

Corporate links of global health foundations may conflict with philanthropic interest

April 12 2011

Major philanthropic foundations in global health, which often influence and shape the international global health agenda, have links with food and pharmaceutical corporations that could constitute a conflict of interest to the foundations' philanthropic work, reveals a new analysis published in this week's *PLoS Medicine*.

Professor David Stuckler of Harvard University in Boston, USA, Dr. Sanjay Basu of University of California, San Francisco, and Professor Martin McKee of London School of Hygiene & Tropical Medicine in London United Kingdom, examined the five largest US private/family foundations in [global health](#)—Bill & Melinda Gates Foundation, Ford Foundation, W. K. Kellogg Foundation, Robert Wood Johnson Foundation, and Rockefeller Foundation, that together have an annual revenue in excess of US\$7 billion—and find that these Foundations, which are exempt from paying taxes according to US law, have links with and investments in private food and pharmaceutical companies that may benefit from foundation grants.

The authors also found that in some instances foundation board members sat on the boards of corporations that also may benefit from their grants and vice versa—that is, foundation grants are sometimes associated with companies represented on the foundations' board and are among its investments and partnerships.

The authors drew upon the definition of conflicts of interest used by the World Health Organization (WHO) in their Roll Back Malaria (RBM)

Partnership that says a [conflict of interest](#) "can occur when a Partner's ability to exercise judgment in one role is impaired by his or her obligations in another role or by the existence of competing interests. Such situations create a risk of a tendency towards bias in favor of one interest over another or that the individual would not fulfill his or her duties impartially and in the best interest of the RBM Partnership. A conflict of interest may exist even if no unethical or improper act results from it. It can create an appearance of impropriety that can undermine confidence in the individual, his/her constituency or organization. Both actual and perceived conflicts of interest can undermine the reputation and work of the Partnership."

The authors investigated potential conflicts of interest that may arise in relation to the foundations' overall activities and investments by analyzing publicly available endowment disclosures with the US Internal Revenue Service and stock holdings information from the US Securities and Exchange Commission. They also examined potential conflicts of interest of individual foundation employees.

Using this method, the authors found that all five Foundations had endowment investments in pharmaceutical and food companies (such as Kraft and Coca-Cola) while some had directly or indirectly invested in tobacco corporations.

The authors say "a private foundation clearly has the legal right to spend money however it wishes within the limits of the law."

They continue: "Yet, in an environment where private foundations influence the future direction of, for example, what programs will be introduced into a foreign community, in a manner that does not necessarily involve directorship or voting from the community- members themselves, it is reasonable to subject the decision-making processes of these entities to public debate, especially if these funds were to have

otherwise been collected for public redistribution through federal taxation."

More information: Stuckler D, Basu S, McKee M (2011) Global Health Philanthropy and Institutional Relationships: How Should Conflicts of Interest Be Addressed? PLoS Med 8(4): e1001020.
[doi:10.1371/journal.pmed.1001020](https://doi.org/10.1371/journal.pmed.1001020)

Provided by Public Library of Science

Citation: Corporate links of global health foundations may conflict with philanthropic interest (2011, April 12) retrieved 10 April 2024 from
<https://medicalxpress.com/news/2011-04-corporate-links-global-health-foundations.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--