

# Foundations: Conflicts of interests and Democracy issues

<http://www.plosmedicine.org/article/info%3Adoi%2F10.1371%2Fjournal.pmed.1001020>

The article '*Global Health Philanthropy and Institutional Relationships: How Should Conflicts of Interest Be Addressed?*' published in Plos Medicine on the 14<sup>th</sup> of April on conflicts of interest in private philanthropic foundations addresses a realm of governance and transparency issues that has not received adequate attention in the global public health community.

The article notes that increasingly, private actors in the form of foundations take an important role in setting priorities and directing policy in public health. The Gates foundation as the prime example, with a budget exceeding that of the WHO, funds a huge component of the organisations engaged in global public health and medical innovation, as well as journalists, newspapers and the WHO itself. This gives them a huge agenda setting capacity, just as other foundations with impressive budgets like the Ford Foundation, the Kellogg Foundation, Rockefeller, although to a lesser degree.

The issue of conflicts of interests is well documented by the article, particularly for the Gates foundation, where there are some issues with stocks in pharmaceutical companies and coca cola, and board members or members of management committees with ties to interested corporate actors, including pharmaceutical companies. Although giving a wide-ranging overview of the conflict of interest issues, it does not mention the fact that at this time policy discussions around the current model of innovation and the patent system are paramount and many believe alternative models are necessary to structurally improve access to medicines. The Gates Foundation is obviously well positioned to influence this debate, but when taking in to account that the pharmaceutical companies the Gates Foundation has ties with might not see this as beneficial to their corporate interests one can see the obvious conflict of interest and its potential far reaching consequences. Furthermore, shifting away from intellectual property rights to incentivize innovation might not be obvious for a foundation who's fortune is based on those rights, although in another field, -software.

The conflicts of interest are very problematic and should be avoided and scrutinized, however, they do not so much constitute a shocking fact in itself, and some of them are arguably inevitable. What the article shows clearly is that what makes them so worrisome is the enormous influence these organisations have on communities and policy throughout the world, without a democratic feedback

system or 'checks and balances' in place. This is the larger political issue, the political economical situation that makes these conflicts of interest so very problematic. It relates to broader concerns that funding for global health has shifted from institutions accountable to a relatively broad constituency, such as the WHO, to those with limited accountability, such as the Gates Foundation.

The question is of course, how does the global community solve this? Could we say that the fact that an organisation or foundation has an unchallenged influence over issues that affects the well being of a community, establishes the duty for that organisation to include them in the decision making process? Or, the right to self determination establishes the claim by communities to be part of the decision making process in these foundations? The tax exemption argument in the article gives some sort of claim to society to claim to be involved: the foundations are tax exempt and the capital would have been taxed and redistributed by the government if not donated to philanthropic foundation. But this is more relevant for the principle that these foundations can not engage in activities that are to the advantage of corporate actors, which is in the US rules for tax-exempt regulations.

How do we implement checks and balances or democratic processes for private foundations? The authors of the article suggest that in order to align aid with community needs, " foundation investment and program portfolios should incorporate representation from the intended recipients of its support". Yet, how does this work in practice? Would it be similar to the European employee boards that have a role in the corporate governance of companies? Would the civil society that takes part be funded by Gates? And can we demand this, how do we force this on foundations? By moral pressure, international law, a UN resolution?

Of course, many will still be tempted by the arguments that these actors can spend their own money in whatever way they want too. This view probably enjoys sympathy especially in the US, where the idea that private actors have a huge role in shaping society in a rather unaccountable way is much more common than say, in Europe.

In any case, it seems reasonable to suggest that it is high time for the global public health community to think harder about governance structures that would provide these democratic mechanisms, and provide checks and balances for the foundations that rule our worlds.

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***HAI has researched how corporate support for patient organisations is associated with their positions in health policy. There is a conflict of interest between organisations' central goal of representing patients' needs and their secondary objective of securing funding from companies***

***who sell medicines or medical devices. Our concern is that corporate interests could override the patient voice in medicines policy debates. To read more about HAI Europe's research in this area, please visit:***  
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