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Group Pressures U.S. to Help End Global Poverty

Seattle philanthropists try to get businesses and government to join forces and boost efforts.

By Evelyn Iritani, Staff Reporter

Alarmed by America's sagging image and the growing disparity in global wealth, a group of prominent Seattle business leaders is trying to educate, cajole and, if necessary, shame America into helping the poorest of the world's poor.

Although initially fearful of being dismissed as a group of West Coast idealists, the founders of the Initiative for Global Development have traversed the country for three years trying to convince skeptical company executives that they could ensure future prosperity and security by helping to provide clean water, schooling and adequate healthcare for the 1.2 billion people who exist on less than \$1 a day. The group includes Bill Gates Sr., father of the Microsoft Corp. founder, and William Clapp, whose family helped found the Weyerhaeuser timber company.

"Poverty is the swamp," said Clapp, who funds micro-credit programs in Latin America. "It doesn't create all the problems, but it's the sticky goo you've got to wade through to solve anything, whether it's environmental problems or political instability."

In a world preoccupied by terrorism threats and rising gasoline prices, getting U.S. business leaders to focus on the plight of impoverished farmers and slum dwellers hasn't been easy. But the persistence of the Seattle-based organization has earned the support of anti-poverty experts such as economist Jeffrey D. Sachs and the attention of President Bush, who agreed to appear today at its national summit on global poverty in Washington, D.C.

The chief executives of many of the Northwest's leading companies, including Microsoft, Starbucks

Corp. and Recreational Equipment Inc., have joined the cause.

The group's top priority is getting the U.S. to boost its annual spending on anti-poverty programs to \$36 billion, an increase of \$20 billion. Those funds, which would include government and private sector money, could go toward bed nets to prevent malaria or the elimination of school fees to boost education.

The World Bank and the United Nations have estimated that it would take an additional \$40 billion to \$60 billion a year to make "substantial progress" in eliminating extreme global poverty. The initiative has proposed that the U.S. contribute about one-third of that amount, which would equal its share of global gross domestic product.

Bush, whose administration has been accused of sullyng America's image abroad by pursuing an unpopular war in Iraq and spurning multilateral initiatives such as the Kyoto environmental treaty, might not seem the first choice to headline an event aimed at shoring up America's position in the world.

But the elder Gates and others have said U.S. inattention to global poverty extends far beyond a single president or party. They pointed out that the Bush administration had more than doubled overall U.S. spending on foreign aid, although the U.S. remains in last place in per capita expenditures among 22 industrialized nations.

The group also strongly supports the government's Millennium Challenge Corp., which rewards countries that practice good governance and market-based economic development.

"The fact of the matter is our country is misrepresented in the world," said Gates, who runs the Bill and Melinda Gates Foundation, the philanthropic arm of the Microsoft empire. "Part of the problem is that we're the biggest, richest guy on the block.... Not only are we not beloved but we're hated in many places."

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Market-driven philanthropy, also known as “social entrepreneurialism” or “compassionate capitalism,” has become a growth industry in the Pacific Northwest. The movement is being propelled largely by the Gates Foundation, which has made HIV/AIDS programs and the elimination of diseases such as malaria a priority.

Observers say Seattle has emerged as a center of global philanthropy because it’s a major gateway for immigrants, global commerce and home for a new generation of tech entrepreneurs with the drive to change the world and the money to make it happen.

Finding ways for business and government to join forces in the anti-poverty battle is a key objective of the Initiative for Global Development. Another is the promotion of trade.

The group supports the current negotiations to eliminate billions of dollars of farm subsidies by the U.S. and Europe and lower tariffs for manufactured goods.

“I like to think I’m in the foreign aid business,” said Skip Kotkins, chief executive of Seattle-based Skyway Luggage Co., a leading luggage importer. “But instead of a handout, I’m giving people work.”

Over the last year, the group has broadened its recruiting to 10 cities, including Los Angeles, San Francisco and Indianapolis. Those cities were selected because they were home for congressional leaders such as Sen. Richard Lugar (R-Ind.), chairman of the Senate Foreign Relations Committee, and Sen. Dianne Feinstein (D-Calif.).

“We want people to have a drink with their officials and tell them how important this topic is,” the elder Gates said. “That’s how business gets done in this country.”

These business leaders, many of whom are prominent Republicans, know the hardest part won’t be persuading Americans to help the poor. It will be finding a way to pay for anti-poverty programs when the U.S. government faces a huge budget deficit, a growing tab for the Iraq war and an aging population worried about healthcare and pensions.

Gates has been a vocal opponent of the Republican-led campaign to repeal the estate tax, saying the wealthy should pay their fair share.

Sally Jewell, REI’s chief executive, agrees that the “anti-tax sentiments” prevailing in Congress have made it hard for politicians to support many worthwhile initiatives, such as public education and health research. Congress has already balked at the Bush administration’s request to increase funding for the Millennium program in 2007.

“When I talk to our senators, they say, ‘Here are the choices we’re facing, do we fund a road or do we fund HIV/AIDS or malaria research?’” Jewell said. “Now that’s a lousy choice.”