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## **The casual-trousered philanthropists**

The Bill & Melinda Gates Foundation is the world's largest charity and spends more each year on health and education than the World Health Organisation. Andrew Jack joins the Gateses on a tour of Bangladesh and India and asks why they give away so much - and how much good it's actually doing

By ANDREW JACK

Dhaka airport looks slightly different as Bill and Melinda Gates's private Bombardier jet touches down in the early-morning heat. Two enormous hand-painted portraits of the couple have been hastily put up next to the runway, and on the road just outside, another huge sign welcomes the world's biggest philanthropists to the capital.

The Gateses are here as part of a four-day trip to Bangladesh and India, where they will be given a firsthand look at what their gargantuan charity, the Bill & Melinda Gates Foundation, is doing in the region, and where it might next direct its attention.

The couple make a trip like this every year, but the travel arrangements aren't usually on this scale. As soon as they leave their plane, they are whisked into a 10-car entourage, complete with a military escort and an ambulance, and swept through the city's unusually empty streets.

Police have erected dozens of road blocks to keep back drivers and pedestrians. Snipers stand ready on almost every tall building as the cavalcade heads towards the Dhaka Sheraton, the city's most luxurious downtown hotel.

An advance party, including several former White House aides, has been out here for several days, working on an itinerary that has been closely guarded from all but the couple's personal staff and the handful of journalists travelling with them.

The original schedule was cut back because of suicide bomb attacks in other Bangladeshi towns a week earlier, and yesterday there was talk of the entire trip being cancelled after an explosive device was found under a bus in Dhaka itself. Each member of the delegation has had to wear a special metal lapel badge showing the US and Bangladeshi flags to identify themselves to security officers.

The Gates's visit may have all the trappings of a visit by a head of state, but neither of them looks at all stately on their first stop in Dhaka's slums. When the cavalcade stops, Bill Gates emerges with tousled hair, casual white trousers, a blue fleece and brown shoes. Melinda wears a beige skirt, purple top and sandals. A modest gold ring is her only jewellery.

They both sound almost apologetic about the upheaval their visit has created. "It's an extreme case," Gates tells the journalists travelling with them.

"It's not our preferred mode of transportation," adds Melinda. "We would not have this high level of visibility normally."

But the head-of-state analogy is not out of place. Bill Gates is the world's richest man, with a personal fortune of Dollars 26bn. Add in the Dollars 280bn value of Microsoft, the corporate giant he created in 1975, and his economic clout matches Bangladesh's GDP. But Gates spends more on other people's health and education than any government, not least those in the Indian sub-continent, where Microsoft invests and hires heavily and its founder is feted as a capitalist hero.

I have come on this trip to try to understand what has driven him and his wife to transform themselves from the world's richest hi-tech corporate couple into its most generous philanthropists. Their extraordinary foundation now has an endowment of Dollars 30bn, making it the largest charity in the world. Since it was formed in 2000, it has spent Dollars 6bn on global health alone, and its annual disbursements now exceed those of the World Health Organisation. Indeed, the foundation's donations are so large that - if they are well used - they may provide a legacy that lasts long after the world has forgotten Microsoft.

What makes the Gateses so different from other important philanthropists is that they have become benefactors while still relatively young: most foundation founders did not have the time or energy to do such work before they retired. Their main aim is to reduce inequalities around the world. In the US, that is primarily through educational reform and grants for the under-privileged. Elsewhere, it is to harness science to tackle some of the developing world's most intractable problems: the "neglected" diseases that include malaria, tuberculosis and Aids.

As a pharmaceutical industry reporter, I have been struck by the charity's omnipresence in global health affairs. Whenever you study the diseases of the poor, and the development of new vaccines and drugs, Gates Foundation money, admirers and projects are never far behind. As well as finding out why the Gateses had become such active donors, I wanted to see what difference their philanthropy had made, and whether the direction of their influential work might be about to change following the abrupt departure last September of their most senior health expert, Rick Klausner.

It does not take much time with the Gateses to realise that one big factor in their philanthropic work is 41-year-old Melinda. If Bill Gates has the scientific authority and wealth in this partnership, his wife has the political skills and the emotional drive to implement decisions. One of our scheduled stops in Dhaka is the slum of Uttarmuqda, where the couple sit cross-legged on the floor of a ruined house, surrounded by flood-water and rubbish, to hear 20 local women explain how they obtained small loans through a "micro-finance" system that the foundation is thinking of supporting.

"Was it worse than Calcutta?" Bill asks Melinda afterwards.

"These were pretty good slums, as slums go," she replies. "It's not as bad as the rag pickers in Calcutta. But it's pretty gut- wrenching."

Later in the day, we go to Dhaka's International Centre for Diarrhoeal Disease Research, which has been funded by the Gates Foundation. Inside the institute, Melinda goes straight to a screaming child lying on a bed underneath a thick green plastic sheet with a hole in the middle out of which comes a tube that runs into a bucket under the bed. "That's the most important invention of the 20th century: a bed with a bathroom attached," says David Sack, the centre's director. The bed allows nurses to see instantly how much fluid cholera-infected patients are losing, so that patients can be quickly rehydrated.

As Bill Gates perches on the edge of the bed and asks questions about drug-treatment regimes, Melinda leans over the scrawny child and - after asking his young mother's permission - picks him up. A discreet squirt of alcohol disinfectant is sprayed on her hands as she goes to a second ward, where her eyebrows furrow at the sight of another sick young child.

Melinda Gates's background gives little hint that she would win Time magazine's 2005 person of the year for philanthropic work, along with her husband and the rock star Bono. Born and raised in Texas, she studied computer science and economics at university and earned an MBA from Duke University. By the 1990s, she was working for Bill Gates as a product unit manager at Microsoft, where women used to wear T-shirts bearing the slogan "Marry me, Bill". In 1994, Melinda did just that. The couple now have three children.

She stepped down from the company, but her involvement in philanthropy is fundamental. "I'm spending 15 to 20 hours a week on the foundation," she told me. She helps determine the overall strategy with her husband and scrutinises all grants of more than Dollars 10m. There are also periodic trips to developing countries to see how the money is being spent.

Bill Gates makes one such trip a year, but spends less time on the foundation than his wife. "I have a full-time job with Microsoft," he said on our second day, in New Delhi. "This is my spare time. But a lot of my reading is for the foundation."

He says he also mixes health with business when he meets political leaders. In Bangladesh, for example, he paid a courtesy visit to the Bangladeshi prime minister, Khaleda Zia, and in India held meetings with the president, prime minister and Sonia Gandhi, at which health was also discussed alongside IT.

To understand how Bill and Melinda Gates came to create their foundation and how it became such a central part of their lives, you need need to travel far from the slums of Dhaka, to Washington State on the west coast of the US.

The affluent city of Seattle, the capital of Washington state, is best known for its coffee (Starbucks started there) and its rain. When I flew there early last month I arrived on the first sunny day for an entire month.

Gates grew up in the city's northern suburbs in a community called Laurelville, a few miles away from Redmond, now home to Microsoft's sprawling campus headquarters. Between the two is Gates's own luxury mansion, overlooking Lake Washington.

Not far away in an old industrial dockyard is an anonymous-looking three-storey building that used to house a cheque-processing centre. There is no sign to identify it outside, but this is the Bill & Melinda Gates Foundation. I was there to meet another important person behind Gates's philanthropy: his father, William H. Gates.

Bill Gates Snr, a successful lawyer, still lives in Laurelville. He shares not just his son's name but some of his expressions, including a penchant for sticking out his jaw and gazing into near- space.

The practice of giving to the community is traditional for many families in Seattle, and the Gateses were no exception. Mary Gates, Bill's mother, was a prominent local philanthropist. When she died of breast cancer in June 1994, more than 1,000 mourners attended her memorial service, where the mayor of Seattle, Norm Rice, described her as "an extraordinary civic leader and philanthropist, a champion for social justice and a remarkable human being".

Bill Gates Snr was also active in the family-planning organisation International Planned Parenthood Federation, and several other community bodies.

"Mary and I were typical involved Seattle-ites," he told me. "There were the boy scouts, the orthopedic hospital and the United Way (a community volunteer body).

"The family had been locally involved in United Way, and Mary was on the board nationally and then internationally. We did sort of press Bill to have a United Way campaign, though at first he put us off and said he had other things to do."

But by 1994, important changes were happening in Bill Gates's life. He married Melinda on January 1, fulfilling one of his mother's two wishes for him. By the time of her death in June, he was responding to her second request - to get more involved with philanthropy. (She wrote to Melinda just before the wedding, saying: "From those to whom much is given, much is expected.")

His father explained what happened next. "It began with a conversation I had with Bill and Melinda in 1994," he said. "I and they were conscious of the fact that they were not being sufficiently attentive to the demands of the local community. Letters were not being answered, phone calls not returned. I was hearing about it, and it was not something they were unaware of. It was a flat spot in their performance.

"Undoubtedly part of the impetus was that Bill just had so much wealth. For years he talked about the fact that he was ultimately going to give it away. He's no dummy. He began to see that he didn't need to wait. In the early days he was an entrepreneur wanting to keep control of his company. Then that changed."

Since he was retiring from his law practice at the time, Gates's father suggested establishing a foundation that he could help run, after consulting his son about what to support. The William H. Gates Foundation began in his basement in 1994 and was soon attracting so much mail that the postman began to complain. By the end of the year, it had an endowment of Dollars 94m.

Melinda Gates told me there had been other triggers as well. She said the couple had taken a holiday to Africa in 1993 where they saw poverty and ill-health first-hand. "At the time we married, we thought we would get involved in philanthropy after we retired," she said. "The more we started to learn about the issues, the more we got engaged. Disease doesn't wait."

Gates said his moment of truth came when he read the 1993 World Development Report, a dry 330-page document full of tables and statistics with a clear message in the introduction: "Countries at all levels of income have achieved great advances in health... Yet developing countries, and especially their poor, continue to suffer a heavy burden of disease, much of which can be inexpensively prevented or cured."

"We got our feet wet; met these people, saw how neat they were, how committed and how under-funded," he told me as he ran through a list of his motivations. "Our Africa trip, having our own kids, Melinda, Dad. It seems almost fate-driven that these things would link up and point in the same direction."

Other factors may have pushed the Gates Foundation to grow. In 1997 Ted Turner, the founder of CNN, pledged a Dollars 1bn donation to the United Nations and criticised other wealthy business people for failing to be sufficiently community-spirited.

Gates himself says he was inspired by conversations with Warren Buffet, the veteran US activist investor.

In 1997, the US launched antitrust proceedings against Microsoft for abuse of its dominant position in software. Gates's public reputation slumped, and at the start of 2000 he stepped down as the company's chief executive to become its chairman and chief software architect.

At the same time, he merged the William H. Gates Foundation with the Gates Learning Foundation, a charity he had set up in 1997 to fund education reform, college scholarships and internet access in libraries around the US.

The result was the Bill & Melinda Gates Foundation, into which he donated much of his personal shareholding in Microsoft, swelling the combined endowment to Dollars 21bn. If his philanthropic acts up till then had been "stunning", says his father, "then this was prodigious".

To the critics, Gates's donations brought not only welcome positive publicity, but also considerable personal tax breaks. Simply to retain its tax exempt status, his foundation must give away five per cent of its income every year. The more the endowment grows through investment or new Gates money, the more it must spend.

When I asked Gates whether his philanthropic work had been motivated by a desire to improve his public image, he retorted: "In that case, we sure picked a dumb thing to fund." While others have chosen more obvious causes in the arts, or health matters affecting ordinary Americans, he focused on neglected diseases, which are both more obscure and often raise delicate ethical questions.

Not all recipients of the Gates Foundation's funding are easy to sell to Middle America. One day, in the southern Indian city of Chennai, we made our way to a tiny community clinic in the city that the foundation funded and provides treatment and HIV prevention for male sex workers. We were greeted by a colourful group of transvestites and transsexuals, all of whom had tales of abuse and harassment.

There was a display of condoms hanging on the far wall, and Bill asked the men whether they engaged in safe sex. At the end of a 30- minute discussion, one of them said: "And what do you think of us?" A mute Gates turned quickly to Melinda, who swiftly said: "I think it's great that you are willing to speak out and share."

"We thank you for thinking of us as human beings," the man replied.

On another day, on a visit to a crowded clinic in the northern Indian state of Uttar Pradesh I met a woman named Shanti who was waiting to see a nurse with three of her seven grandchildren. She had brought them in for vaccinations against diphtheria, tetanus

and polio that are routine in the west, but absent in much of the developing world, where basic diseases such as these kill tens of thousands each year.

After a sharp rise in immunisation during the 1980s and 1990s, momentum stalled and by 2002 the proportion of children receiving such injections in Uttar Pradesh had slumped to 20 per cent.

One reason was the type of glass syringes that were used. They had thick needles that could be boiled for re-use, but which became blunt and could sometimes cause infection because they were not properly sterilised.

"The children used to cry a lot," said Shanti. "They didn't want to come. They had a lot of swelling for two to three days."

An answer came from a Gates-funded body in Seattle, the Program for Appropriate Technology for Health (PATH), which developed cheap "auto-disable" syringes that block after a single use and can safely be thrown away.

Gates's money also helped to develop a special ink for the labels of vaccine vials that changes colour at higher temperatures to show health workers when the vaccine has been spoilt and should not be used.

Both these simple but important technological developments have been supported by the Global Alliance on Vaccines and Immunisations (GAVI), a group set up with strong pressure from Gates, comprising representatives from governments, drugs companies and charities, that picked up the baton on immunisation in 2000 at a time when the large-scale campaigns of Unicef and the World Health Organisation were running out of steam.

GAVI is Gates's response to criticism that he is obsessed with "blue sky" scientific research: supporting academics and pharmaceutical groups to develop vaccines and drugs for diseases such as HIV, malaria and tuberculosis which face such funding and scientific obstacles that they will take years to come to fruition, and may never prove successful.

Some public-health experts argue that his money would be better spent on ensuring that existing medicines and techniques already proved in the field were used more widely to save lives now.

There is little doubt that the foundation's focus has broadened in recent years from practical implementation to encompass more long- term discovery.

This shift was epitomised by the Gates Foundation's "Grand Challenges in Global Health", 14 projects on vaccines, drugs, insect control and nutrition that awarded Dollars 450m in grants to scientific researchers last year.

The Challenges project was the brainchild of Rick Klausner, former head of the US government-funded National Cancer Institute. Hired in 2002 to run the Gates Foundation's global health programme, Klausner says that he did as the benefactors requested, before leaving last September to explore new ventures. Others hint at personality clashes and the need to shift from research back towards the development and distribution of treatments.

Gates is prickly about any suggestion that his philanthropy is not applied to practical uses. "We're interested in the impact we can have," he said with a note of irritation when I caught up with him at the World Economic Forum in Davos in January, where he had just made another monumental commitment: Dollars 900m over the next decade to help control tuberculosis.

"What do you call a new TB drug that reduces treatment from six months to two months?" he asked. "Do you call it the work of a mad scientist who only wants to stay with their test tubes? Is that a practical or an impractical person, using technology to deal with things in the real world?"

GAVI is his principal rejoinder, and a symbol of how he operates with all its strengths and weaknesses. It is the largest single recipient of his funding and it claims to have averted 1.7 million deaths.

Recognising that even his money is far from enough, Gates is using his political leverage to bring immunisation to the attention of government donors who will prove essential if it is to be sustainable. So far six countries, led by the UK under the influence of Gordon Brown, the chancellor, have between them pledged Dollars 4bn. GAVI estimates this will save five million lives over the next decade.

The Gateses have also brought a tough managerial approach to their philanthropy. "Their people were pretty shocked at some early meetings," recalled Mark Kane, who ran PATH's Children's Vaccine Program, which worked closely with GAVI in providing technical assistance. "There was good discussion, but then people went home, forgetting the most important part: to summarise, draw up points for what to do next, empower people, and make them responsible. Coming from the corporate world, they wanted to introduce a lot more rigour to public health."

Kane has just retired, his programme no longer funded by Gates. He does not criticise the decision, but says it reflects the way in which his former sponsors risk drifting away from practical assistance to ensure medicines and vaccines reach those who most need them. "The public health arena is a very messy world that is hard to deal with, with UN agencies, the public sector, the developing world. From a management point of view, it's cleaner and neater to invest more upstream," he says. "We had the best immunisation team in the world with expertise downstream, with people working on delivery systems, logistics, systems work and safety. There are very few sources of funding for that. Before Gates there were very few. Now there are very few again. There is always the risk that one day we could have a lot of undeliverable products in the pipeline."

Anne-Emanuelle Birn, a researcher at the University of Toronto's department of public health sciences, goes further. "I'm not anti- vaccines, but I am against technical solutions in a vacuum," she says. She fears there is a risk that the longer term programmes of the Grand Challenges project will only have a modest impact unless the programme's leaders take into account the practical economic and political problems of the developing world.

It is an issue to which the Gates Foundation is sensitive. Gates himself is mulling over several new areas of funding that tackle some of the underlying causes of ill-health, including water, sanitation, hygiene and nutrition.

But others fear that even without such new areas of interest, the substantial cost of developing new drugs will stretch even Gates's capacity to bring many of his projects to fruition.

For Tachi Yamada, the head of research and developing at the pharmaceutical giant GlaxoSmithKline, who takes over as head of the foundation's global health programmes in June, the mission is clear. "My challenge is to deliver on the foundation's promise of applying excellent technological solutions to people in the third world - and implement them," he says.

The appointment of someone with industry experience reflects the foundation's current evolution. With the fundamental science under way, it needs to ensure laboratory ideas can be successfully turned into products ready for use. As Gates approaches retirement over the coming decade, that will leave the challenge of how best to ensure they reach everyone in need.

For the moment, however, Gates himself leaves little doubt of his determination to pursue his mission to give people in the developing world access to the best of science and healthcare in the struggle against disease.

"We've picked our themes," he said over dinner on our last night in Chennai. "The purpose has been set down."