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Introduction

A part of the bourgeoisie is desirous of redressing social grievances, in order to secure the continued existence of bourgeois society. To this section belong the economists, philanthropists, humanitarians, improvers of the condition of the working class, organizers of charity, members of societies for the prevention of cruelty to animals, temperance fanatics, hole-and-corner reformers of every imaginable kind.

—Marx and Engels, *The Communist Manifesto*

Antonio Gramsci's theory of hegemony suggests a conceptual framework useful for understanding foundations. Gramsci, an Italian socialist imprisoned by the Fascists, argued that any political system, such as democratic capitalism, is maintained in two ways. The more obvious is the political realm, or "the state," which controls through force and laws. It is complemented by subtle but overarching system maintenance performed by "civil society," or the private realm, which produces consent without the resort to force.

These two levels correspond on the one hand to the function of "hegemony" which the dominant group exercises throughout society and on the other hand to that of "direct domination" or command exercised through the State and "juridical" government. The functions in question are precisely organisational [*sic*] and connective.

The intellectuals are the dominant group's "deputies" exercising the subaltern functions of social hegemony and political government.¹

Gramsci's category of "intellectual" is a broad one; he maintained that all men [*sic*] were intellectuals, although they do not all perform that function in society. Those who did included artists and scholars, the clergy, teachers, journalists, political party and other activists, engineers, administrators, doctors,

lawyers, social workers, and professional reformers. Gramsci did not discuss foundations; there were few in the Italy of his day, although there were corporate grants for ameliorative projects. The Catholic Church was the dominant structure in the Italian nongovernmental world.

To elaborate on Gramsci, in the modern foundation we find the domain of intellectuals par excellence. Furthermore, a central group of liberal foundations exerts "hegemonic" power over civil society, including all of these intellectuals and their institutions, and it has a large role in shaping governmental policies. Hegemony now operates on a global scale, facilitating the globalization of both political and civil society.

Gramsci meant by "the dominant group" what is generally called "the ruling class," or the owners of major productive resources. Intellectuals act on their behalf, whether or not they are members of "ruling class" families. System maintenance, according to Robert Michels, requires attractive positions for ruling class scions not needed to direct industry.² Political systems are most secure when all educated, artistic, and ambitious people can find interesting, well-rewarded work; the defection of intellectuals is the chief destabilizing factor.³

Foundations provide an institutional basis for the hegemonic function. They appear distant from their corporate origins and support, so they may claim a neutral image. Unlike universities, they are not hobbled by disciplinary traditions or professional qualifications, so they can include anyone and can fund all kinds of projects.

Incorporation of the restless and cheeky is one function of our vast "third" or nonprofit sector. Michels thought that government employment would do the trick, but nongovernment employment is even better as a stabilizer, for reasons we will see later. Marx and Engels probably never imagined that whether or not reformers fixed anything, capitalism would be solidified by their operations. Nonprofits are a reliable source of employment that does not build up the unsettling pile of surplus manufactured goods.

Hegemonic institutions elicit consent by the production and dissemination of ideology that appears to be merely common sense. Deviations from the central myths are considered "extremism," "paranoia," "utopianism," "self-defeating dogmatism," and the like. Dissent is thereby neutralized, often ridiculed, but dissenters are welcomed and may be transformed. Raymond Williams observed that hegemonic control is so invincible because it is a dynamic process, creatively incorporating emergent trends.⁴

Intellectuals are attracted to these institutions because they offer prestige, power, perks, and/or social mobility; access to resources needed for their own creations or the "good work" they are doing; and legitimation. Technological changes have upped the ante for doing most anything, whether artistic, scholarly, or activist; consequently, control of resources becomes even more influential.

We also may understand foundations using the power elite theory of C. Wright Mills, later developed and empirically supported by G. William

Domhoff and others. Domhoff argues that the corporate community dominates the federal government, local governments, and all significant policy-making institutions.

The corporate rich and the growth entrepreneurs supplement their small numbers by developing and directing a wide variety of nonprofit organizations, the most important of which are a set of tax-free charitable foundations, think tanks, and policy-discussion groups. These specialized nonprofit groups constitute a *policy-formation network* at the national level (emphasis in the original).⁵

What we will see in the following pages is how corporate-created institutions not only dominate but also tend to supplant governmental ones, local to international. Today there is no replay of the heated debate in our early Republic, when all corporations, including “voluntary associations,” often were regarded as a threat to democracy.⁶

Domhoff identifies the power elite as the leadership group in society. However, it is not coextensive with the “corporate rich.”

The concept of a power elite makes clear that not all members of the upper class are involved in governance; some of them simply enjoy the lifestyle that their great wealth affords them. At the same time, the focus on a leadership group allows for the fact that not all those in the power elite are members of the upper class; many of them are high-level employees in profit and nonprofit organizations controlled by the corporate rich. . . . The power elite, in other words, is based in both ownership and in organizational positions.⁷

My studies also have been guided and inspired by educational theorist Robert Arnove’s anthology, *Philanthropy and Cultural Imperialism*, and its contributors.⁸ Arnove maintains that:

. . . [F]oundations like Carnegie, Rockefeller, and Ford have a corrosive influence on a democratic society; they represent relatively unregulated and unaccountable concentrations of power and wealth which buy talent, promote causes, and, in effect, establish an agenda of what merits society’s attention. They serve as “cooling out” agencies, delaying and preventing more radical, structural change.⁹

The scholars in the Arnove book are sociologists or educational theorists; there are no political scientists. Their research provides detailed evidence for their theories and serves as a fine model for political science scholarship. Yet foundations, and most of the nonprofit sector, are largely ignored by political scientists,

except for studies of parties and pressure groups, or the administration of public welfare by private agencies.¹⁰

One prominent political scientist who argues for a “power elite” interpretation of U.S. politics is Thomas Dye.¹¹ From him, I have learned a great deal; his evidence is compelling. However, he is not especially critical of elite dominance and barely discusses the elite’s international activities. This is a serious omission, because the “cultural imperialism” described by Arno and others refers both to the hegemony over U.S. society and the more common understanding of imperialism: earth-circling ideas and institutions that facilitate political, economic, and military domination.

Historians Barry Karl and Stanley Katz acknowledge and document the vast power of the foundations, both in providing essential services to the polity, such as planning, and in training elites for efficient and enlightened leadership.

The creation of the modern foundation and its legitimation as a national system of social reform—a privately supported system operating in lieu of a governmental system—carried the United States through a crucial period of its development: the first third of the twentieth century.¹²

They generally approve of these interventions and do not probe the contradictions to both “free enterprise” and democratic theory implied by the need for extra-constitutional planners.

Resource mobilization theory has illuminated the fate of social change movements—why they live, grow, die, or are transformed. Resources are crucial for all forms of political action, far beyond the campaign and lobbying funding emphasized in “money in politics” studies. Sociologist J. Craig Jenkins, who takes particular notice of foundations, states:

The foundations have been political “gatekeepers,” funding the movement initiatives that were successfully translated into public policy and institutional reforms. In the process, they have also selected the new organizations that became permanent features of the political landscape.¹³

This applies as well to foundation funding of political parties, governmental factions, and overthrow movements. Although illegal in the United States, such grants are considered quite proper when foreigners are recipients.

Zbigniew Brzezinski is a political scientist as well as a preeminent figure in our national security establishment. His works are particularly useful in understanding the “globalization of hegemony.” He observes that, “Cultural domination has been an underappreciated facet of American global power.”¹⁴ Brzezinski long ago predicted that communism would be defeated not by the force of atomic

bombs but by the politics of knowledge (and information technology), which would transform “professional elites.” Meanwhile, the allure of U.S. mass culture would convert all others.¹⁵

As the imitation of American ways gradually pervades the world, it creates a more congenial setting for the exercise of the indirect and seemingly consensual American hegemony. And as in the case of the domestic American system, that hegemony involves a complex structure of interlocking institutions and procedures, designed to generate consensus and obscure asymmetries in power and influence.¹⁶

Of course, Brzezinski believes this hegemony to be an excellent thing, the only alternative to “international anarchy.”¹⁷ However, he fears that “America’s global power” will not last:

A genuinely populist democracy has never before attained international supremacy. The pursuit of power and especially the economic costs and human sacrifice that the exercise of such power often requires are not generally congenial to democratic instincts. Democratization is inimical to imperial mobilization.¹⁸

Whether one views cultural imperialism as salutary or destructive clearly depends on one’s value system and/or position in society. There may be broader agreement that at least from a scholarly perspective, the invisible must be made visible.

By the following scheme I hope to document the foundations’ power and reach. Chapter 2 explains what foundations are, how they have been viewed by critics and supporters, and their dominance over the “third sector.” Chapter 3 describes the hegemonic role of foundation ideology, propagated via think tanks, academic disciplines, and the media. Chapters 4 through 8 illustrate foundation interventions to reform, ameliorate, and make the system “work,” or to look as though it is working. Yet we may wonder after all whether it is live democracy or merely the embalmed corpse of it. Perhaps what is called “democratic capitalism” is more accurately some variant of “social engineering.”

Foundation initiative in major governmental reforms, local, national, and international, is the focus of chapter 4. Chapter 5 indicates how the market has been supplemented to provide a suitable array of somewhat affordable arts and culture. Chapter 6 illustrates some nonmarket solutions devised by elites to mitigate persistent poverty, economic insecurity, inadequate investment, and other failures of the invisible one to play its hand. Chapter 7 documents the large role of foundations in litigation strategies for civil rights and other major issues, especially during the Warren Court era. Chapter 8 describes ways that foundations neutralize dissent and prevent alternatives from developing credibility, especially

by channeling social change organizations away from criticisms of the corporate economy and its global penetrations. Chapter 9 discusses the global initiatives of foundations and their export of domestic social engineering techniques. Finally, chapter 10 offers conclusions and questions for further research, with a special plea for the serious political study of foundation power.