2023). Insofar as GoFundMe attributes funding needs to adverse and unpredictable circumstances rather than political decisions concerning distribution, it stifles momentum for institutional reform and fuels sustained demand for its services.

Moreover, GoFundMe may further weaken social welfare by influencing people’s impetus for change and perceptions of how society should fund welfare. It may hamper structural reform by offering a viable avenue through which some privileged members of society can improve their welfare, potentially further reducing their interest in institutional reform. Research shows that the middle class with political clout tends to support public policy reform when it benefits them rather than the less advantaged (Desai and Kharas 2017). Therefore, given the already existing reluctance to fund programs that benefit the uninsured (see Desai and Kharas 2017), GoFundMe’s promotion of market-based welfare provision may engender a reprioritization of public resource allocation, “teaching” us to conceptualize welfare rights as a personal good that we are responsible for “earning” rather than a universal right.

Finally, as GoFundMe prioritizes campaigns’ appeal over the gravity of recipients’ need, it may instill a culture of “subjectively deciding on others’ future,” leading people to resort to the nineteenth-century model of private citizens funding those in need. There is a real danger that benefactors will decide who receives welfare funding according to their personal preferences and notions of who is most “deserving,” reviving the idea of the “deserving poor” that preoccupied Victorian philanthropists (Gerrard 2019). The premise that one must depend on the judgment or whim of unqualified strangers for welfare contradicts the very *raison d’être* of the welfare state: public welfare policies emerged precisely to address the failures of such selective provision, replacing the notion of relative “deservingness” with the principle of equality of access “according to need” (Bernard Harris 2018). As Moyn (2018) argues, enacting this principle in the interventionist welfare states established in the aftermath of World War II led to the most significant reduction in social inequalities in modern history. In contrast, the voluntarist logic underlying GoFundMe poses an existential threat to social welfare services based on solidarity risk-sharing principles, as operated in many countries for the best part of a century.

Therefore, if GoFundMe continues to promote and reinforce an individualized system in which benefactors choose who is worthy of welfare, it may lead to comprehensive commodification of welfare provision, potentially dislodging state-provided social services altogether. This process might plausibly manifest itself, for example, through gradual erosion of taxpayers' commitment to assisting the poor because GoFundMe, as a form of "charity," can and should meet the needs of the disadvantaged.

Overall, our analysis indicates that GoFundMe benefits from the failure of US public systems to provide welfare to all. We also show that even if GoFundMe does not deliberately undermine the importance of public welfare policies, its opaque business model, aiming to address the fundamental deficiencies of the welfare state, benefits from evading any public criticism that might initiate systemic change. Insofar as GoFundMe risks weakening social welfare policies in all the ways outlined above, it is problematic from a Rawlsian perspective, given the centrality of robust welfare policies to Rawls's conceptualization of a fair society. GoFundMe's current configuration fails to offer an ethical remedy for the inefficiencies of the welfare state and in no way constitutes a "dependable" safety net for the least advantaged.<sup>4</sup> Rather, it potentially deepens inequities in welfare provision by promoting individualized welfare provision through unfair distributions of funds. To promote social welfare in a way consistent with Rawlsian ethics, GoFundMe would need to adopt narratives showcasing the need for institutional reform.

#### *4.3 The "Neoliberalization of the State" Argument*

Another significant and related concern about GoFundMe revolves around its potential to reinforce the logic of neoliberal capitalism and influence how we divide roles and responsibilities between market and state. Central to the neoliberal ideology is the normative theory of individual choice and its premise that individuals are rational, discerning, and potentially all-knowing actors who seek to maximize their preferences, which makes them responsible for their own well-being (Fotaki 2023). This differs from the libertarian orientation of the US polity that Rawls strongly supported, arguing against any infringement of basic equal liberties that no enhanced social or economic advantages could justify (Rawls 1977). However, Rawls was also a strong proponent of combining liberty with equality of opportunity by setting up institutions to provide welfare benefits in tandem with taxation to mitigate income, wealth, and economic inequalities. Although Rawls conceded that welfare-state capitalism affords citizens sufficient opportunities to lead decent lives, he objected to a small class of property owners having "a near monopoly of the means

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<sup>4</sup> One of the many problems with relying on charity rather than government programs is that charity often fails when it is most needed, such as during economic recessions. For example, in the immediate aftermath of the 2007–08 financial crisis, charitable giving in the US dropped by 8.3 percent in 2008 and 3.6 percent in 2009 (Grusky, Western, and Wimer 2011, 300). This reflects the broader problem of people's inconsistency in charitable giving. As Lohmann (2007, 44) concludes, "the reality is that despite more than 25 years of public policy initiatives based on the presumption of philanthropic sufficiency, the non-profit sector has not been able to pick up the slack."

of production,” even in the generous welfare system of an “imaginary Sweden” (Rawls 2001, 139). For Rawls, the least-advantaged individuals must be better off in his favored institutional realization of a just society, that is, a property-owning democracy.

Neoliberal capitalism departs from these premises by rationalizing the underfunding of public services and contracting out state functions to the private sector on the spurious grounds of efficiency and responsiveness to users’ needs. In such social configurations, the fate of the least advantaged is far more precarious. Further conflicting with Rawlsian ethics of distributive justice, the neoliberal doctrine privileges the wealthiest in society (Kuttner 2019), who also tend to oppose spending on public services in line with the central premise that social services are a drag on the economy (Adler 2011). As we argue throughout this section, GoFundMe is problematic from a Rawlsian perspective because it may lead to the expansion of the privatized welfare provision logic to other public services.

First, GoFundMe fails on account of promoting liberty, as it does not provide an accessible and robust infrastructure for interaction and information sharing. Its capacity to encourage the establishment of empowered individuals instills a growing will among the “crowd” to act on their own and build “Big Society” with power transferred from politicians to themselves and their communities. Although this may sound promising, it cannot occur when the platform controls the information flow. Promises of empowerment and active citizenship may backfire as GoFundMe offers biased information and “doctored” narratives to sustain service demand. Genuinely egalitarian schemes might theoretically facilitate a shift from hierarchical government toward community-led models of democracy characterized by high levels of direct citizen participation and empowerment. However, this differs from how GoFundMe operates in claiming to encourage more empowered citizenship and revivification of social action, primarily by private individuals outside the state sphere. Instead, GoFundMe may promote a perception that citizens can rely on something other than public officials and administrators to make decisions, solidifying an individualistic ethos and market-based norms in welfare provision (Snyder, Mathers, and Crooks 2016). Thus, individuals may believe that bypassing central authority in decisions affecting their lives is more effective and beneficial. Changing public perceptions and catalyzing new relationship patterns between individuals and institutions may transform politics and governance (Dunleavy et al. 2006). Replacing state institutions’ role in providing social welfare may strengthen the belief that such care may eventually no longer be widely regarded as the responsibility of the central authority, and that nongovernmental “voluntary” organizations (Lohmann 2007) are better placed to provide it through the market—in effect, questioning the need for redistributive governmental interventions to address essential matters of public concern, such as care for the poor, the ill, the elderly, and other vulnerable groups. Overall, the neoliberal imaginaries of “Big Society” and other schemes tend to legitimize public service cuts rather than empowering users.

Second, and relatedly, GoFundMe enables an anonymous crowd to choose which people’s needs require funding, but does not automatically facilitate “fair”

deliberation, nor serve as a form of direct democracy (Berliner and Kenworthy 2017). In this scenario, GoFundMe may become neoliberalism's "community face" by calling on the crowd to become directly involved in healthcare, education, and poverty alleviation. We should not dismiss service users' desire for more autonomy and control over their social welfare and health services along with the consumerist market model (Fotaki 2011). However, in reality, such forms of coproduction often promote a "race to the bottom" by responsabilizing individuals for life events beyond their control, including disease and disabilities (Fotaki 2015). The example of Mary struggling to finance her healthcare shows how, in the neoliberal imaginary of declining welfare provision, people must become entrepreneurs themselves to achieve this.

This individualist, neoconservative vision in which voluntarism by the anonymous crowd fills gaps in the social safety net contradicts Rawlsian ethics. While Rawls maintained that one of the most important "natural duties" of individuals is to support or "further" justice (Rawls 1971, 334), he insisted that responsibility lies with collective structures conforming with his principles of justice, not individuals. Rather than promoting the neoliberal logic of individual responsibility, Rawlsian principles of justice call for fair distribution of primary goods through institutional arrangements that task state entities with overseeing such distribution (Rawls 2005). This contradicts increased reliance on unregulated markets for welfare provision, including through welfare crowdfunding platforms like GoFundMe.

In conclusion, GoFundMe, as currently established, risks promoting neoliberal policies as an emergent normative stance, devolving to the private sector many tasks previously performed by the state. Its putative transparency and efficiency may persuade the crowd that shifting responsibility to individuals, communities, and platforms will lead to a fairer society. However, this is problematic from a Rawlsian perspective, as it fosters the interests of the elite rather than fairly distributing primary goods. Thus, GoFundMe becomes an effective means to move from collective responsibility for those in need toward the individual preferences of those who can benefit from market allocation of primary goods. From a Rawlsian perspective, GoFundMe is ethically problematic unless it can ensure fair distribution of these goods.

#### *4.4 Summary*

We have set out three moral arguments for why GoFundMe may be ethically suspect from a Rawlsian perspective. First, through evocative and commanding narratives, GoFundMe fails to allocate resources efficiently and justly, leading to unfair welfare distributions and perpetuation of preexisting biases that adversely affect the least advantaged. Second, GoFundMe employs narratives that evade or silence systemic flaws in welfare governance and provision, with long-term corrosive effects on social welfare, potentially stifling the social pressure needed to catalyze institutional reform. It may also implicitly bolster the ethically dubious case for providing welfare according to the individual preferences of anonymous "benefactors" and their "deservingness" criteria. Third, GoFundMe's narratives and logic may have a problematic influence on public opinion and debate about the state's role in welfare

provision, including the jurisdictional power of state officials. Over time, we argue, GoFundMe's purported transparency and efficiency may persuade the crowd that government disinvestment from social programs and outsourcing of this responsibility to private actors like GoFundMe and similar platforms will lead to a fairer society, contributing to momentum to transition to a neoliberal hybrid market state.

## 5. IMPLICATIONS FOR THEORY AND PRACTICE

This paper is the first to offer a compelling analysis of the complex but important topic of the ethics of welfare crowdfunding. Our analysis has several critical theoretical implications for business ethics and further research. First, it extends the emerging evidence base on the ethical implications of crowd-based practices, especially those concerned with social welfare causes (Sajjad et al. 2023), including microfinance (Hudon and Sandberg 2013; Hudon and Ashta 2013), crowd labor (Sheehan and Pittman 2019), and crowdsourcing (Du et al. 2024). In this article, we question the assumption that individual donors are best placed to distribute welfare funds ethically, even if motivated by pro-social behavior (Sajjad et al. 2023), not least because this assumption considers neither preexisting differences in education, social class, race, and other inequalities, nor growing evidence of biases and other irrational behaviors on crowdfunding platforms. Although platforms could offer the infrastructure necessary to reduce disparities and inequalities, instead they function in ways that strengthen them, favoring the already privileged. In identifying ethical problems that may arise when unregulated digital platforms play a central role in distributing public goods like health-care, we also challenge the view that technological advances lead to greater social inclusion, equality, and social welfare (Armstrong, Riemenschneider, and Giddens 2018; Steinberg 2020). As we demonstrate, platformization is not only a techno-social process, but also a political-economic one with complex and far-reaching ethical ramifications for people's lives (Dowling 2022). This suggests a need for a greater involvement of businesses with ethical considerations, especially when their activities intersect with public policy services in the context of the marketized welfare.

Second, our work contributes to Rawlsian scholarship in critiquing Rawls's limited conception of institutional roles and functions that must be included in the BSS. Given the complex and ongoing debate about the contours of the basic structure, we argue that the principles of justice should be applied to institutions (including private, non-legally coercive ones) whenever they act as occupants of roles within a basic structural institution. This is justified, we argue, because institutions' roles, responsibilities, and social impacts have also been reassessed since Rawls's influential works were published. Rawls developed his conception of welfare in a high-employment economy (for a discussion of the welfare state under high employment with wage differentials and high unemployment, see Blanc and Al-Amoudi 2013). The subsequent and continuing decline of the welfare state constitutes a significant contextual transformation affecting the systemic distribution of primary goods, prompting our extension of the application of the principles of

justice to include informal structures such as private corporations and platforms (Blanc and Al-Amoudi 2013; Fia and Sacconi 2019).

Contemporary corporations are more similar to political institutions than voluntary associations, and American corporations have become characterized as “private government” (Anderson 2015, 55). Their power and influence have grown exponentially in the globalized economy, often creating conditions in which states are so weak or burdened that businesses take on responsibility for activities traditionally reserved for states (Wettstein 2010; Hsieh 2017). As we argue, private corporations like GoFundMe may discharge the functions of the BSS under certain conditions, for example in the absence of adequate welfare institutions, but are not regulated appropriately. Therefore, following Berkey (2021), we posit that the Rawlsian ethical framework applies to certain corporations, such as GoFundMe, even if they are not part of the BSS. However, this does not mean that we support the idea that every private corporation should be similarly subject to Rawlsian principles. Rather, we propose that private corporations like GoFundMe ought to be subject to obligations for justice because they distribute primary goods and influence public expectations of primary goods, constructing power relations that shape the public sphere (Berkey 2021). This is because, as Cohen (2000, 122) argues, “justice cannot be a matter only of the state-legislated structure in which people act but is also a matter of the acts they choose within that structure, the personal choices of their daily lives.”

Our work further contributes to Rawlsian scholarship by adding to debate on what constitutes primary social good by extending it to healthcare (Daniels 2009). We argue that healthcare is a primary good, as it enables individuals to function and flourish (Nussbaum 1999; Sen 1992), allowing them to realize their life plans and attain the Rawlsian concept of “good” as satisfaction of rational desires (Ekmekci and Arda 2015). Likewise, we agree with Moyn’s (2018) criticism of the conception of human rights, and particularly social rights, which opposes the distribution logic of sufficiency as minimalist and ill-equipped to address the imperative of equality. Although not aimed at Rawls, Moyn proposed institutional design rather than legal entitlements to protection alone. On balance, our work makes valuable contributions to business ethics in demonstrating that Rawlsian theory can offer useful analytical tools to support the case for substantial regulation of platforms’ internal governance by the basic structure, at least under current US welfare conditions.

At the same time, we posit that although Rawls’s work is valuable, it is also ripe for reassessment. For instance, the concept of “justice as fairness” does not go far enough and is insufficiently egalitarian: it does not account for the importance of health in the BSS, nor for the position occupied by private corporations in today’s society. Hence, we suggest that contemporary Rawlsians will reach different conclusions if they take his theory more seriously than he did. However, our primary focus is not on whether Rawls was correct in all his theorizations and predictions, but on reviving his prescient argument for justice and fairness in the liberal market economy. We propose a revised Rawlsian theory of justice that offers unique insights into crowdfunding for welfare, although there is a scope for theoretical analyses of crowdfunding platforms based on alternative frameworks (e.g., Michel Foucault’s work).



Third, this article contributes to literature on philanthrocapitalism, and particularly on the premise of applying market strategies to philanthropic giving, fundamentally reshaping the charitable sector (Bishop and Green 2015). Our work reveals that the attempt to reconfigure philanthropy as a for-profit activity, which is a central aspect of philanthrocapitalism, may have significant ethical implications. Promoting market forces and business strategies in philanthropic activities risks mission drift away from the social purpose in favor of business objectives (Clark and McGoe 2016; McGoe 2012). For instance, GoFundMe's manipulative and emotive narratives, combined with opaque information about its ownership, governance structure, and profitability, raise the question of whose interests these "benevolent" platforms serve. As we show, in embracing neoliberal ideals, GoFundMe, as a paradigmatic exemplar of philanthrocapitalism, may entrench and accentuate wealth and power inequalities (Amarante 2018; McGoe 2012). We concur with Rogers (2011) and Clark and McGoe (2016) that "powerful, unaccountable philanthrocapitalists" shape government policies, and are concerned that GoFundMe may reshape public views on welfare provision, contributing to policy change. GoFundMe's tactics to intensify need for its services, presenting itself as the best—and sometimes the only—solution to the crowd's problems (Berliner and Kenworthy 2017), may play a fundamental role in establishing perceptions of "philanthropic sufficiency" suggesting that voluntary action is a preferable way of dealing with social problems. GoFundMe and similar platforms differ from traditional philanthropy as they rely on a broader reach via technology, promoting platform capitalism without democratic accountability. Therefore, they are more effective in offering powerful new financial, human, and organizational means to achieve the political ambitions of neoliberalism, as encapsulated in the "Big Society" slogan with its evocation of the virtues of a small state with greatly devolved powers and the importance of community and citizens' autonomy (Bulley and Sokhi-Bulley 2014). Yet these ambitions promote the neoliberal minimalist idea of "sufficiency," rather than addressing inequalities in individuals' possession of the good things in life (Moyn 2018). Ideally, GoFundMe and other platforms involved in welfare provision should become online spaces that highlight structural inefficiencies and emphasize how these might be collectively addressed, rather than being concerned solely with addressing unmet needs to make profits.

Lastly, our work contributes to scholarship relating to the ethical issues of market solutions for delivering welfare (Blanc and Al-Amoudi 2013; Haque 2010) and the ideal arrangement of tasks between market and state (Smith 2019). Market mechanisms and market values increasingly dominate welfare provision in our societies, and it is important for business ethicists to recognize the ethical implications of this and to ask how welfare crowdfunding platforms, as emerging market actors in welfare provision, can be regulated to contribute to a fairer society. Our arguments imply the rather trivial notion that depending on voluntarism through for-profit, unregulated platforms cannot guarantee that welfare services will reach those who need them most (Fotaki 2011). We query the claim that platforms promote free choice following market principles, arguing instead that, in practice, they are unethical as they circumvent such freedom and principles. While the exercise of

liberty depends on freely available information to enable people to make informed choices, information in welfare crowdfunding is restricted, opaque, and often distorted. Yet the market can only provide certain, primarily consumerist, goods without altering their meaning and value. Anderson (1990) explains this by focusing on the difference between welfare economists and libertarians on the issue of dividing common goods that are nonrivals in consumption and may be more efficiently provided on a nonexclusive (public) than on an exclusive basis based on people's ability to access funds and services.

In examining the ethical ramifications of digital platforms that take on responsibilities normally within the purview of government, we call business ethicists to rethink why, and to what extent, welfare crowdfunding platforms need to be regulated to serve a fair society. We argue that welfare states' inefficiencies and past failures to achieve equality do not justify the takeover of their functions by private platforms that have proven even less suited to fulfilling welfare needs. Despite many imperfections and problems in existing welfare systems, research shows that market-led solutions tend to worsen common social problems such as healthcare (Haque 2010). Shifting such responsibilities to private entities tends to perpetuate economic and political inequalities, privileging already advantaged members of society by concentrating economic power and political influence (O'Neill 2009).

However, we do not suggest that business ethicists preclude GoFundMe's potential to promote a fairer society if it were to fulfill certain conditions by providing relevant information to users or, even better, functioning as a cooperative endeavor in the public interest rather than for private profit generation. We appreciate that crowdfunding platforms address unmet needs for access to welfare, and express the desire for more democratic control via community involvement and co-ownership of structures tasked with providing primary goods like healthcare. Thus, we urge business ethicists to compel platforms to operate within appropriate institutional and legal frameworks to ensure that they contribute to an extended idea of justice as fairness relevant to the twenty-first century, involving community members and experts. In other words, we call for institutional norms and principles to be infused with pragmatic justice from below. Investigating such topics might form the future agenda for research on crowdfunding's ethical implications. As Chandler (2023) suggests, reviving Rawls for twenty-first-century public policymaking requires us to "prioritize the life chances of the least well-off," combining liberty with equality to challenge "prevailing ideas about economic justice on both left and right." Nevertheless, so far, GoFundMe has thrived on waves of market-oriented policies such as deregulation, privatization, budget caps, and cuts, and has expanded to fill gaps in welfare provision arising from successive retrenchments of the state that have enlisted non-governmental actors to fulfill public purposes well beyond their actual capacities (Elliott and Salamon 2002). Thus, we identify the danger that people may abandon redistributive principles altogether in the declining welfare state, resigning themselves to the services provided by ever more powerful private welfare crowdfunding platforms like GoFundMe.

Our analysis also has implications for policy and practice. These relate to regulating platforms to prevent manipulation of donors, since their current configurations

lack sufficient control over where the money goes, which kinds of projects are funded, and what ideas are promoted. Granting platforms power to distribute welfare without adequate fraud-prevention procedures and credible rule-enforcement mechanisms may have wide-ranging adverse ethical ramifications. Although platforms' terms of service typically include disclaimers that they are not responsible for safeguarding donors' financial contributions, these are found only in the "small print." A morally problematic consequence of this lack of transparency is that the crowd commonly assumes that internal procedures are employed to screen out opportunists (Moysidou and Hausberg 2020). Our recommendation for addressing this ethical issue is that, at the very least, platforms must clearly declare that they do not conduct fraud checks on fundraisers and cannot ensure that campaigns are legitimate. This is imperative because crowdfunding platforms are at the centre of the trust-building process vis-à-vis donors, effectively transferring trust from platforms to their host campaigns (Moysidou and Hausberg 2020). Eventually, platforms must commit to integrating mechanisms to deter misconduct and ensure that opportunists do not exploit the crowd's charitable giving and altruistic behavior. Belavina, Marinesi, and Tsoukalas (2020) offer a compelling overview of specific technology configurations and appropriate platform designs to prohibit unethical behavior and protect users from fraud.

In addition, while we agree that policymakers are unlikely ever to take the radical and, in our view, inadvisable step of imposing an outright ban on crowdfunding platforms, we urge them to start to design well-considered and informed policies and strategies to eliminate biases and increase the social inclusion of disadvantaged groups on those platforms. Policymakers might impose restrictions on campaigns that are proven to perpetuate existing biases detrimental to the most vulnerable in society, including extensive personal information on fund-seekers' race, gender, and educational and professional achievements. Moreover, we propose that crowdfunding platforms should make efforts to raise people's awareness of welfare injustices and the systemic reforms needed to create a fairer society. Platforms might serve as conduits for deliberation between stakeholders, enabling different constituencies to hear from others and engage in critical discourse on what public policies are needed. For example, rather than compelling users to attribute their financial distress to "bad luck" or unforeseen emergencies (Berliner and Kenworthy 2017), platforms might instead encourage users to explain that their inability to cover their welfare needs is a consequence of systemic failure, a framing that has been proven to induce collective action for healthcare reform in medical crowdfunding campaigns (Moysidou and Cohen-Chen 2023). Finally, platforms should unambiguously declare that, unlike public institutions dedicated to welfare provision, they are for-profit entities that neither control the veracity of funding requests nor promote campaigns based on meritorious criteria. Platforms might also openly acknowledge and educate the public that decision making and funding allocations occur through the crowd's potentially biased impulses and personal preferences. This might lead people to realize that platforms are only a temporary and inadequate fix for welfare problems and cannot (and should not) replace public institutions in welfare provision.

## CONCLUSION

Welfare crowdfunding platforms permeate our lives in more profound ways than often assumed. The existence of private for-profit platforms that support those in need is not unethical *per se*. However, as shown in this paper, platforms like GoFundMe may become ethically problematic from a Rawlsian perspective when they discharge the vital role of enabling people to pursue their life goals, but have no regulatory framework, gatekeeping authority, or codes of conduct. This is particularly problematic in the US, where ideological commitment to neoliberal principles has led to a dysfunctional distribution of welfare benefits, undermining the effectiveness of public provision and questioning the very legitimacy of the welfare state. Policymakers must consider the ethical challenges of welfare crowdfunding and design a regulatory framework to prevent donor manipulation and exploitation of the least fortunate. Our analysis can guide empirical research into these topics.

It follows from our analysis that for-profit crowdfunding platforms have ethical responsibilities even if they are not part of the BSS as defined by Rawls. The crowdfunding industry must consider what constitutes morally responsible conduct, and must take action to fulfill its social responsibilities by establishing sound ethical operations. Finally, our responsibility as academics is to promote dialogue on whether and how to regulate welfare crowdfunding to protect the most vulnerable members of society, and to reduce the risks it poses to public institutions already under threat in neoliberal economies. By setting out the foundations for an empirical exploration of the ethicality of crowdfunding, our paper will inspire research to generate further insights into this critical topic.

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