

DI.3 The Gates Foundation

We expect the rich to be generous with their wealth, and criticize them when they are not; but when they make benefactions, we question their motives, deplore the methods by which they obtained their abundance, and wonder whether their gifts will do more harm than good. (Bremner 1988)

So wrote Robert Bremner in *American Philanthropy*. Clearly a full and informed understanding of philanthropy requires not just an assessment of what it does and who it benefits, but also where the money has come from and how it is managed and used.

The Gates Foundation is a major player in the health sector, spending billions of dollars on health across the world. Most published literature and media coverage have focused on the positive impact of the Gates Foundation. The purpose of this chapter is to stimulate a more critical discussion about this important global health actor and about philanthropy in general. It is based on information from peer-reviewed publications, magazines and newspapers, websites, and some unpublished information. It also draws on interviews with twenty-one global health experts from around the world in academia, non-governmental organisations, the World Health Organization (WHO) and government, all of whom requested anonymity or indicated a preference to speak off the record. Several who recounted specific incidents or experiences asked that these not be described so as to protect their identity. Some journalists who specialise in global health were interviewed on the record. The Gates Foundation also contributed by replying to a set of written questions drafted by the GHW. Finally, an analysis of all global health grants issued by the Foundation was conducted.

Background

The Bill and Melinda Gates Foundation was formed in January 2000 following the merger of the Gates Learning Foundation and the William H. Gates Foundation. By 2005, it had become the biggest charity in the world with an endowment of \$29 billion. To put this in perspective, the second and third biggest international benefactors – the UK's Wellcome Trust and the Ford Foundation – have endowments of about \$19 billion and \$11 billion respectively (Foundation Centre 2008). The donation of \$31 billion from US investor Warren Buffett in June 2006 made the Gates Foundation even bigger (Economist 2006a). Its annual spend will increase to over \$3 billion in 2008.

On the Foundation's website, a set of fifteen guiding principles reflect the Gates family's views on philanthropy and the impact they want the Foundation to have:

- This is a family foundation driven by the interests and passions of the Gates family.
- Philanthropy plays an important but limited role.
- Science and technology have great potential to improve lives around the world.
- We are funders and shapers – we rely on others to act and implement.
- Our focus is clear – and limited – and prioritizes some of the most neglected issues.
- We identify a specific point of intervention and apply our efforts against a theory of change.
- We take risks, make big bets, and move with urgency. We are in it for the long haul.
- We advocate – vigorously but responsibly – in our areas of focus.
- We must be humble and mindful of our actions and words. We seek and heed the counsel of outside voices.
- We treat our grantees as valued partners, and we treat the ultimate beneficiaries of our work with respect.
- Delivering results with the resources we have been given is of utmost importance – and we seek and share information about these results.
- We demand ethical behaviour of ourselves.
- We treat each other as valued colleagues.
- Meeting our mission – to increase opportunity and equity for those most in need – requires great stewardship of the money we have available.
- We leave room for growth and change.

Operationally, the Foundation is organised into three programmes: Global Health, Global Development and the US Program. The Global Health Program, which is the focus of this chapter, commands the biggest slice of the Foundation's spending.

Philanthropy: more than business, less than charity?

Chambers Dictionary defines philanthropy as ‘a charitable regard for one’s fellow human beings, especially in the form of benevolence to those in need, usually characterized by contributing money, time, etc. to various causes’ (Chambers 2008). The origin of the word is Greek: *philia*, love; and *anthropos*, man.

The tradition of philanthropy has strong American roots from a hundred years ago when multimillionaire industrialists created foundations through which to channel their wealth. The first was the Russell Sage Foundation set up in 1907, followed by Rockefeller in 1910 and Carnegie in 1911 (Smith 1999). By the early 1960s, foundations were growing at a rate of 1,200 per year. Today, US foundations have assets of \$500 billion and spend around \$33.6 billion annually (Gunderson 2006). The Gates Foundation is, by far, the biggest of the big American foundations.¹

The growth of private philanthropy mirrors the growth of private wealth in the US and other parts of the world, especially Europe. The global wealth boom and the collapse of the Soviet state have also created billionaires in countries like Russia, India, Mexico and Turkey, some of whom have initiated philanthropic initiatives in their own countries. As of 2007, there were 946 billionaires (nearly half of whom were US residents) with a combined net worth of about \$3.5 trillion (Forbes 2007). The number is growing. *Forbes* magazine calculated a 23 per cent increase in the number of billionaires between 2006 and 2007.

But an equally astounding fact is that over 2.5 billion people live on less than \$2 a day – more than ever before (Chen and Revallion 2007). Andre Damon (2007) describes this paradox as ‘a by-product of the staggering growth of social inequality, the vast accumulation of personal wealth by a financial oligarchy at the expense of the rest of humanity’. This line of thinking implies that the origins of philanthropic wealth matters. To most people it matters if philanthropic spending is based on wealth that has been accumulated unethically, especially if it has involved either the direct or indirect exploitation or oppression of people.

Bill Gates made his money from technological innovation, business acumen and a favourable patents regime which enabled him to control large segments of a lucrative market. For some, Microsoft is one of the great success stories of modern-day business and Bill Gates’s subsequent philanthropy an exemplar of generosity and humanity.

But there is a need to look at philanthropy more critically. The lack of examination of how wealth is created can perpetuate the myth that scarcity, rather than inequality, is at the root of much persisting social and

TABLE DI.3.I **Forbes top twenty billionaires in 2008**

Name	Citizenship	Net worth (\$ bn)	Residence
1 Warren Buffett	US	62	US
2 Carlos Slim Helu and family	Mexico	60	Mexico
3 William Gates III	US	58	US
4 Lakshmi Mittal	India	45	UK
5 Mukesh Ambani	India	43	India
6 Anil Ambani	India	42	India
7 Ingvar Kamprad and family	Sweden	31	Switzerland
8 K.P. Singh	India	30	India
9 Oleg Deripaska	Russia	28	Russia
10 Karl Albrecht	Germany	27	Germany
11 Li Ka-shing	Hong Kong	27	Hong Kong
12 Sheldon Adelson	US	26	US
13 Bernard Arnault	France	26	France
14 Lawrence Ellison	US	25	US
15 Roman Abramovich	Russia	24	Russia
16 Theo Albrecht	Germany	23	Germany
17 Liliane Bettencourt	France	23	France
18 Alexei Mordashov	Russia	21	Russia
19 Prince Alwaleed Bin Talal Alsaud	Saudi Arabia	21	Saudi Arabia
20 Mikhail Fridman	Russia	21	Russia

Source: Forbes 2007.

economic problems and nurtures a culture of *noblesse oblige* for the wealthy and privileged to help the less fortunate. Neither does it help address the implications of conceding such power to the wealthy.

Furthermore, in many countries, philanthropy is a way for the rich to avoid paying tax. In the US, it is estimated that 45 per cent of the \$500 billion that foundations hold actually 'belongs to the American public' in

the sense that this is money forgone by the state through tax exemptions (Dowie 2002). Similarly, corporate social responsibility programmes can distract public attention away from the lowering of corporate tax rates across the world and the avoidance of tax by the rich.

It should also be noted that philanthropy is not always philanthropic. As *The Economist* suggests: 'The urge to give can have many different guises', including at times nothing more than 'a vain hope of immortality, secured by your name on a university chair or hospital wing' (Economist 2006b).

Many foundations also give to 'causes' that benefit the wealthy through, for example, the funding of museums, the arts and other cultural interests, or of hospitals, universities and research (for example, cancer research). Funds are also spent on plush offices, generous salaries to foundation employees and large stipends to trustees. Unsurprisingly, US foundations are seen by some as an extension of America's banks, brokerage houses, law firms, businesses and elitist universities.

None of this is to suggest that philanthropy doesn't have a good side. Some great things have been achieved through private acts of charity and good. But it is vital in today's world of immense wealth and enduring poverty to question the mainstream portrayal of philanthropy as being entirely benign.

In 1916, the US Commission on Industrial Relations warned that foundations were a danger because they concentrated wealth and power in the service of an ideology which supported the interests of their capitalist benefactors (Howe 1980). In the US, some benefactors play an important role in supporting think-tanks that advocate cuts in public services for the poor while advancing the agenda of 'corporate welfare' and privatisation (Covington 1997). There have also been examples of philanthropy being used covertly to support and further US political, economic and corporate interests abroad (Smith 1999; Karl and Karl 1999; Colby and Dennett 1995).

Even foundations with an explicit social and liberal agenda often support actions and programmes that are conservative in nature and fail to serve the long-term interests of the poor. In some instances, foundations have acted to steer labour or social movements towards more conservative positions by, for example, paying the leaders of social movements to attend 'leadership training programmes' or enticing them into well-paid jobs within professionalised non-governmental organisations (Allen 2007; Hawk 2007).

By premissing social change and development upon charity and the benevolence of the wealthy, the energy required to mobilise political action to tackle the root, structural injustices within society is dampened (Ahn 2007). Instead of campaigning for land reform and land rights, for example, NGOs and charities are harnessed to ameliorate the living conditions of

slum dwellers whose land has been appropriated. Philanthropy can be a potent instrument for 'managing' the poor rather than empowering them. Few grants go to civil rights and social movements. Even fewer are given to programmes calling for a redistribution of wealth and land.

Robert Arnove (1980) charged that foundations can have

a corrosive influence on a democratic society; they represent relatively unregulated and unaccountable concentrations of power and wealth which buy talent, promote causes, and in effect, establish an agenda of what merits society's attention. They serve as 'cooling-out' agencies, delaying and preventing more radical, structural change. They help maintain an economic and political order, international in scope, which benefits the ruling-class interests of philanthropists.

The need for professionalised NGOs to compete for funding also promotes division and competition within civil society, while increasing the power of patronage of private funders.

So far as the Gates Foundation is concerned, most people believe that humanitarianism lies at the core of its work in global health. It is fundamentally a charitable organisation. But whether its work is based on a true commitment to equity and social justice is open to question.

Its motivations were called into question following two articles published in January 2007 in the *LA Times* on the investments of the Gates Foundation (Piller et al. 2007). The articles described how investments worth at least \$8.7 billion (excluding US and foreign government securities) were in companies whose activities were contrary to the Foundation's charitable goals.

Initially the Foundation reacted by saying that it was rethinking its investment policy (Heim 2007). However, it subsequently announced that there would be no changes to the Foundation's investment policy because it would have little impact on the problems identified by the *LA Times* (Gates Foundation 2008). The Foundation told GHW that it 'can do the most good for the most people through its grant-making, rather than through the investment of its endowment'. On its website,² the Foundation also notes that Bill and Melinda Gates have chosen not to 'rank' companies because 'there are dozens of factors that could be considered, almost all of which are outside the Foundation's areas of expertise'. The two exceptions to this rule are that the Foundation will not invest in tobacco, or in companies that represent a conflict of interest for Bill or Melinda.

Many people find the 'passive investor' stance of the Gates Foundation disappointing. Many other foundations (e.g. the Wellcome Trust), charities and individuals practise ethical and socially responsible investment and some even pursue a policy of active shareholder involvement. Why not the Gates Foundation?

TABLE DI.3.2 Twenty largest individual grants awarded by the Gates Foundation, 1999–2007

Grantee	Year	Total (\$ m)	Length (months)	Purpose
GAVI Alliance	1999	750	60	Purchase new vaccines
GAVI Alliance	2005	750	120	General operating support
Global Fund	2006	500	43	Support the Global Fund in its efforts to address HIV/AIDS, tuberculosis and malaria in low- and middle-income countries
Medicines for Malaria Venture	2005	137	60	Further develop and accelerate antimalarial discovery and development
PATH	2005	108	72	Clinical development of the RTSS malaria vaccine
University of Washington	2007	105	120	Create the Health Metrics Institute at the University of Washington
Global Alliance for TB Drug Development	2006	104	60	Decrease tuberculosis mortality by developing new anti-TB treatments
International AIDS Vaccine Initiative (IAVI)	2001	100	60	Accelerate the global effort to create and distribute AIDS vaccine via vaccine design studies, clinical infrastructure and non-human primate studies
Global Fund	2002	100	120	General operating support
PATH	2004	100	48	Support the continuation and expansion of the work of the Malaria Vaccine Initiative from 2004 through 2007
Aeras Global TB Vaccine Foundation	2004	82	60	Develop and license improved TB vaccine for use in high burden countries
PATH	2006	75	60	Support a portfolio of pneumococcal vaccine projects
PATH	2001	70	120	Support the elimination of epidemic meningitis in sub-Saharan Africa
University of Washington Foundation	2007	61	72	Conduct a placebo-controlled proof-of-concept Phase III trial of the safety and efficacy of TDF and FTC/TDF in reducing HIV acquisition among HIV-negative partners within heterosexual HIV-discordant couples

Grantee	Year	Total (\$ m)	Length (months)	Purpose
International Partnership for Microbicides	2003	60	60	Strengthen capacity in microbicide development
Save the Children Federation	2005	60	72	Test and evaluate newborn health care tools and technologies
University of Washington Foundation	2003	60	48	Facilitate multi-site study in Africa to assess the efficacy of acyclovir treatment on the transmission of HIV
Columbia University	2004	57	60	Reduce maternal deaths in developing countries by improving access to life-saving treatment for serious obstetric complications
Americans for UNFPA	2000	57	60	Reduce HIV/AIDS, STIs and unintended pregnancies by designing and implementing comprehensive, sustainable adolescent reproductive health programmes in Botswana, Ghana, Tanzania and Uganda
International Vaccine Institute	2002	55	72	Fund effective and affordable dengue vaccines for children in dengue-endemic areas

Source: Data from Gates Foundation website.

Overview of the Gates Foundation's global health grants

According to the Foundation's website, the majority of funding is provided for research in the areas of malaria, HIV/AIDS, immunisation, reproductive and maternal health, and other infectious diseases. The breakdown of funds (as published on the website) provided between late 1998 and March 2007 are as follows:

HIV, TB, and reproductive health	\$1,854,811,111
Infectious diseases	\$1,869,151,983
Global health strategies	\$2,874,141,716
Global health technologies	\$466,671,428
Research, advocacy and policy	\$766,612,229

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Based on data collated from its website, we calculated that the Foundation had awarded 977 grants for global health from January 1999 to December 2007. The cumulative total of these grants was US\$ 8.1 billion. Individual grant amounts vary considerably in size, ranging from \$3,500 to \$750 million. The twenty largest grants are shown in Table D1.3.2.

Grants are awarded for varying lengths of time, with some lasting for periods of less than a year, whilst others cover periods of up to eleven years. When grants are examined in terms of amounts per month, there is slight variation in the top ten grantees (see Table D1.3.3).

TABLE D1.3.3 **Top ten grantees in terms of amount/month**

Grantee	Year	\$/month	Purpose
GAVI Alliance	1999	12,500,000	Purchase new vaccines
Global Fund	2006	11,627,907	Support the Global Fund in its efforts to address HIV/AIDS, tuberculosis and malaria in low- and middle-income countries
GAVI Alliance	2005	6,250,000	General operating support
World Health Organization (WHO)	2006	3,314,493	Support the Global Polio Eradication Initiative in accelerating polio eradication in Nigeria and preventing international spread of wild poliovirus across west and central Africa
Medicines for Malaria Venture	2005	2,283,333	Further develop and accelerate antimalarial discovery and development projects
PATH	2004	2,083,333	Support the continuation and expansion of the work of the Malaria Vaccine Initiative 2004–07
WHO	2005	2,083,333	Support the initiative to eradicate the polio virus
Elizabeth Glaser Pediatrics AIDS Foundation	2007	1,944,201	Accelerate the development of a global paediatric HIV/AIDS vaccine through basic research and Phase I clinical trials
Global Alliance for TB Drug Development	2006	1,740,064	Decrease tuberculosis mortality by developing new anti-TB treatments
International AIDS Vaccine Initiative (IAVI)	2001	1,666,667	Accelerate the global effort to create and distribute AIDS vaccine via vaccine design studies, clinical infrastructure and non-human primate studies

Source: Data from Gates Foundation website.

TABLE D1.3.4 **Top ten favoured grantees based on cumulative total of grants, 1999–2007**

Grantee	Cumulative amount awarded
World Bank Group	134,486,883
Institute for One World Health	144,825,148
University of Washington	151,973,070
IAVI	153,780,244
Johns Hopkins University	192,320,238
Medicines for Malaria Venture	202,000,000
World Health Organization	336,877,670
Global Fund	651,047,850
PATH	824,092,352
GAVI	1,512,838,000

Source: Data from Gates Foundation website.

A number of grantees are strongly supported by the Gates Foundation. Table D1.3.4 lists the top ten grantees in terms of the cumulative amount received from the Gates Foundation.

Accountability, influence and domination

The Gates Foundation is governed by the Gates family. There is no board of trustees; nor any formal parliamentary or legislative scrutiny. There is no answerability to the governments of low-income countries, nor to the WHO. Little more than the court of public opinion exists to hold it accountable.

The experts interviewed by the GHW cited the lack of accountability and transparency as a major concern. According to one, ‘They dominate the global health agenda and there is a lack of accountability because they do not have to implement all the checks and balances of other organisations or the bilaterals.’ Another described how the Foundation operates like an agency of a government, but without the accountability.

In addition to the fundamental lack of democratic or public accountability, there was little in the way of accountability to global public health institutions or to other actors in the health field. The fact that the Gates Foundation is a funder *and* board member of the various new Global Health

Initiatives (e.g. the Global Fund; GAVI, Stop TB Partnership; and Roll Back Malaria) means that other global health actors are accountable to the Gates Foundation, but not the other way round.

When these concerns were put to the Foundation, their reply focused on programmatic transparency accountability: 'We take accountability very seriously, and one of our top priorities is to effectively monitor the impact of our grant-making. We require grantees to report on their progress against agreed-upon milestones, and we often support third-party evaluations of our grants.' They continue, 'We are working to improve and expand the information we make available to the public, which already includes a detailed overview of grant-making priorities, information on all grants to date, annual reports, third-party evaluations, and case studies of what we're learning.' They also explain that by funding groups such as the Health Metrics Network and the Institute for Health Metrics and Evaluation, the effectiveness of investments in global health, including their own, would become easier to measure.

The Gates Foundation website states: 'Once we've made a grant, we expect the grantee to measure the results. We require our grantees to carefully track and report on their work in the field. ... We seek to share evaluations in various forums, including by circulating them to our partners and posting them on our site.'

In reality, there is surprisingly little written about the pattern and effectiveness of grant-making by the Gates Foundation. Limited information is available on the Foundation's website. A Global Health Programme Fact Sheet and a Global Health Grantee Progress document provide minimal information about specific diseases and conditions, and identify some of the grantees who receive recurring funding for ongoing work. Annual reports with more detailed financial information are also available. But none of these documents provides comprehensive information, or any data or analysis about the outcome of completed grants and projects.

Several interviewees also felt that the way grant proposals are solicited, reviewed and funded is opaque. Many grants appear to be made on the basis of personal contacts and informal networking. While the Foundation has advisory committees consisting of external experts, there has been no critical evaluation of how they are constituted, to what extent they are free from the patronage of the Foundation, nor whether they represent an appropriate mix of views and expertise.

The absence of robust systems of accountability becomes particularly pertinent in light of the Foundation's extensive influence. As mentioned above, it has power over most of the major global health partnerships, as well as over the WHO, of which it is the third-equal biggest single funder.

Many global health research institutions and international health opinion-formers are recipients of Gates money. Through this system of patronage, the Foundation has become the dominant actor in setting the frames of reference for international health policy. It also funds media-related projects to encourage reporting on global health events.

According to one of our interviewees, a senior health policy officer from a large international NGO, the sphere of influence even encompasses bilateral donors:

You can't cough, scratch your head or sneeze in health without coming to the Gates Foundation. And the people at WHO seem to have gone crazy. It's 'yes sir', 'yes sir', to Gates on everything. I have been shocked at the way the bilateral donors have not questioned the involvement and influence of the Gates in the health sector.

The Foundation also funds and supports NGOs to lobby US and European governments to increase aid and support for global health initiatives, creating yet another lever of power and channel of influence with respect to governments. Recently, it announced a Ministerial Leadership Initiative aimed at funding technical assistance to developing-country ministries of health.

The extensive financial influence of the Foundation across such a wide spectrum of global health stakeholders would not necessarily be a problem if the Foundation was a passive funder. But it is not. It is an active funder. Very active and very involved, according to many people.

Not only is the Foundation a dominant actor within the global health landscape; it is said to be 'domineering' and 'controlling'. According to one interviewee, 'they monopolise agendas. And it is a vicious circle. The more they spend, the more people look to them for money and the more they dominate.' Interviewees also drew attention to similarities between Microsoft's tactics in the IT sector and the Foundation 'seeking to dominate' the health sector. In the words of one interviewee: 'They work on the premiss of divide and conquer. They negotiate separately with all of them.' Another interviewee warned of their 'stealth-like monopolisation of communications and advocacy'.

According to another interviewee, the Foundation has generated not just a technical approach, but also one that is elitist. Another interviewee described the Foundation as 'a bull in a china shop and not always aware of what has gone before – they have more to learn about learning'.

In February 2008, a senior official from a public agency broke cover. Arata Kochi, the head of the WHO's malaria programme, released a memorandum that he had written to his boss in 2007. According to the *New York Times*, which broke the story, Kochi complained that the growing

dominance of malaria research by the Gates Foundation was running the risk of stifling diversity of views among scientists and of wiping out the WHO's policymaking function (McNeil 2008).

While recognising the importance of the Foundation's money, Kochi argued that many of the world's leading malaria scientists are now 'locked up in a "cartel" with their own research funding being linked to those of others within the group'. According to Kochi, the Foundation's decision-making is 'a closed internal process, and as far as can be seen, accountable to none other than itself'. Others have also been critical of the 'group think' mentality among scientists and researchers that has been induced by the Foundation.

The concerns raised by Kochi's letter were felt by many others in October 2007 when, apparently without consultation with the WHO or any other international bodies or so-called partners, at a conference in Seattle, the Foundation launched a new campaign to eradicate malaria. Apart from the lack of consultation, what was astonishing about the announcement was that it took everyone, including the WHO and the Roll Back Malaria Initiative, completely by surprise. For many people, this was another example of the Foundation setting the global health agenda and making the international health community follow.

The Gates Foundation in the health sector

Venture philanthropy

Partnership with industry is an explicit and prominent part of the Gates Foundation's global health strategy. Many of its senior employees also come from the corporate world. Chief Executive Patty Stonesifer is former senior vice president at Microsoft. The head of the Global Health Programme, Tadataka Yamada, came from GlaxoSmithKline.

The Gates Foundation also appears to be favourably disposed to actors like the McKinsey consulting group, which are consequently carving out a more prominent role for themselves in international health and development. According to one interviewee, private-sector players like the Foundation instinctively turn to their own kind to produce research on health.

Unsurprisingly, the Foundation's approach to global health is business-oriented and industrial in its approach. Such an approach is in keeping with what has been called 'venture philanthropy', the charitable equivalent of venture capitalism whereby 'social investors' search for innovative charitable projects to fund (Economist 2006c). As with venture capitalists, there is a demand for a high 'return', but in the form of attributable and measurable social or health outcomes (Economist 2006d).

The Foundation's corporate background and its demand for demonstrable returns on its investment appear to have resulted in a bias towards bio-medical and technological solutions. In the words of one interviewee: 'The Gates Foundation is only interested in magic bullets – they came straight out and said this to me.' One analysis of the Foundation's research grants linked to child mortality in developing countries found a disproportionate allocation of funding towards the development of new technologies rather than to overcoming the barriers to the delivery and utilisation of existing technologies (Leroy et al. 2007). Another example of the Foundation's technological orientation is its 'Grand Challenges in Global Health' – an initiative designed to stimulate scientific researchers to develop new technological solutions for major health problems.

In a critique of the 'Grand Challenges', Birn (2005) argued that 'it is easy to be seduced by technical solutions and far harder to fathom the political and power structure changes needed to redistribute economic and social resources within and between societies and foster equitable distribution of integrated health-care services.' According to her, 'The longer we isolate public health's technical aspects from its political and social aspects, the longer technical inventions will squeeze out one side of the mortality balloon, only to find it inflated elsewhere.'

Health systems

Criticisms of the Foundation's technological and clinical focus would be tempered if more attention were paid to strengthening health systems, capacitating ministries of health to provide more effective stewardship and management, and tackling the market failures that are so prevalent in the mainly commercialised health systems of low-income countries.

However, going on past performance the Gates Foundation has not been interested in health systems strengthening and has rather competed with existing health services. One interviewee explains that the business model approach to health improvement is seen as distinct from 'development', which is the remit of official development assistance. Another said: 'the Gates Foundation did not want to hear about systems strengthening, they said that was for governments.'

Because results are more easily delivered through vertical and selective programmes, and more so through NGOs that can bypass national bureaucracies and integrated planning systems, the Foundation has been a significant reason for the proliferation of global public-private initiatives (GPPIs) and single-issue, disease-based vertical programmes, which has fragmented health systems and diverted resources away from the public sector.

Neither has there been great interest in health systems research. In the words of one interviewee: 'They are not yet ready to accept that health systems etc. are researchable questions. They do not see the importance of research in this area.' Another recounted: 'The issues we presented to the Gates Foundation were around health-system strengthening, demand and access. We had no magic bullets, but a lot of priorities around operational research – i.e. not technological research. The Gates Foundation said that we were not thinking big enough.'

However, there are signs that the Foundation is turning its attention to health systems strengthening. According to one interviewee, a senior health policy adviser at the Foundation confirmed that 'health systems' was a new area of work they want to expand into. Another sign is that the Foundation is a signatory of the International Health Partnership, which is designed to improve aid effectiveness in the health sector and help strengthen health systems through a country-driven process.

But what would the Foundation's interest in health systems mean in practice? How will it marry 'venture philanthropy' with health systems strengthening? Where does the Foundation stand on the issue of the balance between markets and plans, and between the public and the private? Will it allow itself to be subjected to more bottom-up priority-setting? Will it shift away from short-term results towards long-term development?

When GHW asked the Gates Foundation if it would ever consider helping to fund the recurrent salary costs of public-sector health workers, it avoided answering the question directly: 'This is an important issue and we are strongly committed to ensuring that trained health workers are in place in developing countries. We are exploring ways the Foundation can contribute to efforts to address this issue.' And when asked if it would put funds into budget support or a country-wide SWAp (sector-wide approach), the reply was similarly evasive: 'We're open to many approaches to improving global health. For example, the Malaria Control and Evaluation Partnership in Africa (MACEPA), a Foundation grantee that supports Zambia's national malaria control program, is integrated into that country's sector-wide approach to health care.'

However, it appears that the corporate, market-oriented instincts of the Foundation will be extended to the health sector. Various remarks made in private and public by Gates Foundation employees indicate a wish to expand the role of the private sector in delivering health care in low-income countries (for example, see Cerell 2007). Recently, the Foundation funded and worked with the International Finance Corporation (an arm of the World Bank) to explore ways to invest more in the private health sector in Africa (IFC 2007).

Too close to Pharma?

The ties between the Foundation and the pharmaceuticals industry, as well as its emphasis on medical technology, have led some health activists to question if the Foundation is converting global health problems into business opportunities. Others worry about the Foundation's position with regard to intellectual property (IP) rights and the effect this has on the price of essential medicines.

Microsoft played an important role in pushing through the TRIPS agreement, and, together with other corporations, it is still lobbying to strengthen IP rights even further. At the 2007 G8 meeting in Germany, for example, a joint letter from various corporations, including Microsoft, helped push through an agreement that higher levels of IP protection should be demanded in emerging economies, especially regarding the issuing of compulsory licences for the manufacture of medicines. Many NGOs were dismayed. Oxfam suggested this would 'worsen the health crisis in developing countries'; MSF said the decision would 'have a major negative impact on access to essential medicines in all developing countries and fails to promote health innovation where it is most needed' (MSF 2007).

When GHW questioned the Gates Foundation on the issue of IP, it replied that it was working to overcome market barriers to vital drugs and vaccines in the developing world, but in a manner that was consistent with international trade agreements and local laws. This is similar to the position of Big Pharma, which is either to leave alone or to strengthen IP rights, while encouraging a greater reliance on corporate social responsibility and public-private 'partnerships' to overcome market failures.

But it is not clear where the Gates Foundation stands on the TRIPS flexibilities designed to enable poor countries to avoid the barriers created by patents and monopolies. For example, when Tadataka Yamada was reported in *The Economist* as saying that compulsory licensing could prove 'lethal' for the pharmaceuticals industry, one would be forgiven for wondering if he was speaking as a former employee of GlaxoSmithKline (Economist 2007e). However, in September 2007, he appeared to endorse the use of compulsory licences and even criticised his former employers by saying: 'Pharma was an industry in which it was almost too easy to be successful. It was a license to print money. In a way, that is how it lost its way' (Bowe 2007).

When asked about the patents on medicines, vaccines or diagnostic tools that the Gates Foundation itself has helped to develop, the Foundation said: 'We work with our grantees to put in place Global Access Plans designed to ensure that any tool developed with Foundation funding be made accessible

at a reasonable cost in developing countries. We're employing a variety of approaches to help achieve that access, including innovative IP and licensing agreements.' However, whether Gates philanthropy will improve access to knowledge and technology, or buttress the trend towards the increasing privatisation of knowledge and technology, remains to be seen.

Final word

If 'global health' ten years ago was a moribund patient, the Gates Foundation today could be described as a transfusion of fresh blood that has helped revive the patient. The Gates Foundation has raised the profile of global health. It has helped prime the pipelines for new vaccines and medicines for neglected diseases. It is offering the prospect of the development of heat-stable vaccines for common childhood infections.

Bill Gates could have spent his money on art museums or vanity projects. He could have spent his money on cancer research, or on the development of space technology. He chose instead to tackle the diseases of the poor. He chose to go to Africa with much of his money.

The Foundation has also resisted the evangelical excesses of the Bush administration by, for example, supporting comprehensive sexual and reproductive health programmes. It has cajoled the pharmaceuticals corporate sector to become more responsible global actors. It has encouraged civic activism around the right to life-saving treatment. It has supported NGOs to pressure donor governments to live up to their aid commitments.

The Foundation has done much, and it will be doing even more as its level of spending sets to increase. But there are problems with what is happening. The Foundation is too dominant. It is unaccountable. It is not transparent. It is dangerously powerful and influential.

There are problems with the way global health problems are being framed. Technocratic solutions are important, but when divorced from the political economy of health they are dangerous. Public-private partnerships are potentially important, but unless the mandate, effectiveness and resource base of public institutions are strengthened, and unless there is much stronger regulation of the private sector (especially the giant multinationals), they can be harmful. Charity and philanthropy are good, but, unless combined with a fairer distribution of power and wealth, they can hinder what is just and right.

Similarly, the development of new technologies and commodities is positive but less so if the Foundation is not more supportive of the implementation by low- and middle-income countries of legitimate TRIPS flexibilities, such as compulsory licences.

The ability of individuals to amass so much private wealth should not be celebrated as a mark of brilliant business acumen, but seen as a failure of society to manage the economy fairly. Nothing is as disappointing as the Gates Foundation's insistence on continuing to act as a 'passive investor'. The reasons for *not* adopting an ethical investment strategy are unconvincing and reveal a double standard.

It is natural for he who pays the piper to call the tune. But other actors in the global landscape appear unable or unwilling to provide an adequate counterbalance to the influence of the Foundation. There is a profound degree of self-censorship. People appear scared to contradict the Foundation, even on technical, public health issues. This is not healthy. Joel Fleishman, author of *The Foundation*, argues that rather than accountability being a voluntary trait, foundations should be obliged to be accountable to the public (Fleishman 2007).

The Gates Foundation needs to consider its relationships with other actors. While it should preserve its catalytic, innovative and bold approach to global health, it needs to learn to know when it should follow and not lead. At the global level, the mandate and responsibility of organisations like the WHO must be strengthened, not weakened and undermined. And at the country level, while many low-income-country governments suffer from a real lack of capacity, the institution of government must be respected and strengthened.

There are concerns about the Foundation's rose-tinted perspective of the market and the simplistic translation of management practices from the commercial sector into the social and public sector of population health. For this reason, it could be argued that the Foundation should stay out of the business of strengthening health systems. It has neither the expertise nor the mandate to participate in this field of public policy. On the other hand, because the Foundation has a massive impact on health systems through its financing of GPPIs and its contribution to the dominance of a top-down, vertical approach to health-care delivery across the world, it should be involved. But it would then need to adopt a clearer, more evidence-based and responsible role towards national health systems.

One way forward suggested by several GHW interviewees was for the Foundation to support more people with experience of working in under-resourced health-care settings or with the understanding that health improvement is as much about facilitating appropriate social, institutional and political *processes* as it is about applying technocratic solutions.

Another way forward was for civil society to demand a comprehensive and independent evaluation of all its grantees and grants. In the absence of rigorous public debate and challenge from international health agencies

and public health experts, it may be necessary for civil society to take the lead in making demands for improved performance and more accountability from the Gates Foundation.

Notes

1. See www.foundationcenter.org.
2. See www.gatesfoundation.org/AboutUs/Announcements/Announce-070109.htm.

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