

---

Commentary

## Corporate philanthropy and conflicts of interest in public health

Sheldon Krinsky

Department of Urban & Environmental Policy & Planning, Tufts University,  
97 Talbot Avenue, Medford, MA 02155, USA.  
E-mail: sheldon.krinsky@tufts.edu

**Abstract** This commentary discusses how ethicists view the responsibilities of corporations, of their philanthropic spin-offs, and of not-for-profit organizations with regard to use of monies from corporate philanthropies for public health.

Article JPHP2012.60 available at [www.palgrave-journals.com/jphp/](http://www.palgrave-journals.com/jphp/), relates to this commentary

*Journal of Public Health Policy* (2013) 34, 137–139. doi:10.1057/jphp.2012.63;  
published online 22 November 2012

**Keywords:** corporate philanthropy; conflicts of interest; public-health NGOs

Taken at face value, Dr Naman Shah has presented an interesting case. A currently active for-profit corporation has a philanthropic non-profit affiliate. The for-profit company that provides funding to the non-profit affiliate has allegedly been involved in illicit, possibly illegal or unethical behavior in a particular region of the world. Non-governmental public health organizations (NGOs) submit proposals to the non-profit foundation that has committed substantial funding for malaria research and disease mitigation.

What responsibilities do the NGOs have in their decision to submit proposals and/or accept funding from the non-profit affiliate foundation? What ethical standards should they follow? They can, after all, use the funding to engage in positive public health outcomes for the country of interest. Should they refuse to take funding from the non-profit foundation because of the practices of its for-profit benefactor affiliate? Should the non-profits use their ‘good names’ to

lobby the for-profit affiliate to change its behavior in conformity with national or international standards in carrying out its business ventures?

Most bioethicists make a distinction between living and deceased corporations in relationship to an existing foundation that they once established. Whatever transgressions the defunct Carnegie Corporation or the Rockefeller enterprises made over 100 years ago are not usually considered morally relevant today. However, the moral parameters are different for existing corporations and their foundations.

When an existing corporation is a financial feeder to its corporation, we can ask the following questions: Does the corporation set the agenda for the foundation and is the moral compass of the foundation compromised? Is the foundation structurally independent of the corporation, such as having an independent board? If board members of the foundation currently or previously served as executives in the corporation, corporate ethical or legal transgressions have greater salience to the moral stance of the NGOs seeking funding from the foundation.

Some moral philosophers would argue that the NGOs should seek to maximize the greater good. Thus, they should assess the moral or legal transgressions of the corporation on vulnerable people against the public health benefits gained from the foundation funding. Other moral philosophers argue that it is not immoral to do good things with the money obtained from corporate misdeeds, especially if the NGOs have no leverage over corporate behavior. Some scientists and universities accept funding from the foundations of tobacco companies. A few do not because they decry the sourcing of the funds from cigarette companies that continue to market and sell dangerous substances.

By focusing on the conflicts of interest, Shah suggests that there should be separate managerial structures for the corporation and its philanthropic foundation. Although this might ease some concerns, it will not satisfy those who currently refuse to accept tobacco money. More important is his suggestion that NGOs should use their moral authority to change the illegal or immoral behavior of the corporation. The real challenge is whether this can be accomplished without jeopardizing the good that could come about from using the foundation's resources to enhance public health.



---

## About the Author

Sheldon Krimsky is the Lenore Stern Professor of Humanities and Social Sciences in the Department of Urban & Environmental Policy & Planning at Tufts University, Medford, MA, USA. He is the author of many books, including, most recently, *Science in the Private Interest: Has the Lure of Profits Corrupted Biomedical Research?* (2004), and co-editor of *Race and the Genetic Revolution: Science, Myth, and Culture* (2011).