

Empathetic Capitalism

Comment on Address at Harvard by Bill Gates

Roll over, Karl Marx. Shudder in your grave, Vladimir Illich Lenin: Bill Gates addressed the bastion of the world elite, telling its new Harvard graduates that it is possible for capitalism to “find approaches that meet the needs of the poor in ways that generate profits for business and votes for politicians.”

The richest man in the world, leader of the 21st Century *uber* class, has challenged Capital with the same gusto rock star Bono has brought to the top tiers of contemporary Christianity. Both men have, in their very different ways, spurred a generation of power and wealth to take on the tasks of conquering disease, educating the world’s poorest people and bringing Africa out of centuries of squalor to a seat of equality at the international economic table.

In his remarks to the 2007 graduating class of Harvard University, Gates exhorted students and faculty to “Be activists. Take on big inequalities. It will be one of the great experiences of your lives.”

As I read Gates’ remarks I found myself recalling the experience of sitting in a KPFA radio editing booth in 1979, feeling goose bumps crawl over my skin as I listened to a speech delivered fifteen years earlier by a student named Mario Savio. He was on the steps of the administration building of the University of California in Berkeley. It was December 3, 1964, and the throng that Savio addressed was about as big as the one that heard Gates’ commencement speech, though the Berkeley crowd was a far louder one. The students were protesting administration efforts to limit what sorts of speakers and films could be presented on campus, and Savio told the 1964 crowd that colleges saw them as little more than raw meat, to be molded by the faculty into obedient company executives and white collar workers. Savio continued:

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There is a time when the operation of the machine becomes so odious, makes you so sick at heart, that you can't take part; you can't even passively take part, and you've got to put your bodies upon the gears and upon the wheels, upon the levers, upon all the apparatus, and you've got to make it stop.

Back in Savio's Sixties a college generation questioned the purpose of its education, rebelling against the social straightjackets of the Fifties. What was in 1964 called the Free Speech Movement morphed into white student support for the civil rights fights in the South, anti-Vietnam War protests and "flower power." The greatest

criticism of the 1960s American student protest movement is that it ended, for most of its participants, when President Richard Nixon eliminated the compulsive military draft in favor of a birth-date lottery system for armed forces enlistment. Once the personal threat of becoming cannon fodder was eliminated, the volume of protest muted, Disco became king and the Boomer generation shifted its focus to making money and raising kids. For all its brava-

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do, the Sixties protest turned out, for most its participants, to center on selfish concerns.

In contrast, Gates called on the best and brightest of the Class of '07 to put their bodies upon the apparatus responsible for making lives unbearable—other lives, not their own. He suggested that Capital can solve, as well as create, social disparities. He offered basic public health as a lens through which these inequities may best be observed, and solutions found. And he urged Harvard to "dedicate its intellect to improving the lives of people who will never even hear its name."

Forty-three years after Savio addressed Berkeley, the man who seems to be the epitome of contemporary capitalism—the modern employer of that "molded meat"—is telling Harvard's students and faculty to put their shoulders to the global machine, stopping the perverse economic forces that build Capital at the expense of millions of lives, lost to preventable diseases.

Though Bill and Melinda Gates, along with their friend Warren Buffett, have made the most dramatic commitment of personal wealth and time to this mission, thousands of other companies and wealthy individuals have embarked on similar efforts over the last ten years. Several annual gatherings—the World Economic Forum in Davos, the TED Conference in Monterey and the Clinton Global Initiative Meeting in New York City—have become settings for billionaires to exercise their philanthropic bragging rights. NYC Mayor Michael Bloomberg, himself

a billionaire, has bestowed hundreds of millions of dollars upon his alma mater, Johns Hopkins, for what is now the world's best endowed school of public health. Recently Bloomberg stunned many by announcing that he would put a fair amount of personal wealth into transforming the last great chunk of undeveloped real estate in the City, Governors Island into a center for global health. The boys who run Google have set up two funding streams that, they boast, will save the world through combating climate change and preventing pandemics.

The list goes on, and, happily, on and on. The do-gooder menu now includes many of the Fortune 500 corporations, a host of hedge fund billionaires, and some of the largest Christian organizations in the world.

"Yet over the past two years, it has also become increasingly clear that the institutions of global capitalism alone cannot be the answer," writes Cornell University's Stuart Hart. "Global companies are large, complex—and paradoxical. For every far-sighted corporate sustainability initiative, there are also legacy investments and unsustainable practices that must be countered."¹

Though Hart is writing these words in reference mainly to corporate environmental practices in his landmark tome *Capitalism at the Crossroads*, he could well have been addressing the use of the global health lens by wealthy philanthropists and corporations. Globalization has transformed Capital, and the relationship between the classes envisioned by Karl Marx and Frederick Engels more than a century ago no longer describes our world. When the entire world is your marketplace, and your workforce, it's hard to know against whom the workers of the world ought to unite. It could well be argued that the real enemy of the workers of Africa, for example, is not their employers—for those fortunate enough to have jobs—but the consumers of the wealthy world, who are, themselves, workers. Hart argues that Capital must now choose a course that fundamentally redraws how it defines and pursues its mission, creating systems of wealth generation and profit that build, rather than drain, the environment and the economies of poor societies.

I believe Bill Gates' landmark commencement speech should be viewed in that context, as a clarion call to Capital, standing at its 21st-century crossroads: "We can make market forces work better for the poor if we can develop a more creative capitalism," he asserts.

The question is, whose capitalism?

Gates, Hart, and most health activists devote their attentions to redirecting multinational Capital. The most public battlefield in that context has been the Trade Related Intellectual Properties (TRIPs) component of the Doha round of the World Trade Organization. Activists believe that TRIPs protects pharmaceutical patents and pricings at the expense of billions of poor people's lives. The pharma-

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ceutical industry defends TRIPs provisions as essential elements of corporate investment in research and development. The Gates Foundation and its partners have tried to find incentives that could pull the pharmaceutical industry towards its own corporate crossroads, choosing a path leading to development of drugs, diagnostics and vaccines for diseases that primarily afflict the world's poorest citizens.

The capitalism that is rarely mentioned in global health discussions (or in Bill Gates' speech) is inside poor countries. Though billions of dollars are now on the global health table, most of it continues to be distributed in what can best be described as a charity model. Contractors and NGOs from wealthy countries are given the lion's share of the funds, with which they hire and manage local personnel. Health is still not fundamentally viewed as an investment that results in business creation and eventually in local profit centers.

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Though every aspect of health involves profit-making, in one way or another, donors and activists in the wealthy world see it as somehow distasteful to insert capitalist principles into health programs in poor countries. This dichotomous view of health spending is fundamentally paternalistic, probably racist. In European social democracies that offer universal government-financed healthcare the profits may not be as transparent as they are in America's mixed economic health system. But they are there.

Every syringe, aspirin tablet, surgical gown, vaccine, patient record system and ambulance was manufactured by a profit-making company based in a wealthy country.

True "creative capitalism" would envision the formation of similarly efficient, reliable, profit-making ventures for health supplies, medicines, delivery and insurance inside poor countries—operated by indigenous companies, with profits forming the basis of taxable revenue growth for the countries. As recently as 2006 the World Bank was promoting a semblance of this vision, though with foreign corporations running local enterprises—and taking the profits. There is nothing creative about that form of capitalism; for centuries it has been the norm to extract both resources and profits from poor countries.

Global health needs good ideas from the business world, microeconomics and Capital, writ large. It is a grossly inefficient operation, lacking in sufficient management personnel, and in basic capacities of supply, inventory, procurement and distribution. "Creative capitalism" would bring the skill sets of FedEx, Maersk or DHL to pharmaceutical and supplies management and delivery. Today global

health needs the corporate skills base, more than it needs corporate dollars.

Unlike most of the new players providing funds for global health projects, Gates realizes that the grand old American “can-do spirit” isn’t enough: Just because a guy knows how to write software that sells for billions of dollars doesn’t mean he has equally powerful insights into how to get clean water to 2 billion needy people, change the sexual disease-spreading behaviors of billions of men, or spare women worldwide the horror of dying in childbirth for lack of a simple C-section. His speech is riddled with the word “complexity,” which he says is “the barrier to change.”

At least Gates has the humility to stare at those complexities, ponder them, and then ask the bright students and faculty of Harvard (and by inference, universities worldwide) to help find solutions. Sadly, many members of his beneficent Capital cohort have demonstrated far less modesty, charging off into poor countries with cash and a plan, giving little consideration to the unanticipated negative consequences of their actions. (The same might be said of the G-8 governments and their global health commitments.)

Capital’s sudden interest in global health (and poverty and climate change) has, in turn, pushed global health to its own Crossroads.

Before the last colonialist regimes were toppled during the 1970s one spoke of “tropical health.” The intention was to draw a line between health exigencies experienced in the wealthy, temperate climes, and those parasitic and insect-borne horrors found in the tropical colonies. (That many of the former colonies were actually deserts, Pacific islands, Andean mountains or Arctic environs was ignored in this simplistic, colonially-derived algorithm.) By the end of the decade the phrase “tropical health” had been supplanted by “international health,” which was at least ecologically accurate. But remaining embedded in that phrase was the notion that we, the residents of the wealthy world, had domestic health issues that were separate from those international problems.

Today we speak of global health, and the phrase coincides with the emergence of the term globalization. Former Mexican Minister of Health Julio Frenk, now an advisor to the Gates Foundation, insists that the wealthy world still tends to view disease in a “them” and “us” way, which in turn distorts how money is given, and programs are executed in poor countries. He argues that the billions of dollars and euros now pouring into global health still reflect the needs of the us, vis-à-vis them. Today, he says, the us is interested in keeping bad diseases from spreading from them, and in conquering the diseases that the us find compelling. In that worldview, things like the threat of pandemic influenza and treatment of HIV infection will always rise to the top of the global health philanthropy and foreign aid lists.

Putting the interests of the wealthy world, on behalf of the poor world, in the form of single disease programs might not be a bad idea—were it not for the global healthcare worker crisis. The world is suffering a deficit of 4.3 million doctors, nurses, lab technicians, medical administrators, dentists and pharmacists, and that deficit falls disproportionately upon the poorest, neediest nations. Worse, the

deficit is growing, as the wealthy world ages and requires more labor-intensive care. The wealthy world is filling its needs in part by recruiting health expertise from poor countries. That brain drain is further exacerbated inside poor countries by the fiscal tugs of single disease programs, drawing talent away from underfunded vital programs, to work on those that had received highest priority status among donors.

The crossroads facing global health became partly exposed in 2000 at the International AIDS Conference in Durban, South Africa. It was there that Africans demanded that the HIV treatments that were keeping people alive in the wealthy world had to be universally available to the entire world's HIV population. Since then global health has charged down a path of treatment, medicalizing a mission that had for decades been one of classic public health. The vision of keeping millions of mothers, fathers and babies alive with anti-HIV cocktails has proven deeply compelling, attracting billions of dollars to global health. But the UN AIDS Programme warns us that in 2007, for every one person who was put on HIV treatment, 6 were newly infected. There is no precedent for stopping the spread of a sexually transmitted disease with little more than behavior messages and condoms. There also is no precedent for successfully treating a chronic disease, based on funding that comes primarily (over 70%) from external donors.

Global health has stepped out onto the fork in the road. But it is not obvious which path it should take. Indeed, this moment is so novel that nobody can see far enough down the paths to begin to describe them, much less imagine where they lead. Frenk says that we must shake up our thinking, completely eliminating the them and us, to embrace a planetary we of global health.

One path has partially revealed itself, in the form of what Frenk calls the "sovereignty paradox."¹ Most global health institutions and donors function either directly through country governments (ministries of health), or by deliberately bypassing governments in favor of maverick NGO programs. In either case, government is critical—to engage, or to avoid. The World Health Organization and most of the UN system and affiliated enterprises have no choice but to work directly with ministries of health, and seek to strengthen countries' capacities to manage their own health. In other words, one path at the global health crossroads points to a sort of Marshall Plan aimed at building local government capacities. At the entry to that path are visible road signs that signal new programs aimed at strengthening donor/recipient transparency, accountability and fiscal management: the Paris Declaration of 2005, the International Health Partnership of 2007, and the 2007 Global Campaign for the Health MDGs.

But Frenk points out a paradox: few of the fundamental threats to health can be realistically conquered in our globalized world solely, or even primarily, through sovereign state mechanisms. Pandemic flu, HIV, food safety, obesity, adult onset diabetes: the threats of the 21st Century have their roots in biological, trade and cultural issues that know no sovereign borders.

Long before Bill and Melinda Gates had their moment of epiphany, which led

them to create their foundation, billionaire George Soros was pouring hundreds of millions of dollars into the former Soviet and Eastern Bloc nations. Through his Open Society Institute (OSI) Soros has tried to bring “creative capitalism” to the once-communist world, supporting a vast array of humanitarian and NGO activities. His efforts include public health: More than 15 years ago Soros was funding HIV and TB prevention efforts inside Russia and Ukraine, for example. The OSI programs have since expanded all over the world, with special attention to humanitarian and democracy-building activities inside authoritarian countries. Soros has expressed deep disdain for the receptions his OSI has received from many governments, especially Vladimir Putin’s Russia, where NGOs find it almost impossible to operate.

In a sense, Soros started this era of “creative capitalism,” forming his OSI private think tank and funneling vast amounts of his personal wealth through it, to emerging democracies. The Soros model of Capital creativity has come up against a roadblock in the form of government.

Soros would no doubt amend Frenk’s “sovereignty paradox” thesis to add that the State may in some cases be the paramount threat to its own people’s health. In such circumstances WHO and the entire U.N. system are hamstrung.

Capital has managed to leapfrog the economic “sovereignty paradox” with its own ample resource, money. That path at global health crossroads must be shunned: already corruption kills millions of people every year as they are sold counterfeit medicines, or are denied healthcare because funds and goods end up in offshore bank accounts or are sold on the black market. Simply pouring money on a problem not only may fail to solve it, but also could create still more problems.

The challenge for America’s brightest college graduates is hubris. Capital and global health are at a crossroads. Both are looking for innovation, and attractive solutions. The best way to find them is to leave the brick and ivy of Cambridge, and go where the crossroads best reveals itself: Sub-Saharan Africa, South Asia, Haiti or Central America. Put aside the books and statistics, and listen. Take lessons from the people, and learn to see health through their eyes. Have the humility to know that American arrogance blinds us to the truth. Look, listen, learn—and then return to ply the tools of a Harvard education to the challenge.

Gazing at these two great crossroads of capitalism and global health, against the background of global disparities and inequities, “you’ve got to put your bodies upon the gears and upon the wheels, upon the levers, upon all the apparatus,” to realize fundamental change. Consider the crossroads carefully, as “you likely also have an informed conscience that will torment you if you abandon these people whose lives you could change with very little effort.”

1. Stuart L. Hart. *Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World’s Most Difficult Problems*. Upper Saddle River, NJ: Wharton School Publishing, 2005.

2. The Rockefeller Foundation. *Pocantico II: The Global Challenge of Health Systems*. September 20-21, 2007.