

**'We the Peoples' or
'We the Corporations'?**

**Critical reflections on
UN-business
'partnerships'**

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published by IBFAN/GIFA
January 2003**

About the author

Judith Richter is a pharmacist who has an MA in Development Studies and a PhD in Social Sciences. Much of her work in the last fifteen years has focused on exploring the interactions between government and UN agencies, citizen action groups and transnational corporations from a public interest perspective. Her most

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About the publishers

Geneva Infant Feeding Association (GIFA) and International Baby Food Action Network (IBFAN)

The Geneva Infant Feeding Association (GIFA) was founded in 1979 to work in Geneva, Switzerland, and worldwide to protect, promote and support breastfeeding against the harmful marketing practices of the baby food industry. GIFA hosts the European Regional Coordinating Office of the International Baby Food Action Network (IBFAN). IBFAN was also founded in 1979, after the Joint WHO/UNICEF Meeting on Infant and Young Child Feeding. The Network has grown to more than 200 member groups in over 100 countries.

IBFAN-GIFA's many activities undertaken in collaboration with intergovernmental organisations, such as WHO and UNICEF, and NGO partners include:

- Continuous monitoring of corporate compliance with the International Code of Marketing of Breastmilk Substitutes and subsequent relevant World Health Assembly resolutions.
- Advocacy for full implementation of the International Code and resolutions in legislation at regional and national levels.
- Representation at the Codex Alimentarius Commission (which sets worldwide standards for foods and drinks including breastmilk substitutes and complementary foods and which is now a WTO reference body for food standards).
- Advocacy for implementation of UN Conventions,

including the Convention on the Rights of the Child (CRC), the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and the Conventions of the International Labour Organisation (ILO) as they relate to the rights of women and children to optimal health and informed decision-making on infant feeding.

- Campaigning for greater transparency and independence of public bodies.

In 1998, IBFAN was one of the four recipients of the Right Livelihood Award, often referred to as the "Alternative Nobel Prize". IBFAN was honoured for its "committed and effective campaigning over nearly 20 years for the right of mothers to choose to breastfeed their babies free from the commercial pressure and misinformation with which companies promote breastmilk substitutes".

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Contents

- Acknowledgements 4
- Foreword 5
- Preamble to the 1945 UN Charter 6
- Executive summary 7
- Introduction 9

- Part One**
- Partnerships as a policy paradigm 11**

- Part Two**
- Concrete public-private interactions:**
- ‘Old’ interactions in a new guise 17**

- Part Three**
- Concrete public-private interactions:**
- ‘Social experiment’ partnerships 21**
- Global Health Alliances 22
- High-level UN-business interactions 37

- Part Four**
- What’s to be done? 47**

- Appendix. 50**

- Notes 52**

- Bibliography 58**

Acknowledgements

I would like to thank Peter Utting, Eeva Ollila, Minna Ilva, Annie Heaton, Lisa Hayes, Kumariah Balasubramaniam, Beryl Leach, Gopal Dabade, Marc Rodwin, Kenny Bruno, Olivier Hoedeman, Adam Ma'anit, Régis Castellani, Robert Weissman, Marcia Carroll and Gay Palmer for freely sharing their thoughts, comments and material at various stages in the development of this publication. They are not responsible, however, for any of its conclusions. I would also like to thank the GIFA team for their assistance. The unwavering support and thorough proof-reading from Alison Linnecar and Lída Lhotská have contributed significantly to this paper. The office support from Dorotheé Haller is much appreciated. Sarah Sexton's sensitive editing and layout helped to make this publication more accessible to its readers. Last, but not least, I want to thank several WHO staff for allowing me to interview them and thus clarify some of the issues presented in this publication.

Judith Richter

January 2003

Foreword

For almost 22 years, the International Baby Food Action Network (IBFAN) has been working with governments and UN agencies, especially the World Health Organization (WHO) and the United Nations' Children's Fund (UNICEF), to implement within countries the International Code of Marketing of Breastmilk Substitutes and subsequent related World Health Assembly resolutions. This International Code was adopted by the foremost international authority in public health, the World Health Assembly (WHA), in 1981. Its goal is "to contribute to the provision of safe and adequate nutrition for infants, by the protection and promotion of breastfeeding, and by ensuring the proper use of breastmilk substitutes, when these are necessary, on the basis of adequate information and through appropriate marketing and distribution."

The WHA has repeatedly urged governments to implement the Code into their national legislative frameworks and to "seek, when necessary, the co-operation of WHO, UNICEF and other agencies of the United Nations system". The WHA assigned the responsibility for monitoring this Code within countries to governments, the World Health Organization and non-governmental organisations through their individual and collective actions.

To date, 25 countries have implemented most of the Code and the subsequent WHA resolutions by means of a comprehensive law, decree or other legally enforceable measures (compared to 9 countries in 1991) and 31 countries have implemented many, but not all, the provisions in law. This considerable success in protecting infants and mothers from commercial pressures – note that the Code does not prohibit the sale of infant formula but governs its marketing and promotion – could have been greater still were it not been for formidable opposition from the multi-billion dollar infant food industry.

Over the past two decades, the monitoring of IBFAN and other independent NGO groupings (such as Save the Children UK and the Interagency Group on Breastfeeding Monitoring) have repeatedly revealed systematic violations of the Code by manufacturers of breastmilk substitutes, bottles and teats. Moreover, the industry has used sophisticated public relations strategies to undermine national level efforts to translate the WHA Code and resolutions into legally binding measures.

This opposition and undermining has been

strengthened in recent years by a general shift from making policy within open public fora such as the World Health Assembly towards setting it by means of elite governance mechanisms. These manifest themselves in the form of special arrangements: 'public-private partnerships' between the UN itself and various UN agencies, and commercial actors, often with the token participation of selected members of non-governmental organisations.

IBFAN is concerned about this trend that displaces debates and decision-making from public fora, that allows companies to present themselves indiscriminately as a part of the solution to the world's problems, and that gives a possibly unwarranted UN seal of approval to corporate participation in actively shaping the world's policies in their favour in the name of 'sustainable development' – and that gives companies an opportunity to 'bluewash' their tarnished reputations by association with reputable bodies such as the UN and its agencies. We believe that this trend poses a grave threat to the integrity, mandate and very role of the UN and its agencies to act on behalf of and for the peoples of the world.

IBFAN is concerned that this 'partnership' trend may already have gone too far. We are worried that the UN and its agencies have let loose a force over which they now have little or no control. IBFAN-GIFA thus decided to take a closer look at what has been happening and commissioned this discussion paper to help its explorations and deliberations. It is an initial examination and does not claim to be exhaustive. It provides reflections based on the information available to us at the time. These developments are moving fast and new information emerges almost every day. For those who wish to explore this issue further, it is important to pay close attention to various sources of information. To facilitate follow-up and discussion, we have included relevant website addresses and references.

We hope that citizen action groups, researchers and UN staff members will find this contribution to the debate on public-private partnerships useful and stimulating in their work.

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January 2003

This paper was written with the Preamble to the 1945 UN Charter in mind

“WE THE PEOPLES OF THE UNITED NATIONS DETERMINED

to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and

to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and

to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and

to promote social progress and better standards of life in larger freedom,

AND FOR THESE ENDS

to practice tolerance and live together in peace with one another as good neighbours, and

to unite our strength to maintain international peace and security, and

to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and

to employ international machinery for the promotion of the economic and social advancement of all peoples,

HAVE RESOLVED TO COMBINE OUR EFFORTS TO ACCOMPLISH THESE AIMS

Accordingly, our respective Governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations.”

Executive summary

Many citizen action groups working towards Health for All are sometimes confused as to what public-private ‘partnerships’ really are and how they affect their work. What questions should or could NGOs ask about them? How should they respond to them? What alternatives to UN-business ‘partnerships’ could they offer? This paper attempts to provide some answers.

Part One examines public-private ‘partnerships’ as a policy paradigm (as opposed to actual examples of public private ‘partnerships’ and interactions). It demonstrates that this paradigm is based on a number of assumptions, implicit or otherwise:

- that interactions with business actors should be regarded as ‘partnerships’ which are based from the outset on ‘trust’ and ‘mutual benefits’;
- that public-private ‘partnerships’ are a ‘win-win’ situation (or even ‘win-win-win’ if more parties are involved);
- that this policy paradigm is *the* policy innovation of the new Millennium, or simply that it is an unavoidable necessity.

Part One argues that accepting these assumptions at face value carries large risks. UN agencies may not examine corporate donations or joint ventures carefully enough to check for conditionalities attached to the arrangement or they may not scrutinize them to see whether the commercial actor has a hidden agenda. There are undoubtedly some interactions in which all parties have something to gain and which are fully in the public interest. Nonetheless, the automatic assumption of the ‘win-win’ paradigm leads to a partial and possibly biased assessment. A more appropriate description would be ‘who-wins-what and who-loses-what?’ Gains or ‘wins’ for the commercial sector should not be based on, or result in, losses from a public interest-perspective – and these losses or trade-offs can be far reaching. They include UN agencies allowing for-profit actors to set public agendas and lessening its resolve to regulate transnational corporations.

Part One concludes that there are reasons to be concerned that this public policy model does

not provide adequate safeguards against the radical restructuring of the international public health arena and institutions by means of large-scale funding from corporations and private foundations. It points to the well-known, but neglected, alternative to this policy paradigm of public-private ‘partnerships,’ namely one in which the public and the private, for-profit sectors are regarded as separate spheres and in which any interaction between them is preceded by careful scrutiny of its merits, risks and costs while considering possible alternatives at the same time.

Parts Two and Three describe specific public private ‘partnerships’ and interactions. Part Two argues that many public-private ‘partnerships’ (PPPs) are in fact anything but new. It suggests that instead of this overarching term, UN agencies and public interest groups should use terms such as public-private ‘interactions’ (PPIs).¹ It proposes to break these overarching terms down into classifications that most accurately describe the nature of the interaction. A more accurate description of such arrangements would help public-interest advocates to assess their potential consequences better. It would also draw attention to the need to address effectively the conflicts of interest specific to each interaction in their particular context.

Part Two also argues that current assessments of public-private partnerships should distinguish between the policy paradigm and actual public-private interactions. Policy-makers need to make decisions now as to whether to pursue the trend towards ‘partnerships’ and not wait for the ultimate ‘evidence’ of its impacts. At the same time, UN agencies need to set up effective, public systems to address conflict of interest and other relevant issues.

Part Three explores two kinds of public-private partnerships that can be seen as ‘social experiments.’ The first kind are so-called ‘global health alliances.’ These are joint ventures built on a public-private ‘partnership’ model in which corporations have decision-making positions. Public interest groups have raised concerns about the impact of these arrangements on the role of UN agencies and governments in international

health policy-making. For this, and other reasons, the paper proposes a moratorium on all new large-scale public-private ‘partnerships’ for health until their limits, costs and broad risks have been thoroughly and independently assessed and compared with possible alternatives.

The second kind of ‘social experiment’ PPPs are ‘high level interactions.’² To reach out to industry, UN agencies have increased their involvement in business fora such as the World Economic Forum, held annually in Davos, Switzerland, and have engaged in various roundtable discussions between UN and business representatives. The Global Compact is one example of these new high-level interactions – an arrangement initially between the UN Secretary-General and a number of prominent transnational companies whereby corporations and business associations are asked to integrate several UN principles into their day-to-day practices and operations. But neither the UN nor the Global Compact’s implementing body are taking measures to check for and enforce corporate compliance, while corporations can easily use the arrangement to enhance their image (without really changing their harmful practices) and to ward off calls for more effective regulation of such practices. Critics argue that the Global Compact and other ‘high-level PPP interactions’ do not advance democratic control over corporations, but are in fact instruments of elite governance which advance the corporatized neoliberal restructuring of the world. From a broad public interest perspective, the Global

Compact should best be abandoned.

Part Four draws conclusions and outlines some actions that citizen groups and networks can take to protect and further public interests in the face of the public-private partnership paradigm and the spread of high-level public-private partnerships. The most important challenge at hand is to ensure the independence and integrity of the UN system from both undue industry influence and the influence of the dominant industrialised countries which act unjustifiably in the interests of their industries. It is crucial to ensure that the phrase “We the Peoples” in the Preamble of the 1945 UN Charter does not lose its meaning but does genuinely guide the course of the world’s development.

This discussion paper draws two main conclusions:

- (1) The public-private ‘partnership’ policy paradigm – and its practice – is beset with so many problems and risks as far as promoting health and democracy is concerned that it would be better for UN agencies and public interest NGOs to abandon the model now.
- (2) Public interest groups should, at the same time, urge UN agencies to establish clear institutional policies and effective public safeguards to ensure that public interests are unequivocally at the centre of all their financial relationships, joint ventures and other interactions with the commercial sector or wealthy philanthropic donors.

Introduction

“In a world filled with complex health problems, WHO cannot solve them alone. Governments cannot solve them alone. Nongovernmental organizations, the private sector and Foundations cannot solve them alone. Only through new and innovative partnerships can we make a difference. And the evidence shows we are. Whether we like it or not, we are dependent on the partners . . . ”

Gro Harlem Brundtland, Director-General, WHO, 2002³

Public-private partnerships are now top of the United Nation’s list of approaches to enable UN agencies to be more ‘efficient.’ The trend of working more closely with the commercial sector in the name of ‘partnership’ started over a decade ago during the run-up to the 1992 UN Conference on Environment and Development (UNCED), dubbed the Earth Summit. Major transnational corporations and political leaders began to state that it was time for all those concerned with health and environment to move forward, away from ‘confrontation’ with each other and towards ‘cooperation’ and ‘dialogue’ to tackle the urgent issues of the day.

The year 1997 marked a “turning point” in UN-business relations. In July 1997, the new Secretary-General of the United Nations, Kofi Annan, “unveiled a long-awaited [UN] reform proposal that . . . stated openly that the relationship of the UN system with the business community was of ‘particular importance.’” (both quotes, Tesner with Kell 2000:33)⁴

Today, there is hardly any UN agency that does not actively promote and seek out some sort of partnership between itself and the corporate sector. The pursuit of public-private partnerships has now become integral to the policy of intergovernmental agencies such as WHO and UNICEF, as indicated by their core policy documents and processes.

The International Baby Food Action Network (IBFAN) and other citizen groups and networks are gravely concerned that uncritical acceptance of this policy trend of ‘partnership’ with business is detrimental to efforts to promote human rights, including the right to the highest attainable standard of health. They fear that this policy paradigm may run counter to attempts to hold corporations accountable to society by means of legally-binding regulation and other public actions.

The policy shift within the UN system has already started to have a profound impact on the culture within UN agencies, in particular on the openness of UN agencies towards public interest groups. Those who query whether ‘partnership’ interactions with the commercial sector are affecting the UN’s ability to stand up for human rights and social justice are being marginalised. They are labelled as lacking in pragmatic understanding and unable to adapt to the current times because of their outdated ‘confrontational’ spirit towards the private sector.⁵ Several UN staff have left their agencies because they could not reconcile this policy shift with their professional (and personal) integrity.⁶

In the process, concerns over ‘conflicts of interest’ seem to be on the wane. Brundtland’s Commission on Macroeconomics and Health, for instance, (whose report is now WHO’s blueprint for global health policy-making) asked a corporate executive of the lobby organisation representing the research-based pharmaceutical industry to prepare the Commission’s background paper on the role of medicines in international health policies.⁷ (Boseley 2002b; Horton 2002a: 1609) WHO’s leadership did not see any problem with this.

UNICEF’s leadership did not regard it as problematic that McDonald’s proposed to collect money for UNICEF through its outlets, thereby

Almost every UN agency now actively promotes and seeks partnership between itself and the corporate sector.

Uncritical acceptance of such partnerships may be detrimental to promoting health.

The policy paradigm of public-private partnerships risks UN agencies trading public interests for corporate benefits.

boosting the corporation's image – and its sales of hamburgers, fries and fizzy drinks – through its association with the UN's Children's Fund. Their joint fundraising activities were planned to culminate on 20 November 2002, the day on which the UN adopted the Convention on the Rights of the Child in 1989. UNICEF's leadership and fundraising staff seem to have had no qualms in allowing the company to re-brand World Child Rights Day as McDonald's "World Children's Day," nor with linking fundraising for children to the purchase of Big Macs. (*see* UNICEF press release, p.50)⁸

This paper does not argue that UN agencies should avoid all interactions with the commercial sector. They have always interacted with it – for example, when UNICEF and WHO supported the drafting, adoption and implementation of the 1981 International Code of Marketing of Breastmilk Substitutes, or when the International Pharmaceutical Manufacturers Associations (IFPMA) pressured UN agencies in the late 1970s and early 1980s to abandon their attempts to introduce a comprehensive regulatory framework for the pharmaceutical industry. They continue to interact with it, such as when UNICEF buys vaccines for developing countries, or when WHO and a pharmaceutical company collaborate on research. Some past interactions between UN agencies and business actors have helped to promote people's health, some have not.

What this paper does argue, however, is that the policy paradigm of pursuing public-private 'partnerships' has created a new political culture – a culture that carries a high risk of UN agencies ignoring public interests or embarking on unacceptable trade-offs of public interests in favour of business interests. The paper suggests that public-private partnerships as a policy paradigm should always be distinguished from actual instances of public private partnerships and interactions. But making the case against the public-private partnership paradigm and some actual 'partnership' arrangements does not imply advocating the complete rejection of all public-private interactions.

This paper presents the case against UN agencies uncritically asking for or accepting large corporate donations. It argues against engaging in joint projects and policy interactions with corporations or their business associations under the rubric of public-private 'partnerships'. It argues against a public policy model that implicitly favours unconsidered and careless interactions with major transnational corporations and business associations. It argues against a public policy model that does not provide adequate safeguards against the radical restructuring of the international public health arena and institutions by means of large-scale funding from corporations and private foundations.

This paper maintains that interactions between the public and commercial sector should not be based on a paradigm which pressures UN officials to engage in these supposedly innovative global public-private interactions and to trust the for-profit 'partners' implicitly from the outset. Instead, such interactions should be based on a model which clearly distinguishes between the public and commercial spheres, recognises that public and for-profit actors have fundamentally different goals, and encourages public officials to further public interests in their interactions with commercial actors – not to neglect them or trade them off.

The aim of this paper is to encourage critical discussion among public interest organisations about the trend in the international health arena towards public-private 'partnerships.' It tries to clarify some issues and to suggest actions that could help to prevent, or at least limit, the potential of public-private interactions to work against people's health, social justice and democracy and to harm international public policy-making.

Part One

PARTNERSHIPS AS A POLICY PARADIGM

What are public-private ‘partnerships’?

Many governments and UN agencies now promote public-private ‘partnerships’ as *the* innovative policy paradigm. Yet there is still great confusion in policy-making circles as to what public-private partnerships really are.⁹

UN leaders have promoted public-private partnerships for a number of years now, but they do not have a shared or agreed-upon definition of the term. According to a report commissioned by the UN Global Compact Office on cooperation between the UN system and the private sector, “there has been a tendency, within the United Nations system and elsewhere, to use the concept of partnership very loosely to refer to almost any kind of relationship.” (Nelson 2002)

The author of *The United Nations and Business: A Partnership Re-covered* proposed the following definition:

“A UN-business partnership is a mutually beneficial agreement between one or more UN bodies and one or more corporate partners to work towards common objectives based on the comparative advantage of each, with a clear understanding of respective responsibilities and the expectation of due credit for every contribution.” (Tesner with Kell¹⁰ 2000:72)¹¹

The most-commonly used definition in the health arena is that proposed by academics Kent Buse and Gill Walt. They define a global public-private partnership for health as:

“a collaborative relationship which transcends national boundaries and brings together at least three parties, among them a corporation (and/or industry association) and an intergovernmental organization, so as to achieve a shared health-creating goal on the basis of a mutually agreed division of labour. (Buse and Walt 2000a: 550)

The issue, however, is not whether the UN agencies agree upon a common definition of ‘partnership’ with the commercial sector. Of more importance is that this policy paradigm continues to be vigorously promoted as *the* innovative – or even unavoidable – policy paradigm, even though what it actually is seems anything but clear. Moreover, views on its essential nature seem to vary from institution to institution and from instance to instance.¹²

What assumptions underlie the public-private ‘partnership’ paradigm?

Each UN institution has taken up the paradigm at different key moments. In the international public health arena, Gro Harlem Brundtland’s election as Director-General of the World Health Organisation in 1998 marked the turning point. Brundtland has long supported partnership with the commercial sector. She made her mark on environmental issues as Chair of the World Commission on Environment and Development (Brundtland Commission) whose report, *Our Common Future*, influenced the 1992 UNCED Earth Summit process. In 1990, she stated that:

Public-private partnerships are vigorously promoted – even though what they are is anything but clear.

Financial ties between UN agencies and industry can have negative consequences for independent policy-making.

“Partnership is what is needed in today’s world, partnership between government and industry, between producers and consumers, between the present and the future . . . We need to build new coalitions . . . We must agree on a global agenda for the management of change . . . We must continue to move from confrontation, through dialogue to cooperation . . . Collective management of the global interdependence is . . . the only acceptable formula in the world of the 1990s.”(quoted in Lohmann 1990: 82)

In her speech to the 1998 World Health Assembly, Brundtland said that, under her leadership, WHO would henceforth make greater efforts to “reach out” to the business sector. Her justification for this was that “the private sector has an important role to play in both technology development and the provision of services. [Therefore] we need open and constructive relations with the private sector and industry, knowing where our roles differ and where they may complement each other . . .” (Brundtland 1998)

If awareness of the different mandates of the public and private sectors, as well as of their different roles, had accompanied an exploration of when and how to collaborate best with each other, the results might not have been problematic. When, in autumn 1999, public interest NGOs that had long been working on health and social justice issues received a draft of WHO’s guidelines on its interactions with the commercial sector, they did not gain the impression that such awareness existed. Several of them pointed out problematic underlying assumptions in these guidelines and voiced their general concerns about WHO’s new approach to interacting with for-profit enterprises and their business associations.

A must?

The opening paragraphs of the draft WHO Guidelines on Interaction with Commercial Enterprises stated:

“WHO must increasingly see its role as one of harnessing support from among a variety of players to meet its health development agenda.

“WHO needs to create sound partnerships with public bodies, civil society and commercial enterprises to make health everybody’s business . . . The general principles of partnership building should be established on the basis of mutual respect, trust, transparency and shared benefit.” (WHO 1999)

The then Director of World Vision’s Geneva International Liaison Office, Eric Ram, expressed strong reservations about the “assumption that increased interaction with the commercial enterprises as outlined [in the draft guidelines] is an acceptable thing.” (WV 1999) A major focus of the guidelines was asking for or accepting large-scale contributions from the for-profit sector, such as ‘donations in cash’, ‘contributions in kind’ and ‘seconded personnel’.¹³ The draft’s section on the ethical principles underlying such interactions and the actual mechanisms to safeguard public interests was woefully inadequate. (WHO 1999) Ram reminded WHO of the common understanding of the potential effects of financial ties between WHO and industry. He expressed his concerns at the potential negative consequences for those who were most in need of a World Health Organization that was independent of industry:

“So far WHO, by and large, has had a good reputation worldwide because of its ability to speak out independently and set policies and guidelines without being influenced by TNCs. However, this is in danger now. There is [no such thing as] a ‘free lunch.’ What

will WHO offer to the TNCs for the 'favour' that they will give to WHO? There is also a danger that WHO will be forced to compromise which will have negative effect on the poor." (WV 1999)¹⁴

Eric Ram was categorical:

"WHO may see this collaboration [with the commercial sector] as a way to mobilize financial resources but we believe this is not the way to go. If the Member States are serious about achieving HFA [Health for All] goals then they must find ways to fund WHO's programmes ..." (WV 1999)

'Trust' and 'shared benefits'?

In their comments on the draft WHO guidelines, some NGOs opposed the idea that interactions between the public and commercial sectors should henceforth be regarded as 'partnerships' and should be established on the basis of unquestioning 'trust' and 'shared benefits'.

The International Baby Food Action Network (IBFAN) stated that the introductory paragraphs of the guidelines "quickly elevate a wide variety of interactions with commercial enterprises [by] describing them as 'partnerships,' and even partnerships which are based on 'respect, trust, and shared benefits.'" IBFAN's experience over more than 20 years of monitoring the marketing practices of the infant food industry led it to conclude that WHO was taking a completely inappropriate approach to its interactions with the business sector. The network felt that respect and trust "have to be earned" and can be based only on a "serious and meticulous track record of each particular company, industry sector, and/or business association." (IBFAN 1999)

IBFAN regarded the baseline criteria of 'shared (or mutual) benefits' as inappropriate, even dangerous, given the very different goals and values of UN agencies and for-profit entities. "Partnerships with WHO must be measured by whether or not they benefit the countries and people for whom WHO is working ..." (IBFAN 1999: 2)

Both IBFAN and Health Action International (HAI) have repeatedly asked WHO not to use the term 'partnership' for interactions with the commercial sector:

"[We] would recommend discarding the word 'partnership' and use 'interaction' between the WHO with the commercial sector. The 'partnership' discourse anthropomorphises corporations and risks to blunt critical faculties that are essential for the assessment of the potential risks of too close, and trusting interaction with the for-profit sector. 'Caution' and healthy distrust seem to be the appropriate attitude for dealing with commercial enterprises..." (IBFAN 1999: 3)¹⁵

A win-win(-win) model?

High-ranking WHO officials have said in response that the organisation would abandon the term 'partnership'. But in its official publications, speeches and press releases, the World Health Organization (and other UN agencies) continue to use it.

The assertion that a real 'partnership' with corporations has to be based on 'trust' and 'mutual benefits' has not disappeared either. The public-private 'partnership' model continues to be advertised as the innovative policy paradigm in which everybody wins because everybody gets something out of it.

"A genuine partnership initiative should properly have an expectation of benefits being shared ... This is often described as a

Several health NGOs recommend discarding the word 'partnership' in favour of 'interaction'.

The simplistic 'win-win' formula obscures fundamental differences between the goals and power resources of the various parties.

'win : win' scenario (though in a tri-sector partnership [which includes non-profit NGOs] perhaps a more accurate description is 'win : win : win')". (Tennyson and Wilde 2000)

To reduce interactions with the corporate sector to such a simplistic formula is very dangerous as far as public interests are concerned. The slogan does not ask 'who-wins-what', 'who-risks-what', 'who-loses-what' or whether one party's gains are the other party's losses.¹⁶

The win-win(-win) partnership model glosses over fundamental differences between the ultimate goals and power resources of the various parties in these interactions and joint ventures. As Health Action International pointed out in its comment on WHO's Guidelines:

"We see an inherent conflict between commercial goals and public health goals. WHO is the primary health body in the world and it must ensure that public health interests are paramount. WHO can only do this by performing its functions independently from commercial influence. Industry partnerships and industry sponsorship without strong, enforceable, accountable and transparent guidelines for these relationships will undermine and destroy that role and responsibility." (HAI 1999)

Questions about the potential risks of these 'cross-sectoral partnerships', and the need for adequate safeguards against them, are rarely raised. Questions about the commercial actor's potential hidden agenda¹⁷ in embarking upon these arrangements, the strings attached to them and about the 'price' that the public and (third) not-for profit sector may have to pay are muted, if they are raised at all.

Missing from statements and documents extolling public-private partnerships is any awareness (which has been commonplace in public agencies until recently) that if major corporations engage in 'partnerships,' they are usually doing so in order to get the maximum business benefit out of them. This is how corporations are structured and how the global economic system is structured. It is a fiduciary duty of any shareholder-owned company to maximise the returns for its shareholders. (Rundall 2000) Large corporations are primarily concerned with the extent to which this 'benefit' is measured in terms of financial profit and to the extent to which it is understood in terms of increased business influence over political or legislative processes – a calculation that is also known as corporate 'enlightened self-interest.'

In the past, this understanding of corporate interests led to a recognition that whenever the public sector interacted financially or at policy level with leading companies or business associations, civil servants had a duty to ensure that public interests were not ignored or traded off in return for some corporate contribution.

The duty of policy-makers and public officials is not to ensure that the for-profit party benefits from the arrangement – the company and its industry association will certainly see to that. Their first duty is to ascertain that any interaction with the commercial sector promises the maximum benefit for the public sector *and* carries no undue risks. Their duty is to scrutinize carefully a proposed donation, deal or interaction and to search for and minimise problematic features. This can be anything but easy. This is why many citizens now believe that, in the face of powerful economic actors, there is a need for good and effective public conflict-of-interest policies and legislation.¹⁸

The aim of such policies is to prevent the judgement of public officials from being compromised. Officials who have conflicts of interests may still act appropriately, but there is a greater risk that they may not

act with the undivided attention to advance the interests of the constituencies and public institutions they represent. (Davis 1998; Rodwin 1993:184-190)

Yet one study of 'UN-business partnerships' mentions the UN's "anxiety towards conflict of interest alongside the surprising absence of guidelines to address it." (Tesner with Kell 2000: 82-3)

"Although conflict of interest is on the minds of all UN officials working to establish UN-business partnerships, UN guidelines devote remarkably little attention to ways to solve the problem ..." (Tesner with Kell 2000: 82-3)

'Trust-building' measures – instead of thorough needs analysis or conflict-of-interest checks – have become the predominant features of public-private partnership building. 'Partnership brokers' are promoted as the "new leaders" of the 21st century. (Tennyson and Wilde 2000) Those who raise concerns about potential conflicts of interest are labelled as having an outdated, even 'adversarial', attitude to business that is 'counter-productive.'

So what is at stake?

Have those who now vigorously promote the public-private partnership paradigm because there is supposedly so much for everyone to win ever paused to ask what the public sector and the 'peoples of the world' have to lose? Some broad and well-established risks for society of the policy trend towards 'partnerships' between the public and private sector include:

- commercial actors using the interaction to *gain political and market intelligence information in order to gain political influence and/or a competitive edge* (over companies which are not interesting – or irresistible – enough as 'partners' for UN agencies);¹⁹
- business actors using the interaction to *set the global public agenda;*
- business actors using the interaction to *'capture' intergovernmental public agencies;*
- UN agencies developing an internal climate of *censorship and self-censorship;*^{20,21} and
- *a weakening of efforts to hold transnational corporations publicly accountable to society* for their practices and actions (for example, through shifting balances of power in favour of major transnational corporations and against public officials, citizens, religious and labour groups who work in the public interest.)²²

For business 'partners', however, the balance between the potential risks and potential gains in an interaction with a UN agency (or public interest group) looks very different. Two years ago, an article in WHO's *Bulletin of the World Health Organization* concluded its study on Global Public Private Partnerships for Health as follows:

"For the corporate sector, partnerships have (1) increased corporate influence in global policy making and at the national level; (2) brought direct financial returns, such as tax breaks and market penetration, as well as direct financial benefits through brand and image promotion; (3) enhanced corporate authority and legitimacy through association with UN and other bodies [...] The costs for the private sector seem to be relatively small in relation to overall gains: a potential small loss of resources if programmes do not work but huge benefits in public relations when they succeed."²³ (Buse and Walt 2000b: 706)

There are broad and well-established risks for society and public interests of 'partnerships' between the public and for-profit sectors.

Recurrent demands for a public and open debate on public-private 'partnerships' are more warranted than ever.

From the public's perspective, many gains for the corporate sector are losses.

If the partnership approach is not abandoned, this will become the era in which the UN sold off public interests – and even itself.

For the for-profit sector, in particular for those corporations who 'partner' with UN agencies, the UN's shift towards accepting the public-private 'partnership' paradigm has already paid off well – from a public interest perspective, however, many of the gains for the corporate sector can be seen as losses.

Public debate on the public-private 'partnership' paradigm

"IBFAN believes that there are fundamental problems concerning WHO's intention to increase interaction with the commercial sector in the name of global health. Although we fully appreciate WHO's need to mobilize resources, we have not seen any justifications for increased interaction, in particular with transnational corporations and their business associations being a major way forward towards WHO's goal of Health for All. We believe there is an urgent need for public debate to re-evaluate the trend towards 'partnership' between UN agencies and business associations."

International Baby Food Action Network, 1999²⁴

"We recommend that an independent commission be formed to study the underlying assumptions and bring recommendations through a participatory and consultative process, including the NGOs."

World Vision Geneva, International Liaison Office, 1999²⁵

Given the existing knowledge about the benefits that these arrangements may bring for 'partnering' corporations and given the substantial risks that public policy-making cannot remain independent of industry, the recurrent demands from NGOs for a public and open debate on the very concept of public-private 'partnerships' are more warranted than ever.²⁶

To prepare for such a debate, NGOs may have to examine in greater depth the impact this 'partnership' model has had on public institutions and public policy-making.²⁷

To stress once again, at issue is not whether to interact with the corporate sector or not. People in market-based countries interact with the commercial sector almost every day.²⁸

What is at issue is whether it is appropriate or not for public institutions to embrace a policy model that discards the knowledge and approach gained from long historical experiences of market-based societies – namely, that it is best to scrutinize carefully whether a particular financial, political or other interaction with big corporations and their business associations is in the public interest or not.

Health problems, however big and complex, can be tackled within a policy framework that recognizes the differing roles and interests of various actors. Within this paradigm, public officials treat donations from business and cooperate with business in a business-like manner but still mindful of public interests.²⁹ They carefully scrutinize any potential arrangement and constantly remain aware of the fact that public institutions must be scrupulously on guard to ensure that their independence in regulating transnational corporations, setting scientific standards, making public policy and advocating public interests are not negatively affected.

If the 'partnership' approach to interacting with the for-profit sector is not abandoned soon, the end of the 20th century and beginning of the 21st could well go down in history as the era in which UN agencies sold off the interests of those they are meant to stand up for. Indeed, some fear it will be known as the period in which the UN sold itself off.

Part Two

CONCRETE PUBLIC-PRIVATE INTERACTIONS

'Old' interactions in a new guise

Many NGOs believe that, as public-private 'partnerships' are such a new development, they have to wait and see what their impacts are before they can pass judgement on them and before they can decide on appropriate actions for the future. This belief is reflected in a recent review of the World Health Organization's safeguards for public-private partnerships. Kent Buse of Yale University and Amalia Waxman of WHO state that:

"Although there have been some success stories, it is too early to predict the consequences of partnership. *Many partnerships are new and best seen as social experiments.* Despite their novelty and the concerns they provoke, partnerships have not been subjected to significant empirical research." (Buse and Waxman 2001: 751, emphasis added)³⁰

The promotion of public-private partnerships as an innovative policy paradigm creates the false impression that *all* arrangements are fundamentally new. In fact, many current interactions between the public and the commercial sector are anything but new – and therefore many of the consequences of these interactions are predictable and can be anticipated.

What are now called public-private 'partnerships' include activities such as:

- fundraising (requesting or accepting corporate donations in cash or in kind, now often called 'resource mobilisation');
- negotiations, or public tenders, for lower product prices (e.g. for pharmaceuticals);
- research collaborations (often publicly subsidised);
- consultations, negotiations and discussions with corporations;
- co-regulatory arrangements to implement 'voluntary' codes of conduct (with or without external, independent monitoring),^{31,32}
- corporate social responsibility/cause-related marketing projects;
- contracting out of public services (such as water supply, hospital cleaning and refuse collection).

Public-private partnerships thus range from fundraising in aid of the public sector to straightforward commercial transactions between the two sectors, to the public sector subsidising corporations or participating in corporate public relations projects.³³ Many of these interactions have existed for a long time but have not been called 'partnerships'.³⁴

If the partnership label is removed and if the specific public-private interaction is categorised and named more accurately – for example, instead of calling an arrangement a 'product-based partnership,' describing it as a corporate donation, or a joint venture based on a corporate donation, or simply price negotiations³⁵ – it becomes clear that there is

Categorising public-private interactions more accurately reveals the substantial knowledge about their possible consequences.

Accurate descriptions of public-private interactions can help to distinguish between relatively unproblematic, manageable, and unacceptable arrangements.

already a substantial amount of knowledge and research about many of these interactions. This can all be drawn upon to assess the potentials, limits and pitfalls of many existing and proposed global public-private ‘partnerships.’ This existing knowledge and experience can help to concentrate research on what really is new about the current arrangements while empowering government and UN officials, and public interest NGOs to build on what is already known.³⁶ Thus, all involved do not need to wait for the results of “significant empirical research” to assess the consequences of specific types of interactions. They do not need to start from scratch or reinvent the wheel.

As pointed out in Part One, however, it is important to be aware that there is a considerable difference between assessing the impact of actual public-private interactions and assessing the broader impacts of restructuring international public health policy along a neoliberal, public-private ‘partnership’ paradigm. To evaluate, for example, whether or not some pharmaceutical drugs given by a corporation at low or no cost actually reached and benefited those most in need is quite different from analysing the underlying assumptions and consequences of this public policy-making paradigm. Many of the interactions that are currently called partnerships aim to attract more corporate funds into the public sector and to get the business sector more closely involved in policy issues. What effects are these interactions likely to have on the independence and integrity of the public interest parties? As HAI noted in its briefing paper *WHO’s growing ‘partnership’ with the private sector: Addressing public-health needs or corporate priorities?*:

“If WHO or Member States give away their responsibility to promote public health initiatives and instead promote corporate involvement in global public health initiatives, what will this mean for citizens? There is a need for much more research on the long-term societal consequences of public-private ventures.” (HAI 2001:2)

This is very true. But at the same time, how much research is needed before concerns about the probable negative effects of this policy trend on national and international public services and policy-making are heeded?

The need for public safeguards Distinguishing between interactions

Using the term ‘interaction’ (or initiative or joint venture) instead of ‘partnership’ and creating distinct and accurate sub-categories also helps to develop better safeguards of public interests in interactions between the UN and the commercial sector.

Since the public-private partnership trend entered the international public health arena, WHO’s member countries and public interest NGOs have asked WHO to ensure that its financial and other interactions with the commercial sector are unequivocally in the public interest. Describing these interactions more accurately captures the nature – and thus the potential benefits and risks – of the interaction and thus is one measure that could aid the design of more tailor-made safeguards.

The main aim of more accurate descriptions is to help assess which interactions with commercial actors are relatively unproblematic, which ones may cause problems, albeit problems that could be managed by rules and other arrangements, and which ones are completely unacceptable and unwarranted from a public-interest perspective.

Deciding which donations, financial deals or policy interactions are acceptable and which are not may well present a bone of contention that

would need much public discussion to resolve. Is it acceptable, for instance, for transnational corporations to second personnel to UN agencies for a certain length of time? Many public interest NGOs find this inappropriate, but those now in charge at WHO insist that the arrangement should remain an option open to them. (Hayes 2001)³⁷ What would the reaction be if NGOs offered to second activists from the corporate accountability movement to UN agencies and the World Bank in a spirit of ‘partnership’ with civil society? Such individuals have many valuable skills and knowledge that would be of great use to these agencies – but one may doubt this argument would carry much weight in the face of an anticipated storm of industry protest.

Policies and transparency

Given the speed with which public-private partnerships are changing many national and international policy landscapes, UN agencies should, as a matter of urgency, establish solid measures to ensure that public interests are furthered rather than harmed. There has in fact been some progress at WHO in terms of developing guidelines towards this – but it has been accompanied by a huge step back in terms of the organisation’s openness and transparency. Although NGOs were asked to comment on the preliminary guidelines in 1999, there has been no further invitation to re-assess the final version. A number of essential documents and procedures still do not exist or are not publicly accessible – despite the fact that the PPP trend within WHO is now nearly five years old.³⁸ Even less is known about UNICEF’s guidelines and procedures.

Because of this lack of transparency, several public interest NGOs – HAI, Medecins Sans Frontières (Doctors without Borders), Oxfam International, Voluntary Service Overseas and Save the Children UK – made the following statement at the 55th World Health Assembly in May 2002:

“WHO should publicly issue its revised guidelines and related tools on PPIs [public-private interactions] (as called for by the Executive Board³⁹ a year ago) to member states and for public comment. WHO should create an independent expert group to conduct a comprehensive analysis of the benefits and risks of PPIs, identify positive and negative PPI characteristics and evaluate their impact on public health systems and WHO’s independence and integrity. The group should then make recommendation to WHO based on their finding. The expert groups should have equitable representation from the global South and public interest groups and the process should be made completely transparent.”
(HAI/MSF/Oxfam/VSO/Save the Children 2002)

Public interest groups have yet to make their voices heard at UNICEF on the matter of guidelines, first, because UNICEF does not provide the same type of public fora as WHO and, second, because it has been reluctant to make its detailed guidelines on ‘working with the business community’ available to the broader public.⁴⁰ It can be foreseen, however, that the UNICEF-McDonald’s fundraising ‘alliance’ will prompt more systematic questioning of the appropriateness of UNICEF’s institutional policies and procedures with respect to safeguarding ‘children’s best interests’ when it fundraises in tandem with large corporate donors or their philanthropic foundations.

A matter of judgement

Some day, there may be complete and less ambiguous guidelines and institutional policies on interactions with the commercial sector,

The ultimate decision about the terms on which to engage with a transnational corporation will always remain a matter of political and ethical judgement.

The 'partnership' paradigm blurs the profound differences between the parties – including their inequality.

conflicts of interest and other relevant issues. Yet the ultimate decision for a UN agency as to whether to take a donation from or to engage in a joint venture with a transnational corporation will always remain a matter of political judgement and ethical principles.

Differences in the power resources of the various parties and attention to the political context in which the arrangement is set will remain key aspects of the assessment of the potential negative effects of financial and other relations between UN agencies and commercial actors.

The 'partnership' paradigm not only blurs profound differences in the nature and values of the parties to the interaction: it also blurs the realisation that the 'partners' are often far from equal. How can relatively cash-strapped UN agencies and governments ensure that they are not induced into arrangements that divert them from their priorities? The UN has never been faced with richer 'donors' than today's transnational corporations or the private foundations set up by some of the world's wealthiest people, namely the UN Foundation established by CNN's founder and media mogul, Ted Turner, and the Bill and Melinda Gates Foundation (which has an asset base of US\$24 billion dollars) led by Microsoft co-founder and CEO, Bill Gates. (Cowley 2002)⁴¹

It is crucial to pay attention to the context of an offer of a large donation or a joint initiative. Finding out as much as possible about the potential hidden agenda of the prospective business 'partner' may help anticipate possible negative impacts that go beyond those of the immediate donation or joint venture.

In the current context, UN agencies and other public-interest parties engaged in interactions with major pharmaceutical companies and their trade associations need to gauge to what extent the research-based pharmaceutical industry may be using its 'partnerships' with UN agencies and some of the world's most influential governments to gain privileged access to public R&D funding and large procurement contracts. They may also be using these interactions in an attempt to ensure that strict patent regimes are implemented worldwide (which could mean that many large-scale drug donations may come to a halt when they can no longer be used as a bargaining chip to induce poorer countries to implement industry-friendly patent regimes on life-saving pharmaceuticals).

Those who accept million dollar donations from Bill Gates's foundations should consider to what extent they have contributed to "soften[ing] up his image during the antitrust law suit against Microsoft". (quoted in Cowley 2002:33)⁴²

Those who consider taking funds or donations from the infant food industry should be aware that infant food transnationals have an interest in undermining effective, binding regulation of their marketing practices; in using the HIV/AIDS crisis to increase their sales; and in acquiring the good image of a 'UN partner' to wash off their reputation as 'baby killers' and to gain greater influence in international policy decisions. Public officials should also remember that many infant food donations conflict with guidance given by the International Code of International Marketing of Breastmilk Substitutes and subsequent World Health Assembly resolutions.^{43,44}

Those who make the decisions in UN agencies about corporate donations and other public-private ventures should have a keen sense of conflict of interest issues. They can be supported by ethical guidance, sound conflict of interest policies, effective public oversight, and the possibility for citizen action groups to lodge complaints if they feel that UN officials or agencies have entered into unacceptable deals or are involved with unacceptable corporate 'partners.'

Part Three

CONCRETE PUBLIC-PRIVATE INTERACTIONS

'Social experiment' partnerships

Academic Kent Buse and WHO staff member Amalia Waxman have asserted that “it is too early to predict the consequences of partnership [because] many partnerships are new and best seen as social experiments”. (Buse and Waxman 2001) In contrast, the previous section of this paper argued that many ‘partnerships’ between the public and private sectors are in fact similar to previous arrangements although they may have new labels – old wine in new bottles. Thus many of the consequences of these partnership arrangements can be anticipated by looking at the consequences and critiques of earlier interactions between the public and for-profit sector.

What is new about the partnership-interactions is, above all, the fact that many UN agencies now forcefully promote closer engagement with large transnational corporations, business associations, and wealthy business donors as ‘win-win(-win)’ situations to be engaged into in a spirit of ‘trust.’ Part Two therefore argued that, because public-private ‘partnerships’ have spread so rapidly within the international health arena, there is an urgent need to establish effective public safeguards at the UN level. These would encompass better criteria to enable UN staff to judge which funding relationships, joint ventures and policy interactions with the commercial sector are acceptable and in the public interest and which are not. These would also encompass better policies and institutional mechanisms to assess the actual practices of the business actors with whom UN agencies intend to engage in such interactions.

Nonetheless, two categories of public-private ‘partnerships’ can be seen as relatively new and can thus be characterised as ‘social experiments’: global health alliances and some high-level interactions.

Prominent among the global health alliances (which have also been called global public-private partnerships for health or GPPPHs) are:

- the Global Alliance for Vaccines and Immunization (GAVI);
- the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM, also known as the Global Fund); and
- the Global Alliance for Improved Nutrition (GAIN).⁴⁵

Despite their different histories, these three ‘global health alliances’ are profoundly changing the context and environment for making and pursuing international health policies.

Meanwhile, the main ‘high level interaction’ between the UN and corporate leaders that has drawn attention from citizen groups is the Global Compact, an arrangement initially concluded in 1999 between the UN Secretary-General and the International Chamber of Commerce.⁴⁶ The category of ‘high-level interactions’ also includes general acceptance of the idea that government and UN officials should, as a matter of course, meet with corporate chief executive officers (CEOs) at

Two categories of public-private partnerships are new: global health alliances and high-level interactions.

GAIN's stated aim is to "leverage cost-effective food fortification initiatives".

corporate fora such as the annual World Economic Forum (WEF) to discuss and agree upon global policy agenda.

Part Three first considers GAIN, the most recent of the large global health alliances and compares it with two other global health alliances. It goes on to explore the nature and potential impact of the Global Compact as an example of a high-level interaction.

Global Health Alliances: GAIN

The Global Alliance for Improved Nutrition (GAIN) is a public-private venture launched in May 2002 during the United Nations General Assembly Special Session on Children.

This Special Session organised by UNICEF aimed to reconfirm governments' commitment to the various aims adopted at the UN's Child Summit 10 years earlier. While the focus of the 1992 UN World Summit for Children had been on promoting the Convention of the Rights of the Child, the 2002 Special Session promulgated a Global Movement for Children. This called upon both public interest NGOs and commercial actors to cooperate with UNICEF and governments in the best interest of children. 'Harnessing corporations' to the cause of child well-being was the novelty of this Special Session.

On 9 May 2002, in the midst of the UN's Special Session on Children, four prominent individuals – Microsoft founder and CEO Bill Gates, UNICEF Executive Director Carol Bellamy, Zambian President Levy Mwanawasa, and the chair of food giant Procter and Gamble, John Pepper – launched GAIN at a high profile media event. The US\$50 million contribution from the Bill and Melinda Gates Foundation constituted the bulk of the total US\$70 million committed for GAIN's first five years.⁴⁷

GAIN was presented as "an alliance of international public, private and civic organisations committed to improving health, cognitive development and productivity in developing countries through the elimination of vitamin and mineral deficiencies – especially deficiencies of vitamin A, folic acid, and iron." The main aim of this "alliance of public and private sector partners" was to "leverage cost-effective food fortification initiatives" to achieving this goal. (GAIN 2002a)

The World Bank's website posted additional information about GAIN's envisioned approach. The fund would "make grants to developing countries in support of food fortification and other sustainable micronutrient interventions". It would "combine the strengths of public and private sector organizations" to:

- "Establish an environment that will allow industry to expand food fortification in the developing world without being at a comparative disadvantage";
- "Utilize public sector capabilities to address legislative and regulatory barriers, making fortification more attractive to private industry"; and
- "Mobilize NGOs and civic organizations to increase consumer demand for fortified foods, and to link fortification efforts with other micronutrient interventions."⁴⁸ (World Bank 2002)⁴⁹

Under the heading "partner goals", the Bank's website stated of GAIN:

"Development organisations will achieve public health goals while private business partners will gain a competitive advantage through improving the quality of food products and improving their corporate image through *socially responsible activities*." (World Bank 2002, emphasis added)⁵⁰

The GAIN consortium includes the World Bank Group, UNICEF, WHO, the governments of the United States, Canada, Japan and Germany, health and nutrition experts, transnational food corporations Procter & Gamble, Heinz and Unilever, and pharmaceutical company Roche. (World Bank 2002; Zimmerman 2002)⁵¹ The World Bank's website stated that "additional partners will include developing country food companies". (World Bank 2002)

At the time of GAIN's launch in May 2002, a *Wall Street Journal* writer tried to get some idea of what the different consortium members understood as the aims of the initiative. But she was told that the details of the global health alliance were still being worked out. The Director for Vaccines and Infectious Diseases of the Gates Foundation, Dr. Sally Stansfield, explained, however, that the overall aim of the initiative was two-fold: where appropriate, to help manufacturers to bring 'fortified foods' to urban populations; and to try to reach malnourished populations in rural areas by supporting local millers and non-profit food programmes and by assisting households (for example, by providing mothers with free or discounted packets of micronutrients to add to their children's food). (quoted in Zimmerman 2002)

All in all, it seemed at the time of its launch that much of GAIN's activities would consist in companies adding iron, vitamin A and other micronutrients to the food products they sold in developing countries. These companies would also provide governments and small food producers with 'technical assistance' to add such minerals and vitamins to staple foods such as rice, maize meal and wheat flour and to cooking ingredients such as oil, sugar, soy sauce and salt.

In exchange for these food contributions, the *Wall Street Journal* surmised that GAIN "would offer companies assistance in lobbying for favourable tariffs and tax rates and speedier regulatory review of new products in targeted countries. The consortium would also give local governments money for initiatives to help create demand for fortified foods, including large-scale public relations campaigns or a governmental 'seal of approval.'" (Zimmerman 2002)

When interviewed by the journalist, some of the TNCs involved pointed to the various marketing avenues presented by this new alliance. A spokesperson for Roche stressed that GAIN was primarily a "philanthropic effort" because the overall aim of the initiative was to cater to the nutritional needs of the poor. But at the same time, the spokesperson mentioned that Roche might use GAIN to sell its vitamin-mineral 'premix' package which consumers could add to their flour and rice.

The spokesperson for Kraft said that "this partnership [GAIN] can accelerate the process of bringing fortified products to the market" Some of Kraft's beverages and biscuits (for example, Kraft's Cheese Whiz) are already 'fortified' with 'micronutrients'⁵² and thus have been seen as products that might be distributed under GAIN. At the time of GAIN's launch, Procter & Gamble was test-marketing Nutristar, its new powdered beverage containing iron, vitamin A and iodine, while Heinz was selling 'fortified' Ketchup in the Philippines. (all quoted in Zimmerman 2002)

Initial concerns

A techno-fix for a complex problem

Soon after GAIN's launch, concerns were raised about its approach. While the judicious adding of vitamins and minerals to food stuffs can play a positive role, some health advocates expressed unease about

GAIN's focus on adding micronutrients to corporate foods sold in developing countries could harm local production of more nutritious food.

GAIN's stated goal of 'improved nutrition' is rather broad for a venture that aims primarily to add vitamins and minerals to foods.

GAIN's over-enthusiastic promotion of 'food fortification' as an inherently positive public health measure. As any major public health initiative, the GAIN approach was scrutinised for possible risks and drawbacks from the broadest possible perspective.

Some experts feared that the Alliance's narrow focus on fortifying food would be detrimental to local production of more nutritious food. They were concerned that the involvement of food TNCs would encourage people to eat more processed, less healthy food. Frances Moore Lappé (author of *Diet for a Small Planet*) and Anna Lappé, for example, said that facilitating the entry of fortified foods produced by corporate giants into developing countries ignored a crucial reality:

"Many, if not most, of the hungriest people are themselves farmers. They eke out a living by selling what they grow, and eating it. Helping foreign food purveyors penetrate their markets will only further rob them of their livelihood. For example, India's dairy cooperatives – many run by poor women – would be hard pressed to withstand the onslaught of Kraft's marketing power." (Lappé and Lappé 2002)

In addition, they pointed out that GAIN's:

"approach also hurts the poor if it shifts tastes towards processed foods, typically adding fat, sugar, and salt while removing needed fiber and micronutrients. This diet trend already contributes to the spread of diseases currently burdening the industrial world. Obesity and diet-related diseases including diabetes, heart disease, and cancer are becoming a global crisis. In the Third World, grossly insufficient health care budgets are now being diverted to treat these conditions, and away from treating deadly infectious diseases." (Lappé and Lappé 2002)

Marion Nestle, professor of nutrition and food studies at New York University and author of *Food Politics: How the Food Industry Influences Nutrition and Health*, has called GAIN a "reductionist, single-nutrient techno-fix to a problem that is much more complex." She has stressed that "the main reason for the lack of decent nutritional status is poverty." (quoted in Zimmerman 2002) She has suggested creating jobs, ensuring access to decent health care and teaching people how to grow vegetables in adverse conditions as alternatives to GAIN's approach of tackling malnutrition.⁵³

In developing countries today, malnutrition has two forms. Many nutritional problems stem from a lack of food, which results from poverty, exploitation and imbalances of power. Others, however, stem from under-nutrition's perverse opposite, obesity, much of which is created by the marketing and consumption of high-calorie 'junk' food and soft drinks (as well as of breastmilk substitutes).

To summarise, critics felt that the Alliance's professed goal of 'improved nutrition' was somewhat broad and misleading for a venture whose primary stated aim was simply to add vitamins and minerals to food. They felt that malnutrition could be addressed more productively in more holistic ways, for example, by helping small-scale local initiatives focused on improving poor people's overall economic, food security and nutritional circumstances – and, at the same time, by limiting TNCs' ability to push fortified 'junk' food to the detriment of better local alternatives and thus people's health.

These broader approaches, however, do not fit with the current blueprint of international public-private 'partnerships' in the health arena,

as inspired by the Bill and Melinda Gates Foundation. According to the *Wall Street Journal*, the guiding principle of global health alliances backed by the Gates Foundation is “to bring public agencies and private industry together to address grossly inadequate basic health care for the poor resulting from failures of the market place. The foundation’s approach is to fix problems by using market mechanisms.” (Zimmerman 2002)

Within this kind of thinking, broad and complex health and nutritional problems are narrowly interpreted as a lack of nutritious products due to ‘market failure’, a technological term meaning that companies have not found a particular market to be profitable enough. Within this framework, the prime solution is to alter the balance of profit and loss so that it is more favourable for transnational corporations to operate in a particular market environment. One means of doing so is to give them public or philanthropic subsidies and make various policy concessions.

The second guiding principle of global health alliances inspired by the Gates model seems to be that they select problems which appear to have a technological solution which looks highly cost-efficient. As Bill Gates said in an interview shortly before GAIN’s launch, “We’re interested in any health intervention that can impact millions of lives, especially when the intervention is incredibly inexpensive. Micronutrients fits that in a big way.” (quoted in Zimmerman 2002)

Health activists are concerned that the global health alliances following this line of thinking will distort global health policy-making and programmes. They will ‘cherry-pick’ those public health interventions which are inexpensive (and provide industry and wealthy donors with a reputation for solving the world’s problems and with increased markets) while leaving more complex tasks to governments, UN agencies, not-for profit NGOs and community-based organisations.

Vetting UN business ‘partners’

“It is one thing to say that we want to work in partnerships with corporations that recognise their responsibility for human rights, who care about labour codes, working conditions, environmental protection and the like. But these are generalities.

“The heart of the matter is the exercise of ‘due diligence.’ The UN must look carefully at these companies. This does not mean putting them under a microscope, fixing them with a degree of scrutiny that few of us could pass. Rather, it means identifying organisations whose behaviour, on balance, shows evidence of a willingness to exercise corporate responsibility [...]. Without ‘due diligence’ one runs the risk of becoming associated with companies whose past records suggest they may not be the best partners [...]. For instance, UNICEF attaches ethical strings to its supply contracts, favouring companies that pledge to avoid links with activities such as landmine production and exploitative child labour. We do not deal with cigarette companies or accept contributions from manufacturers of infant formula.”

Carol Bellamy, Executive Director UNICEF, 1999⁵⁴

“In developing relationships with commercial enterprises, WHO’s reputation and values must be ensured. Scientific validity must not be compromised. Staff should thus always consider whether a proposed relationship might involve a real or perceived conflict of interest, either for the staff member or for the work of the Organisation.”

WHO Guidelines on Interaction with Commercial Enterprises to Achieve Health Outcomes, 2000⁵⁵

Malnutrition stems from a lack of food – and from its opposite, obesity.

GAIN has raised doubts about the procedures by which UNICEF and WHO assess their corporate 'partners'.

The launch of GAIN has raised doubts about the appropriateness of the procedures by which two of GAIN's UN promoters, UNICEF and WHO, assess their corporate 'partners.' The first duty of public agencies is to ensure that any company participating in a public-private joint venture is the most appropriate company or industry association for the task at hand. Companies may benefit in many ways from a reputation as a UN 'partner.' Thus, public agencies should ascertain from the outset that a chosen company is not involved in unethical or unlawful activities. Corporate economic and political practices in relation to the core mandate and functions of the UN and its agencies must be carefully scrutinised.

At the 55th World Health Assembly in 2002, held in Geneva a few days after GAIN's launch, various public interest groups and networks raised questions about the appropriateness and adequacy of the vetting procedures.⁵⁶ For example, the International Baby Food Action Network (IBFAN) stated in a press release:

“Earlier in the infant feeding debate, several Member States had expressed concern about the new UN/Bill Gates backed Global Alliance for Improved Nutrition GAIN... [because it] involves companies known for pushing unhealthy brands of foods. These companies include Procter and Gamble, Kraft ... and Heinz, a company well known for its violations of the baby food Code. WHO has in the past clearly indicated that it does not want to be involved in any 'partnerships' and 'interaction' with the tobacco industry or any of its subsidiaries, but its guidelines on conflicts of interests are only in a draft stage and are unclear. UNICEF by joining this initiative is also violating its own guidelines on the interaction with the private sector which exclude the tobacco [industry] as well as violators of the International Code.” (IBFAN 2002)⁵⁷

IBFAN and Consumers International also asked about the implications of the UN-business partnership trend on WHO's potential plan to regulate the advertising of 'junk' food to children as way of tackling obesity. (IBFAN/CI 2002) This concern is especially valid in relation to close interactions with and fund-raising from giant food manufacturers.

Infact, a US-based action group that has been closely involved with international efforts to set up a Framework Convention on Tobacco Control, pointed out that tobacco giant Philip Morris, which owns Kraft foods, has a reputation for using its food subsidiary to undermine WHO's work on this regulatory framework.⁵⁸ “It would be tragic if GAIN were to help serve Philip Morris expansion of tobacco addiction, disease and death in economically poor countries,” said Infact Campaign Director Kelle Louaillier. (Infact 2002)⁵⁹

And why was Swiss-based Roche invited to be a 'partner' in this highly-publicised global UN-business venture? Only six months before, Hoffmann-LaRoche had been fined nearly half a billion Euros (462 million) for being a prime “instigator” of what the EU Competition Commissioner called “the most damaging series of [price-fixing] cartels the Commission has ever investigated to date the sheer range of vitamins covered which are found in a multitude of products from cereals, biscuits and drinks to animal feed, pharmaceuticals and cosmetics.” The Commissioner found it “particularly unacceptable that the illegal behaviour [of Roche and other implicated vitamin producers] concerned substances which are vital elements for nutrition and essential for normal growth and maintenance of life.” (quoted in European Commission 2001)⁶⁰ Could this company really be regarded as genuinely interested

in promoting public health and transferring its knowledge to industries in developing countries?

What criteria do UN agencies use to assess the appropriateness of companies (or other private sector actors) as ‘partners’ of major global health alliances? The choice of GAIN business partners suggests that money and market power are the main criteria of choice while actual business practices come second, if they are assessed at all.

Of particular concern in the choice of GAIN industry partners is the fact that WHO and UNICEF actually violated their own guidelines on interacting with the for-profit sector, however imperfect such guidelines may be.

Walking a tightrope

Many UN officials seem prepared to – or have been asked to – walk a tightrope between raising funds from corporations and newly-rich private donors, and ensuring public health aims. A background discussion paper for a WHO Seminar on Global Public-Private Partnerships for Health and Equity (co-sponsored and co-hosted with the Society for International Development and the Rome-based Istituto Superiore di Sanità) highlights this ambiguity.

“WHO’s main authority is a moral one. The Organization’s good reputation as the world’s impartial leader is its most valuable asset. Therefore, if WHO is involved, or even perceived to be involved in a conflict of interest, it may directly lose its legitimacy as a world leader in public health. This asset should be well guarded. Nevertheless, WHO’s legitimacy is the primary incentive for the private sector to collaborate with the Organization. It might be at the same time its most valuable card in negotiations, and its best selling point.” (Waxman 2000:6)

The health editor of the UK *Guardian* newspaper, Sarah Boseley, wrote of Dr. Brundtland’s determination to promote closer interactions with and fundraising from the private sector:

“The potential for conflict of interest has been noted within WHO. The executive board has discussed guidelines for staff. But rules on free lunches are irrelevant when would-be persuaders are regulars in the staff canteen. Drug companies, baby milk manufacturers or the big food corporations – they would all like a bit of influence at WHO. Brundtland may be right to harness their money and energy in the cause of health, but she will have to persuade her critics that it is she who is sitting in the driving seat.” (Boseley 2002b)

Main features of global health alliances

When governments and health action groups asked WHO about the GAIN approach, WHO replied that nothing had been decided as yet and that it had made no promises about regulatory concessions to transnational food corporations. It also implied that the *Wall Street Journal* and others had misunderstood the GAIN approach and that steps would be taken to iron out any problematic features.

The GAIN website stated that the alliance would be fully operational by Fall 2002. But given that GAIN has been modelled on another global health alliance, the Global Alliance for Vaccines and Immunization (GAVI), critical health professionals, policy makers and public interest groups might have guessed the shape of the ultimate global ‘nutrition’ partnership based on their knowledge of and concerns about GAVI.

The choice of GAIN’s business partners suggests that money and market power are the criteria of choice rather than actual business practices.

Global health alliances tend to see health problems in a narrow bio-medical and economic framework.

Private sector partners have a lot of decision-making influence in these alliances.

The Global Alliance for Vaccines and Immunization (GAVI) was officially launched at the World Economic Forum – an annual gathering of prominent business figures that prides itself on setting global policy agenda – in January 2000 by Bill Gates and UNICEF’s Executive Director, Carol Bellamy. The mainstay of what is now dubbed the ‘one billion dollar fund’ comes from a donation of US\$750 million by the Bill and Melinda Gates Foundation.

GAVI’s ‘founding partners’ include the Bill and Melinda Gates Children’s Vaccine Program, WHO, UNICEF, the World Bank, the Rockefeller Foundation, the International Federation of Pharmaceutical Manufacturers Association (IFPMA), and some national governments.⁶¹ Its official aim is to reduce the burden of vaccine preventable diseases by improving access to vaccine services and accelerating the development and introduction of newer vaccines.⁶²

Some of the main features of global health alliances that follow the GAVI model are:

- They tend to see health problems in a narrow bio-medical and economic framework.
- ‘Private sector partners’ are given a lot of influence in decision-making at international and national levels. Industry and industry association representatives are often invited to be full participants on the decision-making boards of these global health alliances. Grant applicants in developing countries are requested to establish national coordinating committees (NCCs) with a tripartite structure, formed of government officials, NGOs and commercial sector representatives, and to channel their demands through these committees.
- The alliances tend to impose on fund recipients conditions that increase corporations’ access to public funds and untapped markets, in particular transnational corporations.
- The contribution of the Bill and Melinda Gates Foundation to these alliances is ‘catalyst money’ for a specific period of time only, which is made available on the condition that ‘donor’ and ‘recipient’ countries contribute as well. As such, policy-makers cannot and should not rely on the longer-term availability of the Foundation’s money for a specific global health alliance.

Health activists have raised the following concerns about GAVI-type global health alliances:⁶³

- The way in which health problems are viewed in these health alliances might lead to an overemphasis on technological solutions that can be framed in term of rectifying ‘market failures.’

In fact, since the release of the 1993 World Bank Report *Investing in Health*, many international health issues have been redefined in a ‘market-based’ way. Those needing funds for health and social services and projects feel compelled to adopt economic language in their grant applications to justify their funding requests. If health issues are no longer defined in terms of human rights and social justice, UN agencies and governments may increasingly feel less bound to honour their duties towards a human rights-based approach to health, nutrition and other social issues.

- Industry ‘partners’ obtain undue influence in public policy-making. They may also gain an undue advantage over local, small and medium businesses that are rarely part of the core private sector ‘partner’ group.
- ‘Conflict of interest’ issues are inadequately addressed, if at all.

- Global health alliances risk diverting public money from traditional large donors for development, as well as funds and human power of other public ‘partners’ such as UN agencies and ‘recipient’ countries, away from their key public health priorities.
- The focus on narrow and ‘vertically’ organised health initiatives runs counter to ‘sector-wide funding’ of health care services organised in a ‘horizontal,’ integrated way, which is generally regarded as the best model from a public-interest perspective.

Some of the criticisms made about the earlier large-scale health alliances and concerns raised at GAIN’s launch do seem have borne some fruit. Under the leadership of GAIN’s new Executive Director, Rolf C. Carriere, GAIN has elaborated a Framework Document that makes room for “GAIN’s objectives to evolve and change over time” and envisions “advocacy for the creation of supportive regional trade policies and practices.” The Framework Document suggests as one of its proposed membership criteria a “record of and reputation for socially responsible behaviour.” It also anticipates that armament and weapons companies; industries engaged in the sale and promotion of alcohol or tobacco; and companies whose marketing practices violate the International Code of Marketing of Breastmilk Substitutes may be excluded from becoming GAIN members – albeit “at the discretion of the GAIN board.” (GAIN2002b: 4; 22; 14)

In Autumn 2002, the GAIN website did not mention any of those GAIN industry ‘partners’ that had earlier been criticised. They may have been quietly dropped from the arrangement. But it may still be worthwhile for health action and nutrition groups to form a GAIN-Watch coalition. This coalition could, for example, ask for transparency in relations with industry and for clarification about the plans to shape national and international trade regulations, question the presence of an industry representative as a voting member on GAIN’s board, and raise any other issues of concern held by those who work for people-centred holistic health and nutrition. Some of these concerns could be taken into consideration by a responsive GAIN leadership. Others, such as concerns over the arrangement’s wider health, social and political impacts, will have to be addressed by the wider public policy community.

The Global Fund to Fight AIDS, Tuberculosis and Malaria

It is not only global health alliances catalysed by money from the Gates’ foundations that follow the model described above. For example, the Global Fund to Fight AIDS, Tuberculosis and Malaria (often described simply as the Global Fund) follows a similar approach and way of thinking.

The Global Fund’s official aim is to raise, manage and disburse funds. These funds are meant to be supplementary and complementary to other forms of development assistance to tackle three major diseases: AIDS, tuberculosis and malaria. (*see e.g., WHO 2002:1*)

The Global Fund has its origin in a pledge made in July 2000 by the G8 countries to increase public spending for AIDS. This followed criticism of their failure to address the root causes of poverty and to cancel Third World debt, both of which contribute to the spread of AIDS in many countries. Journalists contrasted the lavish hospitality at the G8 summit in Okinawa, Japan, with the 2.8 billion people living on less than US\$2 per day. (Dabade 2002)

The UN Secretary-General, Kofi Annan, and the WHO Director-

Many international health issues are now defined in a market-based way.

Those needing funds for health and social services often have to adopt economic language to justify their funding requests.

Conceptualising the Global Fund as a public-private 'partnership' has had major consequences for tackling AIDS, TB and malaria.

General, Gro Harlem Brundtland, supported this initiative. In Spring 2001, Kofi Annan said that US\$7-10 billion was needed each year to tackle the AIDS epidemic and suggested that a multi-billion dollar fund should be established to pay for the work. A Technical Briefing at the May 2001 World Health Assembly proposed that the fund's scope should be broadened to include other diseases associated with poverty, such as malaria and tuberculosis. Just six months later, in January 2002, the Global Fund was declared operational and began to solicit requests for projects it could fund.

Even though the Global Fund was a governmental initiative and even though the majority of its funds are from public donors, it was not conceptualised as an international 'public health alliance' but as a 'public-private partnership'. Indeed, this is a central feature of its mission statement:

"The purpose of the Global Fund is to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals." (quoted in Benn 2002)

As argued below, the conceptualisation of the Global Fund as a global public-private partnership has already major consequences for the way in which AIDS, malaria and TB are dealt with.

The role of the private sector

From the outset, the Global Fund proposed that private sector representatives should have places on the Fund's board. But industry representatives felt that this was not enough. When the World Economic Forum hosted a private sector consultation meeting of the Global Fund in December 2001, representatives of more than 20 companies and industry associations requested that the private sector "be represented in all governing bodies of the global fund, as well as to be part of all stages of the funding process, including technical review, at country level and during the evaluation process." They also asked that the commercial sector be "eligible to be Fund recipients." (WEF 2001) These demands seem to have been complied with. The Global Fund's website now states:

"Please note that members of the private sector are invited to take part in all Global Fund processes, including taking part in the submission of proposals, joining the Technical Review panel, or applying for the post of the Executive Director." (GFATM 2002)

Nothing but a better funding mechanism?

When the Global Fund was set up, the various initiators stressed that it would not be another decision-making body and that its only aim was to harness additional funds for the three major diseases which could be disbursed more efficiently than currently available funds.

But the first contribution to the Global Fund from the UK government of £28 million was diverted from its regular aid budget. (Christian Aid 2002:1) As for more efficient spending, it is difficult for outsiders to calculate how much public money and human power is flowing into the additional structures required to disburse the funds. It is said, however, that the Executive Director of the Global Fund, Richard Feachem, negotiated a remuneration package of US\$200,000 per year tax-free which places him "among the highest-paid public health workers in the world." (Donnelly 2002) ⁶⁴

Why did governments decide against channelling public funding through and into existing public and not-for profit institutions and organisations in the health and development field? According to the *Wall Street Journal*, the UK and a number of other governments joined “demands led by the Bush administration that the new fund set up a worldwide aid-delivery system from scratch – instead of relying on established agencies the administration distrusts, such as the U.N. and the World Bank.” (Phillips 2002) ⁶⁵

One result of the insistence on setting up a totally new structure is that, although the Global Fund had raised US\$ 2.1 billion by August 2002 and had pledged US\$1.6 billion in grants in spring 2002, not a single cent had been spent by Autumn 2002. The *Wall Street Journal* expected that the vast majority of the grant winners would not see any funds until the end of the year. (Phillips 2002)

Another result of political wrangling is a structure that is now presented as both an “international entity and a partnership between the public and the private sector.” (WHO 2002: 1) In summer 2002, WHO’s Director-General informed WHO Member States that the Global Fund had been conceptualised in way that it did “not belong to one set of countries or be tied to the United Nations ...” Neither WHO or UNAIDS have voting rights on its board, although one private sector representative and one private foundation representative both have voting rights. (WHO 2002: 2)⁶⁶

In effect, the way the Global Fund was set up and conceptualised erodes the power of WHO’s Member States – in particular that of the less wealthy and influential countries – in terms of global health policy-making.

The Global Fund’s structure erodes the power of WHO and of its less wealthy and less influential Member States in global health policy-making.

Spinning out of control?

“Without appropriate forethought ... GPPPs [Global Public-Private Partnerships] may serve to weaken systems of multilateral governance. This could happen as the control and authority presently vested in governing bodies is transferred to the steering groups of GPPPs, in which the private sector may have greater influence. There is an additional danger that the goals of the UN could be displaced as policies, strategies, resource allocation and activities are increasingly driven (or subject to approval) by industry instead of the organizations’ governing bodies. Similarly, if the perceived neutrality of the UN is compromised by private sector involvement in its normative activities, the UN’s credibility, impartiality and integrity could be undermined. Finally, traditional support for the UN could be undermined as private sector partnerships erode the goodwill of those who believe in a multilateralism in which governments not corporations are the decision makers.”

Kent Buse and Gill Walt, 2000⁶⁷

“We see public-private partnerships as satellite bodies that can go off into orbit. They can be used by the for-profit sector to enter and expand markets and [enter] policy setting arenas, the very arenas that need to be strong if this problem [of unhealthy food promotion] is going to be adequately addressed and our children’s future safeguarded.”

Statement by IBFAN and Consumers’ International, 55th World Health Assembly, 2002⁶⁸

WHO's reliance on corporate funding could easily distort public health care policies and jeopardize WHO's independence and integrity.

Back in 1999, when public interest NGOs were commenting on WHO's preliminary guidelines on interactions with commercial enterprises, they pointed out their deep unease about raising funds from industry. They felt that reliance on business sector funding might distort public health care policies and jeopardize WHO's independence and integrity.

They stressed that, if WHO was intent on embarking on public-private 'partnerships', then stringent safeguards had to be first set in place. Health Action International (HAI) suggested three measures to minimize the risks of corporate funding thwarting public health priorities and of increasing possibilities for undue industry influence in scientific and policy decision-making. They recommended that WHO should:

- adopt a clear "fundraising policy based on a global needs assessment of WHO";
- set up a "blind trust" for donations; and
- "ensure that money from this fund goes to the organization as a whole" and is not earmarked for specific programmes or projects. (HAI 1999)

HAI found it crucial to relate the guidelines to WHO's overall mandate and functions:

"Mobilising resources is not a goal in itself ... By adopting a clear fundraising policy based on a global needs assessment, WHO can avoid having donors ultimately set the agenda." (HAI 1999)

In April 2000, the then Director of WHO's Department of Resource Mobilisation, Denis Broun, said in his presentation on WHO's plan to fundraise from member states, private foundations and the commercial sector that the aim was to go for less 'earmarking.' This would mean an increase in the amount of funds that were *not* linked to conditions on how WHO should use them. (Broun 2000)

By the end of that year, however, fundraising had gone far beyond what was originally envisioned by UN agencies as 'resource mobilisation.' A background paper for the WHO co-hosted Seminar on Global Public-Private Partnerships for Health and Equity warned that:

"Some of the recent health partnerships have taken the form of 'satellite organs' located outside the WHO (as well as other UN agencies) acting as quasi-private entities ... At the moment there are relatively few such projects: GAVI, Medicine for Malaria Venture, Global Alliance, Stop TB. As the number of [public-private] partnerships increases it is assumed that there will be more projects of this kind. This structure of public health initiatives located outside the organization may cause in the long run the dismantling of WHO into small 'subsidiaries.'" (Waxman 2000: 6)

WHO's leadership seems to have long believed that it would be able to court industry and wealthy philanthropic leaders without any adverse effects on public interests. A closer relationship between WHO and business and wealthy donors fits with the ongoing overhaul of the principles along which international health policy-making is to be framed.

When Dr. Brundtland took the helm of WHO in 1998, she chose the World Bank's 1993 World Development Report, *Investing in Health* as the roadmap for guiding the Organisation's policy. This report had argued that governments should prioritise their policies along the lines of cost-effectiveness rather than focusing on broadly strengthening health care systems. WHO's Director-General has since accorded great influence to the Harvard and World Bank authors of this report. (for more details, see Yamey 2002a: 1110)⁶⁹

A particular key moment was December 2001, when WHO unveiled to the larger public a new blueprint for international health policy-making. Dr. Brundtland had commissioned the *Report of the Commission on Macroeconomics and Health* which had been chaired by Harvard University economist and ‘free’ market advocate, Jeffrey Sachs. It positioned:

“health [as a] priority goal in its own right, as well as a central input into economic development and poverty reduction.” (Commission on Macroeconomics and Health 2001:16)

This *Report* has been hailed as a champion of increased spending on health for developing countries. But its view of health as an instrument of development has superseded the notion of health as being of intrinsic value to all human beings. The *Report* did not build on the goal of Health for All, which aims for universal access to primary health care services. Instead, the *Report* buried it.⁷⁰

An article in *The Lancet* by its editor, Richard Horton, describing changes within WHO was, on the whole, positive about the resolve of WHO’s Director-General to attract more money to the health arena by restructuring WHO and international health policy-making. But at the same time, it drew attention to a range of problems created by the Organisation’s closeness to certain industries. It contrasted the Director-General’s relative silence on the social responsibilities of the pharmaceutical industry with her forceful speaking out on tobacco issues. It also highlighted the lack of opportunity and space to raise critical questions about the changes within WHO. (Horton 2002a: 1607)

Le Monde Diplomatique was more critical of WHO’s leadership strategy of repositioning health along neoliberal lines and of charting its new course towards business partnerships. Dr David Nabarro, then Executive Director of Dr Brundtland’s office, justified the chosen course of action:

“We certainly need private financing. For the past decade governments’ financial contributions have dwindled. The main sources of funding are the private sector and the financial markets. And since the American economy is the world’s richest, we must make the WHO attractive to the United States and the financial markets.” (quoted in Motchane 2002)

More recently, the editor of *The Lancet* raised the alarm when the UK, WHO’s third largest extra-budgetary government donor, asked WHO to make its “roles and mandates ... consistent with the [UN’s] Millennium Development Goals”.⁷¹ In practice, this means a request that WHO re-focus its activities towards catering to the needs of the Global Fund and of the emerging UN Millennium Task Force on AIDS, malaria, tuberculosis and access to essential drugs. *The Lancet* pointed out that this could lead WHO to neglect other areas of its mandate, such as its role in building health programmes and setting international norms and regulatory standards. *The Lancet* felt that the UK’s demand might lead to a “damaging reinterpretation” of this mandate.

The UK’s demand was based on a strategy review of WHO conducted by the UK’s Department for International Development (DfID), a review which was part of the UK’s ongoing analysis of intergovernmental and multilateral institutions. The review framed WHO’s work almost entirely in terms of ‘human development,’ not human rights – and even less in terms of WHO’s constitution which defines health as a state of complete well-being, not merely as an absence of disease. (Horton 2002b)

The Commission on Macroeconomics and Health buried the goal of ‘Health For All’.

It is time to consider whether public-private 'partnerships' at one level are 'forced marriages' at another.

Time for a moratorium

“Since I have been Director-General, WHO has been reaching out to new partners in its efforts to conquer disease. We have strengthened ties with other UN agencies and established good relationships with a handful of private-sector companies. But there is the potential to stretch the net much wider and, if we do so, we all stand to gain.”

Gro Harlem Brundtland, October 1999⁷²

“There is no consensus on the workability of global public-private partnerships especially in being able to maintain public sector values . . . it would be helpful for WHO and other UN bodies to support research on how well GPPPs [global public private-partnerships] support the principles of public health, and review the structure, process and outcomes of GPPPs (including within the UN). The research would provide historical evidence and solid analysis on how public health can work best in a globalised world and how in that context GPPPs do or do not improve health services and social development.”

“Global public-private partnerships should not aim to create new structures/institutions as an alternative to legitimate international organizations where a legitimate decision making process has been established such as in the World Health Assembly. However imperfect the WHA may be, this is currently the best available and most democratic way forward.”

Report of the WHO/SID/ISS Seminar on

‘Global Public-Private Partnerships for Health and Equity,’ 2000⁷³

GAVI-style global health alliances can be regarded as ‘social experiment’ public-private ‘partnerships’. Health activists and others have raised concerns about:

- (1) the narrow focus of these public-private joint ventures;**
- (2) the ‘vertical’ way in which programmes are implemented;**
- (3) the unwarranted influence of business over public decision-making;**
- (4) the lack of attention to conflicts of interest.**

The most problematic feature of these large-scale public-private ‘partnerships’, however, is that their proliferation may ultimately:

- (5) distort and fragment national and international public health agendas; and**
- (6) circumvent – or dismantle – the national and intergovernmental agencies and institutions that have dealt with health problems until now.**

Moratorium, assessment and restructuring

At the World Health Assembly in 2001, Health Action International suggested that WHO Member States call for a “moratorium on additional public-private interactions” until “WHO is able to effectively show that it has mechanisms in place to guide and evaluate all of its joint activities with the private sector.” (HAI 2001: 5) ⁷⁴

Now might be the time to call on the whole UN system to establish a moratorium on any new global health alliance and other large-scale public-private ‘partnership’ until there has been a thorough assessment of the real opportunities and the limits, drawbacks, broad risks and costs.

It is time to consider whether public-private ‘partnerships’ at one level are ‘forced marriages’ at other levels.

Any assessment of a public-private partnership should include a comparison with alternatives to such initiatives. For example, the international community should undoubtedly tackle AIDS and other major diseases as a matter of extreme urgency. But is the Global Fund public-private ‘partnership’ the best way of doing so? Could the Fund not be converted into a global ‘public’ health initiative? Could existing public and NGO structures and relationships not be improved upon, so that governments and others pursue public health and other political measures more quickly and so that financial support for health is more forthcoming?

This moratorium should be accompanied by continued reflections and campaigns to restructure existing global health alliances and other public-private ‘partnerships’ so that they can really serve public interests – and to assess which ones should be abandoned, or at least not be unduly publicly subsidised in terms of finance or human power.

While some public interest NGOs and concerned governments may decide to call for a moratorium on new large-scale PPPs, others may not. Even so, UN agencies and governments should not initiate or participate in any ‘partnership’ with the private sector or private foundations which:

- risks marginalising and undermining the UN system;
- erodes democratic, transparent, decision making;
- diverts public funds;
- gives industry undue influence over public matters such as health policy-making and economic decision-making; and which
- sets down conditions of restructuring national and international markets and trade that are unduly favourable to TNCs.

Public debate

As argued in Part One of this paper, there is, moreover, a need for an inclusive public debate about whether or not the public-private ‘partnership’ paradigm is the best way forward in terms of public health – and what this paradigm means in terms of democratic control over public policy-making and over transnational corporations.

The background discussion paper presented at the WHO co-sponsored Seminar on health public-private partnerships two years ago did not foresee much opportunity for such fundamental discussions:

“Private Public Partnerships for health are already a matter of policy in WHO. It has become part of WHO corporate strategy, and the Director General has addressed the issue positively in her speeches [...] Therefore, the primary objective at this stage is to create the right institutional mechanisms and to deal properly with ethical issues...” (Waxman 2000: 8)

The paper listed the main issues to be discussed by participants at the meeting and divided them into two “suggested perspectives”. The section on “governments and PPPs” presented the two options thus:

Direction 1: “WHO is an organization of Member States. This situation should not be changed by any means.”

Direction 2: “Lack of public funding and privatisation are facts of life. Governments cannot maintain their financial support of WHO. This entails more involvement of the private sector and eventually might lead to its justified demand for more influence.

Existing public-private health partnerships should be restructured to really serve public interests – or abandoned.

(The structures of ITU [International Telecommunication Union] and the ILO [International Labour Organisation] Tripartite are [a] good starting point.)” (Waxman 2000: 9)⁷⁵

This and other ideas about the potential restructuring of public national and international agencies and arenas – including the restructuring of the UN’s relationships with public interest NGOs – should be discussed much more widely.

WHO’s Director-General recently announced that she will not stand for a second term in office. The elections in 2003 of a new WHO leader may be the appropriate moment for all those striving for public interest based, participatory and democratic decision-making to regroup. It may provide the opportunity to demand once again an honest assessment of the public-private ‘partnership’ trend and the opportunity for a broad-based debate.

UNICEF has a different structure from WHO. It does not have a forum such as the annual World Health Assembly in which NGOs can voice their concerns and advocate public interests. Nonetheless, there is a need to ask the same questions of UNICEF’s leadership and to press for the same stringent public interest safeguards in the agency’s policy and programmatic decisions.

A question of money?

Some public interest NGOs may be concerned that such a debate may result in corporate sources of money drying up or in the NGOs’ being rejected as recipients of funds from the various health alliances. But there is no contradiction between asking for a broad-based public assessment of the public-private partnership paradigm and of existing global public-private partnerships and campaigning against undue conditionalities and the industry’s participation in decision-making structures at various levels, while at the same time enabling ‘recipient’ governments, NGOs and patient groups to access funds.

Christian Aid’s position on the Global Fund to Fight AIDS, tuberculosis and Malaria, for example, is that governments should increase their funds for health problems but should not channel it through the Global Fund.⁷⁶

“Christian Aid urges the UK government to increase its spending on HIV/AIDS to at least £750 million a year. This would bring it in line with the UN’s call for a five-fold increase in funding for the fight against HIV/AIDS. This increase should be part of a renewed commitment to increase overseas aid to 0.7 per cent of GNP – a commitment ... made more than 30 years ago at the UN.” (Christian Aid 2002: 1)

Others feel that reliance on development aid is, in the long-term, detrimental for developing countries. They argue that fairer, more democratic and socially just national and international economic and political systems should be the focus of demands from those who support public services and medicines and their public financing and provision.⁷⁷

A key tenet of public-private ‘partnerships’ is the assumption that there is not enough public money for public health needs. Thus an urgent task is to describe fully why public funds have been so dramatically cut back in recent years and to take action to reverse an economic model which has effectively redistributed money from the poor and middle-classes to the new super-rich, from countries to corporations, from social to military budgets.⁷⁸ In this alternative model, the major contribution of transnational corporations and wealthy corporate figures to the

A key assumption of public-private ‘partnerships’ is that there is not enough public money for public health needs.

public good would be to abstain from overpricing their products, from driving down their tax payments, and from restructuring economic systems to their advantage by exerting undue political influence.

If transnational corporations and leading corporate figures were to abide by this interpretation of corporate social responsibility, this would yield far more funds than can be raised through the shift towards public-private ‘partnerships’ – funds that, unlike corporate philanthropic funds, could be distributed in a transparent manner and under public control.

In any case, public policies should not be built on the expectation that TNCs would embrace such a view of corporate social responsibility. This is why issues such as appropriate corporate taxation, the international regulation of transnational corporations, the availability and pricing of pharmaceuticals, and the establishment of socially-just national and international economic orders are the essentials of good public policy-making.

Such a view, however, entails that measures should be put in place to ensure that public officials and politicians do – and can – act unequivocally in the public interest. This would have to start with public pressure on the US Congress to revoke one of the 22 pre-conditions it placed on the continued payment of US dues to the United Nations: that the UN be friendlier towards business.⁷⁹

Corporate social responsibility entails not exerting undue political influence to restructure economic systems.

High-level UN-business interactions: The Global Compact

“As part of his ‘quiet revolution’ to renew the United Nations for the twenty-first century, Secretary-General Kofi Annan is building a stronger relationship with the business community.”

UN website *The United Nations and Business: A Global Partnership*, 1999⁸⁰

“WHO’s enthusiasm for partnership is in line with the UN’s ‘Global Compact’, which aims to promote, among other things, corporate responsibility in the areas of labour, human rights, and the environment...”

Kent Buse and Amalia Waxman, 2001⁸¹

“The Global Compact is an ambitious and unprecedented initiative and as the Compact continues to grow it must continue to credibly communicate to the potential participants that the support for human rights, labour standards and protection of the environment is not an exercise in corporate altruism, but an expression of enlightened self-interest.”

Georg Kell, Executive Head of the Global Compact, 2002⁸²

Another type of relatively new ‘social experiment partnership’ between the UN and the commercial sector is the Global Compact. A Report commissioned by the UN Global Compact Office portrays the Compact as an innovative initiative designed to bring “corporate activity into closer alignment with United Nations values and goals” by “weaving universal social and environmental values into the fabric of corporate activity everywhere.” (Nelson 2002: 135-6)

UN Secretary-General Kofi Annan first proposed the Global Compact in Davos, Switzerland, at the World Economic Forum (a leading business gathering) in January 1999.⁸³ He proposed that the business leaders gathered in Davos and the United Nations “initiate a global compact of shared values and principles, which will give a human face to the global market.” (UN 1999) He suggested that companies embrace and

enact nine universally accepted principles in the area of human rights, labour and environment. (*see* Box for details).⁸⁴

Why would major transnational corporations want to embrace such an initiative so publicly when many of them had for decades resisted the UN's attempt to regulate their activities in line with these (and other) UN principles and codes?⁸⁵

In his speech to corporate leaders, the UN Secretary-General stressed the fragility of 'globalisation'. He explained that one reason why he chose the areas of human rights, labour standards and environmental practices was "because they are the ones where I fear that, if we do not act, there may be a threat to the open global market, and especially to the multilateral trade regime." He reminded the corporate leaders of an "enormous pressure from various interest groups to load the trade regime and investment agreement with restrictions aimed at reaching adequate standards in [the] three areas I have just mentioned." (*ibid.*)

The background context to Kofi Annan's proposition is worth recollecting. In 1999, those who gathered at the World Economic Forum saw themselves as finally having to face up to the demands of various social movements who had long been calling upon the business community to take their social responsibilities seriously. The year culminated with the WTO's bi-annual ministerial meeting in Seattle, when the demands of these movements made front-page news.

The UN's Secretary-General found it legitimate for interest groups to raise issues of adequate social and environmental standards, but implied that the WTO was the wrong arena to address these concerns because of potential impediments to trade and investment flows.⁸⁶ Annan

The Global Compact's Nine Principles

At the World Economic Forum, Davos, on 31 January 1999, UN Secretary-General Kofi Annan challenged world business leaders to "embrace and enact" the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. These principles cover topics in **human rights, labour and environment**.

Human Rights

The Secretary-General asked world business to:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold:

Principle 3: freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

The Secretary-General asked world business to:

Principle 7: support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Source: *The Global Compact: Nine Principles*; New York, UN Global Compact Office, <http://65.214.34.30/un/gc/unweb.nsf/content/thenine.htm>, accessed 22 September 2002

suggested that there were two ways in which companies could help “promote these standards by other means.” The first was that companies could “encourage States” to give the United Nations agencies “the resources and authority” to do their job in promoting peace and addressing labour, human rights and environmental concerns. The second was that they could promote these values directly by implementing the nine core values into their own practices and sphere of influence. In return, the UN would “help make the case for and maintain an environment which favours trade and open markets.” (Annan 1999)

The case that Kofi Annan presented was persuasive enough for some of the world’s most influential corporate leaders to be interested. In July 1999, the Global Compact was officially announced in a joint statement made by the UN Secretary-General and the President of the International Chamber of Commerce, Adnan Kassar (UN/ICC 1999). In July 2000, it was declared operational and was (once again) officially launched at a high-level event at UN headquarters. (UN 2001: 2)

Since then, a number of United Nations agencies, trade unions, non-governmental organisations and academic institutions have joined what is now presented as a “multi-stakeholder network, driven largely by the activities of its private and civil society participants.” (UN 1999: 135)

Fundamental flaws

The Global Compact has raised great concerns among those citizen groups that have experienced the difficulties of promoting more socially and environmentally responsible corporate practices. They fear that the Global Compact will weaken – rather than strengthen – efforts to hold corporations publicly accountable.

One of the first to raise their voice was the Transnational Resource & Action Center (TRAC, now CorpWatch US). “The Global Compact and its cousin partnerships at other UN agencies threaten the mission and integrity of the United Nations,” warned their report, *Tangled Up in Blue: Corporate Partnerships at the United Nations*. Rather than challenging corporations to behave in a more socially responsible manner, TRAC perceived the Compact as helping them to avoid their social responsibilities and to clean up their tarnished reputations and images, a process that could put the United Nation’s good name at risk. It argued that corporate influence at the UN was already substantial and that any new ‘partnership’ between the UN and the commercial sector was “leading down a slippery slope toward the partial privatisation and commercialisation of the UN system itself.” (Bruno and Karliner 2000)

The report pointed out four fundamental flaws of the Global Compact arrangement:

- (1) It has no mechanisms to monitor or enforce corporate adherence to the nine principles.
- (2) The Global Compact Office has allowed known violators of some of the nine core principles to become members of the Global Compact.
- (3) It represents the wrong type of relationship between the UN and the business sector: “Clearly the UN must have interactions with corporations, as when they procure goods and services or to hold them accountable, but it should not aspire to ‘partnership’.”
- (4) It runs the risk of image transfer. The Global Compact provides great opportunities for unethical corporations to ‘bluewash’ their image by wrapping themselves in the flag of the United Nations, thereby improving their image and reputation. (Bruno and Karliner 2000: 2)

The Global Compact can help corporations avoid their social responsibilities rather than tackle them.

It is unclear how some companies qualified for Global Compact membership, given their practices.

Disentangling the Global Compact 'partnership' To reform or to dissolve?

Citizen groups have made various attempts in the past few years to disentangle this high-level UN-business 'partnership' and to demand either a reform of the Global Compact project or its dissolution.

In January 2000, on the Global Compact's first anniversary, an alliance of environment, human rights and social justice groups asked the UN Secretary-General to endorse a *Citizens' Compact on the UN and Corporations*. Co-signatories to this alternative Compact pledged their "active support for a strengthening of the United Nations, financially and politically." It encompassed nine principles designed to "safeguard the image, mission and credibility of the United Nations as it deals with the private sector." (CorpWatch 2001)

The principles of the Citizens' Compact included the demand that the UN develop an effective legal framework for corporate conduct.⁸⁷ The document agreed that the United Nations agencies should "advise and offer assistance to corporations wishing to understand and improve their human rights and environmental behaviour," but was categorical in insisting that "such assistance will not be considered a 'partnership.'"⁸⁸ (Alliance for a Corporate-Free UN 2000)

At a meeting of NGOs during the UN's September 2000 Millennium Summit in New York, various groups and networks working on human rights, development and environmental issues (some of which had been involved in drafting the Citizen's Compact) created the Alliance for a Corporate Free UN. The aim of this transnational citizen network is to "address undue corporate influence in the United Nations, and to support UN initiatives to hold corporations accountable on issues of human rights, labour rights and the environment."⁸⁹ (CorpWatch 2001)

In January 2002, the Alliance asked the UN Secretary-General to "redesign the Global Compact" and to rename it the *Global Accountability Compact* to show that the aim is not only to bring corporate activities into line with universal values but also to make the corporate sector accountable to the public.

It suggested that the UN define the nine Global Compact principles further, redesign the arrangement to ensure that the corporations abide by these principles (for instance, by opening the Compact up to public review), and demand officially of Global Compact companies that they refrain from undermining the implementation of intergovernmental and multilateral environmental and social agreements.

The Global Compact Office was also asked to undertake a review of the last 30 years of corporate activities (including the regulation of the infant food industry via the International Code of Marketing of Breastmilk Substitutes) and of interactions between WHO and UNICEF and the commercial sector so as "to form a basis of a public evaluation of the advantages and disadvantages of the various forms of engagement with the private sector."

Finally, the UN Secretary-General was requested to clarify "that the Compact's purpose is not to advance business agenda regarding trade and investment rules." (Alliance for a Corporate-Free UN 2002)

Apart from adding some material on its website about how to understand the nine Global Compact core principles, the Global Compact Office did not act upon any of these requests.

Excluding violators

Corporate accountability movement groups have repeatedly asked the

UN to exclude from the arrangement those companies that violate the Global Compact principles. For example, in July 2001, the Amsterdam-based Corporate Europe Observatory (CEO) asked the UN Secretary General to “break the ‘partnership’ ” with the International Chamber of Commerce (ICC) “before the UN’s credibility suffers permanent damage.” (CEO 2001: 1 & 5)

The ICC, one of the world’s most powerful business lobby groups with over 7,000 corporate members, provided significant momentum for the Global Compact. CEO’s review of ICC-UN interactions showed how the ICC had shaped the Global Compact and used it in ways that conflict with the Compact’s ostensible core mission. For instance, the ICC continued to campaign against international treaties, such as the Basel Convention’s ban on hazardous waste from richer (OECD) countries to developing and Eastern European (non-OECD) countries, even after signing up to the Global Compact. (CEO 2001: 4-5)

The CEO review illustrated how the ICC had lobbied hard to prevent the Global Compact from being binding on corporations and to keep non-business groups out of the arrangement (advocating instead that NGOs and trade unions should dialogue directly with individual corporations at the ‘grassroots’ level) (CEO 2001: 3) ⁹⁰

The CEO review also showed how, ironically, the International Chamber of Commerce had used the Global Compact to pull out of another UN initiative on corporate conduct. The ICC had been involved in a ‘Multi-Stakeholder Review of Voluntary Initiatives’ under the auspices of the UN’s Commission for Sustainable Development (CSD). In March 2000, the ICC withdrew from this process – probably because the review would have confirmed what other reviews of ‘voluntary’ (legally-non binding) codes had already shown: that they are usually piecemeal and per se not particularly effective in increasing corporate social responsibility. The ICC explained in its letter of withdrawal that its resources “may be better allocated in other current initiatives we are undertaking with the United Nations.” It mentioned as an example that it was “heavily engaged in the Secretary General’s Global Compact project.” (Cheltenham 2000; CEO 2002)

The International Chamber of Commerce lobbied hard to prevent the Global Compact constraining corporations.

What is the Global Compact – and whose interests does it serve?

“My organisation ... worr[ies] that the rhetoric and verbal overtures to the NGO community are becoming more profuse and flowery, but our access to the United Nations is becoming more and more limited, and that simultaneous to this, the Corporate Sector are gaining more access to our international decision makers. WILPF also ... feels [the Global Compact] sent a very bad signal at a very crucial time. Was it tactically the right ... move for the UN to put forth this relatively weak compact when the peoples of the world, and many governments in fact, were questioning globalisation and the antics of corporations like never before? My organisation is not alone in thinking that the UN should have taken up a stronger position because it has been under this roof that international laws and consensus agreements have been reached on wage, labour, environment and development conditions. They must not be relegated to the voluntary pile.” (quoted in Global Policy Forum 2001)

Felicity Hill, Women’s International League for Peace and Freedom (WILPF), 2001⁹¹

If the Global Compact was ever envisioned as co-regulation, it is one of the weakest imaginable.

Global Compact Officials have attempted to discredit members of the NGO community by claiming that they do not understand the Global Compact or have misrepresented it. (CorpWatch 2002: 5)

A co-regulatory initiative?

But what exactly *is* the Global Compact? Is it a kind of co-regulatory initiative between the United Nations and business that aims to advance corporate social responsibility through integration of the nine UN Core principles in the practices of corporations? Or has it rather evolved into a UN-sanctioned arrangement which helps some of the world's most powerful corporations restructure the global economy according to their desires? Is the Global Compact an arrangement that helps societies to gain democratic control over TNCs and international economic decision-making? Or is it an instrument of 'plutocracy' helping an elite of powerful corporate leaders to rule the world?

At the 1999 World Economic Forum, the UN Secretary-General suggested that companies should consult with the United Nations High Commissioner for Human Rights, the International Labour Organization (ILO) and the United Nations Environment Programme (UNEP) to help them "incorporate agreed values and principles into your mission statements and practices." (UN 1999)

The then UN High Commissioner on Human Rights, Mary Robinson, said she was ready to assist the business community in this endeavour, but stressed that:

"Statements of principle, ethical commitments and human rights policies are first steps. Next comes effective implementation. Monitoring systems are crucial because civil society will insist that corporations which make promises, keep those promises." (Robinson 1999)

At the launch of the Global Compact's operational phase in July 2000, Amnesty International's then Secretary-General, Pierre Sane, pointed to three indispensable pre-conditions for the Global Compact to be "effective, credible and win the trust of human rights organisations:" that companies joining the Global Compact should make a public statement that they will be open to independent monitoring; that the results of the independent monitoring should be available to all 'stakeholders'; and that there should be a system of sanctions so that companies which violate the principles cannot continue to benefit from the 'partnership. (quoted in Bruno and Karliner 2000: 5)

The Global Compact could have gone in this direction, but it did not. If the Global Compact was ever envisioned as a co-regulatory arrangement, it is one of the weakest ones imaginable:

- For much of its existence, the Global Compact has not had a public listing of all the companies that have enrolled as 'participants.'
- The Global Compact Office does not monitor whether and how companies implement the nine principles throughout their operations. It limits its role to "identifying individual good examples' and to 'encouraging' companies to "report on action taken in their annual reports or other relevant reporting mechanisms." (Kell 2002: 2) The Global Compact Office leaves it to the media, ethical shareholders, critical citizen and labour groups to perform the function of the 'public eye' (in other words, of naming-and-shaming those companies which visibly violate the letter and spirit of the Global Compact's nine principles).

- It does not have any publicly transparent mechanism to screen companies before they enrol in the Global Compact or to exclude publicly corporate participants that are subsequently found in breach of any of the nine principles.

Today, the UN website stresses:

“The Global Compact is not a regulatory instrument or code of conduct, but a value based platform designed to promoted institutional learning. It utilises the power of transparency and dialogue to identify and disseminate good practices based on universal principles.” (UN 2001)

The main ways now listed as attempts to “engage business in the work of the United Nations” and to “encourage corporate citizenship” are ‘country outreach,’ ‘policy dialogue and analysis,’ a ‘learning forum’ and ‘Compact initiatives and projects.’ (Nelson 2002: 135)⁹²

This all sounds very impressive. But one could also summarise the Global Compact as an amoeba-like arrangement with a blurred and constantly shifting objective and concept of corporate membership.

The power of transparency?

Furthermore, one could argue that the Global Compact has not been particularly transparent and has hampered rather than advanced public scrutiny of the commitment of corporate members to integrating the nine core principles into their overall practices.

The Global Compact had aimed to “recruit 100 major multinationals and 1,000 other companies across the world’s regions, which are committed to internalising the nine principles into their corporate management practices” by the year 2002. (UN 2001: 3) Since the Compact’s inception, it has been difficult for outsiders to know just which corporations have committed themselves to doing so. Some time after July 2000, the Global Compact Office took the list of companies subscribing to the Global Compact off its website.⁹³ It explained that this would prevent companies from using the Compact for free publicity and unwarranted image transfer.⁹⁴

This may well be true. But it is unclear how this policy prevents companies from advertising themselves as particularly responsible Global Compact supporters. What is clear, however, is that this policy made it much more difficult for corporate accountability groups to ascertain which – and how many – corporations and industry associations are members of the Global Compact. They could find a company on the Global Compact website only if it had filed an example of its ‘good practice.’ Otherwise, they had to look on company websites to find out whether they advertise their support for the Global Compact principles.⁹⁵

Critics have pointed out this membership policy “is an odd policy for an initiative that claims ‘transparency’ as one of its tools.” (CorpWatch 2002: 5) Given that the Global Compact Office does not monitor the Compact companies, this leads to a curious situation: it relies on the power of public opinion and ethical shareholder pressure to monitor and hold corporations to account, but the information needed for such monitoring is not made readily available.

When journalists raised this issue at the October 2002 Symposium on the UN Global Compact and Swiss Business, the Executive Head of the Global Compact, Georg Kell, promised to put the names of the 700 or so Global Compact companies on the Global Compact website within a few weeks.⁹⁶

The Global Compact has a constantly changing objective and idea of corporate membership.

The Global Compact, Nestlé and human rights

IBFAN has long tried to find out from the Global Compact Office whether or not Nestlé is an official member of the Global Compact. The then UN Assistant-Secretary, John Ruggie, dismissed this question in January 2000 when he asserted that the Global Compact Office had not sought the company's participation. (Ruggie 2000) Despite continued correspondence with the Global Compact Office about Nestlé membership, it was only indirectly that IBFAN learned in early 2002 that the UN Secretary-General had allowed Nestlé to participate in the Global Compact.

In October 2002, Nestlé CEO Peter Brabeck-Letmathe was a key plenary speaker⁹⁷ at the symposium mentioned above whose aim was to link the Global Compact with Swiss business. In his keynote speech, Global Compact Executive Head Georg Kell specifically mentioned Nestlé as one of four Swiss exemplary companies because of its socially-responsible employment practices.⁹⁸

In the ensuing plenary discussion, questions were raised as to how Nestlé – a company with a long-standing record of being one of the main violators of the International Code of Marketing of Breastmilk Substitutes and of undermining effective international regulation of TNCs⁹⁹ – could have become a Global Compact member. Brabeck-Letmathe brushed off the infant food issue by expressing his hope that the Global Compact would provide a platform for more 'constructive' dialogue. Kell dismissed the interventions as questions about a 'single-issue' whereas the Global Compact had much wider aims.

In the Global Compact world, the fact that Nestlé's marketing practices have been repeatedly shown to continue to put the health and lives of infants at risk seems no longer to matter. How could the company become such a high profile Global Compact member when the Global Compact asks companies "to support and respect the protection of international human rights within their sphere of influence" and when the *Guidelines for Cooperation between the United Nations and the Business Community* explicitly state:

"Business entities that are complicit in human rights abuses . . . or that otherwise do not meet relevant obligations or responsibilities by the United Nations are not eligible for partnership." (UN 2000)

Why did the Global Compact Office pay no attention to evidence from the International Baby Food Action Network on how Nestlé continued to violate the International Code of Marketing of Breastmilk Substitutes? Why did it not take into account the information that the *Financial Times* share exchange index for socially responsible investment had decided not to include Nestlé in its FTSE4 Good ethical index? Why did it not take into account the link between the International Code and the 1989 Convention on the Rights of the Child?¹⁰⁰

The marketing methods of several infant food manufacturers continue to put infant health and lives at risk. WHO and UNICEF estimate that 1.5 million infants die annually because they are artificially fed rather than breastfed.¹⁰¹ UNICEF's former Deputy-Executive Director, Stephen Lewis, said the following about the link between commerciogenic malnutrition and human rights:

"Those who make claims about infant formula that intentionally undermine women's confidence in breastfeeding are not to be regarded as clever entrepreneurs just doing their job but as human rights violators of the worst kind." (Lewis 1999: 4)

The Global Compact Office would seem to have a different, rather

selective, view on the values and principles that seem in practice to underpin the Global Compact. It also seems to have a particular view on which citizen groups are to be listened to – and whose views are to be ignored – when ‘dialoguing’ on the conduct of its ‘participant’ companies.

What aims? Whose aims?

If the ‘wider aims’ of the Global Compact are mentioned by Kell as justification for his disregard of IBFAN concerns about Nestlé’s participation in the Global Compact, what are these wider aims?

The secondary aim of the October 2002 Global Compact Swiss business symposium, for example, was to discuss how to expand the scope of the Global Compact to encompass the development dimension.

“Development,” Georg Kell informed the audience, “is largely about enabling private investment and entrepreneurship to secure sufficient and equitable growth for people to have hope for a better future.” His vision was “to make business into a strategic partner for development” and involve them, for example, in ‘Mini-Marshall plans’ under the auspices of the Global Compact. Other objectives of such a Global Compact with a ‘development dimension’ were that companies would pay their taxes and invest in countries which so far have been completely left out of economic globalisation. (all quotes Kell 2002)

How can companies be persuaded to do so? Kell pointed out that all these actions are based on the common “assumption that business, as an integral part of society has an interest in being part of the solution.” (Kell 2002: 6)

Why, then, did Kell have to stress that ‘doing the right thing’ would not interfere with doing business? (Kell 2002: 2) Why did the 2002 Conference Programme summarise the 1999 call of the UN Secretary-General as a call “on business to work with the UN to adhere to a minimum set of common standards and principles *in order to prevent a backlash against economic and financial globalisation* and to work towards sustainable development.”¹⁰²

There are reasons to be concerned that, in the long term, the Global Compact public-private ‘partnership’ will help corporations re-define ‘sustainable development’ along neoliberal lines that are friendly towards big-business and, at the same time, weaken efforts to hold corporations publicly accountable.

The Global Compact has not been designed so as to stimulate corporations to integrate in any meaningful way the nine minimum principles into their core operations – all it asks companies to do is to post their commitment to the Global Compact on their websites and to sponsor one ‘good practice’ project per year.¹⁰³

It is not surprising, therefore, that a recent UNRISD study concluded that: “The Global Compact still needs to prove its ability to force the pace of corporate reform.” (Utting 2002b: 90) But asking whether or not the Compact ‘works’ is not the only relevant question. At issue is whether, overall, it benefits or harms public interests, and whose interests it ultimately serves.

Since 1999, the Global Compact has evolved in a way that makes it easy for a corporation to ‘bluewash’ itself by using the positive image of being a UN ‘partner,’ to use Global Compact channels to increase its influence, and to ward off calls for more effective regulatory mechanisms and criticisms (most recently, by going along with a distinction between ‘constructive dialogue’ and counterproductive ‘confrontation’).

The Global Compact Office has stated that the Compact is not meant

The Global Compact could help corporations continue to re-define ‘sustainable development’ along neoliberal lines.

to be a substitute for stricter, enforceable regulatory approaches that could be taken at other levels. (UN 2001) But, in practice, the Global Compact has become “just about the only game in town:”

“A basic concern with UN-TNC partnerships in general is that they reflect a shift in approach whereby lukewarm voluntary initiatives have crowded out important mechanisms and institutional arrangements involving new forms of international law, oversight or monitoring of TNC activities, mediation or arbitration of disputes, and critical research into regulatory alternatives and the social, environmental and developmental impacts of TNCs.” (both quotes Utting 2002a)

Possible actions

“It is ... crucial that governments protect the integrity of the spirit and letter of the UN embodied in ‘We the peoples ...’ by ensuring a corporate free UN.”

“[We] strongly call on governments to support a growing citizens’ campaign that demands the dissolution of the Global Compact.”

Asia-Pacific People’s Forum on Sustainable Development, 2001¹⁰⁴

Those who are working for corporate social accountability in the fields of health may consider joining those who are calling for a reassessment and reform – or indeed the dissolution – of the Global Compact.

Whatever the fate of the Global Compact, government and UN leaders need to be reminded that voluntary measures are insufficient to deal with those practices of TNCs that risk violating fundamental human rights, labour, and environment principles and agreements. A number of suggestions have been made in the past few years that the UN should take up once again its work on developing binding international regulation of TNCs.¹⁰⁵ The NGO community must keep up the pressure on their governments and the UN to tackle this task.

Part Four

WHAT'S TO BE DONE?

“It is dangerous to assume that the goals of the private sector are somehow synonymous with those of the United Nations, because most emphatically they are not. Business and industry are driven by the profit motive – as they should be and must be, both for their shareholders and their employees. The work of the United Nations, on the other hand, is driven by a set of ethical principles that sustain its mission – principles of the Charter of the United Nations, in the Universal Declaration of Human Rights, in the Convention on the Rights of the Child, and elsewhere in the galaxy of international instruments and treaties that have been promulgated since the UN’s founding in 1945 [...]. In coming together with the private sector, the UN must carefully, and constantly, appraise the relationship.”

Carol Bellamy, Executive Director, UNICEF, 1999^{106, 107}

Conclusion

In essence, this discussion paper draws two conclusions:

1. The public-private ‘partnership’ policy paradigm – and its practice – is beset with so many problems and risks as far as promoting health and democracy is concerned that it would be better for UN agencies and public interest NGOs to abandon the model now.
2. Public interest groups should, at the same time, urge UN agencies to establish clear institutional policies and effective public safeguards to ensure that public interests are unequivocally at the centre of all their financial relationships, joint ventures and other interactions with the commercial sector or wealthy philanthropic donors.

Part One has illustrated that the term public-private ‘partnership’ encompasses a wide range of relationships between the public and the private sector. Although focusing on UN-business ‘partnerships’, it has argued that it is important to distinguish in general between public-private ‘partnerships’ as a policy paradigm, and actual examples of public-private ‘partnerships’.

The novelty of the policy paradigm is its call on UN agencies (and public interest NGOs) to ‘trust’ corporations unquestioningly from the outset and to ‘partner’ with them in the name of ‘mutual benefits’. This is a fundamentally flawed approach to fundraising from, and cooperating and interacting with, the corporate sector. One well-known alternative is to regard the public and private (for-profit) spheres as separate with profoundly different, and potentially conflicting, interests and to put in place public policies that aim to prevent any unwarranted trade-off of public interests in the process.

Part Two has argued that most public-private ‘partnerships’ are not fundamentally new. To assess UN-business ‘partnerships’ better, they should simply be called public-private interactions (or public-private ventures) and the UN should aim to find the most appropriate classification for the various interactions.

In the current pro public-private ‘partnership’ climate, public interest NGOs and others should, as a matter of urgency, revive awareness of the notion of conflicts of interest when public interest actors join hands with – or receive funds from – business actors. UN agencies should set up effective, public systems to address conflicts of interest and other

relevant issues. Given the fact that UN agencies have been found to have violated their existing guidelines, public interest groups should work for independent, public oversight of interactions between the various UN agencies and the commercial sector, which includes private philanthropic foundations.

Part Three focused on two newer types of ‘global public-private partnerships,’ which can be regarded as ‘social experiments’. The first type, global health alliances, share a number of characteristics: the presence of industry representatives on their boards; and the imposition upon grant recipients of conditionalities that tend to favour TNC interests. Is a ‘partnership’ at one level more of a ‘forced marriage’ at other levels?

Citizen groups could consider the following actions:

- Calling for the decision-making boards of these alliances to be re-structured so that they can act in the public interest, particularly in the interest, and with the participation of ‘recipient’ countries and groups;
- Campaigning against unwarranted conditionalities.

A proliferation of these health alliances is likely to result in existing decision-making bodies such as WHO and UNICEF being circumvented and defunded and in a loss of public control over international health policy-making.

This paper has proposed a moratorium on all new large-scale public-private ‘partnerships’ for health until their limits, risks and costs have been thoroughly and independently assessed. Such global PPPs for health need to be compared with alternative possible actions to tackle the same public health problem, and discussed in a public debate.

Global health alliances which are outside public control and which risk causing more harm than good in the long run should not be subsidised with public resources either in the form of money or in terms of human power and institutional support.

The second type of public-private ‘partnership’ which can be regarded as a ‘social experiment’ are ‘high-level interactions’ of which the UN-ICC Global Compact is one of the most prominent. The Global Compact to date is so toothless that it is not an effective instrument to bring corporate practices into line with the UN principles underlying this arrangement. On the contrary, corporations can – and have – used the Global Compact to ‘bluewash’ their tarnished images and to counteract effective binding international regulation and pressure for public accountability.

Health activists may consider joining those who are calling for the Global Compact to be abolished or profoundly reformed, and who are campaigning for public and binding international regulation of TNCs.

UN-business interactions which are portrayed as following the win-win ‘partnership’ paradigm tend to further the TNC-friendly neoliberal restructuring of the world but this time conferring a UN seal of approval. This is why one of the most important actions is a public debate and assessment on the public-private partnership policy paradigm.

“Come together right now”

“We are supporters of the UN. We want to see a stronger, not a weaker UN. But we feel that the partnerships with business threaten to compromise the mission and integrity of the world body. We note that the public support for the UN is wide, but rather shallow, and may evaporate if it is seen as yet another institution fronting for corporate globalization. We don’t want

to see Seattle-like demonstrations against the UN. We want to see it, someday, as a counterbalance to a weaker, smaller, subservient WTO. We want to see someday a UN that monitors and regulates TNCs, rather than allowing them to unduly influence its affairs.”

Kenny Bruno, social justice and environmental activist, 2001¹⁰⁸

“The UN is at risk, it is losing credibility through blue washing and the threat of privatisation of decision making. We want to redeem the legacy of the UN. Instead of relying on large gifts from people like Ted Turner, or from partnerships with business, we want the UN to be addressing the issue of why there are billionaires in a world with increasing poverty.”

Phyllis Bennis, author of

Calling the Shots: How Washington Dominates Today’s UN, 2001¹⁰⁹

Citizen groups working on health issues may like to consider joining movements which are calling on the UN and national governments to fulfil their mandates and duties of respecting, protecting, promoting and fulfilling people’s human rights; to work for social justice; and to stop restructuring policy agenda and institutions – indeed, the whole world – along a free market neoliberal ideology which is primarily, if not solely, in the interest of big business.

Possible actions include – but are not limited to – speaking out against a neoliberal dogma which promotes:¹¹⁰

- downsizing and weakening the state and the UN;
- privatising public services and utilities;
- cutting back health and social services;
- de-regulating and re-regulating economic and other systems in the interests of transnational corporations;
- encouraging tax evasion and erosion by TNCs and the super-rich.

They also encompass campaigns for:

- truly democratic, public-minded, and adequately funded national and international institutions and public administrations;
- universal access to decent public services and utilities (most urgently, health care services and public water supply);
- regulation, policies and restructuring of economic orders in the interest of the ‘peoples of this world;’
- adequate corporate taxation, re-distributive individual taxes;¹¹¹ and a tax on speculative international capital (Tobin tax).

It is high time to counter the ‘There-Is-No-Alternative’ (TINA) mood, to fight for the independence and integrity of our public institutions, and to strengthen forward-looking alternative alliances with a broad range of social justice movements.

States and the UN have always interacted with for-profit actors. The critical issue from a public-interest centred perspective is how to structure interactions between different societal sectors so that the marginalised and vulnerable reap maximum benefits, gain greater influence in national and international decision-making and are effectively protected from preventable harms. The trend towards public-private ‘partnerships’ is a big step in the wrong direction.

The trend towards public-private ‘partnerships’ takes work for human rights and social justice in the wrong direction.

Appendix



UNICEF Press Centre “Change the World With Children”

Press Centre

Press Release

UNICEF, McDONALD’S ® and Ronald McDonald House Charities ® team up to raise funds for children

McDonald’s Announces “World Children’s Day” for November 20

NEW YORK (July 19, 2002) - UNICEF and McDonald’s today announced plans to team up to raise money on behalf of the world’s children as part of a new McDonald’s fundraising initiative called “World Children’s Day,” which will benefit Ronald McDonald House Charities (RMHC) worldwide and UNICEF programs in about a dozen countries. The initiative was announced by Jack Greenberg, McDonald’s Chairman and CEO, and Carol Bellamy, Executive Director of UNICEF.

McDonald’s World Children’s Day is a major fundraising initiative that will be inaugurated on November 20, 2002. On that day, McDonald’s restaurants in 121 countries will raise money for local children’s organizations through a variety of activities and promotions developed by each restaurant. UNICEF will be a beneficiary of the World Children’s Day effort in select countries, including the United States, where McDonald’s will support UNICEF’s renowned “Trick-or-Treat for UNICEF” program.

The November 20th date coincides with the anniversary of the United Nations adoption of the Convention on the Rights of the Child, which took place on November 20, 1989.

“The value of this program for UNICEF and Ronald McDonald House Charities goes far beyond the millions of dollars that will be raised for children,” said Mr. Greenberg, who met today with United Nations Secretary-General Kofi Annan to discuss the McDonald’s fundraising initiative. “It brings the world’s attention to the ever increasing needs of children, and the role we must all play in affecting positive change to improve the lives of children everywhere.”

“We are very pleased that McDonald’s is expanding its support for children around the world,” Ms. Bellamy said. “The opportunity to distribute the orange Trick-or-Treat boxes through McDonald’s restaurants in the U.S. will help us reach a whole new generation of children whose parents supported UNICEF when they were kids,” she said. Bellamy also noted that last year RMHC awarded a \$5 million grant to UNICEF to combat Maternal and Neonatal Tetanus in 57 priority countries. “We appreciate the continued support of McDonald’s and RMHC,” she said.

At the United Nations Special Session on Children in May 2002, the Secretary-General called on the private sector to become more involved in United Nations efforts to promote and sustain child survival and child rights. The McDonald’s World Children’s Day initiative represents a response to this call.

“Whatever our role in life, there is nothing that unites us and motivates us more than the welfare of children,” Mr. Annan said. “Children are our future. It is only by investing in them and their well-being that we can hope to build the healthy, prosperous and peaceful world we all strive for... Public-private partnerships have the power to help children in many ways.”

UNICEF offices will work directly with McDonald's restaurants in participating countries to raise funds and awareness for children's causes. Examples:

- This October McDonald's restaurants in the United States will distribute 20 million of the traditional orange "Trick-or-Treat for UNICEF" collection boxes - more than doubling the reach of the program.
- In New Zealand, UNICEF and RMHC are teaming up on a new ad campaign in support of World Children's Day. Young people selected through a program in McDonald's restaurants will speak out on what they see as the most important children's issues today.
- McDonald's China is implementing a four-week program with UNICEF culminating in the country's first-ever on-line concert available exclusively to those participating in the World Children's Day fundraising effort. With the purchase of a Big Mac on November 20, customers will receive access to the internet concert, and a portion of sales will be donated to UNICEF.
- UNICEF and McDonald's restaurants in Hong Kong are initiating "Love for Our Future with UNICEF," a program designed to symbolize caring for the next generation. Specially designed postcards which children can personalize with their own messages will be available for sale at McDonald's restaurants, with proceeds going to the charities.

McDonald's is the world's leading foodservice retailer, with more than 30,000 restaurants serving over 46 million people each day in 121 countries. Approximately 80 percent of McDonald's U.S. restaurants are owned and operated by independent local businessmen and women.

Ronald McDonald House Charities, a non-profit, 501(c)3, creates, finds and supports programs that directly improve the health and well being of children through its network of 171 local Chapters currently serving in 44 countries. To date, RMHC has awarded more than \$320 million in grants to aid critical children's causes in such areas as immunization, education, life-changing surgeries, child abuse prevention and aid for the mentally and physically challenged. RMHC also supports Ronald McDonald Houses, Ronald McDonald Care Mobiles and other community efforts for children.

UNICEF works to save children's lives and build children's futures by immunizing children against deadly diseases; fighting HIV/AIDS and its impact on young people; promoting quality basic education for girls and boys everywhere; protecting all children from violence, abuse, and exploitation; and supporting early childhood programs that bring better health, good nutrition, and clean water to children in the crucial first years of life. Founded in 1946, UNICEF now works in 161 countries and territories.



Notes

1. I use 'public-private partnership' for those joint ventures and fund-raising arrangements which were explicitly set up under a public-private partnership framework. The term public-private 'interaction' can encompass both interactions which are part of the public-private partnership paradigm and those which are concluded in a more cautious, public-minded framework. The term 'partnership' should always be put in quotation marks when it denotes an interaction between the public and the for-profit sector. For reasons of readability, however, this has not necessarily been done throughout this discussion paper. See Part Two for more information.

2. These have also been called 'partnerships in decision-making'.

3. Brundtland, G. H. (2002). Address to the Fifty-Fifth World Health Assembly. Geneva, World Health Organization: 17.

4. Tesner and Kell describe how, just a few months after he had assumed office, the new Secretary-General of the United Nations, Kofi Annan "unveiled a long-awaited [UN] reform proposal that was the result of a team headed by Maurice Strong ... former CEO of several large corporations, who had headed the preparations of the Rio Conference a few years earlier. While the report did not devote a specific section to the UN-business relationship, it emphasized the role of civil society not only as disseminator of information or provider of services but also as shaper of policy. Civil society referred to nongovernmental organizations, academic and research institutions, parliamentarians, and corporations. Indeed the report stated openly that the relationship of the UN system with the business community was of 'particular importance.'" (Tesner with Kell 2000: 33) This is an unusual understanding of civil society. While there is some discussion in theoretical and UN circles about whether or not to include business associations within the definition of civil society, corporations are usually unequivocally classified with the private, for-profit sector.

5. Some recent publications on UN-business 'partnerships' interpret history in ways which fit a harmonising view of global governance. For example, academics Kent Buse and Gill Walt state that the change of attitudes towards industry happened "by the late 1970 and early 1980s as neoliberal ideologies influenced public policy and attitudes." This is certainly true, but their description of changes in the infant food and pharmaceutical arenas contains an implicit value judgement that confrontations over harmful industry practices are outdated: "Joint action between UN agencies such as UNICEF and WHO, and NGOs such as the [International] Baby Food Action Network, challenged industry over the International Code [of Marketing] of Breastmilk Substitutes and essential drug policies. While some of these encounters were initially conflict-ridden and characterized by distrust, by the end of the 1980s polemics had given way to tentative explorations of ways to link up NGOs, industry, and the public sector." (Buse and Walt 2000a: 551, emphasis added)

A recent UN Global Compact-commissioned book on UN-business 'partnerships' states under 'The role of ...[food and beverage] industry sectors in promoting health': "The International Code of Marketing of Breastmilk Substitutes ... is of relevance to companies that produce such substitutes and has been the focus of campaigning, confrontation and growing dialogue between the UN, these companies and NGOs for a number of years. Alcoholic beverage companies have a role in encouraging responsible use of alcohol . . ." (Nelson 2002: 243-4, emphases added)

Both descriptions tend to overlook the fact that debates over the implementation of the International Code continue to be characterized by confrontations because many infant food manufacturers seem unwilling to change their marketing practices substantially and instead discredit UN and NGO critics. In-depth studies of the actual practices of the infant food and alcohol industries show that many transnational companies continue to resist regulation of their practices and that most of what is currently interpreted as corporate social behaviour is actually a carefully planned PR strategy to shift public debate away from scrutiny of harmful marketing practices. In fact, corporate shifts towards more responsible practices are most frequently due precisely to 'confrontational' campaign practices such as public naming-and-shaming and pressure for effective binding legislation. See, for instance, (Rundall 2000; Richter 2001; Babor, Griffith et al. 1996; McCreanor, Casswell et al. 2000; Declaration 2002; Utting 2000b)

6. See, for example, (Horton 2002a)

7. The background paper on *Consumption and Trade of Off-Patented Medicines* was written by Harvey Bale, head of the International Federation of Pharmaceutical Manufacturers' Associations (IFPMA), with help from Adrian Otten of the World Trade Organisation. It argued that the price of patented drugs was not a substantial barrier to the wider availability of essential drugs in developing countries and came out strongly against generic drugs – the drugs of the research-based industry's direct competitors. (Boseley 2002b)

8. For more information, see, for example, (Dyer 2002; Landsberg 2002; Vidal 2002; Burkeman 2002) For further information on protests and UNICEF responses, see also the websites of the action groups Commercial Alert: www.commercialalert.org, and the Alliance for a Corporate Free UN: www.earthrights.org/un/mcunicef

9. Part One is based on analysis of the predominant discourse within the UN and business literature that argues for shifting policy towards public-private partnerships.

10. Georg Kell, one of the Global Compact's architects and now Executive Head of the UN's Global Compact Office

11. This is just one current definition. Its citation here does not mean that I accept all aspects of this definition. For example, I do not believe that both parties in 'partnerships' between the public and for-profit sectors necessarily work towards a 'common objective,' nor that any party should receive 'due credit' for its contribution, especially if its contribution is something it should be doing anyway.

12. The UN also has no agreed-upon definition of 'the private sector.' According to a definition suggested in the Secretary-General's report to UN General Assembly in November 2001, the private sector encompasses all "individual for profit, commercial enterprises and businesses, business associations, and coalitions and corporate philanthropic foundations." This definition, however, excludes the Bill and Melinda Gates Foundation and Ted Turner's United Nations Foundation because it defines as 'corporate philanthropic foundations' those foundations "which are directly funded and/or governed by business." (for more details, see Nelson 2002: 319-20) In any exploration of the public-private 'partnership' paradigm, however, it makes sense to include these two foundations because they are often the first ones mentioned when the supposedly substantial potential of fundraising from the private sector is discussed. Moreover, both foundations are Californian-style, venture philanthropy

foundations that are known to operate with a business philosophy. (Coote 2002) These foundations are covered, for example, by WHO's current guidelines on interactions with the commercial sector. They define "commercial enterprises" as "businesses that are intended to make profit for their owners ..." but specify that "some of the guidelines can also apply to a variety of other institutions, including State-run enterprises, associations representing commercial enterprises, *foundations not at arms length from their sponsors*, and other not-for-profit organizations such as academic institutions." (WHO 2000: 2, emphasis added)

13. A person sponsored by a company to work within a public institution.

14. Ram's assessment of WHO's past record of independent, people-oriented actions is a little too positive. WHO has not always been strong enough in the past to withstand either industry pressure or pressure from its main financial contributors in terms of its advocacy and standard setting.

15. WHO's revised November 2000 Guidelines on Interactions with Commercial Enterprises to Achieve Health Outcomes can be accessed under www.who.int/gb/EB/EB_WHA/PDF/EB107/ee20.pdf. The Guidelines refer to a "forthcoming ethical framework" which should "guide decisions on conflicts of interests relating to the personal situation of staff". By November 2002, however, no such framework had been presented to the wider public. The Guidelines state that they "contain provisions concerning conflicts of interest for the Organization." (p.3) A question remains as to the adequacy of the measures suggested. There has been no opportunity for further public discussion of the matter.

16. A participant at a HAI seminar on the topic described public-private 'partnerships' as a win-win-win model for corporations: "[for TNCs] they are inexpensive, they find favour, and there is no democratic control." (HAI 2000:26-27)

17. Such as using a time-limited pharmaceutical donation to enter a new market or to influence policy on drug patents in favour of transnational corporations.

18. The financial frauds at Enron, Worldcom, Vivendi and other large companies show that this notion is not outdated and that a reasonably functioning system had been undermined by corporate money, and unprincipled corporate employees and public office holders.

19. Such as smaller companies and companies from developing countries.

20. Many of these risks also apply to public interest NGOs that adopt the public-private 'partnership' model.

21. For examples of censorship of criticisms of corporate involvement in global policy making, *see* (Rundall and Peck 2000; Ferriman 2000) and rejoinders on the web and the British Medical Journal (Horton 2002a; Yamey 2002b)

22. *See*, for example, (Utting 2000a: 32-4; Richter 2001) and the criticisms summarised in (Buse and Waxman 2001: 750-1)

23. One 'risk' of the partnership paradigm for large TNCs is that they will be more in the public limelight. UN 'partners' are expected to conduct themselves and their operations particularly well. From a corporate perspective, engaging in an official partnership relationship with the UN carries the 'risk' of being subject to closer public scrutiny of corporate practices and of whether they live up to the UN's values – and being subject to naming-and-shaming if they do not.

24. (IBFAN 1999)

25. (WV 1999)

26. HAI has suggested that "WHO organize a public meeting on the concept of partnership with commercial enterprises as the way forward in the international health development agenda,

where the health gains and risks of this approach can be properly discussed by all interested parties including public interest NGOs." (HAI 1999)

27. This would also have to include a debate on the impact of this model on the capacity of public interest NGOs to work in the interests of the world's impoverished and marginalized.

28. But when we buy bread from the shop around the corner, do we call the fact that the baker earns a living and we get to eat a 'win-win' situation? Do we call the baker a 'partner' because we both get something out of the arrangement? If the baker offers us bread at a cheaper rate than his competitor, do we publicise him or her as a prime example of a trustworthy person? And would we encourage them to hang photographs of ourselves up in the shop window as endorsers of our bread- 'partnership'?

29. For example, when businesses engage in a joint venture with each other, neither party expects the other to be particularly trusting from the outset. Business partnerships are accompanied by intense interest-negotiations. Each party knows that the other will check out the deal to ensure that they get the maximum out of it for themselves. This approach is not regarded as adversarial, but as the appropriate way to conduct business. Indeed, any other way would probably be regarded not just as naïve but as un-business-like. 'Business partnerships' are fundamentally different from a 'partnership' between business and the public-interest oriented sector. In business partnerships, the parties have only to consider whether their business benefits and risks are evenly distributed.

30. The last clause about "significant empirical research" contradicts WHO's (and others') frequent assertions that the arrangements are 'evidence-based.'

31. Co-regulation refers to regulatory arrangements between business actors and one or more other parties (such as governments, UN agencies, labour or citizen organisations). (Richter 2001:38-41)

32. The term 'voluntary' is a misnomer. At issue is not the difference between 'voluntary' – that is, take it or leave it – compliance with ethical codes and binding compliance with legal codes and regulations. At issue is the difference between legally binding codes (and other regulatory measures) and codes that are not legally binding, in other words between a company's legal *obligation* to comply with such codes (if the principles of these codes are justified from a public interest perspective) and its ethical obligation.

33. From the perspective of the private sector 'partner,' the classifications might be completely different. The main distinction a private sector entity might make would be between purely commercial interactions and other interactions (described in commercial communications, public relations or business ethics literature as cause-related marketing, strategic sponsorship, reputation management, issues management, corporate social responsibility and/or corporate citizenship).

34. These interactions would certainly not have been called partnerships 30 years ago at a time when many newly independent countries were struggling for ways to control transnational corporations as part of their attempts to organise their national economies in the interest of their citizens – an effort in which the UN was involved under the phrase New International Economic Order (NIEO).

35. For example, academics Gill Walt and Kent Buse, who have done a lot of work on the issue in the health arena, suggest subdividing 'global health public-private partnerships' (GHPPPs) into: product-based partnerships; product development partnerships; and systems/issues based partnerships. (Buse and Walt 2000b: 700-2) They point out, however, that product-based

'partnerships' consisted primarily in pharmaceutical drug donation programmes, while a few were 'bulk purchase of products for public sector programmes in low income countries' (something which WHO might have described 30 years ago as enabling developing countries to become self-reliant by assisting them in effective public tendering for essential drugs).

36. The term 'public-private partnerships' is not the only overarching label for some of these interactions. The UN system also uses descriptions such as 'voluntary initiatives' or 'multi-stakeholder initiatives.' UNRISD has done much valuable research on the PPPs to which these labels have been applied.

37. For a summary of NGO attempts to prevent industry from gaining undue influence within WHO, *see*, for example (HAI 2001: 2; Hayes 2001)

38. For the safeguards in place – or not – at WHO in 2001, *see*, for instance (Buse and Waxman 2001b: 751-2)

39. The Executive Board consists of representatives of selected governments. Their task is to prepare the agenda of the annual World Health Assembly, the decision-making body of WHO.

40. Two major IBFAN offices have requested the guidelines but have been given only a three-page summary of *UNICEF's Guidelines and Manual for Working with the Business Community: Identifying the Best Allies, Developing the Best Alliances (2001)*.

41. These two foundations are not 'private sector' foundations in the strict sense because they are associated with individuals rather than companies. Yet the generous donations from both these leading corporate figures (whose companies have benefited substantially from neoliberal restructuring around the world) are often the first to be mentioned in descriptions of the resource mobilisation potential of 'public-private partnerships.'

Moreover, Bill Gates donations are known to follow a business philosophy, and his foundation follows what is known as the Californian venture philanthropy approach. *Newsweek* reporter John Cowley credits him with "applying his legendary business sense to the enterprise," in helping to create a "whole new model of philanthropy – a spare, lean entrepreneurial model that employs leverage instead of largesse to make things happen." (Cowley 2002: 31) The donations of the Gates' Foundations usually entail many conditions for the recipients. Most Californian-style venture philanthropists "demand seats on the boards, set performance goals and plan an exit strategy in case expectations are not met." (Piore 2002)

42. In 1998, the US Department of Justice charged that the company used unfair practices to destroy its competitors. In 1999, a federal judge ruled that Microsoft was a monopoly which had harmed competitors and consumers, and in April 2000, Microsoft was found guilty of violating anti-trust laws. A settlement between the US government and company was reached in 2001 and finally implemented (albiet on a reduced scale) on November 2002 when a federal judge imposed sanctions on Microsoft for abusing its dominance over the global software market. The company now has to disclose more technical information, is barred from anti-competitive agreements on its products and is banned from retaliating against software or computer makers that use competitor products. For more details on Bill Gates and Microsoft's lobby and PR strategies to influence the anti-trust lawsuit brought against Microsoft in the US, *see*, for example, (Friedman 2000; Birnbaum 2002)

43. There are gaps in the International Code concerning corporate sponsorship. (*see* Sokol 1997:75-78) Whether or not the infant food industry can take advantage of them depends on the ethical position and awareness of those who accept such sponsorship.

44. For an indication of what McDonald's may expect from the

UNICEF fundraising alliance, *see*, for example, (Landsberg 2002)

45. Another GPPH is the Accelerated Access Initiative which major pharmaceutical companies persuaded UN agencies to adopt to influence the pricing of AIDS drugs and the patent debate in their favour. (for details, *see* Gellman 2000)

46. I have borrowed the term 'high-level interaction' from an article by Kent Buse and Amalia Waxman who use it to describe the roundtable process between WHO and CEOs of the pharmaceutical industry, and the speech given by WHO's Director-General at the 2001 World Economic Forum. The pharmaceutical roundtable process was initiated in 1998 shortly after Gro Harlem Brundtland became WHO Director-General. Buse and Waxman describe the aim of 'high-level interactions' with the two major pharmaceutical industry associations as "building trust with these bodies, raising differences, and identifying prospective partnerships". They, like many others, use the Global Compact to justify implicitly the promotion of public-private 'partnerships' in the health field. They state, for instance, that "WHO's enthusiasm for partnerships is in line with the UN's 'Global Compact.'" (Buse and Waxman 2001: 749)

47. Other major contributors mentioned at the launch were USAID (US\$ 8 million), the Micronutrient Initiative (CDN\$ 43.5 million), and the Canadian International Development Agency CIDA (CDN\$ 0.5 million). (UNICEF 2002a; GAIN 2002)

48. Other aims mentioned were to: "Mobilize private industry, international donors and US foundations in support of food fortification;" "Tap the expertise and resources of the corporate sector in technology transfer, business development and trade;" "Work with *multilaterals*, such as WHO and FAO, to set international standards and establish systems of quality control" (note the new term to describe intergovernmental organisations).

49. This web page was accessed in early May 2002 but has since been taken down from the World Bank's website after the first critical questions were raised about GAIN's approach and its declared aims.

50. Concerns have been raised about the ultimate public health outcomes of GAIN. The 'partnering' food TNCs will undoubtedly gain competitive advantages through their association with GAIN, but such advantages may not be due to improved product quality nor to exemplary socially responsible behaviour.

51. A UN-commissioned book lists as GAIN's partners "companies [such as] Procter and Gamble, Heinz, Unilever and Roche." (Nelson 2002: 247)

52. As a health professional and social scientist, I feel uneasy about using the words 'fortifying' and 'micronutrients' for the process of adding industrially manufactured vitamins and minerals to foodstuffs. Adding vitamins and minerals to foodstuffs can certainly be beneficial. But it is well known that companies often add industrially manufactured vitamins and minerals simply for marketing purposes – to present a particular processed food as superior to a competing one. When foods (whether flour or processed 'junk' food) are 'fortified' with 'micronutrients', the impression is created that they are better than other foods. What is under-explored within the 'micronutrient fortification' discourse is the question as to whether and when such additions make sense (when are they beneficial and necessary) and when not.

53. For other suggestions, *see also* (Lappé and Lappé 2002)

54. (Bellamy 1999:3) With the rise of the 'partnerships with industry' paradigm, UNICEF's stand towards accepting money from the infant food industry has changed. In autumn 2001, UNICEF's Executive Director stated that, according to UNICEF's new guidelines on working with the business community, "UNICEF will not enter into alliances with manufacturers

of infant formula whose marketing practices violate the *International Code of Breast Milk Substitutes*. To do otherwise would undermine UNICEF's support for breastfeeding and Code implementation, both of which are extremely important to infant and young child health and survival." (Bellamy 2001, emphasis added) The statement invites two questions: Why did UNICEF shift from its earlier position which regarded any acceptance of funds from the infant food industry as incompatible with its mission to advocate the implementation of the International Code? Does UNICEF have the resources, capacity and commitment to assess which infant companies genuinely comply with the International Code?

55. (WHO 2000)

56. This was not the first time that the issue of conflict of interest was raised about the appropriateness of interactions with companies and business associations in UN-business partnerships. See, for example, (Hardon 2001; Wall Street Journal 2001; Fleck 2002; Boseley 2002a & b)

57. For the statement presented by IBFAN/Consumers International at the WHA itself, see (IBFAN/CI 2002)

58. The current Philip Morris chair, Geoffrey Bible, once outlined a plan "to use our food companies, size, technology, and capability with governments" to undermine WHO's efforts to establish effective tobacco control policies. See (Infact 2002) For more information on the strategies of the tobacco industry to undermine regulatory efforts, see also the WHO commissioned 'Zeltner Report.' (Report of the Committee of Experts on Tobacco Industry Documents 2000)

59. The 2002 People's Health Assembly criticised the apparent lack of criteria to vet corporate 'partners' and WHO's plan to "tackle the problem of malnutrition in poor countries by doing a 'deal' with multinationals, known more for inducing consumers to unhealthy food ..." (PHA 2002)

60. According to the *Wall Street Journal*, another GAIN partner company was BASF. (Zimmerman 2002) This German pharmaceutical company, together with Hoffmann-La Roche, had played a "central role" in the series of price-fixing cartels "aimed at eliminating competition" in a wide range of vitamin markets. (European Commission 2001) A year earlier, in 2000, four former executives of BASF and Hoffman-La Roche were given prison sentences for helping to establish the "largest and most far-reaching cartel ever prosecuted by the [US] Antitrust Division." According to the US Department of Justice, this "conspiracy ... affected the vitamins most commonly used as nutritional supplements or to enrich human food and animal feed – vitamins A, B2, B5, C, E, and beta carotene [as well as] vitamin premixes, which are used to enrich breakfast cereals and numerous other processed foods ..." (DOJ 2000)

61. An early GAVI press release gave a different order of presentation of GAVI 'partners': "national governments, the Bill and Melinda Gates Children's Vaccine Program, the International Federation of Pharmaceutical Manufacturers Associations (IFPMA), research and public health institutions, the Rockefeller Foundation, the United Nations Children's Fund (UNICEF), the World Bank Group and the World Health Organization (WHO)." (GAVI 2000) In this order, the Gates Foundation and industry all come before WHO which is ranked last.

62. For more details, see the GAVI website (www.vaccinealliance.org) and the summary of GAVI's aims and objectives in (London School of Hygiene and Tropical Medicine/Save the Children UK 2002: 4-5)

63. This is not an exhaustive list. Another major concern is the predominance of Northern funders on the boards of these alliances. Moreover, it is often very difficult for outsiders to ascertain how decisions are taken, and there are inadequate

mechanisms to ensure public accountability. For an initial critique of decision-making, see (Hardon 2001). For a depiction of the complexity of the GAVI decision-making structures, see, for example, (London School of Hygiene and Tropical Medicine/Save the Children UK 2002: 5-9)

64. WHO's Director-General receives more than \$200,000 tax free while Feachem's UN counterpart, the Director of UNAIDS, Peter Piot, earns \$130,000 tax free. Feachem did not want to disclose details of his salary in an interview with the *Boston Globe*, but said he would assume the rank of a UN Under-Secretary General and would receive some housing assistance. (Donnelly 2002)

65. One US official said "I can't tell you how much resistance we've had" to this demand from global fund recipients and donors. (quoted in Phillips 2002)

66. The industry representative at the time of the first disbursement was Rajat Gupta of management consultants McKinsey and Co. while the foundation representative was Helen D. Gayle of the Bill and Melinda Gates Foundation. (Ramsay 2002)

67. (Buse and Walt 2000b: 707)

68. (IBFAN/CI 2002)

69. The WHO has "become a branch of Harvard and the World Bank" one international health academic has said. The same experts and thinking has also exerted substantial influence on the public-private partnerships for health. Richard Feachem, current Executive Director of the Global Fund, for example, chaired the advisory committee of the *Investing in Health* report. (Yamey 2002a: 1110)

70. The Commission on Macroeconomics and Health also said: "Member States should permit the WHO Secretariat to work in more flexible partnerships with other institutions. Concerns of the WHO Executive Board and the World Health Assembly over the potential for conflicts of interest were seen as 'constraints' on this "more open way of working." (Commission on Macroeconomics and Health 2001: 100) This is the approach which the Commission seemed to have taken when it invited, Harvey Bale, head of the International Federation of Pharmaceutical Manufacturers Association (IFPMA), to write the background paper on the issue of trade and pharmaceutical policies. The invitation gave an implicit WHO stamp of approval to a point of view favourable to the R&D industry over the generics industry. (Boseley 2002b; Horton, 2002a: 1605; 1609)

71. DfID report, quoted in (Horton 2002b)

72. A speech given when Brundtland unveiled a statue in front of WHO donated by pharmaceutical company Merck & Co. in "recognition of what public/private sector partnerships can do, and a [symbol for] the beginning of a new era in this field." (WHO 1999)

73. Both quotes, see (SID/WHO/ISS, 2000:5; 2)

74. Public interest NGOs continue to call for an independent and thorough assessment of 'public-private partnerships' or interactions. See, for example, (CI/HAI/IBFAN 2002; HAI/MSF/Oxfam/VSO/Save the Children 2002: 4)

75. The thinking of the author, Amalia Waxman, has evolved since she wrote this background paper. In her subsequent joint article with Kent Buse, she advocates "systems [to] be established within public interest organisations to ensure that the greatest possible importance is attached to protecting public interests." Their proposed strategy for WHO includes requirements for the good governance of public-private 'partnerships,' and other benchmarks, and suggestions for improving the current policy and guidelines. Both authors see "public-private partnerships as a central feature of the global health landscape" and see "no reason to believe that the current trend will not

continue.” For more details, *see* (Buse and Waxman 2001: 752) Most recently, Buse criticised WHO for an overcautious approach to public-private partnerships. He suggested that the organisation should make more room for shared decision-making with the commercial sector in those interactions which he classifies as unproblematic (provided appropriate safeguards are taken). “Without changes in WHO policies which allow for shared decision making (under well defined conditions), potential partners and funding organisations will be well justified in setting up legally-independent partnerships which will further fragment international health and ultimately render WHO more marginalized.” (Buse 2002)

76. “Christian Aid believes that the majority of aid for HIV/AIDS should be channelled through traditional mechanisms rather than through the Global Fund.” (Christian Aid 2002:3)

77. For a thought provoking analysis of problems in the current aid arena, *see* (Sogge 2002)

78. Many governments say that they cannot contribute more money to the regular funding of UN agencies such as WHO (whose regular budget of about US\$1 billion per year has been frozen since the 1980s). (Yamey 2002a: 1108) Yet one of the greatest defaulters of UN contributions, the US administration, is contemplating spending between US\$100-200 billion on a war against Iraq. (*War Times* 2002)

79. *See* presentation by Phyllis Bennis, author of *Calling the Shots: How Washington Dominates Today's UN*, at the Global Policy Forum NGO Panel on Corporate Accountability (Global Policy Forum 2001)

80. www.un.org/partners/business/fact, accessed 5 March 1999

81. (Buse and Waxman 2001: 749)

82. Global Compact Releases First Progress Report, http://65.214.34.30/un/gc/unweb.nsf/content/GC_Progress_071202.htm, accessed 5 December 2002.

83. The World Economic Forum describes itself as “the leading interface for global business/government interaction” which aims to create “partnerships between and among business, political, intellectual and other leaders of society to define, discuss and advance key issues on the global agenda.” (*See* www.webforum.org, accessed 14 December 2001.) According to political scientist Samuel P. Huntington, who is also member of the Trilateral Commission, an influential private think-tank set up in 1973 at the initiative of US business tycoon David Rockefeller, “Davos people control virtually all international institutions, many of the world’s governments and the bulk of the world’s economic and military capabilities.” (Huntington 1999) For more information, *see also* “Global Elite Meetings: The Bilderberg Group, The Trilateral Commission and the World Economic Forum,” *in* (Balanyá, Doherty et al. 2000:145-149)

84. The Global Compact Website now summarises the arrangement as a challenge to world business leaders “to help build the social and environmental pillars required to sustain the new global economy and make globalisation work for all the world’s people.” (UN 2001)

85. For a summary history of international regulation of TNCs, *see*, for example, (Richter 2001: 6-43) The reference also contains a detailed case study of industry resistance, both open and hidden, to the adoption and national implementation of the International Code of Marketing of Breastmilk Substitutes over the past three decades.

86. Many citizen action groups might agree with the Secretary-General’s view that social and other standards should be negotiated under UN agencies, not the WTO. But many would at the same time point out that the current WTO trade regime is socially unjust and its decision-making structures are profoundly undemocratic and biased in favour of rich countries

and transnational corporations. *See*, for example, (Curtis 2001)

87. It also asked the UN to look for ways to ensure that multi-lateral agencies such as the International Monetary Fund (IMF), the World Bank and the WTO adhered to the principles and goals of the UN charter.

88. One weakness of the document is its principle 8 which states that “In cases where corporations wish to make a donation, the money will go to programs that have no connection to commercial projects for that company.” Some citizen groups have not signed the document because they were concerned that this clause does not sufficiently address the risks of corporate funding of the UN.

89. For more information on the Alliance, *see* (CorpWatch 2001) and www.earthrights.org/un. Its Steering Committee includes groups such as CorpWatch (US), Corporate Europe Observatory (Netherlands), Focus on the Global South (Thailand), Third World Network (Malaysia), Women’s Environment and Development Organization (US) and the International Baby Food Action Network (Switzerland/International.) The Secretariat is now with EarthRights International (US and Thailand).

90. While the ICC was very successful in the former, it did not manage to keep non-business groups out of the Global Compact. For a list of the NGOs and trade unions which are part of the Global Compact, *see* the Global Compact Website.

91. Quoted in Global Policy Forum 2001. For more information on the Global Compact, *see*, for example, the official description in (Nelson 2002: 133-48) and a more critical historical picture in (Paine 2000)

92. For more details, *see* (Nelson 2002) and the Global Compact Website, for example, (UN 2001)

93. For the July 2000 List of Corporations and Organizations supporting the Global Compact, *see* <http://www.corpwatch.org/campaigns/PCD.jsp?articleid=612>

94. The Global Compact’s Assistant Secretary-General, Michael W. Doyle, wrote to GIFA/IBFAN in January 2002: “Our current policy is not to make public lists of companies who pledge to embrace the Compact and its principles precisely because we do not (and cannot) monitor all their actions. Taking a stand on human and labour rights is an important first step. We certainly want to encourage this but clearly it is not good enough. We do not wish to recognize merely an intention and therefore we have as our current policy not to make public the list of companies. Instead, we encourage companies to share practical examples [of good practice] through the learning forum and to engage in dialogue and projects. It is only through action that we can go public with examples in association with company names.” (16 January 2002)

The research co-ordinator of UNRISD’s project work on corporate and social responsibility summarised the flaws of the ‘social learning’ theory and ‘best practice’ approach as follows: “they tend to ignore key pressures and institutional contexts that encourage companies to raise standards, divert attention away from ‘bad practice,’ and ignore fundamental structural and other factors that encourage corporate irresponsibility.” (Utting 2002a: 644)

95. Membership consists – as of October 2002 – primarily in pledging adherence to the Global Compact in company material and websites and in filing one case of “good practice” per year with the Global Compact Office.

96. *See* http://www.unglobalcompact.org/irj/servlet/prt/portal/prtroot/com.sapportals.km.docs/documents/Public_Documents/particip_list_112102.pdf or [www.unglobalcompact.org/Portal/\(list_of_participating_companies\)](http://www.unglobalcompact.org/Portal/(list_of_participating_companies)).

97. Nestlé was a co-sponsor of the October 2002 Symposium on the UN Global Compact and Swiss Business.

- 98.** This mention is not in Kell's written speech (Kell 2002)
- 99.** *See*, for example, the biannual monitoring reports of IBFAN/ICDC, IGBM 1997; and Richter 2001: 98-177
- 100.** For details, *see*, for example, (IBFAN-GIFA 2002) For the link between breastfeeding, the regulation of marketing of breastmilk-substitutes and human rights, *see also* (Richter 2001: 85-87)
- 101.** "Babies who are breastfed have fewer illnesses and are better nourished than those who are fed other drinks and foods. If all babies were fed only breastmilk for the first six months of life, the lives of estimated 1.5 million infants would be saved every year and the health and development of millions of others would be greatly improved [...] Using breastmilk substitutes, such as infant formula or animal's milk, can be a threat to infants' health." (UNICEF 2002b: 39)
- 102.** www.r0.unctad.org/gcandswissbusiness/, accessed 13 November 2002, emphasis added.
- 103.** Companies can – but do not have to – do more to demonstrate their commitment to the Global Compact.
- 104.** Quoted in (CorpWatch 2002: 2; 4)
- 105.** *See*, for example, the summary in (Utting 2002a: 645)
- 106.** (Bellamy 1999)
- 107.** For information about the mission statements of the UN, WHO and UNICEF, *see* www.un.org/aboutun/charter/index.html; www.wpro.who.int/public/policy/cons_toc.asp; www.unicef.org/mission.htm
- 108.** Quoted in Global Policy Forum 2001: 4
- 109.** Global Policy Forum 2001: 5
- 110.** There are, of course, cases where less state bureaucracy, or fewer regulatory frameworks may well be appropriate. But neoliberal ideology as a dogma does not permit critical questions as to when any of these measures may be in the public interest and when not. It also does not permit critical questions about the power and influence of transnational corporations nor about the restructuring of our public institutions so that they serve the market better.
- 111.** If corporations want to be socially responsible and to be seen as such, their main contribution to health and other public services would be not to blackmail states and municipalities into giving them tax concessions.

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