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Large private Foundations: the lost opportunity of the Gates Foundation

Since the beginning of the 20th Century, a number of private foundations have been created that have been active in the area of development. In the US, the oldest foundation, the [Rockefeller Foundation](#) (created more than 100 years ago, assets of \$3.7 billion) is involved in areas of food security, gender equity and fisheries among others and has had a long lasting programme of fellowships funding foreign students from a large number of countries. Several other philanthropic Foundations have been actively present in the field like:

- The [Ford Foundation](#) (created in 1936 for scientific, educational and charitable purposes, assets: \$11 billion) aims at helping to solve humankind's most pressing problems, whatever they might be, and promoting freedom and democracy through 10 regional offices around the world and support programs in more than 50 countries.
- The [Kellogg Foundation](#) (created in 1930, assets: \$8 billion) with programmes mostly in Mexico, Haiti, northeastern Brazil and southern Africa.

But there are many more US foundations of various sizes and importance active in various development-related fields.

In Europe, German political foundations have been active particularly in the area of democracy, governance and international relations, such as:

- [Friedrich Ebert Foundation](#), linked to the social-democrats, created in 1925, banned by the Nazis and relaunched after the war,
- [Friedrich Naumann Foundation](#), linked to the liberals, created in 1958
- [Konrad Adenauer Foundation](#), linked to the christian-democrats, created in 1955
- [Heinrich Böll Foundation](#), linked to the greens, created in 1986.

Similar development-oriented philanthropic foundations have also been created in several other countries, including “developing countries”. And many other well-intended “development” initiatives have been blooming over the years, often supported by artists or celebrities, with various level of success or disaster. Some have even wondered whether ‘[big ideas are destroying international development](#)’? [read the recent [New Republic article](#)]

But by far the largest and more influential foundation has been the [Bill and Melinda Gates Foundation](#), created in 2000, with an estimated value of assets of US\$37 billion. The foundation, of which Warren Buffet is also a trustee, aims at reducing poverty and improving health. It spends most of its resources on health, although agriculture has become a major area of activities, particularly through the launching in 2006 of the Alliance for a Green Revolution in Africa (AGRA) and the provision of large grants to the CGIAR research centres.



A recent study by [GRAIN](#) on how the Gates Foundation spends its money strongly criticised its action in the areas of agriculture. With more than \$3 billion spent on agriculture, “*the Gates Foundation has emerged as one of the world's major donors to agricultural research and development*”: it currently spends more than \$500 million every year in this area, its focus being mostly Africa (FAO, the UN’s specialised agency for food and agriculture spends about \$1 billion per year for its activities world wide). Through its programmes, the Foundation has developed a strong influence on the agricultural research and development agenda. Gates has also used this power to multiply statements on the combat against poverty reduction and for agricultural development which have attracted a lot of controversy.

Indeed, the Foundation has been promoting the industrial agriculture model and is closely collaborating with major multinationals such as Monsanto [\[read\]](#), encouraging governments to pass new seed laws in favour of private seed companies and promoting increasingly the use of GMOs.

Through an analysis of publicly available financial data on the Foundation’s for the 2003-2013 period, GRAIN has been able to establish that the Foundation:

- *‘fights hunger in the South by giving money to the North’*
Most of the money provided goes to the US (\$880 million), followed by the UK (\$158 million) and Germany (\$115 million). Africa only gets around \$160 million, India \$41 million, China \$37 million.
- *‘gives to scientists, not farmers’*
\$720 million to the CGIAR centres, \$680 million to universities and national research centres (more than 75% of which in the US and Europe). It does not fund programmes supporting research conducted by farmers. This illustrates a highly centralised top-down approach to technological development characteristic of the Green Revolution period.
- *‘buys political influence’*
By supporting AGRA, private dealers of agrochemicals and seeds, and the African Agricultural Technology Foundation which lobbies for hybrid seeds and GMOs, as well as several US universities which lobby for policy changes in the

seed sector in favour of GMOs, the Foundation seeks to influence policies in Africa.

Foundation resources also went to companies like Coca Cola, McDonald, Pepsico, Burger King and KFC as well as Walmart.

The GRAIN study triggered a strong reaction from the Foundation that argued that the report was “*deliberately misleading*”, as it rests on the wrong assumption that “*that only organisations located in Africa can benefit African farmers*”. The Foundation also added that it “*invests directly*” in the capacity of governments in Africa to design and implement their own agricultural strategies, and that it collaborates with other donors with the view to “*make life easier and better for farmers by making farms more productive and sustainable*” [[read](#)].

This debate raises some very relevant questions for which answers are not as clear cut as GRAIN's study would suggest. Where? To whom? And for what purpose should resources be mobilised to help solving the hunger problem?

At hungerexplained.org, we have argued that the resolution of the hunger issue should be based on the application of [seven principles](#), at least two of which fall within purview of Gates Foundation activities: [development of research](#) and [recasting policies and institutions](#). While [organising and empowering the hungry](#), and [providing food for the undernourished](#), are clearly domains for which resources needed should overwhelmingly be spent where the hungry are - although procurement for food in some extreme cases may require spending money in those parts of the world where there is plenty of food and few undernourished people, and some limited money may be needed to mobilise limited external expertise to implement both of these principles - the [battle against wastage and losses](#) and for the [recognition and respect of rights](#) would need a substantial share of resources to be spent in rich countries and to influence global fora. The same applies for [recasting global and local policies and institutions](#) and to a more limited extent to activities for [protecting local agricultural systems](#). In the case of [research](#), given that more accessible and environment-friendly agricultural technologies are necessarily very location-specific, one would expect that a large share of resources need to be spent locally in those countries where specific technologies are to be developed. But some of these locally spent resources could be channelled through CGIAR centres or international organisations and used in collaboration with local organisations.

In other words, the main weakness of the Gates Foundation action may not be where and to whom resources are given - although the imbalances identified by GRAIN seem highly excessive - but rather in the solution it is promoting to resolve the hunger problem: one that is solely of increasing production - availability of food -, when it has now been well recognised for several decades that hunger is essentially a problem of access to food by those who are undernourished, i.e. of their insufficient capacity to produce adequate food or earn the income required to purchase it. The technical solutions proposed by the Foundation - old recipes of the Green Revolution tinted with biotechnology and GMOs that are also promoted by the closely related [Africa Progress Panel](#) chaired by Koffi Annan former UN Secretary-General and former Chair of AGRA - clearly are neither sustainable nor accessible for the target population of any hunger eradication programme, but rather constitute a last effort to provide an expanded market to large agrochemical and seed companies that are now starting to understand that the world is changing (see for example new research activities of Monsanto on [microbials](#)).

It is to be regretted that when the richest people on earth group their resources to tackle what is one of the most unacceptable man-made problem faced by humanity - hunger -, they cannot do it free from business interests. It is also to be regretted that they do not try to implement a coherent package of activities that are likely to achieve their stated objective in full independence.

This raises the issue of global governance: in a global world where the economy is increasingly transnational, it should not be possible for large companies to easily escape taxation and recycle part of their huge untaxed profits for what is presented - wrongly - as philanthropic activities. It is as yet utopia, but what would be required is a global tax system that mobilises resources to tackle effectively global issues arising from the way our economy functions, transforming it in the process: hunger, climate change, natural resources-induced conflicts, etc.

Someone once made a comment on what a real philanthropist should be: a person who helps in a disinterested way and who does not use the fact that he/she helps in order to gain any type of prestige or influence. A comment to be meditated by many of those who pretend to be philanthropists!

Further readings:

- [How does the Gates Foundation spend its money to feed the world?](#)
- [Green revolution in Africa: more improved seeds for the continent](#)
- [The Africa Progress Panel proposes more of the same old recipes to tackle hunger and poverty in Africa](#)
- [Two approaches to agricultural development in Africa.](#)