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The "Big 3" Foundations and American Global Power

by Inderjeet Parmar

Introduction

Although large American foundations have not sold arms overseas, toppled foreign governments, or sought to govern other countries, their influence is felt around the world. It is easy to imagine that foundations act entirely out of charitable impulses, designed to help people and nations to overcome poverty, illiteracy, and illness. That is how many people think foundations operate, and that is how they want us to perceive them. In fact, philanthropic foundations have shaped American political culture and assisted in imposing an American imperium upon the world, a hegemony constructed in significant part via cultural and intellectual penetration.

Not all of the work of the "Big 3" foundations (Ford, Rockefeller, and Carnegie) was oriented toward foreign influence. They also operated many domestic programs. In a sense, the purpose was the same at home and abroad: to attain hegemony on behalf of elite interests by shaping the symbols of everyday life. That aim was carried out by influencing publications, civic organizations, and, above all, higher education. I will not attempt to deal with the domestic side of foundation programs except insofar as those activities were conducted to gain tacit support by Americans for active intervention in the affairs of other nations.by government, corporations, banks, and foundations. Instead, I will focus on the role played by the major foundations in shaping a global consensus around modernization and the maintenance of institutions that perpetuate elitism and inequality.

The Hegemonic Role of the Major Foundations

In this article, I will show some of the ways in which the major foundations have been extremely influential in America's rise to global hegemony over the past century. The leadership of these foundations consisted of members of the eastern foreign policy establishment, which included the Council on Foreign Relations and the Foreign Policy Association. From the 1920s onward, they sought to gain support of influential Americans for a globalist, anti-isolationist agenda and after World War II to construct a viable intellectual framework to promote the American perspective in world affairs.

The development of foundation leadership in international relations took place in the three phases with different emphases, all of which were aimed at softening the sharper edges of globalization and elite dominance so they would remain acceptable to the public: 1) shifting American public opinion from the 1920s to the 1950s in favor of liberal internationalism and a strong national government, 2) creating an integrated global elite from the 1950s to the 1970s who could serve as conduits for American interests within the institutions of each nation, and 3) developing democratic reforms in response to neoliberalism after 1980 to gain legitimacy for the international order, in order to

sustain the idea that the political and economic systems work for everyone. In this fashion, foundations were able publicly to espouse principles of self-determination and economic development for every nation, even though their actions paved the way for the continuation of neo-colonialism. Their policies were consistently hegemonic, in the sense that they sustained the widespread belief that global and national institutions that favor elites are both natural and inevitable. Moreover, since elite factions are often at odds with each other, the foundations may be called upon to play the role of mediator and facilitator in developing an elite consensus that might otherwise become fragmented.

Within the United States, foundations played a major role in rationalizing the political system by helping to ameliorate patronage, party bosses, and other practices that Progressives regarded as corrupt. They also supported reform movements such as temperance, social assistance for the poor, health and safety legislation, educational reform, and "Americanization" programs for immigrants. In doing so, they denigrated localized centers of power and authority and created increasing legitimacy for the national government as the source of progressive change. In this way, foundations were able to remain powerful arbiters of the kinds of regulations that would exist, preempting reform efforts that would place control in the hands of local bosses or state legislatures.

The foundations were established when America's federal executive institutions and "national" consciousness were weak and the individual states strong; the foundations spent hundreds of millions of dollars encouraging private parastate institutions to carry out functions such as urban renewal, improving schools, and promoting health and safety in workplaces, which were later subsumed and developed by the federal state, as well as to develop a supportive base in public opinion. The foundations helped to "nationalize" American society. Today they are trying to achieve similar aims at the global level. Where the global system is institutionally relatively weak and nation-states jealously guard their sovereignty, the foundations are assisting in global institution building and in constructing a global "civil society" that sustains and develops such institutions, and this is also part of developing the infrastructure for continued American hegemony.

By working to strengthen the federal government in the U.S., they were also strengthening the national economy and the power of the companies that had the capacity to sell in national markets. The projects since 1980 to smooth over problems in the global economy have had the same effect: they have enhanced the power of banks and multinational corporations vis-a-vis smaller, local companies. The larger the scale of business operations, the greater the concentration of power in the hands of elites.

Control Scholarship, Control Culture

Foundations facilitated the penetration of liberal American concepts of law, property, and social order throughout the world by cultivating networks of Western-educated elites in numerous countries. By funding academic work in area studies, political science, economics, and sociology, the big foundations created intellectual hubs radiating influence well beyond their immediate locales. Such networks were established in strategically important countries and regions—such as Indonesia, Chile, and Nigeria—

where a small group of scholars favoring Western-style modernization over nationalist development, could influence doctoral students in the region. They would, in turn, train thousands of other teachers.

After gaining independence in the 1950s and 1960s, the leaders of new nations in the developing world were eager to gain Western knowledge, in the belief that understanding the ideas and the technology of the former colonial power would enable them to gain a greater degree of economic and political independence. In fact, the reverse was true. Knowledge is never neutral. To begin with, differential flows of knowledge give some groups power over others. Thus, access to Western knowledge became a new source of rivalry in many countries. More importantly, Western-style learning also re-oriented the elites in developing countries toward the global centers of power and capital and away from their own national traditions. Castells (1994: 169-170) has argued that this process has caused the logic of indigenous leaders to become increasingly divorced from their local culture and preoccupations and more locked in to relative "placelessness." This is one of the important ways in which hegemonic power tends to uproot people and place them into what Castell calls the "hierarchical logic of the organization."

The analysis by Pierre Bourdieu about the role of intellectuals in modern societies can also help us understand the process by which foundations have exercised hegemony through the seemingly innocuous medium of higher education. Intellectuals have a relatively high status in modern society because of their ownership of cultural capital. Yet, cultural capital is subordinated to economic capital. They function as intermediaries between the economic capital of the foundation (and its sources of wealth) and the cultural capital that they create. Intellectuals play that role by participating in large-scale bureaucratic organizations that favor technocratic expertise. Through the work of those intellectuals, the philanthropic foundations strategically influence what is legitimate and illegitimate knowledge. Using Bourdieu's framework, Swartz (1997: 101) explains that the power to establish new disciplines and shape methodology are not "simple contributions to the progress of science ... [they] are *also* always 'political' maneuvers that attempt to establish, restore, reinforce, protect, or reverse a determined structure of relations of symbolic domination."

Brym (1980) offers an even simpler explanation of how foundation programs aimed at intellectuals were so often able to co-opt them and tip the scales in favor of elite interests: they offered employment opportunities. An intellectual with a job (and perhaps a mortgage on a house) is far less likely to lead a revolution than one who has been thoroughly marginalized. Thus, simply creating institutions that would absorb the labor of numerous intellectuals had the effect of channeling potential dissenting leaders into "safe" intellectual pursuits.

It is never necessary for foundations to set explicit limits on research or to dictate conclusions to scholars who receive funding. Such overt interference would be viewed as intolerable, and funding would be rejected. But interference can and does occur routinely by a sort of via negativa, the denial of funding for research that questions in fundamental

ways the justice of the current social order. Scholars quickly learn what topics will *not* be funded. As political scientist Harold Laski (1930: 163, 174) explained:

> 'Dangerous' problems are not likely to be investigated, especially not by 'dangerous' men.'"... The foundations do not control simply because, in the direct and simple sense of the word, there is no need for them to do so. They have only to indicate the immediate direction of their minds for the whole university world to discover that it always meant to gravitate swiftly to that angle of the intellectual compass.

Laski thus explain how it is possible for foundations to give money to intellectuals without apparent strings and yet maintain control. Even a whiff of the overt use of power would generate resistance. Hegemonic control would fail automatically in the face of resistance. It works entirely through socialization and tacit indoctrination. Thus, foundations fund institutions that will gently guide intellectuals along predictable paths, much as graduate education does in the U.S. or Europe. Under those conditions, no one tells a graduate student or post-doctoral fellow what to study, but plenty of advice is offered against pursuing some topics that are understood to be off limits. Thus, the process of sustaining hegemony begins at home on the domestic population and is then exported, via foundation grants, to universities, think tanks, and other knowledge-generating institutions around the world.

For American foundations, the construction of global knowledge networks is almost an end in itself. Indeed, the network appears to be their principal long-term achievement. Although foundation-sponsored networks also attempt to operate as means of achieving particular ends, generally speaking, those ends are not necessarily the ones publicly stated. However, despite their oft-stated aims of eradicating poverty, uplifting the poor, improving living standards, aiding economic development, and so on, even the U.S. foundations' own assessments of their impact show that they largely have failed in these efforts. On the other hand, those very reports lay claim to great success in building strong global knowledge networks that sustain foundation investments, such as their funded research fellows, research programs, and lines of communication across universities, think tanks, makers of foreign policy, and foreign academics.

Are Foundations Elitist?

Fundamental to my argument here is the premise that the major foundations act in ways that sustain a stable social order that will not challenge the power of elites. The hypothesis of elite hegemonic control challenges the dominant pluralist view in the social sciences. According to pluralists, there is no power elite, a "market-place of ideas" determines what theories gain support among scholars, society is divided into interest groups that vie with each other for recognition and power, and social class or relative wealth plays little role in determining the outcome of political or intellectual contests. In short, pluralism presupposes a meritocracy in which ideas and policies win on the basis of interest-group coalitions. This is very much a bottom-up view of decision-making, in contrast to the top-down view that I am proposing.

Of course, there are many elements of modern societies that conform to the pluralist vision of even-handed competition among numerous factions and interest groups. There are many social and economic issues, particularly those that arise at the state and local level, that are of little or no interest to elites. As a result, it is possible for the advocates of pluralism to find hundreds or thousands of examples that fit the model. What the model cannot explain, however, is how certain ideas that serve as the pillars of capitalist ideology attain dominance and how the pervasiveness of those ideas sets limits on the types of research, education, and journalism that are permissible. The pluralist model is also unable to explain how scholars engage in self-censorship in choosing both topics and methods of analysis. In short, the pluralist ideology blinds a large segment of the intelligentsia to the ways in which elites set the parameters of debate and engineer the "consent of the governed" (Parmar 2000).

The model I use in analyzing the behavior of foundations is neo-Gramscian. The concept of "hegemony" was developed by Antonio Gramsci in the 1920s and 1930s. It combines an understanding of elites acting to protect their interests with a detailed description of their methods of gaining legitimacy through the manipulation of ideas and information. If elites were required openly to exercise power to achieve their goals, such as by spending large amounts on election campaigns for "pro-business" candidates, their effectiveness in a democracy would be limited and the legitimacy of their efforts would be questioned. However, the hegemonic approach to power involves working behind the scenes, through institutions such as foundations and universities, to shape the climate of opinion in ways that are virtually invisible. Whereas there are numerous critics of the open use of power, few dig deep enough to recognize the hegemonic forms of power that are exercised by foundations.

The elitism of foundations is not merely a function of methods. Although the major foundations hire staff from a wide range of backgrounds, the members of the board come from a common social background—the east coast Establishment. Since the power of a foundation lies with its board, not its staff, the composition of the board reveals a high degree of consistency in its elitism. Elsewhere (Parmar 2012: ch. 2), I have provided dozens of examples showing that the boards of the Big 3 foundations have been drawn from the upper echelons of society: people from wealthy backgrounds, who graduated from Ivy League universities, worked for the most prestigious law firms in New York and Washington, D.C., or were executives or directors of large corporations, U.S. State Department officials, senior members of other foreign service agencies, publishers, ambassadors, or trustees of other elite nonprofits. Nielsen (1972:316) described the composition of the Big 3 as "a microcosm of... the Establishment, the power elite, or the American ruling class." There can be little doubt, then, that the boards of major foundations have been drawn from the upper class.

The leadership of the major foundations has long shared a common bond in wanting to achieve pre-eminence for the United States, to establish liberal internationalism as a unifying global ideology, and to maintain a capitalistic economic order softened by enough social welfare programs to sustain its legitimacy. Because the

outlines of this program are very broad, it has not required great effort to coordinate efforts or to police the boundaries of this tacit consensus. In answer to (Inboden 2012), who refers to my method of analysis as "conspiracy philanthropy," I make no claim that the heads of the major foundations meet to adopt a common strategy, an action implied by the term "conspiracy."[1] Instead, similar upbringing in elite schools, shared experiences in business and law, and overlapping economic interests are enough to create the broad outlines of a common worldview among a large segment of the elite. There are, of course, conservative foundations that are outspoken in promoting a free-market ideology, so there might seem to be conflict among elites. If so, that would challenge the theory of hegemony and favor pluralism. In fact, the difference is one of style, not substance, a bit like the stereotype of "good cop, bad cop." The conservative foundations may oppose the softened version of corporate power that they perceive the liberal foundations to be advocating, but that is only because they have yet to learn that the aristocrat who covers the iron fist with a velvet glove is often more effective than one who makes an open show of power.

Case Studies of Foundation Programs

Indonesia: Prerequisites for a Coup D'etat

In the 1950s, as the Cold War intensified, the foreign policy establishment in the United States was eager to gain influence among the elites of the emerging nations. In Asia, one of the most important nations was Indonesia, in part because of its petroleum reserves, but also because President Sukarno was a leader of the Non-Aligned Movement. In addition, the Communist Party had a larger membership in Indonesia than in any other country, other than the Soviet Union and China. In short, independent Indonesia could not be counted on to cooperate with the United States and to give priority to American interests.

Starting in 1951, the Ford Foundation entered the fray quietly by financing programs in several related areas: 1) "area studies" programs at elite universities (Cornell, Berkeley, MIT, Harvard) to build the capacity for scholars to better understand the languages and culture of the targeted country (Indonesia), 2) programs in Indonesia for elite scholars in that nation to gain a greater appreciation for Western political theories and social science methods, 3) seminars, colloquia, and other projects to bring American and Indonesian scholars together, nominally for the purpose of promoting economic development.

As Dyke Brown, a Ford official, explained in an internal memorandum, the aim of the foundation should be "to mobilize Western resources of knowledge with respect to Asia." This needed to be done quickly because of the urgency of responding to "Asia's revolutionary convulsions." Diffuse knowledge, scattered among dozens of scholars throughout the United States, had little or no value. Thus, the foundation needed to create programs that concentrated knowledge of critical countries in the region within a few university departments so that it could be put to use in the service of U.S. government operations. Thus the logic of "mobilizing" knowledge was to penetrate

Indonesian society (and other Asian societies).

Considerable evidence from the Ford Foundation archives reveals that its true motives were to be kept hidden. For example, as Brown (1951) shows, when Ford commissioned scholars at Stanford University to carry out a survey of existing Asian studies programs in U.S. universities, Ford wanted it to appear that the initiative had come from Stanford. This is the sort of fiction under which most grants are made. In theory, potential grantees approach the foundation with an idea, and the foundation determines if it is suitable. In practice, many programs operated by major foundations are initiated by the foundation, which leaves control firmly in the hands of the foundation. However, in this case, the motive was more sinister than the usual charade of being a disinterested party. Since the Ford Foundation was working so closely with the American government in shaping foreign policy in Asia, Ford staff wanted to keep a low profile.

Another seemingly innocuous program funded by the Ford Foundation was the Modern Indonesia Project (MIP) at Cornell University, managed by Prof. George Kahin, director of Cornell's Southeast Asia program. On its face, MIP produced 45 books and articles about various facets of Indonesian society, including the Chinese minority, the background of political and military elites, and village field studies. Since the Indonesian government frowned upon foreign scholars carrying out studies, most of the work was done by indigenous scholars, which served the purpose of quickly increasing the number of Western-trained social scientists who were skeptical of the Sukarno regime.

Although the MIP seemed initially to be a politically neutral undertaking, Kahin was surprised when he discovered a layer of secrecy and subterfuge that contradict normal standards of academic transparency and integrity. For example, Kahin (1954) was disturbed that Cleon Swayzee of Ford had made it clear "*not* to identify the Indonesia Study as a Ford Foundation project." He also realized that the unstated aim of many studies was to evaluate the strength and influence of the Communist Party in Indonesia. Since the MIP was effectively an intelligence-gathering operation about the Communists in Indonesia, the project was really a privately-funded program on behalf of the U.S. State Department and CIA, each of which endorsed Ford's plans in the early stages (Swayzee 1953; Langer 1953). The implications of this are staggering. If the leaders of any nation had learned that the Ford Foundation was coordinating its activities with the State Department and CIA, the foundation's credibility would have been destroyed. Even many American scholars would have been reluctant to accept grants from Ford, if its grants were publicly known to be tied, directly or indirectly, to American efforts to destabilize and overthrow a foreign government, which the CIA sought to do in Indonesia in 1958.

The program with Cornell University was only one part of the Ford Foundation's strategic plan for Indonesia. In order to create a network of scholars in Asian studies, Ford spent hundreds of thousands of dollars for an Association for Asian Studies (AAS) that held annual conferences and gave those scholars a forum to meet each other and government officials. By 1965, the AAS had three thousand members, a quarterly

newsletter, and a prestigious review, the *Journal of Asian Studies.* This network formed the backbone of many other Ford programs in Asia.

Another Ford program in Indonesia consisted of funding economists and other social scientists who were critical of the Left-wing Sukarno government and who would be prepared to manage a post-Sukarno Indonesian government. To do this, Ford created a program at the University of California, Berkeley that was designed to train Indonesian social scientists. Ransom (1970) broke this story in a left-wing periodical, citing an interview with John Howard, a Ford Foundation official, who had told him that "Ford felt it was training the guys who would be leading the country when Sukharno got out." Ford staff prepared a dossier of disclaimers to refute Ransom's story, but the press generally ignored the whole episode, so the dossier was never needed.[2] Among the rejoinders developed by foundation staff, John Howard claims that he was misquoted and that he merely said the economists trained by Ford later became government officials.

The evidence from internal foundation documents contradicts the facade maintained by the Ford Foundation. Pehaps most telling was the resignation of Leonard A. Doyle, the first professor who headed up the University of California, Berkeley, program in Jakarta from 1956 to 1958. The nominal purpose of the program he headed, financed entirely by the Ford Foundation, was to rationalize the teaching of economics at the University of Indonesia, which effectively meant transforming it from a European style of indendent graduate study to an American style of directed education or guided study. The economists trained in the program were influential not only within the university, but in other universities as well, in the same way that elite university faculty have a national influence in other countries. Why, then, would Prof. Doyle, a staid business professor, want to resign from a successful program? Doyle recognized the political intent of the entire program and left because he did not want Berkeley to get "involved in what essentially was becoming a rebellion against the government—whatever sympathy you might have with the rebel cause and the rebel objectives" (Ransom 1970: 41). Michael Harris (1958), the Ford representative in Jakarta, was disturbed that Doyle openly, in 1958, expressed disquiet about the program and had called on the University of California to discontinue its involvement. Doyle believed that the university had been an unwitting tool of the State Department in pursuit of unsound policies. Thus, Doyle's disaffection was no secret to Ford staff. Rather, it was an embarrassment, never mentioned in Ford's public statements about the program. The reticence of Ford to publicize the disgruntlement of an internal critic is understandable. However, this episode clearly reveals that Ford *was* engaged in political maneuvering in Indonesia, contrary to its public claims of neutrality.[3]

When a successful coup was staged in 1965 by the Indonesian army, rationalizing it as a response to false rumors of a planned communist coup, the pre-conditions for its success had largely been put in place by Ford Foundation programs. There is no evidence that the coup was planned in New York or Washington. That was not necessary. Rather, a network of Westernized elites had received training through Ford grants to the University of Indonesia, and those elites were closely allied with the upper echelons of the Indonesian army (Scott 1985: 247-249). In addition, the research that had

been done under Ford auspices regarding the village-level activities of Communist Party of Indonesia (PKI), along with CIA-supplied lists of Party members, made it possible for the army to identify and execute their opponents quickly.

In a letter that eventually reached McGeorge Bundy, the new president of the Ford Foundation, Francis Miller (1966), a Ford staff member in Indonesia, rejoiced over the victory of the army and the New Order in Indonesia: "There is a holiday spirit and exhilaration over the change; and a virtual worship of the young people who have been forcing all elements against the Sukarno clique and regime." He also stated that he was "struck...[by] the virtual hilarity over the liquidation of several hundred thousand fellow-countrymen." He adds that the Ford Foundation can now do business in Indonesia again. If the foundation had been the purveyor of neutral social science methods to the University of Indonesia economics department, its officers would have been appalled to discover that the students it had trained at the University of Indonesia were among the leaders in the anti-communist massacres that took between 400,000 and 1,000,000 lives following the army's successful coup. There is no hint of regret or remorse in any documents in the foundation's archives. There was no investigation into what went wrong, precisely because the outcome was the one desired by the State Department and the Ford Foundation. Instead of immediately withdrawing support in the face of such a grotesque massacre of hundreds of thousands of unarmed civilians, the Ford Foundation redoubled its efforts in Indonesia by giving $2 million to Harvard's Development Advisory Service to assist the National Development Planning Agency, chaired by the Ford-funded economist, Widjojo Nitisastro.

If Ford's aim in Indonesia had truly been to achieve economic development, the program was a miserable failure, by its own standards. Under the New Order after the coup, large-scale foreign investment was permitted, with concessions offered. Various modernization programs were begun. Smith (1978) reported that few jobs had been created, that the army was involved in "illegal tax collection, smuggling, and commercial activities," and the Ford-trained economists and technocrats were poor state managers. Since Ford's ostensible rationale for developing a strong economics faculty at the University of Indonesia had been to promote economic development, the inability of those economists to do so might have been cause for alarm. But now that a friendly, pro-Western government was in place, Ford seems to have developed a business-as-usual attitude with a high tolerance for failure.

Nigeria and Civil War

All three of the major foundations with broad international interests—Carnegie, Ford, and Rockefeller—were involved in programs to develop a better understanding of African society and politics and to promote economic development in that continent. Since their intentions seemed purely philanthropic, they were welcomed by national governments.

Carnegie's real purpose was to protect the interests of whites in Africa, a continuation of policies based on a belief in Anglo-Saxon superiority, a belief that

reflected Andrew Carnegie's own attitudes. Thus, when the Carnegie Corporation took the lead in founding the African Studies Association (ASA) in 1957, it is not surprising that the ASA was constituted as an elite, top-down, white-led organization that sought to impose its vision of Western-style development on Africans. For Carnegie, as for the State Department, the primary reason for actively pursuing any sort of relationship with African colonies and nations was to develop the necessary political ties to secure strategic minerals for the future. In the 1950s, Africa was considered by most foundation staff to be little more than a reservoir of natural resources. In short, foundations, government officials, and corporations had a common outlook on Africa.

A racialist and colonialist view of the world informed the programs developed by Ford and Rockefeller as well. When they entered the field of African studies, they simply ignored the long history of research in that field at historically black colleges and decided to create entirely new programs at elite, predominantly white universities that had no prior experience with the study of Africa. The reason was simple: they trusted white scholars from an elite social background not to be too heavily influenced by pan-Africanism or who linked the plight of Africa to the treatment of African-Americans. As Gershenhorn (2009) has argued, foundations would not fund any scholars who questioned continued European dominance in Africa or the State Department's Cold War stance. The programs at Howard University, for example, were funded by Ford only after they were deemed suitable for inculcating an appropriate understanding of Africa to African-American or African students "who sometimes approach the field with a strong emotional or political bias" (Ford Executive Committee 1957). The clear implication was that the colonial or American perspective on Africa was objective, whereas the perspective of Africans was tainted by emotion or politics.

Once again, we see that hegemonic control operates mostly by what does *not* take place. Evidence of absence is harder to accumulate than evidence of presence, so the case for hegemony is always difficult to prove. In this case, however, the bypassing of African-American scholars who were deemed politically unreliable, despite their expertise, is a pretty clear sign that the foundation programs were governed by a political agenda that was never publicly stated.

When the U.S. Army wanted to commission research on Nigeria as part of "Project Camelot," it turned to the African Studies Association for politically reliable scholars who might investigate the sources of potential conflict in African nations from an "objective" (Eurocentric) perspective. Since scholars were reluctant to be visibly associated with the U.S. military and intelligence agencies, funding was channeled through the National Academy of Sciences and several foundations, including Carnegie and Ford. After "Project Camelot" was exposed as an intelligence-gathering program in 1965 (Lowe 1965), Carnegie refused to serve as a conduit for U.S. Army funds to the ASA members conducting oral history interviews on nationalist movements. Scholars became fearful of being identified with the CIA. Ford, nevertheless, continued funding the Oral Data Collection project of the ASA.

The elitist African Studies Association might reasonably be viewed as the alter-ego of the foundations in African research. By 1968, that elitism had become the source

of overt contention especially among African-American scholars of Africa. That year, a black caucus of ASA members, supported by numerous white members, demanded greater black participation in ASA affairs. By 1969, discontent bubbled over into a mass walk-out at the ASA convention in Montreal and the formation of the African Heritage Studies Association (AHSA). This split between the elitist and the participatory scholars, and between the white oligarchy and radical scholars provided the foundations with a perfect opportunity to demonstrate how even-handed they are. If the foundations were truly neutral, non-political institutions concerned only to further the development of greater understanding, in this case of Africa, they would have funded the AHA and the AHSA evenly, or in accordance with the size of their membership. Pearl T. Robinson (1974: 8), a program officer at Ford, believed that Ford was partly to blame for "its lack of sensitivity to issues which ultimately proved to be critical." Yet, Ford continued to show a "lack of sensitivity." It provided the AHSA with a one-time grant of $10,000 to cover transportation costs for overseas speakers at its 1970 annual conference. By contrast, Ford gave a total of at least $300,000 to the ASA in 1970, 1974, and 1975. This decision clearly demonstrates Ford's political intentions in Africa as hegemonic—aimed at recruiting elites, not democratic.

When Ford set up a fellowship program in 1969 exclusively for black Africanists, the results were again highly skewed. After ten years, almost 80% of the fellowships had been awarded to black students from historically-white elite universities, and only two from historic black colleges received an award. The net effect was that there was an increase in the cadre of black Africanists who formed a network attached to elite white universities, government agencies, and "mainstream" organizations.

Educational programs in Nigeria were developed in the context of this foundation-induced racial tension among American scholars and African scholars studying in the United States. The Carnegie Corporation was almost entirely unselfconscious of its imperialist orientation, simply assuming, as late as the 1960s, that philanthropy in Africa was the "white man's burden." Thus, Carnegie planned a Western-style of higher education for Nigeria without consulting any Nigerians. The major foundations took the same approach when they collaborated in making the University of Ibadan the dominant university in Nigeria and a center of Western-oriented education.

The main purpose of higher education, in the eyes of foundation program officers, was to train the personnel by which Nigeria would develop in accordance with Western plans involving modernization and high levels of foreign investment. This was all carried out on the premise that Americans and the elites who concurred with them knew better than the majority of Nigerians what was in their best interests. As Aboyade (2003: 302) explained, the result was a disaster for Nigeria: the Anglocentrism and neocolonial mindset of the ruling elite was responsible for "the traumatic civil war, the total lack of commitment, dedication, and patriotism on the part of the general populace, the false sense of values, and the almost total neglect of a search for authentic Nigerian scholarship." When civil war came in 1967, the rivalry over position and foundation funding among the University of Ibadan faculty was one of the factors that heightened the conflict among ethnic groups. Many Ibadan academics were directly involved in the secessionist movement that led to war (Oloruntimehin 1973: 100). The decision by Ford and

Carnegie to make Ibadan the premier university in Nigeria was a catalyst for conflict because it contradicted the federal government's aim of balancing regional power centers.

As in Indonesia, the big foundations meddled in domestic politics by favoring elite education that produced a network of Western-oriented economists and social scientists. The result was again a retreat from nationalistic policies designed to encourage indigenous plans for development. The foundations failed both in the U.S. and in Nigeria to take into account the diverse interests and sensitivities of the scholars they were working with. At home, their elite network splintered, but they were able to construct a secondary network of black scholars as well. In Nigeria, foundation programs, particularly at the Univerity of Ibadan, upset a delicate balance of power among ethnic groups, exacerbated rivalries, and eventually catalyzed a civil war. The aim of hegemonic control was essentially the same as in Indonesia, but in Nigeria, the government did not stand in the way. Instead, the foundations stumbled over their own feet by inadvertently taking sides in a regional dispute. In the long run, the foundations succeeded in developing the elite networks that are the backbone of hegemony. But, in the short run, they took many missteps that cost lives.

Chile and the Illusion of Pluralism

Chile was the launching site for a full-scale effort by the Big 3 foundations to reverse the long-standing affiliation of intellectuals with left-wing ideologies. The stakes here were much higher than in any other part of the world because the prize was much bigger: not merely Chile, but all of Latin America. Because of the long-standing democratic traditions in Chile, it was expected to be the model for non-Marxist reform throughout the continent. More foundation money was invested in Chile, per capita, than in any other country outside the United States (Bell 1973: 4).

Since the rationale for overthrowing the regime of Salvador Allende in 1978 was that he was Marxist, one might imagine that the primary focus of foundation programs in Chile after the coup would have been to root out all vestiges of Marxism in higher education. That is precisely what the regime of the new Chilean dictator, General Pinochet, did. Thousands of intellectuals, including university professors, were fired or even imprisoned and tortured. That sort of brutality turned the majority of Chileans against the regime, so that democracy was eventually restored in 1992.

By avoiding a direct connection with the extremes of the Pinochet regime, the major foundations were able to maintain credibility throughout the era and achieve their hegemonic purposes in spite of the bloodshed, not because of it. From the beginning in the 1960s, the foundations set their sights on long-term goals by creating an *image* of being balanced and neutral. In fact, the foundations sought to penetrate Latin America with an ideology that appeared to be non-ideological. Any group that can implant an ideology that comes to seem natural and not open to question has effectively gained total hegemonic control. That is what the foundations hoped to achieve, and, to some extent, they came close to reaching that goal.

The primary mechanism by which the foundations achieved their hegemonic aims was by funding scholars and programs that promoted more than one perspective on economic policy in the 1960s. Thus, at various stages, the Ford and Rockefeller Foundations supported the free-market ideology of the economics faculty of the University of Chicago, and they also provided funding for the economists who favored the autarkic nationalism of "dependency theory," which was developed by Raul Prebisch and ECLA (the United Nations Commission for Latin America). However, there was a limit to the "balanced" approach to funding. The state technical university, which had twice as many students as the heavily funded Catholic University, received no support because it was a known center of Marxist thought (Bell 1970: 6). Thus, the pluralism that was the goal of the Ford and Rockefeller Foundations was constrained pluralism, always limited to ideas that fell with the range of acceptability to elites. The implicit assumption behind their grants was that all researchers would agree with two premises: 1) that economics is a neutral, technocratic science, and 2) that an economy represents a natural harmony of interests, without any inherent conflict of classes.

As one simple indication of how fully self-deceived foundation staff and their grantees were about ideology, we can point to a specific event that epitomizes the problem. In a conversation with the staff of the Rockefeller Foundation, Ted Schulz, dean of the department of economics at the University of Chicago, denied any desire to "sell" an ideology through his department's programs in Latin America. However, in the same conversation he emphasized that the problem on that continent was the "indiscriminate intervention of governments [in the economy] ... and their tendency to rank the inflationary problem below that of economic growth." (Yudelman 1956). This was a view that Schulze presumably considered non-ideological, and the foundation staff was apparently also unaware of the irony.

Thus, when Ford and Rockefeller professed to support economic education in Chile (and throughout Latin America) on a non-ideological basis, they sincerely believed they were doing so. In their minds, the ideological spectrum ranged from the free-market economists of Chicago on the right to the *dependistas* of ECLA on the left. Since the foundations supported economists across the spectrum, they viewed their actions as pluralistic, not oriented toward any particular ideology. Since Marxists questioned not only the biased results of exchange in market economies, but also the methodologies that left private ownership and capital accumulation as "givens, outside the framework of analysis, the foundations regarded them as "ideological."

After the coup in 1973, professors with Marxist leanings were fired from their universities, and students were dismissed; some were arrested, tortured, and killed. In the ensuing years, the different "factions" of economists (centrists and dependistas) worked together more closely than before, since they were bound together by a common antipathy to fascism but adopted common technocratic ‘non-political’ economics methodologies. This revealed just how narrow the spectrum of acceptable ideology had always been. Nevertheless, unlike the tacit support from foundation staff for the coup in Indonesia in 1965, the coup in Chile disturbed the Ford staff, and much of its program spending from 1973 to 1978 was designed to provide an institutional base of support for

social scientists who did not fit within the narrow Pinochet mold.

During the period of soul searching that followed the coup, some Ford Program Officers in Santiago, particularly Nita Manitzas (1973a) and Kalman Silvert (1974), recognizing that the economic models being promulgated in Latin America were failures, proposed radical revisioning of development in terms of indigenous culture and perceptions, a far cry from the technocratic model of development Ford had adopted.[4] But, ultimately this brief period of raising questions inside Ford did not have a lasting effect on its centrist, technocratic ideology. Nor did any foundation acknowledge responsibility for having trained the establishment-oriented economists who readily assumed positions of power in the autocratic Pinochet regime. As Manitzas (1973b) summarized the situation succinctly: "Our agricultural economists are sitting in the Junta and the sociologists are getting wiped out in the stadium."

In the end, the foundations achieved their aim. When the military regime was removed from power in 1989 by a plebiscite, the neutral, centrist, "apolitical" economists who had been trained with foundation support became the leading economists in the democratically-elected government. The foundations had managed to re-engineer and sustain their networks and to shape the politics of Latin America in the following decades. As a result, when a wave of "left-wing" reformers took office in Brazil, Peru, Venezuela, Bolivia, and Chile around 2005, the American-trained economists they relied on to implement reforms were sufficiently moderate that no reform was more radical than the New Deal that was adopted in the United States in the 1930s.

After the Cold War: Democratizing the World

When the Cold War ended, the Big 3 foundations had to find a new rationale for American foreign policy that was no longer based on "containment" of Soviet power. Under the new conditions that emerged in the 1990s, the foundations promoted concepts that justified American hegemony in the guise of helping other nations achieve democracy. The ultimate aim of the American foreign policy establishment, of which the major foundations remain an element, was to create a uni-polar international system of globalized commerce that supported the interests of elites without seeming to do so. American leaders want to be able to defend the notion that the world is comprised of sovereign states and that the U.S. has no special privileges. The foundations continue to play the role of providing legitimacy for this U.S.-centered system.

A central concept fostered in the early 1990s was "democratic peace theory" (DPT). According to DPT, democracies are peaceful and non-democratic states are unstable and liable to back terrorist groups; as a result, the way to maintain a stable global order is by promoting democracy. This idea did not emerge as an academic exercise. Rather, it was nurtured initially by a grant from the Ford Foundation (and later the MacArthur Foundation) for articles by Michael Doyle (1983a; 1983b) developing "liberal peace theory," which emphasizes the importance of global free trade in sustaining peace among nations. In the hands of academics, these ideas are primarily concepts to be debated. In the hands of government officials, the same ideas were used as doctrines

to justify efforts to impose democracy on other nations in a form that suited American interests.

Larry Diamond, a liberal hawk, was a key figure in the migration of DPT from academia to policy making. As co-editor after 1990 of the *Journal of Democracy*, published by the National Endowment for Democracy (NED), Diamond was well-established in interventionist circles of the foreign policy establishment. He was also closely associated with the Clinton-aligned Progressive Policy Institute (PPI) of the Democratic Party, and contributed an important study on democracy promotion to a Carnegie Commission in 1995. Diamond later served the Bush administration in Iraq as a senior adviser to the Coalition Provisional Authority. In a report to PPI, Diamond (1991) urged the United States to "reshape" national sovereignty to permit American engagement abroad to democratize other nations. Here we can see the beginnings of a public rationale for unilateral American intervention in the affairs of other nations, all in the name of democracy. This was in sharp contrast to older doctrines that emphasized global order and the sovereignty of nations.

If ever there was a clear and present danger to the United States, when there was a need for the influential major foundations to serve as a counterweight to fashionable political thought, this was such a period. If foundations were truly neutral, progressive, and oriented toward the public interest, as they profess to be, they would have made every effort to create a slow, deliberative process around the development of a new foreign policy framework, particularly after radical ideas about American unilateral intervention began to surface. Yet, anyone who sincerely expected foundations to play that role was hopelessly naive. In fact, foundations supported the work in question, just as they have always supported work that protects the international mobility of capital and an auspicious investment climate around the world. Thus, when Diamond (1995: 47) published a report for Carnegie's Commission on Preventing Deadly Conflict, it was not a surprise that he should argue that "the precarious balance of political and social forces in many newly democratic and transitional countries" provided "international actors ... real scope to influence the course of political development." Thus, the policy of placing the United States at the pinnacle of global power, as the teacher and judge of democracy in other nations, did not occur despite the warnings of foundations, but precisely because foundations provided the patronage necessary to develop those ideas and give them credibility.

The only serious debate about democratic peace theory among members of the foreign policy establishment in the past two decades was over the question of timing. The issue in contention was this: can democracy be imposed from outside using a standard template, or does it require the development of internal institutions supportive of democracy to evolve in a culturally-specific context? This debate occurred in the 1990s in the pages of the Harvard-based journal *International Security*, which receives support, directly and indirectly from both the Ford Foundation and the Carnegie Endowment. The Clinton and Obama Administrations adopted the nuanced approach presented by Mansfield and Snyder (1995), who advocated the application of stabilizing measures and internal coalition formation before expecting nations to adopt democratic elections. The

George W. Bush Administration, by contrast, adopted the Larry Diamond method of transplanting "democracy" wholesale, without regard to "societal pre-conditions."

To the average citizen, the problematic character of "assisting" other nations to achieve democracy may not be readily apparent. Since democracy is supposed to be the most desirable form of government, who could possibly object if the United States uses its military and economic power to create or sustain democracies in other countries? From this perspective, it would be absurd to criticize foundations for initiating these ideas. Would it not be true that the citizens of the democratized country would necessarily benefit? The answer is "no." A democracy imposed from outside can never truly be "rule of the people." It is likely to remain a hollow shell, form without content.

To understand why democracy cannot be imposed or even supported by outside parties, we need only consider the following thought experiment. How would the citizens of the United States have felt if a delegation from Uganda, Sierra Leone, Thailand, Bolivia, Haiti, Sri Lanka, Mongolia, and Poland had descended on the U.S. in November 2000 to resolve the obvious problems with the American electoral system? Since there was suspected malfeasance by state and county officials in Florida, and since the Supreme Court made a purely political decision to assign Florida's delegates in the electoral college to George W. Bush, an international delegation could easily have reached the conclusion that corruption in American elections was rampant and that the situation threatened the security of true democracies. Few Americans would probably favor this intervention, even those who agree that the electoral system is rife with abuse. Americans would say, "It may be a bad system, but it is *our* bad system." The fact that everyone in the world is affected by elections in the United States would likely fall on deaf ears. The issue would be national sovereignty, pure and simple.

Conclusion

I have endeavored to show here that the "Big 3" foundations (Ford, Rockefeller, Carnegie) have been deeply immersed in the formation and implementation of American foreign policy for many decades, since the period before World War II. The three case studies reveal precisely how the liberal hegemonic power of foundations has been exerted on three continents: Asia, Africa, and South America. In every case, the objective has been the same: the creation of networks of scholars in the social sciences, particularly in economics, who will provide advice to governments that conforms to the general outlines of the ideology of the foundations.

Despite their protestations to the contrary, the major foundations have rarely been neutral or nonpartisan in their funding patterns. They have effectively guided debate both in the U.S. and abroad by cultivating networks of scholars who share the point of view the foundations wish to develop and preserve: reformist and humanitarian, but always within the bounds of a globalizing legal and political system that protects investments, permits vast accumulations of wealth, and denies the legitimacy of perspectives that question the present economic order.

The foundations achieve their goals quietly and unobtrusively by investing in scholars who are already sympathetic to their aims. It is never necessary for foundations to twist arms or compel allegiance. Word of mouth among scholars makes it clear that those who are willing to orient their work in the way foundations approve will have a chance to win large grants, travel the world, attend prestigious conferences, and play an influential role in the development of foreign policy.

This process of co-opting promising young scholars with money and opportunities is how hegemony operates. For the projects of various foundations to achieve a common purpose of sustaining an ideology that broadly reflects the status quo does not require any sort of conscious effort. If the maintenance of hegemony required foundations to meet together to formulate a very specific plan of action, it would fail quickly. That sort of coordination is impossible to maintain for any length of time. But if the objective is much simpler—to deny oxygen to your ideological opponents—that can be done easily. No complicated conspiracy is necessary. All that is required is a common understanding among elites and their co-opted followers that social science models will reflect a pluralist perspective and insist on the premise that society is a balance of interests in harmony and equilibrium. All that is forbidden is more than occasional support for research or action that contradicts that point of view, research that supports the view that concentrations of wealth and power in a capitalist system distort social relationships, the legal system, and opportunities for individual fulfillment

No one has summarized the overall bias in the aims of the major foundations as clearly as John Farrell (1973: 6), a Ford Foundation program officer:

> The Foundation has a structure and interests, symbolized by the people it picks for trustees and officers, that suggest there would, in the long run at least, be limits on our freedom to opt for overly leftist values and objectives, to support scholarship that would show how power and wealth is controlled in a given society, or what social patterns are perpetuated by, for example, the operations of a multinational corporation or the foreign assistance programs of the Agency for International Development.

That statement applies equally well to Rockefeller, Carnegie, and most other large foundations. As Farrell says, they set limits. Those limits are always tacit, unspoken. The foundations define the limits by deciding which research to fund. They need never overtly reveal their intentions by stating they will not fund research that is openly critical of the power elite or that accurately explains the role of foundations. Their hegemonic power allows that information to become common knowledge without ever making it explicit. Few institutions have that sort of ability to influence public opinion.

Foundation program officers may differ from the elitist ideology of their employers from time to time, but they quickly learn discretion in sharing their private views. The institutional message seldom varies. Foundations do not have to actively police the boundaries of their version of political correctness. They have spent decades cultivating networks of scholars who feel comfortable articulating and elaborating pluralist theories of society and politics. The only action foundations need to take to

perpetuate the system is to continue cultivating scholars and experts who already share their point of view. It is not necessary to chastise or criticize dissidents. It is much more efficient to ignore them. The ultimate test of hegemonic power is whether an institution can exercise power without seeming to do so. By that criterion, foundations are among the most powerful institutions in the world today.

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[1] It should be noted that Inboden's response demonstrates precisely how hegemony works. Foundation presidents do not have to respond to the evidence I found in their archives of a consistent pattern of creating a global network of elites. Instead a professor of public policy, and a former member of George W. Bush's National Security Council, can carry out that task for them. I do not mean to imply that Prof. Inboden was "hired" by the foundations for this purpose. Rather, I imagine that he has been sufficiently influenced by a century-long program of image-building by the foundations to take their public self-image at face value.

[2] Again, we might note that the absence of interest by the mainstream press in the United States about this story demonstrates the hegemony thesis. Most newspapers follow the lead of the *New York Times*, and its editors are connected through social ties to the same elite networks as the Ford Foundation.

[3] Doyle was not the only American scholar to resign from the program in Indonesia because of concerns about politics. Ralph Anspach, a graduate student at the time, also resigned from the program because he did not want "to be part of this American policy of empire... bringing in American science and attitudes and culture... winning over countries—doing this with a lot of cocktails and high pay" (Ransom 1970: 42).

[4] According to Manitzas (1973a), "The transferability of North American wisdom and technique was an article of faith running through much of the Foundation's program." She further argued that "development" did not adequately feed, house, educate, or clothe people and that "development" had, in fact, exacerbated extant inequalities and begun to polarize societies, eroding the "political middle," as had happened in Chile.