GlobalResearch
Center for Research on Globalization

Philantrocapitalism: Gates, the World's Largest and Most Powerful Foundation

By Jacob Levich
Global Research, April 26, 2021
Rupe India

Region: USA
Theme: Global Economy, Science and Medicine

First published on May 22, 2014

"You're trying to find the places where the money will have the most leverage, how you can save the most lives for the dollar, so to speak," Pelley remarked. *"Right. And transform the societies,"* Gates replied.[1]

In 2009 the self-designated "Good Club" – a gathering of the world's wealthiest people whose collective net worth then totaled some $125 billion – met behind closed doors in New York City to discuss a coordinated response to threats posed by the global financial crisis. Led by Bill Gates, Warren Buffett, and David Rockefeller, the group resolved to find new ways of addressing sources of discontent in the developing world, in particular "overpopulation" and infectious diseases.[2] The billionaires in attendance committed to massive spending in areas of interest to themselves, heedless of the priorities of national governments and existing aid organizations.[3]

Details of the secret summit were leaked to the press and hailed as a turning point for Big Philanthropy. Traditional bureaucratic foundations like Ford, Rockefeller, and Carnegie were said to be giving way to "philanthrocapitalism," a muscular new approach to charity in which the presumed entrepreneurial skills of billionaires would be applied directly to the world's most pressing challenges:

> Today's philanthrocapitalists see a world full of big problems that they, and perhaps only they, can and must put right. … Their philanthropy is "strategic," "market conscious," "impact oriented," "knowledge based," often "high engagement," and always driven by the goal of maximizing the "leverage" of the donor's money. … [P]hilanthrocapitalists are increasingly trying to find ways of harnessing the profit motive to achieve social good.[4]

Wielding "huge power that could reshape nations according to their will,"[5] billionaire donors would now openly embrace not only the market-based theory, but also the practices and organizational norms, of corporate capitalism. Yet the overall thrust of their charitable interventions would remain consistent with longstanding traditions of Big Philanthropy, as discussed below:

The World's Largest Private Foundation

“A new form of multilateral organization”

The most prominent of the philanthrocapitalists is Bill Gates, co-founder of Microsoft Corp. and as of this writing the richest man in the world. (Despite the carefully cultivated impression that Gates is “giving away” his fortune to charity, his estimated net worth has increased every year since 2009 and now amounts to $72 billion. [6]) Gates owes his fortune not to making technological contributions but to acquiring and enforcing a fabulously lucrative monopoly in computer operating systems:

> Microsoft’s greatest strength has always been its monopoly position in the PC chain. Its exclusionary licensing agreement with PC manufacturers mandated a payment for an MS-DOS license whether or not a Microsoft operating system was used. … By the time the company settled with the Justice Department in 1994 over this illegal arrangement, Microsoft had garnered a dominant market share of all operating systems sold.[7]

Microsoft employs the standard repertoire of business strategies in defense of its monopoly power – preferential pricing, lawsuits, acquisitions of competitors, lobbying for patent protection – but relies ultimately, like other US-based monopolies, on the dominant position of the US worldwide. As former US Secretary of Defense William Cohen observed in 1999, “the prosperity that companies like Microsoft now enjoy could not occur without having the strong military that we have.”[8]

Gates remains chairman of Microsoft but now devotes the bulk of his time to running The Bill and Melinda Gates Foundation (BMGF), the largest private foundation in the world and easily the most powerful. With an endowment of $38 billion, BMGF dwarfs once-dominant players such as Ford ($10 billion), Rockefeller ($3 billion), and Carnegie ($2.7 billion).[9] These elite charitable funds are attractive to the super-rich not only as alternative channels of influencing policy, but also as a legal means of tax avoidance. Under US law, investments in charitable foundations are tax-free; moreover, investors are not required to sell their stock positions and may continue to vote their shares without restriction.[10] By sheltering foundations, the US Treasury effectively co-finances the activities of BMGF and its investors, supplying a substantial part of the “leverage” lauded above.

Even in a field dominated by the world’s richest, the Gates Foundation has acquired a reputation for exceptional high-handedness. It is “driven by the interests and passions of the Gates family,” evasive about its financials, and accountable to no one except its founder, who “shapes and approves foundation strategies, advocates for the foundation’s issues, and sets the organization’s overall direction.”[11]

Gates’ approach to charity is presumably rooted in his attitude toward democracy:

> The closer you get to [Government] and see how the sausage is made, the more you go, oh my God! These guys don’t even actually know the budget. … The idea that all these people are going to vote and have an opinion about subjects that are increasingly complex – where what seems, you might think … the easy answer [is] not the real answer. It’s a very interesting problem. Do democracies faced with these current problems do these things well?[12]

The Gates charitable empire is vast and growing. Within the US, BMGF focuses primarily on "education reform," providing support for efforts to privatize public schools and subordinate teachers' unions. Its much larger international divisions target the developing world and are geared toward infectious diseases, agricultural policy, reproductive health, and population control. In 2009 alone, BMGF spent more than $1.8 billion on global health projects.[13]

The Gates Foundation exercises power not only via its own spending, but more broadly through an elaborate network of "partner organizations" including non-profits, government agencies, and private corporations. As the third largest donor to the UN's World Health Organization (WHO), it is a dominant player in the formation of global health policy.[14] It orchestrates vast elaborate public-private partnerships – charitable salmagundis that tend to blur distinctions between states, which are at least theoretically accountable to citizens, and profit-seeking businesses that are accountable only to their shareholders. For example, a 2012 initiative aimed at combatting neglected tropical diseases listed among its affiliates USAID, the World Bank, the governments of Brazil, Bangladesh, UAE et al., and a consortium of 13 drug firms comprising the most notorious powers in Big Pharma, including Merck, GlaxoSmithKline, and Pfizer.[15]

BMGF is the prime mover behind prominent "multi-stakeholder initiatives" such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the GAVI Alliance (a "public-private partnership" between the World Health Organization and the vaccine industry). Such arrangements allow BMGF to leverage its stake in allied enterprises, much as private businesses enhance power and profits through strategic investment schemes. The Foundation also intervenes directly in the agendas and activities of national governments, ranging from its financing of the development of municipal infrastructure in Uganda,[16] to its recently announced collaboration with the Indian Ministry of Science to "Reinvent the Toilet."[17] At the same time the Foundation supports NGOs that lobby governments to increase spending on the initiatives it sponsors.[18]

The Gates operation resembles nothing so much as a massive, vertically integrated multinational corporation (MNC), controlling every step in a supply chain that reaches from its Seattle-based boardroom, through various stages of procurement, production, and distribution, to millions of nameless, impoverished "end-users" in the villages of Africa and South Asia.

Emulating his own strategies for cornering the software market, Gates has created a virtual monopoly in the field of public health. In the words of one NGO official, "[y]ou can't cough, scratch your head or sneeze in health without coming to the Gates Foundation."[19] The Foundation's global influence is now so great that former CEO Jeff Raikes was obliged to declare: "We are not replacing the UN. But some people would say we're a new form of multilateral organization."[20]

Notes:

1. "The Gates Foundation: Giving Away a Fortune," CBS 60 Minutes, Sept. 30, 2010, http://www.cbsnews.com/news/the-gates-foundation-giving-away-a-fortune/3/. (back)

2. Paul Harris, “They’re Called The Good Club – And They Want to Save the World,” Guardian, May 30, 2009, http://www.theguardian.com/world/2009/may/31/new-york-billionaire-philanthropists. (back)

3. Andrew Clark, “US Billionaires Club Together,” Guardian, Aug. 4, 2010, http://www.theguardian.com/technology/2010/aug/04/us-billionaires-half-fortune-gates. (back)

4. Matthew Bishop and Michael Green, Philanthrocapitalism: How Giving Can Save the World (2008), pp. 3, 6. (back)

5. Harris, op cit. (back)

6. “Bill Gates,” Forbes.com, Sept. 2013, http://www.forbes.com/profile/bill-gates/. (back)

7. Barry Ritholtz, “What’s Behind Microsoft’s Fall from Dominance,” Washington Post, Sept. 26, 2013, http://www.washingtonpost.com/business/whats-behind-microsofts-fall-from-dominance/2013/09/05/b0e5e91e-157b-11e3-804b-d3a1a3a18f2c_story_1.html. (back)

8. Quoted in Michael Perelman, “The Political Economy of Intellectual Property,” Monthly Review, vol. 54, no. 8, January, 2003, http://monthlyreview.org/2003/01/01/the-political-economy-of-intellectual-property. (back)

9. The Foundation Center, Top Funders, http://foundationcenter.org/findfunders/topfunders/top100assets.html. (back)

10. Sheldon Drobny, “The Gates and Buffett Foundation Shell Game,” CommonDreams.org, April 26, 2006, http://www.commondreams.org/views06/0823-26.htm. (back)

11. BMGF website, http://www.gatesfoundation.org/Who-We-Are/General-Information/Leadership/Management-Committee. (back)

12. Richard Waters, “An exclusive interview with Bill Gates,” Financial Times, Nov. 1, 2013, http://www.ft.com/intl/cms/s/2/dacd1f84-41bf-11e3-b064-00144feabdc0.html#axzz2q0sgejl. (back)

13. Noel Salazar, “Top 10 philanthropic foundations: A primer,” Devex, Aug. 1, 2011, https://www.devex.com/en/news/top-10-philanthropic-foundations-what-you-need-to/75508. (back)

14. Global Health Watch, Global Health Watch 2: An Alternative World Health Report, 2008, p. 250, http://www.ghwatch.org/sites/www.ghwatch.org/files/ghw2.pdf. In a 2008 memo leaked to the press, Arata Kochi, chief of the malaria program at the World Health Organization, charged that “the growing dominance of malaria research by the Bill and Melinda Gates Foundation risks stifling a diversity of views among scientists and wiping out the health agency’s policy-making function.” Donald G. McNeil Jr., “WHO official complains about Gates Foundation’s dominance in malaria fight,” NY Times, Nov. 7, 2008, http://www.nytimes.com/2008/02/17/world/americas/17iht-gates.4.10120087.html. (back)

15. “Private and Public Partners Unite to Combat 10 Neglected Tropical Diseases by 2020,” BMGF press release, Jan. 2012, http://www.gatesfoundation.org/media-center/press-releases/2012/01/private-and-public-partners-unite-to-combat-10-neglected-tropical-diseases-by-2020. (back)

16. Grant to Ministry of Lands, Housing and Urban Development; Government of Uganda, July, 2012, http://www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database/Grants/2012/07/OPP1053920 . (back)

17. "The Next Grand Challenge in India: Reinvent the Toilet," BMGF press release, Oct. 2013, http://www.gatesfoundation.org/Media-Center/Press-Releases/2013/10/The-Next-Grand-Challenge-in-India. The Foundation also feels free to "sit down with the Pakistan government" to demand security measures in support of its operations. See Neil Tweedie, "Bill Gates Interview: I Have No Use for Money. This is God's Work," The Telegraph, Jan. 18, 2013, http://www.telegraph.co.uk/technology/bill-gates/9812672/Bill-Gates-interview-I-have-no-use-for-money.-This-is-Gods-work.html. (back)

18. Global Health Watch, op. cit., p. 251. (back)

19. Ibid. (back)

20. Gabrielle Pickard, "Will Gates Foundation Replace the UN?" UN Post, 2010, http://www.unpost.org/will-gates-foundation-replace-the-un/#ixzz2pjv08DJr. (back)

Jacob Levich, jlevich@earthlink.net, has written on imperialist military strategy for Aspects No. 42. He lives in New York City and tweets as @cordeliers. (back)

The original source of this article is Rupe India
Copyright © Jacob Levich, Rupe India, 2021

Comment on Global Research Articles on our Facebook page

Become a Member of Global Research

Articles by: Jacob Levich

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca