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‘The 800 pound gorilla’: The Bill & Melinda Gates Foundation, the GAVI Alliance and philanthropy in international public policy

Michael Moran
PhD Candidate
University of Melbourne


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Introduction
The July 2006 announcement by investor Warren Buffett that he was to donate the vast bulk of his assets, primarily held in Berkshire Hathaway equities, to the foundation of the world’s richest man, Bill Gates, was met with widespread acclaim in the world’s media, by business and political leaders, and sections of the global development community. However while this marked a (contemporary) watershed in philanthropic giving it also highlighted an enduring oversight in international relations (IR) scholarship, namely a relative paucity of analysis of philanthropic foundations.¹ While some media commentators appear to have overstated the importance of the Gates/Buffett partnership, particularly in the immediate aftermath of the announcement, it nonetheless holds significance not least because of the size of the combined endowment ($60 billion) and the volume of anticipated annual grants ($3 billion) (Okie 2006, 1084). The Gates Foundation’s annual outlays now surpass, or are equal to, the Official Development Assistance (ODA) transfers of ten of the twenty-two OECD Development Assistance Committee (DAC) members, and all non-DAC OECD states (DAC 2007). When debt relief is removed from the dataset, and the anticipated rise that will gradually follow the Buffett ‘gift’ is factored in, the Foundation climbs the league table considerably and emerges as one of the most significant contributors of development assistance² via a combination of direct grants to, and partnerships with, a range of international organisations (IOs), research institutes and non-governmental organisations (NGOs).

This paper will argue that while states, IOs and international NGOs undoubtedly remain the most important development actors – as evidenced by their dominance of development finance and service delivery – the up-scaling in philanthropic funding that has occurred among United States (US) foundations (and transnational corporations) is altering the aid policy-making environment, primarily as a product of these agent’s preference for multi-sectoral partnerships. Ultimately this has contributed to the diffusion of market norms and principles, while also reinforcing the historical trend that US based philanthropic foundations are important agents in world politics. This can be attributed to a broad array of trends and has a number of implications. First, the rise of ‘corporate social responsibility’ (CSR) has seen a range of private actors engage in practices previously considered the domain of the state such as rule-making, service-delivery and the

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¹ This paper is part of wider PhD research that examines the role of philanthropic foundations in facilitating international development partnerships using cases selected from health, agriculture and the environment. The programmes and partnerships of five US-based philanthropic foundations including the Ford Foundation, the Rockefeller Foundation, the Gates Foundation, the Clinton Foundation and the Soros Foundation comprise the empirical aspects of this project. For further information, or correspondence with the author, contact moranm@unimelb.edu.au.

² The Gates Foundation’s total grant payments in 2007 were $2.007 billion (Gates Foundation 2008). It is anticipated that the Foundation will gradually increase its outlays to “about $3 billion” (Okie 2006). This will place the Foundation above Australia, Austria, Belgium, Denmark, Finland, Greece, Ireland, Luxembourg, New Zealand, Norway, Portugal and Switzerland based on 2006 Final ODA Flows (DAC 2007). When debt relief grants are removed from the dataset the Foundation’s outlays fall just short of Canada’s ($3.24 billion) and Spain’s ($3.313 billion) but exceed Italy’s ($2.045 billion) (DAC 2007) leaving just OECD G7 members (minus Canada) plus ODA leaders the Netherlands and Sweden with a larger ODA budget.
formation of partnerships where on occasion they remain on an equal footing with states, and those delegated responsibility by states, such as IOs. This has been coupled with both an increase in overall private sector finance for development and the partial absorption of non-state agents in decision-making processes at the multilateral level. Second, emergent forms of philanthropy cognisant with private sector approaches such as venture philanthropy and social entrepreneurship have come to increasingly dominate both discourse and practice in the sector. This has led to significant innovations, while also contributing to a conceptual shift from a charitable communitarianism toward a mercantile individualism which shapes the way, and to whom, grants are distributed. Third, large-scale foundations, such as the Gates Foundation, continue to preference and channel resources through Northern NGOs, bilateral aid programmes, multistakeholder initiatives (particularly public-private partnerships), and IOs, often at the expense of direct grants to developing states. While this is no doubt a reflection of the perception held by foundation boards that these are efficient vehicles and institutions, it nonetheless serves to reinforce the dominance of Northern actors in international development. Finally an increasing number of public and private sector elites appear to share a ‘globalist’ normative worldview (Muraskin 2004) whereby transnational problems are seen as both beyond (inter)state capabilities and a threat to the burgeoning system of global capitalism. It is therefore presumed that this warrants more active collaborative interventions which harness private sector techniques and utilise existing (transnational) networks to tackle complex global problems such as HIV/AIDS, climate change and democratisation.

These trends hold implications for global governance and conceptions of foundations in IR theory and can be seen as consistent with other trends in developed countries where multi-stakeholder action has emerged as a public policy norm, particularly in Anglo-American economies where new public management (NPM) and successor forms of moderated neo-liberalism such as networked governance have partially taken hold. Nonetheless this paper rejects traditional pluralist arguments that philanthropic foundations remain benign agents of liberal norms and some Gramscian interpretations that they are ‘sinister’ facilitators of cultural hegemony. Instead it is asserted that while a degree of (class) self-interest fuels foundation social investments – an idea implicitly and explicitly shared by both schools – alternative theoretical perspectives may perhaps more accurately elucidate the complexity of foundation influence. This paper seeks to bridge the gap between the rationalist (liberal) and reflectivist (critical) paradigms by combining elements of critical IR theories with more policy-oriented networked governance approaches drawn from the domestic policy sciences. It is hoped that this will help explain how foundations

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3 It is recognised that in corporatist states, such as those in Western Europe, multi-sectoral deliberation has historically been a key feature of governance. What distinguishes contemporary networked governance from corporatism is the strong feature of individualism, market-orientation and emphasis on policy implementation (i.e. partnerships) as opposed to outcomes (i.e. bargaining).
influence the global governance system, while situating them more clearly in international policy-making via a case study of the Gates Foundation’s work in financing and supporting the GAVI Alliance – a global health PPP which seeks to provide greater access to immunisations for low and lower-middle income countries (LMICs). This PPP has received commitments totalling US$1.5 billion from the Gates Foundation and has been described as one of the most ambitious efforts to disseminate vaccines to marginalised communities, while operating within a hybrid-governance structure which draws together actors from the public, private and non-profit sectors. In doing so, it is one of the most visible expressions of the priorities the new philanthropists, while continuing the trend pioneered by other liberal foundations (e.g. Rockefeller Foundation, Ford Foundation) that have historically undertaken technical health interventions in the developing world.

This paper is organised in two parts. The first part examines the treatment of foundations in political science literature and theory, examining the traditional liberal and critical approaches and then reading this against that literature on global governance which has concerned itself with augmented private authority. It does so within the context of the proliferation in technology based foundations, which occurred in the late 1990s and early 2000s, which produced a new generation of social entrepreneurs. These agents have attempted to apply private-sector techniques to global problems, usually in tandem with a range of NGOs and IOs or in partnership via instruments such as PPPs. It is suggested that, while Gramscian analysis offers a useful lens through which one can examine foundation purpose, influence is best explained via a combination critical and rationalist theories. The second part begins by providing some context to the vaccine access problem, examining past collaborative efforts while highlighting the key drivers that led to the establishment of the GAVI Alliance. It then outlines the Gates Foundation's integral role in facilitating GAVI that signalled the emergence of a powerful new development actor on the world stage, after which, a brief analysis of the GAVI Alliance is undertaken. Finally I examine the implications of the Gates/GAVI relationship in an attempt to partially trace the sources of market norms, while more broadly situating foundations in contemporary international public policy.

**Perspectives on philanthropic foundations in (international) politics:**

With few exceptions IR scholars have tended to shy away from examining philanthropic foundations as discrete actors in world politics. Foundations have tended to be categorised alongside other civic agents such as NGOs, and therefore treated as such within the broader liberal institutionalist or constructivist literature (cf. Scholte 2002), or branded as creatures of corporate power, and analysed through a Gramscian lens (cf. Arnowe 1980; Utting 2005). However while to some extent philanthropic foundations do fit within a generalised social actor
typology, they also occupy a space that sits awkwardly between not-for-profit and market, and can arguably be labelled “private actors” (Bull and McNeill 2007). In addition, while they may act as crude agents of dominant classes – after all as Crocker (cited in Berndtson 2007, 581) notes “[w]e could hardly expect large private fortunes to be donated in ways that are socially redistributive and politically transforming” – it is nonetheless improbable, as those such as Arnove and Pinede (2007) would have us believe, that liberal foundations consciously set-out to maintain structural inequities inherent in the international system. I will now briefly outline these two perspectives and examine this against the literature on private governance.

The pluralist and Gramscian schools

The first serious treatment of foundations as “transnational actors” occurred relatively early on in the debates regarding transnational relations, non-state actors and interdependence. Writing in the influential journal *International Organization*, Bell (1971), noted that the Ford Foundation displayed many of the features of a transnational actor. Worthy of scholarship Bell contended, foundations were important “not only because of the direct outcome of their grants but also because of their direct and indirect influence on other actors in world politics” (Bell 1971, 466). His insights, appearing as they did at a crucial time in the evolution of the study of IOs, acted as a primer to foundation studies and appear to be the first instance where they began to infiltrate the sub-discipline of international political economy.

However despite this early promising foray foundations retreated from theoretical interest and have largely remained the preserve of historians, public health scholars and sociologists. There are two reasons for this. First, research on foundations has historically focussed on domestic activities and the role of foundations in influencing domestic policy outcomes. Foundations have historically channelled the bulk of their resources towards addressing domestic social problems which has naturally led to scholarship with a localised or inward orientation. Second, that research which has focussed on the international dimensions of philanthropy has tended to be directed at the role of foundations in fostering “international knowledge networks” (Parmar 2002), viewing these agents as an extension of a broader US hegemonic project. From this perspective much post-war philanthropy sought not to advance “liberal internationalism” but rather to disseminate “pro-US values, methods and research institutions” in an attempt to remake the Third

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4 This trend has been reinforced by the prominent role that foundations have played in nurturing social science research through grants, think-tanks and the establishment of universities in the US (cf. Carnegie Mellon University, Johns Hopkins University, University of Chicago), and to lesser extent, abroad (cf. Central European University). In contrast to other Anglo-American societies, such as Britain, Canada and Australia, American foundations regularly undertook explicit interventions into the tertiary sector and actively nurtured research communities across a broad array of disciplines, particularly in political science and the developing sub-discipline of IR (Bulmer 1995, 1999). Much has been written in this area and foundations have been identified as the chief protagonists in the shift toward behaviourism in American political science that took place throughout the 1960s (Seybold 1980).
World in the US’ image (Parmar 2002, 13). As these theorists (cf. Seybold 1980) have rightly pointed out, this ultimately advanced behaviouralism and other positivistic social sciences.

This disciplinary turn provided critical and humanist scholars with significant fodder, the views of which were first represented in the edited volume *Philanthropy and Cultural Imperialism*, leading to the birth of an academic movement which saw foundations as regressive social actors (Arnove 1980). These theorists have argued that foundations were, and continue to be, the instruments of a wealthy cultural elite who “mask” their activities in liberal “pluralism” (Roelefs 2003). Appropriating Gramscian ideas to theorise the rise of philanthropic foundations scholars in this school, such as Arnove (1980, 1), have asserted that foundations “have a corrosive influence on democratic society” and have been employed to promote “stability and orderly change” at the expense of radicalism.

The liberal school, by contrast, which includes theorists such Anheier and Toepler (1999), Bulmer (1995, 1999) and Karl and Katz (1987), has expended much energy defending these institutions against Marxian critiques, perhaps on occasion at the expense of sustained international empirical investigation, framing foundation activities in pluralist terms (Berndtson 2007). These commentators (cf. Anheier and Toepler 1999; Lagemann 1999) do not uncritically accept foundations as inherently just institutions, recognising that their unique legal status, archaic and sometimes myopic governance structures and impact on public policy raises obvious questions of accountability. Nonetheless they also argue that “studies of foundation influence need to progress beyond arguments about whether foundations [are] the tools of capitalism to…understand to what extent they independently influence contemporary developments” (Bulmer 1999, 46).

Indeed, while a case can be made that foundations do play an important role in strengthening existing institutions, both within civil society and state apparatuses, and thus by extension play a role in maintaining ‘consent’, it could also be argued as Karl and Katz (1987) observed over twenty years ago, that by merely cultivating relationships between policy elites, one cannot fully grasp the nature of this relationship, nor does it sufficiently recognise agency within institutional cultures. This is not necessarily to discount Gramscian accounts of foundations. While the more radical accounts which place emphasis on foundations as “sinister” institutions endowed with “tainted money” probably do not offer an entirely realistic picture (Bulmer 1999; Karl and Katz 1987), Gramscian methodologies, particularly the emphasis on the relationship between ideas and material power, provide a useful lens through which one can examine foundations. Similarly the fact that Gramscian analysis is not bound by the statism of other perspectives on world politics (Bull et al 2004) – including neo-liberal institutionalism which privileges states and
regimes as the primary unit of analysis – means that it offers a useful paradigm in an era of accelerated globalisation to help elucidate foundation purpose.

Philanthropic foundations and private governance

While periodic contests between the two schools occurred in the 1980s and 1990s, primarily between sociologists and historians, the disciplines where foundationally many scholars of philanthropy are situated, this has not generally spilled over into IR, and, in particular, the burgeoning literature on non-state activity that has occupied sections of the sub-discipline over the past decade. There are nonetheless exceptions, and also evidence that this is changing. Constructivists such as Keck and Sikkink (1998) have noted that foundations remain important funders of non-governmental activity and have facilitated transnational advocacy networks (TANs) in key issue areas such as human rights. In contrast to earlier Gramscian interpretations, they also recognise that foundations remain comparatively autonomous agents that are not bound by the same financial limitations as NGOs or bureaucratic constraints of governmental and inter-governmental bodies. However, while Keck and Sikkink (1998, 98), following Bell (1971), accept foundation’s significance as “entrepreneurs of ideas” they also arguably underplay their influence, seeing them as almost wholly dependent on “other organisations” as implementers. In fact recent foundation activity, discussed at length below, which is directed at operational partnerships such as health PPPs, as opposed to loose networks established through less restrictive grants, suggests that this appraisal may underestimate contemporary foundation input in policy-making. This can be attributed to the target of their study – ephemeral social movements – but also to the changed environment since Keck and Sikkink (1998) released their seminal study in which collaborative arrangements, a favoured instrument of foundations, have graduated to a more central position within international development policy.

It also remains clear that since then we have seen the intensification of a shift which Keck and Sikkink (1998) presciently identified in their study of TANs: a deepening of non-state authority. While there has been a steady stream of research over the past decade which builds on their conceptual framework and examines social actors, particularly NGOs, more recently we have seen a burgeoning in the literature on private governance (cf. Bull et al 2004; Buse and Lee 2005; Cutler et al 1999; Hall 2005; Hall and Biersteker 2002; Haufler 2001; Pattberg 2005). This literature attempts to differentiate itself from the former by also focusing on what are perceived to be market actors and in doing so seeks to shed light on how they act as a function of governance by setting rules, standards, norms and policies and acting as regulators, co-regulators and as institutional partners (Scholte 2005). This can be seen across a broad array of issue areas from the provision of environmental standards to derivative market regulation, to the direct provision of services by NGOs (Pattberg 2005).
As a consequence, recent studies such as Bull and McNeill's (2007) examination of PPPs in global governance have accorded greater attention to foundations and recognise that these agents, particularly the more reflexive ‘second generation’ foundations such as the Gates Foundation, assume a more involved role that moves beyond financing and network facilitation toward active engagement in decision-making processes. This is not simply because foundations have (re)emerged as more active players on the international scene – and it should be noted that foundations in Bull and McNeill's (2007) study are seen as only one factor in the rise of what they term “market multilateralism” – but rather recognition that a whole concert of actors including transnational corporations and business associations, not usually associated with the operational side of international affairs but with lobbying, have become more deeply embedded in rule-making and even the more normative dimensions of governance.

Philanthropy, new governance and transnational problems

While there is a case to be made that not all that much has changed – after all private actors, particularly philanthropic foundations, have historically played a significant role in international affairs – there has nonetheless been a marked “qualitative” shift (Bull et al 2004). This is evident in three trends that can be associated with, or traced back to, large-scale philanthropic activity. First, as Ruggie (2004) has pointed out, it is not necessarily a case of the private sector replacing the public sector (although arguably this has occurred on occasion). Rather private actors have stepped in to address regulatory and governance gaps or undertaken development interventions where there is limited state involvement or under-involvement. This can be observed among philanthropic foundations with an interest in health, for example, which have intervened to address market and state failures in vaccine access, as we will see below.

Second, in domestic governance which has undergone a radical redefinition over the past two decades – often with painful consequences – there has been a partial turn away from unadulterated neo-liberalism, toward a more measured model, known as new governance. At the international level this has been reflected in new policy paradigms which rely on inter-sectoral cooperation (Martens 2007), particularly in areas associated with health such as HIV/AIDS, vaccine access and neglected diseases, which have been heavily supported by philanthropic foundations. However, while these arrangements have garnered significant scholarly attention (cf. Buse and Walt 2000a, 2000b; Dingwerth 2005; Heimans 2003; Kaul 2006; Richter 2004; Utting and Zammit 2006) and have been held up as evidence that there has been a profound shift in the multilateral system (cf. Benner et al 2004; Ruggie 2004), few observers, with the exception of Bull

5 Examples include the Ford and Rockefeller Foundation's promotion of the green revolution in agriculture in Asia and India as well as numerous health and development interventions.
and McNeill (2007) and Buse and Lee (2005), have noted the central role that philanthropic foundations have played in nurturing and facilitating take-up of these instruments. As will be shown below this oversight has led to a diminished appreciation of foundation influence on contemporary governance modalities (i.e. PPPs) and therefore a diminished appreciation of foundation power.

Third, underpinning these procedural modifications has been an escalation – which can arguably be traced back to the early American philanthropists who displayed a degree of internationalism – of a globalist normative worldview by sections of the business community. This has translated into a growing consensus (cf. World Economic Forum 2005a, 2005b) that interventions are required to sustain the global economic system in the face of a series of social, economic and environmental problems which challenge its legitimacy. This has prompted a new generation of philanthropists to scale-up their international activities to tackle intractable health and development problems that have been insufficiently addressed by states and inter-governmental bodies.

This has meant that foundations have in some respects begun to operate as a proxy for the private sector and have advocated greater use of market mechanisms in development cooperation. In this reading there is an ideational fit between philanthropic foundations and the private sector and two should not be artificially separated in discussions of global governance. Indeed as noted above, Bull and McNeill (2007) have attempted to adopt a more nuanced definition of private actors so as distinguish foundations from other agents usually associated with civil society. In this reading, foundations, which often retain deep ties to the corporate sector and adopt a similar organisational culture should not necessarily be categorised with moral agents such as NGOs. Rather foundations, at least large-scale foundations which are more tightly intertwined in elite-level policy communities, are more appropriately grouped with other purveyors of market norms such as business associations and the corporate sector.

In this context it is possible to revisit existing theoretical perspectives on foundations and reflect upon their applicability to a system of multi-actor international public policy, which takes private action as both conventional and desirable. While this does, to a degree at least, neatly conform to both pluralist and Gramscian perspectives as both see foundation interventions as calculated attempts to advance certain norms and interests, a synthesis of the two perspectives is perhaps feasible. From this perspective elements of Gramscian thought – particularly the recognition that

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6 Clearly this definition is not unambiguous and would not include community foundations and the plethora of small-scale grant-making foundations dotted across the globe. It does nonetheless remain reasonable to include those such as the Gates Foundation within the “category of private actors” (Bull and McNeill 2007, 7) as distinct from other non-profit actors. It could be added that these large-scale grant-making foundations are also more deeply engaged in transnational networks and policy communities typified by the World Economic Forum (WEF) and other elite level domains.
the boundaries between public and private are always blurred – prove to be a potent conceptual tool. By contrast the portrayal of foundations as regressive and conservative actors arguably fails to recognise the transformational properties of their grants and programmes. Arguably this has been heightened by the propensity of foundations to engage more actively in institutional arrangements such as PPPs which have reshaped international public policy and advanced many health and social objectives. To investigate this proposition I will now undertake a case study analysis of the Gates Foundation and the GAVI Alliance.

The Gates Foundation and the GAVI Alliance: “An innovative public-private partnership”?

In January 2000 at the annual meeting of the World Economic Forum in Davos, Microsoft Corporation co-founder, Bill Gates, and representatives of the World Bank, WHO, the United Nations Children’s Fund (UNICEF) and the International Federation of Pharmaceutical Manufactures and Associations (IFPMA) announced the formation of a partnership designed to promote access to vaccines for children in developing countries (World Economic Forum 2000). Billed as an innovative solution to the continued gap between vaccine technologies and children’s access in poor countries, the partnership aimed to revive and build on previous global immunisation drives (Nossal 2000) while adopting a ‘new’ institutional model (GAVI Alliance 2000), the global PPP. This model, which had become an increasingly popular instrument in aid policy making circles throughout the late 1990s and had been widely supported by philanthropic foundations such as the Rockefeller Foundation, aims to tap the resources, skills and administrative capacity of a range of public and private actors by channelling these toward enhancing accessibility of vaccines, while establishing both push and pull mechanisms to further incentivise vaccine R&D.

Immunisation and access: Towards a ‘global alliance’

Vaccines are widely held to be the most cost effective and efficient of health interventions. Credited with saving countless lives, the adoption of vaccines has enhanced life expectancy, rid the world of devastating illnesses such as smallpox, and all but eradicated diseases such as measles, mumps and polio in developed countries and some LMICs. This has served not only to reduce illness and promote productive capacity, but also reduced the burden on health systems via the introduction of inexpensive, preventative measures. However despite continued campaigns to disseminate vaccines to the world’s poorest regions, with varying success, throughout the early 1990s it became clear that the gap between High Income Countries (HICs) and many LMICs was widening. This was compounded by the introduction of new vaccines, such as *Haemophilus influenzae* type b (Hib) that were along with a suite of conventional vaccines not reaching remote populations.
Collaborative, foundation-financed vaccines programmes have been a feature of international health for almost a century. Following the success of the smallpox eradication campaign in 1974 the WHO, UNICEF and a host partners including the United Nations Development Programme (UNDP), bilateral agencies, Rotary International, the Rockefeller Foundation, and Médecins sans Frontières (MSF) established the Expanded Programme on Immunisation (EPI) (NHS 2007). The EPI aimed to provide universal child immunisation against six target diseases – diphtheria, tetanus, pertussis (whooping cough), tuberculosis, measles and polio – for children in “the first year of life” (World Bank 2007). The programme, while initially getting “off to a slow start”, was hugely successful increasing coverage rates from 20% in the early 1970s – largely concentrated in industrialised countries – reaching a highpoint of roughly 80% by the end of the 1980s (Nossal 2000, 21). Nonetheless around the early 1990s the global vaccine drive began to stagnate and despite the addition of new vaccines such yellow fever and hepatitis B to the EPI, via World Health Assembly resolutions, “coverage in poorer countries actually decreased” (Nossal 2000, 21).

In response to this stagnation, and parallel to the continuing EPI, an international network of immunologists and public health officials began searching for an alternative institutional vehicle to enhance access, while also providing a framework that would bring advances in biotechnology to market in a cost-effective and therefore inclusive fashion (Muraskin 1996b). In 1991 a grouping of the abovementioned coalition partners, led by the WHO, established the Children’s Vaccine Initiative (CVI) (Muraskin 1996b). The objective of this partnership was to stimulate investment in vaccine development and counter the decline in private sector R&D that had closely followed consolidation in the pharmaceutical industry (Muraskin 1996b). This, as Bull and McNeill (2007, 76) note, was the “first large-scale attempt to bring together the public and the private sectors” in an “R&D partnership...with the purpose of developing new and improved vaccines for the Third World”. However due to a number of tensions between various agencies and actors (Bull and McNeill 2007), funding issues and flaws in organisational design (Muraskin 2004) the CVI also languished and failed to effectively address the seemingly insurmountable political, financial and institutional barriers to access.

However as Nossal (2003, 21) has noted “1998 proved to be an important year for global immunisation”. Key IO leaders, including Gro Harlem Brundtland (Director General of WHO),

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7 The Rockefeller Foundation, which during the inter-war era was the largest development institution in the world and which had a budget that far surpassed US official international health programmes, has historically been an important player in vaccine development and distribution. Of particular note was the Rockefeller Foundation’s development of a vaccine against yellow fever. The Foundation has also actively supported immunisation campaigns for other diseases.

8 There is no space in this paper to cover the history of the EVI or the negotiations that led to the emergence of the CVI, which were both financially supported by the Rockefeller Foundation. These issues will be addressed in more depth in the chapter version of this paper which will appear in the author’s doctoral dissertation. For a comprehensive account of the CVI, including the negotiations that led to its emergence, its shortcomings and ultimate failure, see Muraskin (1996a, 1996b).
Carol Bellamy (Executive Director UNICEF) and led by the World Bank President James Wolfensohn began to champion a new approach. Following a Bank-hosted vaccine summit, a series of meetings between key players in the global health community partially funded by the Rockefeller Foundation took place. These meetings, held at the Rockefeller Foundation’s Bellagio Centre in Northern Italy and various other sites, aimed to revitalise the various global vaccine programmes that were under the auspices of the WHO – the EPI, CVI etc. However rather than utilising existing arrangements, which were perceived to be ineffective, a new modality was proposed. This modality would continue to rely heavily on a collaborative approach but would also look to market mechanisms in an attempt to create the appropriate policy settings to incentivise investment.

Many published accounts (cf. Nossal 2000) portray a smooth transition from problem identification through negotiation to eventual solution. However while it does appear that there was a relatively coherent trajectory from problem identification through to partnership formation in reality there was significantly more contestation and ‘turf’ disputes. The various public agencies with responsibility for previous efforts, presumably as with any new global initiative, were concerned that resources would have to be diverted from existing budgets and place additional stress on already resource strained and overburdened international bureaucracies (Interviewee). This strained relations and for a year negotiations struggled to move forward as the various agents within the network failed to reach agreement on the appropriate partnership design, and in particular who would house the new programme, and ultimately wear the largest resource burden.

Particular criticism was directed at WHO officials. As an interviewee noted when discussing the original Bellagio meeting:

“There was a sense that WHO grabbed the agenda and was incredibly heavy handed and essentially killed the meeting. They didn’t like the structure that was proposed and proposed an alternative. The vaccine manufacturers and most of the participants at the meeting were absolutely furious and they went so far as having CEOs from the vaccine manufacturers send letters to the [then new] Director-General of WHO, [Gro Harlem Brundtland who was perceived to be more receptive the private sector in protest].”

Nonetheless context is important here and the proposed partnership was really a response to the perception within the global health community that the WHO – as with criticisms often levelled at other multilaterals – was a cumbersome bureaucracy and had failed to deliver on previous efforts. Whether these criticisms were valid or not is not for discussion here, but it is important to note that there was a lingering hostility emanating from sections of the US domestic political establishment toward organs within the UN system which influenced discussions. Ultimately as Bull and McNeill (2007) have observed, this acted as a powerful driver for a new approach to development cooperation which moved away from dependence on existing bureaucracies toward
broad-based instruments that adopted a ‘business-like’ approach and organisational culture. Despite these sentiments, and the existence of a consensus that a new initiative was an imperative, the negotiations remained at an impasse, largely as a consequence of the resource question: who exactly would finance this partnership? As will be discussed in the next section this is where the Gates Foundation, which at the time was considered a marginal player, stepped in.

The PATH donation, the ‘Gates Dinner’ and the birth of Global Alliance for Vaccines and Immunisation

At first little was known about how significant a player the Gates Foundation would become. While there had been suggestions going back to the early 1990s that Gates had planned to donate the majority of his wealth to philanthropic causes, there was no clear indication that this would be largely directed to the field of global health. Nonetheless all this changed in November 1998 when William Gates snr, Bill’s father, hosted a dinner of key agents (international vaccine experts, public health officials etc) in the emerging vaccine network – which by now was known as the ‘Working Group’ (Paulson 2001). Gates snr made it clear that the Gates Foundation was serious about tackling the immunisation issue, putting forward a proposal that far outweighed any previous contribution to what had become a chronically under funded programmatic area. 9

The dinner was followed up by a meeting two days later at PATH where, after some negotiations, the fledging Foundation committed the unprecedented sum of $750m to the proposed new global initiative. To put this in perspective an interviewee stated that in 1995, during his time at USAID, he had an annual portfolio of resources that was approximately $1m. This was to contribute to a project obviously not of the same scale, but with similar ambitions as GAVI. The Gates commitment was understandably met with widespread elation by members of the Working Group who were largely accustomed to operating on small budgets, and despite altruistic intentions, vying for ever scarcer resources from bilateral and multilateral funds.

The effect was immediate. First, the seed funding had a pull effect, and bilateral donors, led by Norway and the United Kingdom (UK) quickly followed the Foundation’s lead and committed matching funds. This provided a degree of financial certainty for the project and facilitated long-term planning, while sending a signal to the manufacturers that there would be a market for the products that many had neglected due to the perceived low return on investment. Second, the association of Gates, at the time widely considered the world’s most successful entrepreneur, added a degree of appeal to the project which attracted officials in bilateral aid programmes as well as other donors. As Jaques-Francois Martin, a former vaccine industry executive, (cited in

9 Earlier that year the Gateses had donated a very substantial sum, $100m, to the Program for Appropriate Technology in Health (PATH) at the time a small Seattle based NGO which attempts to improve health outcomes in developing countries through technological interventions. This donation was enormous, but as Paulson (2001) has noted it was suspected that this would be the total Gates commitment to global health.
Paulson 2003) argues: “It is not just Gates's money that makes the difference...it is the clout the Gates name brings to these issues, as well as the foundation's independence”. Third, and following on from the above point, the Foundation’s involvement unsurprisingly led to a PPP with a technological orientation. Consequently the GAVI Alliance had a stronger focus on technical interventions and has employed greater use of information and communications technologies in service delivery.

It is without question that the Foundation proved instrumental and played a catalytic role in the revived global vaccine drive. As stated during an interview with a Foundation employee some of the $100m allocated to PATH was quickly distributed to the individual partners – the World Bank, WHO and UNICEF – who were each provided with a $10m funding injection to begin immediate scoping research and partnership design. Given the tight finances of many of IOs this produced a year-long “honeymoon” period which minimised tensions and enabled the project to rapidly move forward. Tensions would later emerge, as will be discussed below. Nonetheless within a short space of time the stagnant vaccine programme – which was a visible blight on the record of industry, as well as the multilateral and bilateral aid communities due to the (seeming) simplicity and low-cost of these interventions – had materialised and emerged as a new instrument in global health.

This also marked an important moment as it signalled the emergence of a powerful new development actor – with resources comparable to the annual health budget of USAID and the WHO – on the world stage. While philanthropic foundations had been important players in development for much of the past century, and in the case of the Rockefeller Foundation had proved instrumental in nurturing health-driven Product Development Partnerships (PDPs) for neglected diseases, the Gates Foundation’s enormous financial resources, its predilection for multi-sectoral collaboration and its ability to attract high-profile development and health experts has arguably transformed the relationship between private finance and development cooperation.

I shall now examine the operational aspect of the GAVI Alliance in more depth, before concluding with some discussion of the implications of the rise of the Gates Foundation for international public policy, particularly as this pertains to partnerships.

**GAVI Alliance: Funding, governance and operations**

Since its creation the GAVI Alliance has moved from a small organisation housed within UNICEF into a separate entity with a Secretariat based in Geneva. In keeping with its mission to promote public and private sector cooperation the organisation has adopted a *hybrid-governance* structure which incorporates agents from across sectoral boundaries into decision-making processes and allocates seats accordingly. It operates boards for “each of its five entities” – whose members are
drawn from a wide range of organisations from developing country health ministries through to industry – and a number of Standing Advisory Groups and Time-Limited Task Teams who provide additional external advice and monitoring and evaluation of operations (GAVI Alliance 2006).

There are three noteworthy features of this governance framework that warrant discussion. First, the decision-making structure formally incorporates non-state actors into deliberations and vests these agents with significant procedural power. While this is by no means a unique arrangement it is significant as Bull and McNeill (2007) note that industry is accorded two permanent seats on the principal board – the GAVI Board – while the Gates Foundation is accorded a renewable position, alongside intergovernmental agencies the WHO, UNICEF and the World Bank. As a consequence it differs from other corporatist arrangements, and indeed earlier PPPs, in that it privileges private actors above civil society and on par with states/IOs. In addition, while steps have been taken to include civil society actors and there is a rotating post reserved for an NGO representative on the GAVI Board, this contrasts with the relative weight accorded to private actors.¹⁰

Second, as a PPP the GAVI Alliance is not a formal intergovernmental body or UN agency and sits outside the formal UN system – although it is technically ‘hosted’ by UNICEF – and operates as “unincorporated” entity (GAVI Alliance 2006). It is therefore not considered a formal institution, but merely a PPP. However, despite the rhetoric in formal policy documents and communiqués this is something of a misnomer. In actuality it retains many of the characteristics of a multilateral institution – a Secretariat, a physical headquarters with reasonably sized support staff, multiple boards, large budget, diverse state and private donors etc – but employs this organisational structure to differentiate itself from existing institutions.¹¹ This can be attributed, as suggested above, to the broader malaise that rightly or wrongly was directed at traditional IOs at the time of the Alliance’s inauguration and the desire of some partners, including the Gates Foundation, to retain distance from the UN system. To solidify this independence, the Alliance recently announced that the GAVI Alliance Board – which over sees operational aspects and policies – and the GAVI Fund – which has responsibility for oversight of funding and fiduciary matters – will merge and operate under a single, Swiss domiciled entity, a foundation (GAVI Alliance 2008d).

¹⁰ This is perhaps not entirely unreasonable given the balance of financing stems from the Gates Foundation and the PPP’s expressed aim of partnering with industry to bring existing vaccines to developing countries, while stimulating investment in R&D which reduces costs and bring these online. Civil society organisations also participate in “Regional Working Groups” and “Interagency Coordinating Committees” in reflection of their role in service delivery.

¹¹ Indeed during a discussion with a GAVI Alliance employee as part of empirical research for this paper the interviewee was at pains to highlight this ‘unique’ status.
Third, as it is not an ‘institution’ but a partnership, the Secretariat does not deliver programmes, but relies on partner organisations. As such, it plays a coordinating role and actual programmatic work is conducted via domestic health systems and utilising domestic health and development officials, staff in IOs with in-country operations, and NGOs (GAVI Alliance 2008a). Consequently it is almost entirely dependent on other actors to fulfil its mandate. This has been a contentious feature of the Alliance since its inception and has created some tensions between certain parties as the Alliance takes credit for success, while other agencies do the difficult in-country work (Interviewee).

Due to these features one of the most oft-repeated observations regarding the GAVI Alliance is that it establishes a pioneering approach to vaccine access. Commentators, and indeed the institution’s own policy documentation and press releases, regularly refer to the programme as an “innovative” PPP (cf. GAVI Alliance 2008a). While this in many respects offers an accurate appraisal, it has been noted by those such as Bull and McNeil (2007) and Muraskin (2004) that the GAVI Alliance shares many characteristics with its predecessor the CVI, while others such as Widdus (2004) note that a whole suite of programmes emerged concurrently with GAVI and followed a similar market driven-model.

Nonetheless the GAVI Alliance has introduced financing mechanisms that can be described as innovative. In particular, the establishment of the International Finance Facility for Immunisation (IFFIm) represents a novel leveraging mechanism. The IFFIm raises funds to support GAVI’s mandate by selling HIC government-backed bonds on international capital markets to ensure a steady flow of finance for GAVI activities (IFFIm 2008). In addition the GAVI Alliance following a Bank pilot project has begun to trial Advanced Market Commitments (AMCs) which can be termed a second generation global health modality. AMCs rely on ‘pull’ incentives to facilitate R&D investment, thereby differentiating them from PDPs that are dependent on ‘push’ incentives such as direct subsidies or tax breaks to incentivise R&D investment in product development (Grace 2006). By contrast, AMCs attempt to “replicate market conditions” (GAVI Alliance/World Bank Group 2007) by committing to purchase vaccines from manufacturers to send the appropriate signal to manufacturers that a market will available for their products in LMICs. While AMCs as a leveraging tool are still in their infancy they represent a further shift toward market-oriented governance in international public policy and bring ‘public’ institutions in closer alignment with industry at both an ideational and operational level.

**Criticisms of the GAVI Alliance**

The GAVI Alliance has been very successful in achieving its primary aim of increasing access to vaccines in the world’s poorest 73 countries (based on GDP per capita). Recent external
evaluations have asserted that since 2000 the GAVI Alliance’s immunisation programmes have prevented 2.8m “future deaths” (GAVI Alliance 2008c). In addition GAVI also claims to have played a key role in “health systems strengthening” and to have improved health infrastructure in participating countries “through a flexible, country driven approach” (GAVI Alliance 2008b). Nonetheless the partnership has not been without its critics. As with many of the new multi-sectoral arrangements that have surfaced in international policy domains there has been a plethora of supporters as well as a number of sceptics. Criticisms have emanated both from scholars – notably public health, critical IR and international development theorists – primarily concerned with normative issues such as the ethical and political implications of private sector involvement (Bull et al. 2004), and from practitioners in the field, with direct in-country experience of GAVI interventions. While there is significant overlap between the two schools for the purposes of this paper they can be divided into two camps, namely the systems and normative camps.

The first school, the systems critics, has noted that while operating under a new modality GAVI represents a continuation of a long line of narrow and technical health interventions in the developing world (Muraskin 2004). From this perspective, projects like GAVI attempt to parachute in ineffectual models which do not sufficiently cater for cultural and political heterogeneity. While recognising its distinctive attributes and access to a larger pool of financing, these critics, which also includes some scholars who are proponents of multi-sectoral approaches, have asserted that particularly in its formative years GAVI failed to adequately address problems associated with inter-agency coordination. However according to Buse and Harmer (2007) GAVI has been a leader in this area and has some of the most well-developed capacity building programmes of any PPP, while also taking steps to align its activities with other agencies operating in-country to reduce aid duplication. Indeed capacity building has been a core facet of GAVI’s operating philosophy in recent years following concerns that vaccine programmes placed undue burden on strained health systems with limited ability to respond increased demand.

The second school, the normative critics, is the domain of more radical scholars and frames partnerships in a combination of neo-Marxist (cf. Zammit 2003), Gramscian (cf. Utting 2000) and on occasion post-development terms. While also sharing the concerns of the preceding group, these commentators are more wary of the structural and ideational implications of increased private sector involvement in world politics. Richter (2004), for example, highlights the depoliticising nature of the discourse on partnerships in which these arrangements are portrayed as a kind “win-win-win” scenario in which all actors accrue a mutually beneficial gain. Indeed the dominant theme in scholarly research, which is generally policy oriented, is that health partnerships represent an innovative response to complex problems. From this perspective any other such reading fails to sufficiently account for broader shifts in political economy associated
with accelerated globalisation and governance which has rendered unilateral state/IO interventions ineffectual. However, critical scholars argue that it in fact represents a failure of governmental bodies and assert (cf. Archibugi and Bizzari 2004; Martens 2007; Utting and Zammit 2006) that states should be more active in addressing intractable problems. These concerns can be thematically linked to the original Gramscian school on philanthropic foundations, discussed earlier in this paper, and observes a clear nexus between foundations, partnerships and global capital.

The critics do indeed raise some important points. First, the pharmaceutical industry has been the subject of substantial criticism associated with its perceived oligopolistic practices, steadfast defence of intellectual property rights and concerns regarding ethical standards in clinical trials particularly in LMICs. Bringing in players that can be labelled as the source of, rather than the solution to, problems regarding vaccine access is contentious. Further it could be argued that vesting these agents with procedural power will further cement their dominance of the political economy of health and potentially drown out critical voices. This criticism can be observed in internal GAVI decision-making which privileges private actors over civic agents and also in its external relationships with industry through AMCs and the like. Second, the portrayal of PPPs as normatively desirable, and in particular, the “feel-good discourse that infuses much of the mainstream literature” (Utting and Zammit 2006) does depoliticise what is essentially a highly political process. Focus is therefore on technical concerns, such as the efficacy of PPPs as policy instruments, when in fact, as Buse and Harmer (2004) have argued, the distribution of gains is by no means absolute or power relations among partners intrinsically equitable. Finally as Muraskin (2004) has argued GAVI is indicative of the disconnect between policy elites who share a “globalist” worldview, referred to above, and those on the ground who favour more participatory interventions and do not see immunisation as a wholesale panacea to global health problems. This, according to Muraskin (2004), means the GAVI Alliance is set to follow the CVI toward eventual failure as it fails to reflect the concerns of front-line practitioners who are ultimately responsible for programme delivery.

Conversely there are equally valid responses to these charges. As Buse and Lee (2005) following Widdus (2003) have noted the inclusion of private actors in decision-making processes is not necessarily going to lead to wholesale capture of IOs. In addition it remains important that these actors are incorporated into policy networks as they remain one of the most important actors in any policy paradigm that attempts to improve access to vaccines given they are ultimately responsible for R&D, manufacturing and marketing of vaccines. Similarly GAVI’s effort to improve front-line delivery, which has progressed in recent years, has rendered earlier criticisms by those such as Muraskin (2004) less potent (although clearly much still needs to be done in this area).
Nonetheless importantly for this study we can see the sentiments expressed by early scholars of philanthropy reflected in contemporary liberal and critical examinations of GAVI and other PPPs. This in itself is obviously not unusual, but does relate back to the earlier debates regarding both foundation purpose and influence. It is to this that I shall now turn before concluding.

_Gates and GAVI: Bridging the public-private divide_

While on occasion underplayed it is generally recognised that the Gates Foundation has been important in fostering the GAVI Alliance. What is contested, though, is the extent of this influence beyond initial seed funding, particularly by some of those associated with the partnership. As suggested earlier in this paper this has been a common theme prevalent in much scholarship on foundations which has tended to see these agents as all powerful (Gramscian) or benevolent purveyors of goodwill (liberal). In fact, as demonstrated by this case study, the reality may lie somewhere in between. I will now review the Gates/GAVI relationship within the context of the above evidence in an attempt to offer some tentative conclusions on both the position of foundations in international public policy and broader IR theory.

So what are the sources and types of Gates Foundation influence in the GAVI Alliance? Clearly the Gates Foundation retains significant _procedural authority_ via its seat on the GAVI Alliance Board. The presence of Foundation representatives throughout the various ancillary working groups suggests that this influence also extends to front-line service delivery, programme evaluation and the selection of partner countries. It can also be assumed that its central role in funding the partnership has led to a degree of input in structure, operations and overall project design (although in an interview with a foundation representative he was adamant that involvement in design was minimal, except where technology was concerned).

While a seemingly rudimentary form of power it is nonetheless of significance for two interrelated reasons. First it is unlikely that the PPP would have materialised – or certainly moved forward with such rapidity – had the Gates Foundation remained a peripheral actor. It can therefore be inferred that its critical role in providing _seed finance_ and periodic capital injections to support its maturation will no doubt have conferred both legitimacy on the partnership, while also confirming the Gates Foundation’s legitimacy within the policy network. Second, and following on from the above point, this will likely have led to a high degree of agency for both the Foundation and its representatives within this network to both formally and informally set policy and programme direction.

However at an ideational level, it is obviously more difficult to determine the extent of the foundation’s influence on the principles and values that inform wider global health governance.
This ultimately makes it difficult to make any definitive inferences about its – and other foundations – role in broader international affairs. Nonetheless the Foundation’s emergence as a powerful development actor has occurred at an important juncture in the history of development practice. A broad array of trends, touched on above – the rise of CSR, the hegemony of neoliberalism and the associated turn toward models of public-private cooperation – have coalesced, leading to a greater propensity for private action in areas seen previously as the domain of the state. While it has been noted that perhaps the involvement of the private sector has been slightly overstated, and private actors in foreign aid are often represented by proxy by agents such as foundations, the ascendance of markets as an organising principle in development policy, particularly in health policy paradigms, seems certain. Arguably the Gates Foundation has proved important in strengthening this trend. By making funding and resources available for a wide range of partnerships, such as the GAVI Alliance, that have further normalised private involvement in international development, it has clearly contributed to the upsurge in collaborative arrangements with a market-orientation. Furthermore it can be assumed that this has led to a degree of norm diffusion as those in the vaccine policy network have deepened inter-agency cooperation.

The GAVI/Gates partnership is also salient for conceptions of foundations in political science and IR theory. On the one hand it can be argued that the Gates Foundation has acted as a benign agent of liberal norms allocating private funds to philanthropic causes out of altruism. In this reading, the Foundation is an intrinsically benevolent, strategic agent which attempts to disseminate a range of ‘universal’ values by partnering with a pool of IOs and other non-state actors. On the other hand, from a more critical angle, it can equally be argued that this norm diffusion is by no means a permissive act but constitutes a tactical attempt to maintain the status quo by co-opting dissenting voices and maintaining the hegemony of market economics.

However in reality it may be that while foundations do have a calculated political agenda – and this may partially explain foundation purpose or indeed intent from either a rationalist or critical perspective – it does not sufficiently explain how they influence policy outcomes. It has been suggested in this case study that the Gramscian emphasis on ideas and material power does prove useful and helps explain foundations deeper involvement in contemporary international policy making. However while this conceptual distinction may assist in explaining why we have seen more active private interventions in areas that at least in the post-war ear have been primarily the preserve of states and IOs, it does nonetheless struggle to elucidate how philanthropic foundations in many ways act as positive agents of change. Indeed the existing literature, which insists that these institutions are tools of the ‘ruling class’ glosses over their
significant work in development cooperation, while also as demonstrated through this case study in igniting public and private interest in tackling intractable health and development challenges.

From this perspective the Gates/GAVI partnership is typical of the new dynamics of development cooperation which is characterised by less rigid boundaries between public and private. While this trend would no doubt have intensified independent of the Gates/GAVI project it is reasonable to assume that this has been a factor in the rise of the PPP as an instrument in international public policy. In this respect, foundations attempt to mitigate the more destructive, what Lipschutz (2006) has termed elsewhere, “externalities of globalisation” using (sometimes vast) material resources to fund networks, create partnerships and mobilise coalitions of actors in support of their missions. Ultimately these actors have a tangible impact on the governance structures and processes within domestic and international policy settings and can be seen as important players in particular development sectors, notably health, as demonstrated by the Gates/GAVI partnership.

**Conclusion**

This paper began by examining the treatment of philanthropic foundations in political science literature and theory, noting that two schools – pluralist and Gramscian – have dominated scholarship. It has been argued that rather than being diametrically opposed it is possible to examine foundations position in development cooperation using a synthesis of the two perspectives. The second part undertook a case study analysis of the Gates Foundation’s role in establishing the GAVI Alliance. It began by outlining the problem, an underinvestment in vaccines, how the Gates Foundation became involved and the key features of the partnership. It has been argued that the Gates Foundation has been an integral actor in this partnership – and indeed in broader global health governance – and that this has been both a reflection, and a driver, of increased private involvement in international development.

However this paper has only examined one example of the emerging development consensus – the Gates Foundation’s support for the GAVI Alliance. The continued growth of the Foundation, and in particular the increase in endowment associated with Buffet ‘gift’, will have more significant ramifications for development cooperation, as the Foundation distributes grants to an ever larger pool of partners. Clearly further empirical research is warranted in this area and since the emergence of GAVI the Gates Foundation has significantly scaled up its activities in health – solidifying its prominence as one of the most important actors in this sector – and has branched out into a whole host of new policy domains such as agriculture and microfinance where it continues to foster a partnership approach. It therefore remains clear that its role in international affairs will not be marginal. Whether these efforts, or indeed the efforts of any foundation, corporate, private or otherwise, will ever rival that of rich states and emerging powers such as
China remains questionable. Nonetheless as Sachs (cited in Boultan and Lamont 2007) has observed, perhaps the Rockefeller Foundation “was the world’s most important development institution of the twentieth century” while the “the Gates Foundation can be that of the 21st century”. While arguably an overstatement it remains clear though, that we are seeing the (re)emergence of foundations as active and important players in world politics.
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