presents a book discussion with Inderjeet Parmar entitled...

Foundations of the American Century

Thursday, May 31, 2012
12:00–2:00pm

Program and Panel

12:00 p.m.  Panel discussion
1:10        Question-and-answer session
            Thomas Asher, Program Director at the Social Science Research Council
            Kathleen McCarthy, Professor of American History at The Graduate Center of CUNY
            Inderjeet Parmar, Author and Professor of Government at The University of Manchester
            Patricia Rosenfield, Carnegie Scholar at the Rockefeller Archives Center
2:00        Adjournment
WILLIAM SCHAMBRA: Good afternoon, my name is Bill Schambra, and I’m director of Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal. Kristen McIntyre and I welcome you to today’s discussion of a new book entitled, *Foundations of the American Century*, written by Professor Inderjeet Parmar of the University of Manchester.

First, our customary preview of coming attractions. Please mark your calendars for June 29th for our panel, “Giving USA 2012: Who Gave, How Much, and to Whom in 2011?” We will discuss the annual Giving USA report on philanthropic giving and the discussion will feature Patrick Rooney of Indiana University, who actually compiles that data. Then on July 24th we are going to indulge in our usual somewhat idiosyncratic midsummer project for those of you who aren’t in the Hamptons at that time. As most of you no doubt know, Chicago’s famous Hull House, founded by Jane Addams in 1889, shut its doors a few months ago. This sad occasion, in our view, has not been adequately mourned by the nation. And so, on July 24, noon to 2:00 pm, we are going to have a free-ranging book discussion of Jane Addams’s *20 years at Hull-House*, which describes her intentions for it in her early days there. There will be no formal panel, although I will sort of kick off the conversation and moderate it with the help of Amy Kass. This is in the best tradition of Hull House, I should add, one of the first projects it undertook was a reading party, as it was described, bringing together residents of the house and Italian immigrant neighbors in a discussion of George Eliot’s *Romola*. I recently read Addams’s book for the first time, and I must say I came away from it deeply impressed by her undertaking. It was by no means intended to be the social service agency that it became, but was rather aimed at diminishing the class divide in ways that are deeply applicable to today’s problems. So you have the assignment as of today. That gives you almost two months to tackle the book, which will be required reading, and this time I really mean it. You’ve got to read it. If six of you show up for this that’s fine, but everyone is welcome to help us commemorate this extraordinary national figure and her work.

Speaking of class divides, we turn now to today’s panel, addressing a book that is destined to become, I predict, one of the landmarks of the left historical revisionist approach to American philanthropy. As Donald Fisher notes in a blurb for the book, “this is an indispensable text for students of large scale philanthropy and for anyone wishing to learn about the substantial influence exerted by the Rockefeller, Carnegie, and Ford Foundations on the rise and consolidation of the United States as the dominant world economy in the 20th century.” Here to discuss the volume, live from Manchester, England, as we fans of rock and roll used to say during the British invasion of the ‘60s, is the author himself, Professor Inderjeet Parmar, who will speak to us first. He will be followed by Patricia Rosenfield, currently Carnegie scholar at the Rockefeller Archives Center. Then we’ll hear from Thomas Asher, program director at the Social Science Research Council. And finally, Kathleen McCarthy, director of the Center on Philanthropy and Civil Society at City University of New York.

INDERJEET PARMAR: Thank you very much, Bill, for that very kind introduction. And anybody who knows me knows that rock and roll and I don’t mix. [LAUGHTER] I’m all for a quiet romcom with my family in the evenings. Anyway, I want to thank Bill and others at Hudson for inviting me to talk about this book and to share some of the ideas. It’s always a pleasure when after you’ve spent many years digging around in dusty archives, and you finally emerge like the Japanese soldier who didn’t know the war was over, to see that some people have read what you’ve written and find it interesting. So it is a pleasure to be here and I’m very appreciative of the invitation.
Now by way of an intro, I should say that what I’m interested in, broadly speaking, in terms of research is the power of elites in politics. In a society like the United States, where elites are almost rejected by definition in favor of popular sovereignty and democracy, it is a particularly interesting tension that I wanted to explore. The other area that I’ve been interested in is the power of the state, and again, the United States is a society which has what is a limited state tradition or an ideology, and also within scholarship, there is a sort of weak state tradition, which is very strong in that regard. Yet at the same time, in the course of the 20th century, and particularly through the Great Depression and World Wars, the American state’s reach has become global, although some of the ideas about the state remain as if it is a far weaker institution. And the third area that I have been interested in has to do with knowledge institutions—the role of academics, universities, and intellectuals, but also think tanks and public affairs associations. So what I’ve tried to do in this book is to really marry up these three themes by looking at the philanthropic foundations, the big three—Ford, Rockefeller, and Carnegie—to try to see if it has anything to tell us about the rise of American power, a topic in which many people are very interested because it has such far-reaching consequences.

So over the period of the study and research for this book I’ve looked at the role of the state, the role of private elites, and the role of these particular kinds of institutions, which sit somewhere in their own self concept between civil society and the state, or between the markets and the state. What I argue in the book is that these foundations have been central to the rise of American power. Yet when we look at most approaches that are taken to the rise of American power there is a focus either on big corporations, global corporations, or on the military. And while I don’t deny the significance of those at all, I suggest that there are other ways in which American power has risen and other forms of power which have contributed to the rise of, what I would suggest is American hegemony, or at least, attempts at it.

Yet when we look at international relations as a discipline, which is the field I’m in, and political science as a discipline, we find that these institutions don’t really warrant a place within the scholarly literature or in scholarly concerns. There are a number of reasons for this that we can talk about perhaps later on. However to some extent this may have something to do with the self concept and the projection power of the public relations image of the foundations themselves, which have defined themselves as beyond the market, beyond the state, beyond politics, beyond ideology, and are somehow nonpartisan and impartial, scientific, neutral, and so on.

But anyway, I argue that the big three have been central to the rise of American power but they haven’t done this on their own. They have been strongly collaborating with relevant state agencies throughout their history and through practically all of their activities. As Ben Whittaker argues in his book written many decades ago, it is fair to say that the big foundations and some of their offices do very little without first clearing with people within the official state agencies, particularly abroad. This may be logical and correct, but it violates some aspects of their self concept of being fiercely independent. So what I suggest is that when I put together all these findings from the archives of the big three foundations themselves, is that this constitutes a major challenge in a number of different ways to the foundations themselves, but also to theories of the state with which political scientists and international relations scholars are centrally concerned. That is to say, that those theories which pit private interests against the state, or the state against private interests, I think are undermined by the kind of evidence of long term durable and very productive collaboration between these formally private and independent institutions and elements of the American state agencies.
I’m not going to go into detail on the neo-Gramscian school of thought which I favor in the end. If anybody wants to ask me, I’m happy to answer it. However I would only say this, that the value of the neo-Gramscian viewpoint is this, that it actually is a theory of the state and theory of power which articulates the intellectual and the academic and the university and knowledge institutions, with private elite organizations and social forces, with the state itself. That is to say that it is a systematic approach of looking at the way in which power works, which I think explains a great deal of the data and evidence that I accumulated. There are also a number of other approaches which are taken, for example, by Eldon Eisenach and his notion of parastates, and many others, which are collaborative in regard to state and society, particularly in the Progressive Era. I explore these approaches a little bit and try to show how they explain a certain amount of the empirical material. But they are simply just not as critical and accurate, I think, as the neo-Gramscian view is.

I guess the big claim by me or any kind of conceptual claim is that the principle technology through which the American foundations, the big three, operated was the knowledge network, and the knowledge network is not only a means to an end, but I argue it is an end in itself because the construction of the network has many, many outcomes. It’s important also to see that the foundations, although they make claims that their trustees and other leadership are drawn from all walks of life, they are not. In chapter two of the book I looked at around three to four hundred boards of trustee members and other leaders in key offices over a period of almost 100 years, and found very clearly that which most of us here would see as quite obvious. That is to say, the nexus of the big corporations, Wall Street, the Ivy League, and other elite institutions are represented fully in what is really a microcosm of the American power elite itself. They are drawn from those narrow sources.

Now what is the issue with that? It is not that there are people drawn from elite sections of society who are so overrepresented alone that is an issue for me. But it also plays into this idea that they are somehow private interest groups which are separate from other groupings in some kind of pluralistic order in which there is fierce competition among these discrete groups for influence with the state. So what we see here is a microcosm of elements of state agencies like the State Department, for example, but also later on in the CIA and other institutions, but also from the other private sources that I was talking about. This undermines certain theories about power, which posit oppositional approaches between private interests and the state. However it also undermines very clearly the claims the foundations make for themselves to be representative of broad sectors of American society and that I think is an important element too.

So what I suggest is that the network is the principle achievement of the big three American foundations. And this an important point, that despite the very large claims which are made by the foundations themselves in their annual reports and in their other public output, that they have been there historically to eradicate poverty or to improve mass living standards around the world and so on, but generally speaking, every 10 years, some reports come out from within the foundations themselves declaring spectacular levels of failure to achieve anything along those lines. And I’m not imposing a definition or an interpretation. These are reports done by the foundations themselves. But what they do celebrate in those same reports is the very successful construction of key elite networks which they have built up over a long period of time and which they want to sustain. When they look at the failures of their previous programs to achieve their goals, to whom do they turn in order to develop a new program for the next 10 years? It is those very networks that they’ve established who are the instruments of perhaps now delivering the goals that they’d set themselves.
So what I suggest is the networks are there because they actually perform very important functions. These networks are basically flows of people, of ideas, and of money. These networks have nodes and hubs. They construct particular communities and knowledge groups, which are upwardly integrated with state policymakers and public officials and downwardly, if you want to look at it that way, towards people in the universities, of which I am one, and people in public opinion, but also the elites and so on. What they basically do is they articulate these different levels of the political order, public opinion in general, elite opinion, and other institutions that I’ve talked about. In effect, they construct an environment and a community within which new scholars can be socialized and can be integrated, and effectively incorporated. An example of a network would be that you may set up a department in a particular set of universities to study a particular area or new discipline. You would also set up chairs. You may set up a professional society, such as the Society for Asian Studies. You would set up an annual conference which you would fund and probably a journal in which your new scholars could publish their work. That is to say the infrastructure of grants and so on, which socializes, brings in new scholars, and creates new scholarship and new ideas.

The output of the network is basically the construction of a consensus within a particular spectrum or thought, and the obverse is the construction of the people who are not within that consensus as well, and that is those who are marginal or marginalized. And that is one of the big functions of network instruction for the foundations, was to have a consensus around liberal realist internationalism and to marginalize isolationists, as if they’re a kind of monolithic group. So these knowledge networks are not scientific or just technical and non-political, they are broad political projects and they have particular kinds of general aims which motivate them and mobilize them. However they articulate different sections of the American political system and body politic, and they seek to mobilize these. This is where the Gramscian view comes in again. He has this notion of historic block, that is to say, a kind of political coalition which can be quite wide ranging, and which can include those people who I feel like are relatively subordinate within the political order. These foundations, although they are very heavily elitist, they are also very active within broad foreign affairs organizations, women’s associations, but also the AFL and the CIO, as well as people living in the agricultural heartlands of the United States who seem to be supporters of isolationism. So in my view, the knowledge network is actually the mechanism at the heart of the hegemonic projects which the foundations are so motivated by.

So these are the kind of results of the research that I did, and that is the broad argument that I put forward. However I substantiate it by, as I said, many, many months of work within the archives of the foundations themselves, which are quite freely available, apart from anything from a five year to a 20 year confidentiality rule. They’re quite extensive, underused, and available. They are quite easy to use because the archivists have done a very good job in defining aids and that kind of thing. What I effectively use those archives for is I derive these findings from those archives, and the argument and interpretation that I’m putting forward. But I try to not see what I sought by doing a lot of theoretical work in order to challenge the way in which I was looking at these archives and the material within them, because I did not want the thesis that I put forward to be easily knocked down.

So I set up theories of the foundations’ self concept, of being the third sector and outside of the market, the state, and politics, as one lens through which I tried to look at the empirical material. However I set up a whole series of other theories as well, which challenged the way I was looking at them in order to see which best fit. Because in the end, I don’t really care which
particular perspective is the one that prevails. What I care about is that people read my book and will read it for a long time and think it is worth having done that study and its findings have something durable to say about the way in which power works. So that is the seriousness with which I did this project over a long period of time.

So what I suggest is the knowledge network is the principle instruction of the foundations and the principle mechanism through which the three phases of the rise of American power can be understood. There are three key phases in the rise of American power. The first phase is from the 1920s to 1950s and is largely a domestic phase. The second phase overlaps with it from the 1930s to the 1970s and is a broadly international phase. And the third phase we are living in now, which is from the late 1980s onwards and really encompasses a period of globalization.

I put a lot of meat on each of these three particular phases to try to show that in the domestic phase, the principle political purpose, galvanized by the failure of the United States Senate to ratify American membership of the League of Nations, which was a major shock to the liberal realist internationalist community, was to create a kind of counter hegemony within a broadly isolationist sort of dominant status quo of the White House, the Republican party, the newspapers, the Congress, and so on, and try to challenge that and to undermine it. And for 20 years, they did a very, very major job in setting up all kinds of initiatives to try to do this, within the labor unions, within the agricultural areas that were in the Midwest, through setting up international relations courses initially in key universities, and then the Yale Institute of International Studies in 1935, all aimed at different elements of the political body politic in trying to create a new way of thinking about America and its place in the world and how it could effectively become more active in it.

By the time World War II breaks out for the United States, the networks have become very, very powerful, but they’re not determining. That sphere is a kind of second part of the argument that I put forward, that you can do as much lobbying as you like and build up as many books and studies and so on, and propagate them, but in the end knowledge networks themselves didn’t do the job of the foundations and their think tanks and other things are wanted. This is where catalytic events become very, very important. Pearl Harbor and then events of that kind later in the 20th century played very major roles for the people who were well organized and in a position to offer a definition of what Pearl Harbor was, what caused it, what it meant, and what it meant for American foreign policy and into the future. And because they had been established over such a long period of time, they were in a very good position to argue you, ‘We told you so.’ If the United States was not involved in Europe and other parts of the world, then those problems would come home to them and they would then have to pick up the pieces and so on. So my argument is that the networks do a very powerful job, but these catalytic events are very powerful as well. So 1989, the outbreak of the war in Korea in 1950, the Cuban revolution in the late 1950s and so on, all of these have big impacts in various ways.

The second phase is the international phase and at the center of that is the Anglo-American Alliance. The Council on Foreign Relations is a key recipient of funding from the Rockefeller and Carnegie Foundations, particularly in its early days. As well as Chatham House, which is the sister organization in London of the Council, which played a central role in trying to keep together this Anglo-American Alliance, our relationship at a private level, collaborating with some elements of state agencies right from the ’20s into the ’30s. At the same time in Australia, New Zealand, Canada, South Africa, Belgium, the Netherlands, France, and Italy Institutes of International Affairs modeled on the Council and on Chatham House also sprung up with the
liberal realist internationalist kind of approaches to global order as well. And these groups also created nascent international organizations of a particular kind, within which the idea of American power and greater levels of activity were built up and all of them received quite generous funding from the big three foundations, but particularly from the Rockefeller and Carnegie Foundations.

So what I suggest is that in this international phase there is another really key aspect which has to be taken into account, and that is the rise of area studies programs. The book has four chapters on the various areas study programs—Asian studies, Latin American studies, and African studies. And in these areas the networks that the foundations establish go global. There are chairs and departments in the key universities, which has a powerful multiplier effect because when you’ve established programs at the likes of Yale and Princeton and so on, other universities who look up to these institutions begin to invest their own money into these programs. So although the funds of the foundations are not massive in federal terms, they can be very strategically targeted and very powerful in their outcomes because they have a multiplier effect.

So these programs effectively build these networks in the United States, but they also build networks of scholars in the regions that they’re interested in, which are usually of strategic significance to the US. They create a circuit of a flow of people, money, and ideas from the United States into these other countries. In those other countries, like Indonesia, Chile, and Nigeria, what they effectively do is two things. They de-localize and they localize. They localize the urban elites by suggesting that they need to be far more articulate than the majority of the population, who are mainly rural and agricultural, because they are the future of the development of that country. But they de-localize because they suggest that the problems of development in those countries have to be seen in a global context and not in a nationalistic context. That is to say the theory of modernization, in particular, has a very powerful role. That is largely this idea of the Western model of development which ought to be replicated and then exported to those countries, usually by active intervention from various kinds of agencies in the West. So I suggest networks operate there.

Then the third phase I won’t go into too much is the globalization phase. There I argue that, again, network building around the idea of a global civil society, which really is 100 years after their formation, the kind of global equivalent of what they were trying to do at home in the early part of the 20th century. In the early part of the 20th century in the United States, you have a relatively weak federal executive, very powerful states, and what the foundations think is a country that can no longer afford a localistic political order with a weak central government and a lack of a national policy to deal with mass immigration, mass industrialization, urbanization, and the total transformation of what the United States became after the Civil War and into the 1890s and 1900. So they are trying to build a national civil society, which will undergird the building of American federal executive, as well as give voice to other kinds of forces. At the global level, the project to build global civil society is very similar to that. It is supposed to be giving voice to those who are outside of the transnational corporation and outside of the state. And they are the two big power holders in the global system. And the World Social Forum and other initiatives I show in the book are funded by these three, and the kind of networks that they’ve established.

So overall, what I suggest is that the foundations have been powerfully constructing these networks, but the networks have not done the job alone, these catalytic events have been particularly important. So when you get the collapse of the Soviet Union in 1991 and so on, new
ways of looking at the world and new programs have to be developed, then either old ideas which are rediscovered, which come to the fore to try to undergird the next phase of American power. And I try to show that in the book as well.

So philanthropy has moved on a little bit since the big three. Now there is the big one, and that is the Bill and Melinda Gates Foundation, which has kind of dwarfed the big three, but also puts philanthropy and philanthrocapitalism onto the agenda, and I have a feeling that more and more people are interested in these foundations because Bill Gates has put such a large amount of money, along with Warren Buffett, on the table. It’s staggering to think that Bill Gates’ global health budget is larger than that of the World Health Organization. Harold Laski, the famous LSE political scientist at my alma mater, said back in 1930 that the big foundations don’t have to tell anybody what to do. They don’t have to doctor their research. They don’t have to do anything. They just put a big bag of money down and say we’re interested in this and a large number of scholars come to the realization that they’ve been interested in this for a subject all along. [LAUGHTER] I don’t blame any scholars for going to foundations or anybody else to get money, because scholars are, by definition, poor. We need funds. But what I do say is that there’s no such thing as a free lunch. And there are big agenda setting functions that these foundations establish, along with many other nice and good things. I don’t want to go on about it in my book, but I don’t think you have to go very far to find good and nice things said about the big three foundations. You can see them every day, readily available. Anyway, I’ll stop there.

PATRICIA ROSENFIELD: Thank you to Bill Schambra and the Hudson Institute’s Bradley Center for holding this very important discussion. I also want to thank Inderjeet very much because usually in discussions of area studies and overseas grant making, Carnegie Corporation is never presented because of the big two, Rockefeller and the Ford Foundation. If it weren’t for Edward Berman and Inderjeet Parmar, Carnegie Corporation’s work in area studies would never be known. So while I might not agree with everything they say, I’m delighted that they are saying something so I get a chance to be here today. Thank you.

I do think it’s important that I put my credentials on the table because I seem to represent everything that Inderjeet is writing about. My graduate school department was funded by the Ford Foundation. My first job was at Resources for the Future. I’m an environmental economist by training, was fully funded by the Ford Foundation until they pulled the plug and made it independent. My first fellowship was from the Rockefeller Foundation, post-doctoral fellowship, and I have been at the Rockefeller Archives Center for the last several months and in between, much of that time, I’ve been at Carnegie Corporation running the developing countries program and then running the scholars program. So I come to this discussion as a practitioner who is a scholar in other areas, not only of philanthropy. However for the last three years, and this is my main credential for being here today, I have been writing a book on Carnegie Corporation’s 100 years of international grant making, covering very much the same period and the same actors that Inderjeet is writing about, but from a very different perspective.

What I want to do is leave a lot of time for discussion of the three key concepts that I think raise concerns in my mind about the analysis. I have a kind of dialectic between each of these concerns. Professor Parmar addresses them but I think they need a greater conversation. Then I want to briefly, I hope, apply them to area studies, the Nigeria example and Islamic Carnegie Corporation. And I’d like to end with a question for the group to discuss that I think is fundamental and Inderjeet has also ended with that question as well.
So the three dialectics that emerge from the book for me are really the dialectic between being a monolithic set of institutions and a monolith in terms of purpose, which implies some collusion, versus diversity. I come at this from within, seeing the vast diversity and I will go into this in a little bit more detail when I talk about the programs. The second conceptual dialectic I see is with neo-Gramscian, which also sounds neo-colonial, to my reading of it. I should have added, I’ve done most of my work in developing countries, including Nigeria and Indonesia, not so much Chile. Neo-Gramscian, neo-colonial I see on one hand, versus locus of control, agency autonomy and empowerment on the other.

Then the third is a historical grounding of when these institutions were established, how they differed in their moments of time when they were established, and how they deal with history. Area studies is a great case in point, but before I get to area studies, I do want to say that the issue that really matters and that needs much more examination is the relationship to mission, and I am going into that quite a lot because I think the mission of the institution actually drives a lot of the grant making. And the mission is very much related to the moment in time when the institution is established. So Andrew Carnegie’s mission for Carnegie Corporation was the advancement, diffusion of knowledge, and understanding, pre-World War I, comes at this moment when science is really big, when knowledge is really big. He’s already established many other institutions for science and education. The Ford Foundation was established after World War II, which was quite a different period than pre-World War I. That shapes the kind of mission that it has. Their focus was peace, peace, peace, and democracy. That comes through and they were galvanized by it. John Rockefeller Sr. established many institutions for science, public health, and for the welfare of mankind. These are big aspirational missions that can never be achieved fully, but they do guide the grant making. I’ve been enmeshed in the Carnegie and Rockefeller archives and they are wonderful places to lose oneself, and you see their mission in every single page and every single discussion.

The issue of donor intent is also very important at Carnegie Corporation. We talk about it all the time and we are very lucky. I just have to say that Andrew Carnegie not only gave us a mission, but he gave the trustees a charge saying I have confidence in you as wise men, do what you think is best given the moments of the time. So the trustees are given a lot of power for decision making. Rockefeller is different. John Senior was more hands off and the mission actually became donor intent, and that was the welfare of mankind basically through science. And Ford was a little bit more iffy, and I’m not going to go into that right here, but I’d be delighted to talk about it, even though it’s a little bit more challenging to think about where the donor intent was not so explicitly stated.

So I want to just talk briefly about area studies, Nigeria and Islam. Area studies. They differ. They differ in time. When Rockefeller established the Latin American studies interest with the American Council on Learned Societies in the 1930s, it was because it seemed to be an important part of the world that we knew nothing about. Definitely we were concerned about ignorance of Americans. It is still a motivating force in terms of the world view of foundations. They feel that knowledge is better than relying on glib opinion. That deep knowledge and evidence makes a difference for decision making at the individual as well as the institutional level.

History matters in terms of what the foundations see as important. In the 1940s we were fighting a war in places that Americans knew nothing about. We’ve lost the knowledge of history and
place. We were, generally as a population, this wasn’t as important, we were in the middle of a depression. There were real life survival issues for us that mattered. We were fighting the Nazis in one part of the world and Asian aggression in another. So both foundations were approached by a coalition of the American Council of Learned Societies, the Social Science Research Council, the Smithsonian, and the National Research Council, to set up the Ethnogeographic Board. This was to tap a list of 10,000 area experts they had managed to find in the United States and to understand the places where American soldiers were going to be landing so they could put together manuals so that Americans would know what they’re finding. That actually was the basis for the area studies that emerged after World War II. It was learning, it was culture, not so much power. It was really culture and understanding so we could learn the differences. We were interested in diversity, not in commonalities as much, and we funded each $20,000. That was Carnegie’s Corporation and Rockefeller Foundation’s one-time grant to the Ethnogeographic Board, although there were separate studies examining what do we mean by area studies when we go into the South Pacific islands in Naru and have to understand what the local culture is? It also was a flowering of an interdisciplinary approach, ecology, biology, as well as culture and language.

Post-World War II, it was a feeling that if Americans as a population don’t understand the world, we’re lost. And it has had very much to do with peace and never wanting to have the bomb dropped again. Yes, communism certainly entered into it because we believed in democracy and open societies and freedom of expression, and that seemed to be something that wasn’t going to be promoted by the other side. So it really was peace and understanding that generated much of the important work in area studies. And area studies was not just in the Ivy League universities. Wendell Bennett put out an inventory of area studies in 1951 that showed the absolute spread of area studies across the country. It turns out that Carnegie was funding most of the Latin American studies by that time. Rockefeller had moved on to Asian studies. We were at Vanderbilt, we were at Texas, and University of North Carolina. We were looking at Asian studies at the University of Arizona. We were funding them and others were, too. We funded Inter-Asia studies at the University of Washington, Japanese studies in Wisconsin, Arctic studies in Montreal, and Philippine studies in Chicago. We actually had a map where we divided up the country and said that we have to make sure that it isn’t just the East Coast institutions. We have to make sure that the South has institutions on area studies. The Pacific Coast is kind of out of touch with a lot of this where we have to make sure that they understand Asia. That is where they’re going to be probably having more interest, although we did fund some work on African studies at UCLA. We wanted to make sure that we spread the possibility for engaging in area studies across the country because we said Americans need to know this, and high school students should be aware, so we should train high school teachers as well. Carnegie and Rockefeller were really thinking about how to increase an international understanding on the part of Americans so they can be better citizens. That was really the premise.

We also said languages matter; languages such as Arabic, Chinese, Russian, and Japanese in the 1950s for high school students. Unfortunately we didn’t keep those up. Supposing we had created a generation of students who knew Arabic, who knew Chinese, who knew Japanese? Maybe some of the problems that we have gotten into would not be there because we would through language understand culture better. Richard Lambert did a fantastically detailed study for the Social Science Research Council on these programs and pointed to their strengths and weaknesses. And very soon the Ford Foundation came in and did provide significant resources, but the government through Title VI did even more. The Social Science Research Council played a connecting role, so I see the importance of connections as strengthening the scholarship,
not for power but for knowledge. Now knowledge, of course, is power, and Ellen Lagemann, our Carnegie Corporation historian, has talked about this and it’s very important. Then, of course, area studies declined.

Just quickly, the Ashby Commission. The Ashby Commission was really very much part of an African project on the part of Nigerians. They were very keen to have universities in their country because Nigerians value knowledge. The federal government, quoting Dr. Ajai who was one of the vice chancellors, decided to review the development of all post-secondary education, looking at manpower, and they got Carnegie Corporation to fund the study. This is the Nigerian analysis of the Ashby Commission. They had the agency, that’s in terms of my concern about a neo-colonial, neo-Gramscian, but Nigerians wanted this. Carnegie Corporation’s power does come through the money that it has, but we were able to use the resources to support a Nigerian initiative. Granted, the British were there. We said we need to do this in a tripartite way because one of the big debates in Nigeria and across the former colonies at the time was do we want land grant institutions that are grounded in local knowledge or do we want to have British institutions? Americans saw it as a land grant and the British as an ivory tower. This was a debate that roiled the Ashby Commission and they came up with a report that covered all the bases. The problem I see with an Ashby Commission is that it also said the state doesn’t have to fund education per se, we can go outside for resources. And so we started to build donor dependency. This is something that I think does deserve some concern because that affected higher education when the foundations did change their agenda in the 1970s.

Let me just quickly go to Islam because I want to save a moment for the big question that I have that emerges from this work of Inderjeet’s and also from the work that we are all concerned about. Islam at Carnegie Corporation is presented in the last part of Inderjeet’s book. And it’s a very interesting way, because it does show me that perhaps, as important as we feel that transparency and accountability are, that we don’t present our own stories very clearly. When Vartan Gregorian became president at Carnegie Corporation, he introduced the fact that Islam was the fastest growing religion in the world and that Americans were woefully ignorant. We should know something about it as a religion. We should know something about Muslim societies.

All of the meetings that Inderjeet talks about did take place, of course, but they were all saying, how do we develop a program that includes them in the process of development? Let’s call these people together. We had a meeting covering all of the different diaspora groups in this country saying, can we come up with an agenda for action for grant making? It didn’t stick. We just didn’t find the right way. So with the scholars program that I was running, he said well, we’re funding it through this program, grants that extend the boundaries of the corporation’s programs. Let’s look at Islam and that is where we funded some of the scholars that you mentioned actually beforehand. However they were looking at things as how do we get a more nuanced understanding of sharia. Carrie Wickham, who you quote, was looking at not what that is, but that the Muslim brotherhood actually has a social agenda and maybe, this is in 2003, they are going to become more important in the country than they are now, and of course, they are today.

It’s a different perspective. I’m using these Carnegie examples because, of course, I know them best, but I think if you look at the diversity, and this comes back to monolithic program officers, foundation presidents, they matter a great deal in how they approach the problems that are out there, and the problems actually don’t change very much. They’re pretty fundamental. It’s the context that changes for how those problems play out. It matters what people are reading, what
people are seeing, and who they are talking to. However it’s not just to influence the state, it’s to get the knowledge out there so that better plans can be made.

I just wanted to raise at the very end something that emerges from my reading of Philanthropy Magazine. In Leslie Lenkowsky’s important article, “The Carnegie Corporation Turns 100”, he asks what would Andrew Carnegie say if he came back? I have a different perspective. I would like to know, what would Andrew Carnegie do if he came back today and he had a chance to set up a new type of philanthropic institution? That is what I would like to ask my colleagues on the panel. It relates exactly to what Inderjeet said about the concept of a network is all with us. Everybody is in the network now, even in poor communities. What does that mean for philanthropy? I think that the pressing question is, what is the nature of philanthropy in the second century of philanthropy, as institutionalized as it’s been? Should it be de-institutionalized? Is it around shared relationships as opposed to institutional, individual relationships? How do you drive an agenda when the world is global? Is that what philanthropy should be focusing on, or should international philanthropy deal with global issues and local philanthropy deal with local issues? How do we look at these resources and see how they can be put to best use? Because they are protected resources in this country. They’re not necessarily in other places, but they’re resources that can be put to good local use and/or a perhaps improved global set of conditions.

I just want to say that Inderjeet’s book prompted a lot of questions. I certainly have been trying to tackle some of them in my book, and I think it’s very important to have a discussion that raises these questions. I do hope that the audience will tackle the question of where should philanthropy go following these kinds of analyses. Thank you.

THOMAS ASHER: Hi, I’m Tom Asher of the Social Science Research Council and I think ideally, we’re supposed to be transitioning to the discussion in 12 minutes. So I’ll truncate some of what I would have said. I think Inderjeet is right, that one of the signal achievements of foundations over the last 90-some years, 100 years now almost, is the creation of a group of networks that are in a way, self referential and which draw on funds of expertise and transfer them from one site to another. But I think very often these networks, and even the foundations themselves, are remarkably peripheral, sometimes even marginal to the policy making process. There are times when the state policy making, the foundations, and the networks that they engage, that their interests are aligned. And I want to spend a little bit of time talking about those circumstances. So I’ll give a very general overview, as I understand the history of philanthropy, and try to elucidate some of those instances where those three entities converge.

So in a way, you have to start with the birth of modern philanthropy with the founding of the Russell Sage Foundation in 1907, and then, shortly after, in 1914, the founding of Carnegie Corporation, and then the Rockefeller Foundation. Those organizations did things that were done before, but they did them on a different scale and with a different kind of strategic sets of interests that they invoked. So there certainly was charity before this instance. The charities were often focused on alleviating suffering with short-term interventions. Foundations brought a long-term perspective to this and they did it at a scale that was unimaginable up until that moment. And just as Inderjeet lays out in the book, they start to mobilize a type of expertise in which they have a real kind of technocratic faith that this is going to solve the problems of society, a faith that’s absolutely shattered and that leaves a lot of the universities that they support scrambling to figure out how legitimate is the knowledge that they bring to the foundation as they try to enlist foundation support. Especially at this moment, but I think that it
has really been since the 1950s onward that universities have been forced to try to understand their role in completely new contexts.

But what those early foundations did is they started to work in regions where the state actually had very little reach. So they were supporting universities, which the federal government did not at that point. They were investing in health, which the federal government did not do at that point. And they were looking at basic science research, social science research, and medical research. These are areas that the state had very little intervention in until the New Deal. It was at that point that there was a huge influx of federal monies into areas that the foundations had enormous influence and relatively little, competition probably isn’t the right word, but few other interests to contemplate at those moments. By the 1930s, suddenly foundations actually were in a position of relative weakness. So they actually had to start to align themselves with the government in order to have the kind of impact that they had, and this accelerated enormously after World War II.

After World War II, we were obviously in a remarkably different context. First of all, most of the academics who foundations had been working with had enlisted in the war efforts, through the Ethnographic Board and others. There was virtually not a single academic who hadn’t been working on behalf of the government. And so when the academics came back, there wasn’t a presumption that there should be a distance between foundations, the state, and the scholars who they funded. Not only that though, suddenly based on the atomic bomb, there was a real belief in funding basic research. So foundations found themselves in a situation in which, in order to achieve their objectives, they would be working ever more closely with the government.

However this also creates a problem of scale, which is to say that foundations are going to find themselves in relative positions of weakness. And that’s increasing over the year. So at this point in time, foundations invest no more than 3.5 percent of their annual budgets into international affairs and development. If you think about the scale at which development is done and what it costs, that is actually a fairly insignificant amount of money that’s going into the support of these kinds of international projects. For awhile, foundations were able to leverage university expertise. But by the 1960s, that relationship also was shattered. On the right and the left, there was a loss of faith in government, and foundations had to distance themselves again.

University endowments would soon dwarf most of the foundations. Harvard has a slightly smaller endowment than Bill and Melinda Gates Foundation, but has a larger endowment than the next three foundations underneath it. So what we see today, but also what you see the seeds of, from these moments, is an effort for foundations to not just maintain relevance, but to maintain impact. And that becomes ever harder. So what I think is not a kind of grand scheme of exporting American power, but actually is a kind of position of relative weakness that foundations have to respond to. I’ll leave aside all the discussions, various studies, and other things for the discussion.

KATHLEEN MCCARTHY: Hi, I’m Kathleen McCarthy, and I’m an historian as well as running a research center, and I’m going to make my comments from that standpoint. Before we started, Inderjeet and I had a little conversation and I mentioned that I was critical of some of the findings, but in reading the book and also in listening to your presentation, I realized once again, that you and I actually agree on a great deal.
In your book, you really have a twofold scaffold for what you’re doing. One, you’re trying to contest the writings of what you term the conservative historians, Barry Karl and Stan Katz and I suppose I should say in full disclosure, that they were my mentors at the University of Chicago. Also, constructing an argument around the theoretical writings of the Marxist analyst, Antonio Gramsci, Karl and Katz’s article that was written in the 1980s and appeared in Minerva, argued that foundations had developed their programs and filled a policy gap after the Civil War. Part of the search for order in the Gilded Age, which you alluded to, and that the way they did this was they began to invest in training experts, technocrats in the sciences and social sciences who moved along a three-tiered track between government, academia, and foundations, and left a strong imprint on policies as they went along, sometimes in tandem with the executive branch of the government. And what they produced was supposedly neutral, fact-based research to serve as the basis of equitable policy making.

This notion of disinterested expertise really lies at the heart of the progressive ideal. Gramsci’s prison notebooks are a key Marxist text, which included a chapter on the formation of intellectuals, which outlines his theory of cultural hegemony. Just in case you haven’t read the prison notebook, it’s actually a work of great subtlety and power, capturing the subtext of elite control. According to his analysis, elite classes give rise to organic intellectuals, technocrats who shape national economies and politics around capitalist imperatives, with the aid of civil society organization.

So Professor Parmar does a very sound job of documenting the creation and institutionalization of intellectual networks, providing additional substance to Karl and Katz’s arguments. The big foundations did and do underwrite fellowships, fund universities, help to institutionalize new fields, and bring a strong applied background to the endeavors they fund. They’ve also worked internationally. Ford was the largest of the funders in this period, spinning off self sustaining intellectual communities that survived the end of the foundation’s grants. So far so good. And at many points their programs did indeed reflect American foreign policy objectives. For example, the Ford Foundation had a very, very strong Cold Warrior bent in the 1950s and ‘60s, and even provided funding for the CIA-backed Congress for Cultural Freedom, although they drew the line when it came to serving as a conduit for the CIA Fund. They’ve also worked with governments since their inception. Foundations do demonstration projects. They don’t fund the entire thing. You’ve got to work with government to get a partnership to bring it up to scale. So this is built into the contract from the inception. They have also engaged in private diplomacy. Once again, this is well known that this is what they do. And because they are not state institutions, they can do this.

Now you singled out three areas where you thought that there was a disjuncture between what you saw in the historical record and what foundations actually did, and those are the claim that they were non-business, non-state, and non-partisan. They’re non-business because they are non-profit organizations and they don’t distribute the profits from their earnings of their endowment or any other funds they might generate through sales of their publications. They’re non-governmental because the state does not control them. I’m drawing on Les Solomon’s definitions here. And they’re non-partisan because they cannot engage in partisan political activity. So a slightly different slant on what those terms mean to an American and possibly a scholar from overseas.

According to Professor Parmar, these three foundations worked hand in glove with the American government, including the CIA, which once again, really needs to be nuanced. They were not
CIA conduits to promote America’s hegemonic dominance over the rest of the world. As such, he criticizes them as silent, undemocratic, elitist partners of the state, while also publicly declaring themselves to be non-partisan. He also criticizes them for one, failing to challenge or undermine America’s foreign policy objectives overseas, two, favoring the status quo over instability, and three, promoting capitalist agendas. He repeatedly notes the foundation boards include prominent business representatives, a proof of the fact that they’re in the clutches of the capitalism. Finally, he argues that they were complicit in a major political upheaval in Indonesia, and here, I’m drawing more on your article here about the book and the invitation [LAUGHTER], than I am, from claims in the book itself. So in effect, the problems are that one, they’re elitist rather than populist. Two, that they promote American foreign policy agendas, and three, that they also contribute both to violent political upheavals and maintain the status quo.

This part of Parmar’s interpretation is somewhat problematic for several reasons, and I’ll address a few of them including some of the legal and contextual issues. In terms of the legality, it’s very difficult for an American organization, particularly one that receives or is funded with tax-exempt dollars, to actively undermine the government’s policies, either in the United States or overseas. The Muslim charities that have been charged with using charitable donations to fund terrorist activities in the Middle East are a prime example of how the government reacts when charities seem to want to countermand its objective. Their funds have been frozen in many instances and they have been placed under surveillance. So it’s simply not legally possible for American foundations to use their funds to undermine American foreign policy objectives overseas, even if they were so inclined.

My second concern is Professor Parmar’s general lack of historical context. For example, the big foundations are roundly criticized in his book for trying to sway Americans from their isolationism to internationalism in the 1930s and ’40s. However, very little attention is paid to the larger historical context. The 1930s and 1940s were marked by Hitler’s ascent to power, his conquest of a major swath of Europe, and his efforts to exterminate Jewish populations in German held regions. Parmar’s arguments suggest that it would have been preferable if America had retained its isolationist stance during this era, a point that given historical context, is somewhat questionable. Similarly, one of his key pieces of evidence on the chapter in Indonesia is that a Berkeley professor and his graduate assistant resigned from a Ford Foundation project in Indonesia because they felt that it was promoting American foreign policy objectives. Unfortunately, he doesn’t say exactly when they resigned. He just says that the Ramparts article brought out their resignations in 1970. What is not mentioned and what some of the dinosaurs in the room will probably remember, if you’re as old as I am, was that Berkeley was one of the most radical hotbeds of student antiwar activity during the 1960s, and as such, it’s a miracle that only one professor backed out. [LAUGHTER] Specifically, he argues that Ford support sponsored key opponents of the left-leaning Sukarno regime and contributed to the bloodshed that accompanied the rise of the right-wing militarist Suharto regime in Indonesia.

So let’s unpack his evidence for this claim. It is as follows. One, Ford provided fellowships for a group of Indonesian graduate students to study at elite American institutions, including Berkeley, the most prominent of whom later became known as the Berkeley Mafia. Second, it also cited Ford’s close ties between universities in the United States and Indonesia, many of which these fellows went on to teach at, especially the University of Indonesia. Third, a Berkeley professor and his graduate student resigned. Fourth, some members of the Berkeley Mafia lectured at the Army College shortly before the coup that toppled Sukarno. The military launched a coup against Sukarno in ’65. He relinquished power in ’66. During the hostilities, an
estimated four to 500,000 Indonesians were killed, many of whom were suspected of being members of the Communist PKI, and many, many more were seriously injured. Fifth, students at the University of Indonesia played a prominent role in some of the killing. Sixth, the members of the Berkeley Mafia subsequently assumed high posts in Suharto’s government. Seventh, Ford seemed to embrace the coup and downplayed the significance of the civilian deaths, and to document that, he has a couple of quotes from Ford’s field rep in Jakarta, Frank Miller, saying that the populace seemed content with the change and that he also made some admiring comments about Suharto’s regime. There are also a couple of other citations from another staff member who was an assistant program officer there, claiming that Ford’s staffers weren’t aware of the extent of the carnage.

This seems rather thin evidence to support the claim that Ford contributed somehow to the deaths of nearly half a million Indonesians. Moreover, he reduces the attitudes of the foundation’s staff to a handful of quotes from a couple of staffers. As an historian, one wonders whether this was the only internal commentary in the wake of the coup, the killings, and Ford’s decision to pull out of Jakarta when things heated up. The assertions would have been more convincing if he had documented a wider range of opinion within the foundation, especially if he had gotten some comments from the higher ranked officials rather than a couple of program officers. Until the full range of Ford’s internal discussions is adequately documented, the argument that it was somehow complicit in the Indonesian bloodbath remains dubious.

Once again, in terms of the historical evidence, the Ford Foundation’s archives are the biggest collection I’ve ever seen in my life, and the international divisions, programs were meticulously documented, to internal memos, reports, evaluations, as well as correspondence. But Professor Parmar often relies on a very small number of quotes to make some of his most provocative, shall we say, points, which strikes me as being somewhat thin, given the gold mine that Ford’s collections are. And also, this is historian’s nitpicking, there are some historical inaccuracies. For example, Professor Parmar suggests that the aims of the founders of the big three foundations were imperial in content and context. Well Henry Ford started his foundation in Detroit, it was a local grant maker and didn’t go international until after his death. Also Professor Parmar suggests that these institutions are the creatures of the business community. However he fails to mention that they could also be very bad for business, like when Southerners started sending hate mail to Ford dealers after the Ford Foundation got involved in funding civil rights in the 1960s, and this was one of the reasons why Henry Ford II just threw up his hands in despair and left the board. And my personal favorite, and please forgive me, I just couldn’t resist on this one, you said that John D. Rockefeller, Junior’s father-in-law was on the board of the Rockefeller Foundation till 1951. That would have made him 110 when he rotated off the board. But anyway, sorry, I couldn’t resist that one, it was fun.

But in sum, you’ve done a very good job proving what Karl and Katz wrote 30 years ago, but the more sensationalist aspects of your analysis are not completely convincing, at least to this historian. And your Gramscian arguments might actually backfire. While I was reading this, I kept having a vision of Hu Jintao reading your book and saying, ‘Hot dog, we’ve found the Holy Grail. All we have to do is build in some more incentives for Jet Li’s foundation to give fellowships so that promising young scholars can study and we can take over the world.’ Now that’s sort of a fantasy, but in effect, your book might actually persuade world leaders to liberalize their laws governing philanthropy, such are the unintended consequences of foundation programs and foundation history. But I think that it’s a terrific book for opening up a broader
discussion about the appropriate role of foundations, both nationally and internationally. [APPLAUSE]

WILLIAM SCHAMBRA: Professor Parmar, I think it’s probably appropriate that you take a moment to respond. There might have been one or two comments that you want to respond to.

INDERJEET PARMAR: Well, my flight’s at 10:00 tonight [LAUGHTER]. I don’t know if I have enough time. I shall begin by being very gracious and thank the people for reading the book so carefully. [LAUGHTER] That’s always useful. I would say to Kathleen that the article was short and it probably made larger claims, or maybe stated the arguments slightly different. However the book has a lot more detail in it.

There are so many points, it is very difficult for me to address them all. What I would say is I’ve painted a picture which was very powerful, self conscious groups of people with very strong ideas, large resources, deployed in particular ways, and generated certain kinds of outcomes. I looked at the network. I think there are areas of that on which there was some agreement but the disagreement came in the undermining of the general kind of idea of a hegemonic project. It is a controversial thesis and it was quite clear to me there it was going to be a controversial, and I did therefore study those archives in great depth. So I would challenge Kathleen, you suggest I based some of my ideas or conclusions on a small number of quotes.

The foundation records are very strong and where I deployed their resources, I quoted as much as I thought was necessary to establish it. In the Indonesian case, which is the most controversial of claims, that is what there was. And then you look at the other officers and others discussing Indonesia and the massacre there, they’re talking far more about what to do with Indonesia so that Sukarno does not come back. That is one big fear. They also are talking about what the United States ought to do through McGeorge Bundy, who, having finished his stint as national security advisor with Johnson became president of the Ford Foundation, was to make overtures officially or unofficially to try to bring Indonesia into the comity of nations and into a kind of legitimacy. So that was the kind of discussion that occurred after that kind of bloodshed.

The other thing which Kathleen argued was there were a couple of meetings among Ford economists and others and with the army. There was a lot more than a couple of meetings. There was a long term relationship built between Ford officers, their sort of grantees, and the Indonesian police forces, and also the army, as well as public institutions within the villages. When you look at the chapter on Indonesia in the book, you’ll see that there are two major programs that I look at. There were many others, but I only looked at two because I was restricted to about 10,000 words for that particular chapter. The key thing is that those relationships which are built over a period of, I don’t know, from about 1950, 52, onwards, are very powerful and enduring kind of relationship, and those relationships had very powerful outcomes. So the studies they produce are about village power structures, the role of the communists in the villages, the way in which the communists operate within the cabinet or within the national government and so on. So just to isolate a couple of quotes and suggest that this is somehow taken out of context, not sufficiently weighted in the actual picture of what happened there, I think is possibly as a result of the time given to Kathleen.

The other points obviously made by my wonderful colleague, Pat Rosenfield, about the neo-Gramscian approach itself, and then about not being adequately historically grounded. I would reject the charge about not adequate historical contextualization. I don’t claim to be a historian
but I am sensitive to historical context. That was one of the reasons why I was so painstaking in the book in constructing the biographies of three to 400 of the foundation trustees and leaders, but also looking at where they studied, what kind of things that they might have studied, how their world views were formed as a result of their religiosity, their family backgrounds, their region, their historical generation. That is to say, I was very conscious of the fact that history is fundamental. As a sociologist by training, the whole notion of historical contextualization is very important, so I’m not sure that I’m guilty necessarily of that.

And monolithic versus diverse, I would probably hold up my hands on that one. I would say yes, of course, there are distinctions between the foundations at the time of their formation and as what we know them as today. Despite the 1936 earlier episode of Detroit, the 1950s is really when it begins. Sure, there are distinctions and there are also functional or area differences in one area of life as opposed to another. But my project really, I guess, was not the kind of one which was necessarily looking for the distinctions between them so much, because when I did the leadership study, I found that the foundation trustees and officers, but particularly the trustees, they circulate among the trustees of other boards of the foundation, so that that idea that they are somehow only different, diverse, and comparative or whatever, I think is undermined by that data itself.

The other thing is where they differ and where they seem to dovetail. It then makes a much more seamless kind of web. What I’m looking at is, what was the overall contribution of these three very important institutions to the rise of American power? And here, I come to Tom’s point, scale. Absolutely right. Scale is important. How much money did the foundations have vis-a-vis the federal government? Clearly it’s dwarfed over time as the federal executive rises. But I’ll just give you a personal example of how small amounts of money can be incredibly powerful. My chair in the United States, my lone little imperial project. [LAUGHTER] That’s all right. It’s all the others, not me. I chair the Arts and Humanities Research Council’s research network on the Obama presidency. We were given 31,000 pounds. Not a princely sum. But with that 31,000 pounds we have studied the network for the foundation and learned a little bit from them for my own purposes, it’s quite clear that you can leverage other funds from small amounts. When you put down 2,000 pounds for an event, other people are willing to come up with two, four, six, 10,000 pounds as well, because they want to be part of that. Now when you look at the big foundations, they may be poor in relation to the federal government, but when you pump in $13 million between 1952 and 1967 into a Third World country, $13 million today is a very large amount for practically anybody. $13 million in that period, I don’t know anything about math, but you have to multiply by a lot of big numbers to get to what it actually means today. That’s not a small amount of money. And when you talk about leveraging power, I’d say that is absolutely massive. So the impacts that they have are very great.

Here is an additional point I would make, is that given the shared agendas of the federal government, its agencies, and the foundations, I don’t make that much of a big distinction because overall, their objectives are very, very similar, even though their functions and positions differ. So that the outcomes of each one is kind of propelling. The results that I was talking about, that is, a far greater sort of impact on like social engineering and that kind of thing on those societies than they would otherwise have. So I wouldn’t reject everything my colleagues have said.
WILLIAM SCHAMBRA: Let’s go to this audience. We have a terrific audience, and a number of you know a great deal about what we’re talking about today, and yes, please, down in the front.

Q: Milton Grenfell. I think your books and observations are right on target. I wonder if it’s anything new. It seems to me that the West has advanced around the world through a sort of cooperation between the church, the state, and large trading companies, which goes back to at least the 15th century. It seems to me the big foundations are essentially secular religions.

INDERJEET PARMAR: I don’t disagree with about 99 percent of what you just said, apart from the first bit. What is new or different is that these institutions, in my field of academia, political science international relations, they are almost by definition not part of the study of political power. Political scientists look at the political parties, the special interest groups, and the state institutions. It seems to me that they take for granted the self image of the big foundations, that is that they are not political. They are not a part of the state and therefore they don’t count in politics. And I think that has been a mistake because we miss the key part of the picture about the rise of American power. Some people talk about the foundations as an aspect of soft power. But I think what I clearly show, which is new, is that this soft power can be lethal in its effect because it is bound up with other agendas as well, even though these foundations play their own particular part in a broader strategy.

WILLIAM SCHAMBRA: But Patricia’s point would be, I think, that aside from the power, there is in fact a kind of independent knowledge formation going on that is valuable in itself, and that we need to address aside from this question of power.

PATRICIA ROSENFIELD: What I really take issue is with the shared agenda. I think there is a shared, perhaps, American agenda in terms of peace and stability around the world, and this relates to the diversity. I see diversity across the foundations and very importantly, within the foundations, that is why it becomes very hard to generalize. That is why political scientists have not found them as interesting to study, although I think it would be wonderful, the more people who study the foundations, perhaps a greater understanding we’ll have about the role of philanthropy in society, for sure. However there is great diversity and the trustees are only one element. Actually, in many cases, they set policy but they don’t do the work and it’s the president and the staff, it’s very important to look at who the staff members are. And that is what the record shows. Everybody’s always rethinking all the time, and I would say that knowledge is important in how it influences.

This is always a question, foundation decision making, as well as the knowledge that influences national decision making. And I guess it’s this shared agenda that really devalues local agency, even in the Indonesian case. Indonesians, Emil Salim, someone who I happen to have the privilege of meeting, is a brilliant economist and independent thinker. If anybody has worked in Nigeria, this is the most independently minded country, where everybody debates all the time, and Americans are just one of many features on that landscape. So that agency and power is really embedded in the local agenda for action. Now when it comes to getting resources, that is always a question and that is where many people working in development are worried about the dependency that is created, least by the foundations, but most by international assistance in the world.
People have developed national networks. One reason why networks as a concept became so important is the role of science networks, which were very important in the French-English network of science and how the continent of England with the Enlightenment and the scientific revolution developed, so connections and networks made it important. And the poor cousins in the university, the social scientists, and even more the humanities, they think that yes, network might come resources as opposed to power, that we may actually get our research funded. And so networks are very interesting to discuss, very much with us and all institutions at the university and the foundation world and internationally, but I just say that networks are a way of connecting knowledges around the world, and it isn’t necessarily privileging one knowledge opposed to another, especially these days.

Q: I’m John Fonte, Hudson Institute. I think Professor Parmar is on to something. I like his discussion of ideological hegemony, the Gramscian discussion, the building of consensus. But now, let’s take a look at the historical consensus. I’m not sure at what point the book ends, because perhaps, during the Cold War there was support by the foundations for certain American Cold War goals. However let’s look at just the history of the last 15 years. You look at the role of foundations in the international criminal court in the 1990s and the foundations had a separate agenda from the Clinton administration. When you look at foundations’ role in the Urban Conference, Ford, of course, played a big role there. You look at many of the international conferences, particularly the human rights conferences or even the area studies programs now, Title VI, funding of a variety of scholars who obviously don’t agree with the US government.

So if you expand your thesis, you could say that at some point they were supporting American hegemony. At this point, I would say they’re more likely to support a post-American position, sort of a transnational progressive position. So there is an agenda. I agree with you that this is about power and it’s an agenda, but it’s not an agenda necessarily promoting at this point an American century or American hegemony, but sort of a post-American transnational, we could call it progressive agenda. Certainly, the whole discussion of a global rule of law, which is backed by the foundations, it’s backed by the American Bar Association with heavy foundation funding. So this is really not an American hegemony we’re talking about. We are talking about ideological hegemony. We are talking about a consensus. We are talking about knowledge. We are talking about essentially, in Gramscian terms, this might be a struggle two elements of the ruling class or something like this, if you want to put it that way. But there certainly is not a shared agenda at this point between the transnational progressive goals of the foundations and the American security apparatus who have a strong emphasis on security. So maybe this is a topic for your next book, as you push on. I’m not sure where this ended, but try to deal with this if you can, or anybody on the panel. Thank you.

WILLIAM SCHAMBRA: Yes, in general, implicit in what John says, of course, and the number of folks in this room who have contributed to a critique of foundations that would say of course, that the foundations have been incredibly active in disrupting American sovereignty. Congress in the 1950s came to exactly the same conclusion, which was that social science is not only a projection of American power abroad but it is undermining the American national project, so these very foundations, all of whom were doing what you’ve described now were under fire from the Reece Committee and the Cox Committee for being anti-American, basically.

KATHLEEN MCCARTHY: The Rockefeller Foundation was charged with masterminding the fall of China to communism because they had funded the Peking Union Medical College.
WILLIAM SCHAMBRA: Well, to be honest --

KATHLEEN MCCARTHY: Among others.

WILLIAM SCHAMBRA: -- it was a little more than that. It was the Institute of Pacific Affairs and so forth.

KATHLEEN MCCARTHY: Right, but still.

PATRICIA ROSENFIELD: Well, I just want to say that one of the things that, in terms of American or non-American agenda, we are chartered in states in the United States. So basically, foundations working overseas still have a charter that is an American charter, and we are tax exempt. Now there’s some discussion that because we’re tax exempt, but not that we are public institutions, but tax exempt means something in terms of we exist at the pleasure of the taxpayer, and therefore, the IRS does determine, and the Tax Reform Act of 1969 determines very much foundations’ degrees of freedom and what they can do in this country and overseas, and everybody adheres to that. I mean you have to; otherwise you’d lose your tax exempt status which means a lot.

We pay an excise tax. So when we go overseas though we are not representing the publics in those countries and so the question comes, whose voices are heard and whose voices should be heard, and it goes back to what Kathy was saying, that we are American institutions. So if we are working internationally, how do we blend being an international institution and wanting to support local voices? You have to look at how program officers make their decisions. I always come back to the fact that foundations are always making choices. It’s always about a choice. One hopes it’s between a good and a good. Sometimes it’s between a good and a bad and usually come down on the side of the good. But it is always making sure, and how you make those choices and what informs the information that informs those choices then results in the project or in the support. But we are in a structure that is governed by a set of rules and regulations. They do determine our degrees of freedom overseas, so there are some things that we can’t fund and wouldn’t fund.

WILLIAM SCHAMBRA: But in response, and of course, Professor Parmar will speak for himself, but the chapter on Chile introduces the idea that the foundations were often prepared in these local settings to fund conflicting parties, but it was a conflict that was amenable ultimately to the ultimate projection of American hegemony, rather than fundamentally undermining it, and of course, in the discussion of American philanthropy, there is this notion that foundations fund the sort of permissible opposition, and that there are groups outside the realm of consideration who raise questions that are too fundamental, too challenging for the orthodoxy.

INDERJEET PARMAR: Thank you, and I’d pick up a little bit from that last point which is the way in which decisions are made by program officers. I think some of that goes towards trying to answer your question. Because of the confidentiality rules and so on, it is difficult to get the inside story from the foundations themselves beyond the published work, which is what I was left with for my final chapter where I could try to deal a little bit with the post-1991 period. But what I would say is that it’s quite difficult just from the outside to be able to see where this agenda is going. I agree with you, that there is something about this sort of post-American phase in thinking. I think there is something to it. But there’s also a great deal of confusion as to what
that might look like. And I think that then just mirrors the overall confusion, since 1991 and the
collapse of America’s best enemy. [LAUGHTER] What do you do when the rationale for
everything you practically did is gone? And what I would say is while there is a lot of confusion
and there are separate tendencies which begin to develop, I think within that confusion and the
separate tendencies there’s also something which coheres, and that, I would say is the biggest
sort of shift in national security concept, which is what occurred then with the network building
in various ways, which propelled democratic peace theory to becoming so central in American
national security rationale.

This democratic peace, Michael Doyle wrote a couple of articles in the 1980s based on a grant
from Ford then, but the idea of democratic peace has been around for a long time. James Baker
and George H.W. Bush picked it up but didn’t do anything with it and except for the New World
Order. But when Clinton came in and Tony Lake, they developed that concept more. I would
argue that the networks which propelled that did have a lot to do with the foundations, and then
who elaborated on it in the 1990s had a lot to do with Carnegie Corporation and others as well.
So it doesn’t answer your question about whether this is a post-American phase, partly because I
just can’t. I don’t have the material like I had for the pre-1980s phase of the study because those
papers are not available, but when they do become available I will do that.

Now as Obama looks East to Asia and rediscovers the Pacific, my next big interesting project is
the kind of soft power struggles that are going on in the countries that are between China and the
United States. This involves Burma, Thailand, Malaysia, Singapore, Indonesia, the Philippines,
Vietnam, Cambodia, and so on. What they are thinking when these institutes show up? When
the Aspen Institute arrives, when Yale builds a branch campus with the national union at the
University of Singapore? New deals are being made in various ways. It is an interesting phase,
but I can’t really answer your question as much as I would like.

Q: Hugh Gusterson from George Mason University. I wanted to ask another question about
elite consensus. From what I know, your characterization of this sort of liberal internationalist
interventionist consensus during the Cold War period is right on, but I’m wondering if something
has happened since the end of the Cold War that has produced the kind of ideological
fractionalization in the landscape. There seem to be far more foundations now than just the big
three that you write about, and some of them are operating on the far right, and some further on
the left, but both attacking this sort of elite consensus of the big three. So I myself work in
securities studies. When I was a graduate student there were some graduate students in the field
funded by the Olin Foundation and some by the MacArthur Foundation. You would almost
never find anyone who could have been funded by both. There was no ideological overlap
between the projects of those foundations. So I’m wondering if something has shifted in some
fundamental sense, so that the foundations no longer work together to produce this kind of elite
consensus, and if so, why that is.

INDERJEET PARMAR: I’ll begin by agreeing with you, and then move to something which
might respond to positively to what you’re saying. Clearly from the late ‘60s, early ‘70s there is
the rise of the kind of new right think tanks, as well as the resurrection of old think tanks which
were around since the 1940s, like the American Enterprise Institute and so on. That is a major
phenomenon. The Centers fund different kinds of thinking, particularly right wing thinking,
which then leads to Ronald Reagan and so on. Then the Heritage Foundation who argues that in
10 years, from 1991, there is going to be a new conservative establishment that he’s going to
help to build. I think he went to the universities, mass media outlets, and several more think
tanks. He got the think tanks and probably the media outlets, but probably not a university, but maybe yours comes closest to being that. So yes, there’s a fractionalization, and that partly reflects, particularly after the Cold War.

However I would then come jump over 9/11 and come up to 2004, 2006 with the Princeton Project on National Security. The Princeton Project of National Security, John Ikenberry, Anne-Marie Slaughter, directors, Tony Lake and George Schultz, chairs, co-chairs, Francis Fukuyama on the steering committee. So while there are these islands which are, if you like, separated from one another and not much mixture is going on, when I looked at the think tanks which prevail in various kinds of foreign policy circles, I found differences on the margins, but quite a number of them in the centrist think tanks are coming from the left and right. So I think there is a bit more of a coherence than the politics might suggest. Fukuyama’s presence on the Princeton Project on National Security is a very interesting one. What liberalism is, I think, is what has changed. The liberals used to be opposed to American interventions abroad prior to 1990, but it has shifted around. I think what has happened is that the liberals have rediscovered the good war, and it’s varieties of liberalism which are at war with one another. The more strident, then maybe the more militaristic versus that which is more in favor of other kinds of intervention.

THOMAS ASHER: Perhaps another way of answering that question, Hugh, is that today there is something like 120,000 different foundations operating within the US. The media landscape has fractured badly across narrowly self-defined interests, and so it may be that this fragmenting these things.

One of the most successful projects in which foundations try to align their interests, for example, the Partnership for Higher Education in Africa. But there is not a single instance that I know of where they actually put monies into the same project. So very often they determined which institutions they’ll be funding and for which purposes, and they almost create a space from which they operate in distinction to the other foundations. And that seems to be a common practice. So there is not a kind of pooling of resources in the way that you might imagine.

Q: Hi, I thank you all for your comments today, and for sharing them with us. I was recently at an event and Dr. Bob Ross from the California Endowment posed a question to the audience, asking do you think today, it was among funders, that your foundation, if it received an application from Dr. Martin Luther King, Jr., Gandhi, or Cesar Chavez, would fund the communities that they are trying to help, based on the metrics and other things that your foundations are using? And he answered his own questions and said probably not.

Now today we’ve been talking a lot about the power of America in other countries and about the leaders of foundations, and some talk even about the program officers. But in particular, Dr. Rosenfield, you had mentioned that you would be curious as to what Carnegie would do 100 years later. And I was just wondering if you would pose that in such a way where you could be asking 100 years later, what the communities need from foundations to do.

The second part is that we’ve talked a lot about getting government involvement to help foundations bring successful policies to scale and that is where government can be useful. I think almost everyone touched on that. But in the same line of the community aspect, our leaders in government have very finite time and a whole lot of lobbyists and advocates. So do you also in the same lines of seeing what communities need, foundations having a responsibility
to bring those voices to our elected officials, and not just go to our elected officials to help us bring successful policies to scale?

PATRICIA ROSENFIELD: Well, thank you. I think you’re asking the key question and it relates to my concern about autonomy, empowerment, and agency of local individuals and their communities which I think is one of the most pressing issues around the world. There is a new effort in the foundation community around the theme of community foundations, but moving beyond the concept of a foundation, to community initiatives for improving community development on their own and looking at local resources to fund because there is this question of dependency. Do you really want to build dependency outside of the local community for things that are local, because then you’re always at risk that someone’s going to change their mind that this isn’t a priority. There are some issues about decision making that are always a concern in foundations, but particularly when you affect lives of individuals. I think we always are thinking about who are those people that we are working with, and whose lives are being affected by the work that we do. And this is a movement that the Mott Foundation, the Aga Khan Foundation, and several other foundations are trying to promote to work with the community foundations in Africa, India, and China that are getting under way now. To say, how do we build a kind of understanding? Possibly a network, I must say, not to have a controlling agenda because everyone is going to be different. So it’s an understanding that community is where the action is.

The important issue that Tom and Kathy raised is that communities can only go so far in sustaining some of the initiatives. If you want to have a regional initiative then you have to go to a different level of resource mobilization, and so it becomes an issue. And this is an issue I’d be delighted to talk about separately, because it is something that I think you’re getting at the real crux of what do we mean by development, what do we mean by empowerment? How do you build the relationships so that the agenda’s set at the community level but that the support for that agenda comes from the outside, whether it’s government or external partners? Where is the locus of control? And I think that’s the latest thinking in some of the really innovative work going on in foundations.

I just want to say one other thing about who sets the agenda because foundations are pulling back on some of their regional and country offices. It gets to Tom’s point about scale and supporting local institutions more, but it’s a question of how are the voices going to be heard. It’s an important issue because are we hearing people more at an equal level, or are we not, whose voices will get into decision making. That is the real question to ask, so it’s a very important question, I think.

INTERJEET PARMAR: Indeed. I don’t know if you ever read James Scott’s book, *Seeing Like a State* --

WILLIAM SCHAMBRA: It is a brilliant book. You should read it.

PATRICIA ROSENFIELD: He was very dedicated.

INDERJEET PARMAR: And in a way, what he talks about is that very often these kinds of major institutions, states, but also others, often look at a particular community or a particular country or society, to make it legible for themselves. And how they make it legible is basically impose their own plan of modernization onto it. Then making it legible in their own terms means they can’t make legible other things which don’t fit. I think that goes to the locus of
control issue that Pat was talking about. Very often what they’re trying to do is engineer certain kinds of change in the directions they think are good and they don’t understand what the other possibilities are.

Very often the foundations do engage in a bit of self-criticism and say ‘Oh, well, we did this, we imposed on Nigeria the Western model, or rather, they said the Nigerians have developed universities on the Western model, which are not fit for their society.’ Although it always struck me that the report suggested that the corporation wasn’t present when this was being done. But they suggest that effectively, they don’t enable local initiatives so much as impose particular agendas that they believe are more important. So when you go into local communities wherever they may be, I think a genuine attempt to promote power in those communities to solve their problems or to even conceptualize what their problems might be and how they may be resolved, would be to enable them to actually do that, rather than have a preset agenda. I think there’s a sort of revolution every 10 years about empowerment and locals and getting more of them in and whatever. And we’ve all seen them. The locals happen to be often elite locals. They may come from Nigeria, but they ain’t your average Nigerian.

Q: Thank you, Scott Walter from Capital Research Center. I wanted to ask the professor, given the thrust of your argument, if you cover the foundations’ funding of eugenics and it’s sort of follow-on in population control? Carnegie and Rockefeller were very prominent in that in the ‘20s and ‘30s, and certainly, the funding of population control would be an example of elitism and an imperialistic approach to foreign nations, I would think.

INDERJEET PARMAR: The short answer is that I didn’t. But I’m obviously familiar with those programs, because there is quite a lot of literature on the support of eugenics among the foundations. However I have not in this book dealt with that.

WILLIAM SCHAMBRA: I think what is striking, and it does become clear in your book, is the degree to which the foundations that were involved in these programs, and eugenics to some degree, is how they can talk about their involvement in such an indifferent and sort of casual way, as if they weren’t present. As if maybe their research didn’t contribute to what came about, which is why I thought the Chilean example was particularly interesting. There was, in fact, some questioning after that incident, about the very character of social science and the so-called non-partisan objective element of social science, which may not have been non-partisan and objective, but may simply have been blind to the moral dilemmas that they were involved with in a place like Chile. And I’m sorry, we have time only for a quick response and final comments from everyone at this point.

KATHLEEN MCCARTHY: You’re looking at me. You know, obviously --

WILLIAM SCHAMBRA: In other words, you’ve made it clear that the dots aren’t all connected.

KATHLEEN MCCARTHY: Right.

WILLIAM SCHAMBRA: -- but the foundation was present, right? The foundations were present in that time. They were involved with some folks who were involved then in the coup.

KATHLEEN MCCARTHY: Right.
WILLIAM SCHAMBRA: And you don’t find any anguished sort of self-examination.

KATHLEEN MCCARTHY: That’s why I was asking about the Ford records. I actually contacted Frank Putnam to see what his response was, and he said we went through a lot of handwringing. He said he remembered sessions talking with Cliff Gertz about what happened at the University of Indonesia. Now I also know that under Dave Bell that kind of thing would have been documented. So I’m not saying it’s impossible. I’m just saying that given the richness of the documents, the dots haven’t been connected.

PATRICIA ROSENFIELD: I just want to say that I think it’s really important to have the discussion on philanthropy, but I also want to say that within foundations, picking up on Kathy’s point, there is always enormous discussion and handwringing and concern. I’m concerned that that material is not getting through in the archives because I see it when I go through, particularly Rockefeller Foundation and Carnegie does this to some extent, but I haven’t seen these kinds of memos as much, but there are a lot of notes in the margin about, is this true, what’s happening, where are they going. So it’s an enormous amount of material.

Just a plug for the Rockefeller Archive Center, [LAUGHTER] they now have the Ford Foundation Archives. Inderjeet Parmar had to sit in the basement and now they’re going to be in a beautiful space where they’ll be accessible. But the thing to look for is the marginalia. Because in fact, that is where the handwritten comments are on what was happening. Frank Sutton is a key name to look at for Ford Foundation understanding. There are Alan Pifer is key for Carnegie Corporation, in terms of this period that Inderjeet’s talking about. Rockefeller, Kirby Davidson’s written some on the Chilean experience where they did fund Marxist economists actually, might not have shown. So there is a lot of material that isn’t published, but it is there in the archives. It just takes an enormous amount of work to pull it out.

But I just want to assure you that the foundations don’t come to decisions lightly. There is a lot of back and forth, and there’s a lot of material. Ford Foundation actually has the most massive program papers I’ve ever seen, 50-page documents which go through every single issue and go through history, so those are invaluable. I think the thing to be worried about, actually if you want to leave on a note in terms of the kind of research that Inderjeet Parmar’s been doing, what I’ve been able to do, as we go to everything on email, what will be available for scholars 20 years from now and 50 years from now? I think that’s another issue, just for the scholarly community to deal with. But I want to thank Bill for this, because I think it’s a very important conversation, and clearly, there is a need for better and more active discussion on how decisions are made in foundations, how accountability is acted on and how to be even more transparent than we think we are.

WILLIAM SCHAMBRA: And a final sort of question then for us to consider, is it really the case that we should have to read marginalia in order to get a sense of what foundations are up to? I mean this is really quite interesting. They profess to be part of democracy. They profess to be responsive to the public in some fashion or another, and yet the language that they use when they speak publicly is radically different from the language that they use when they speak with each other. And you can understand that, to some degree. Of course, everyone, that’s always true. But when it comes to things like involvement in coups and whatnot —

PATRICIA ROSENFIELD: I’m not saying that’s in the margin.
THOMAS ASHER: Not only that, but there are actually internal documents within, including a 75-page report that emerges from that situation, in which they look at the research centers that they then sustained in order to support the scholarly community that was exiled from the universities at that point. And they use that to make their decision to enter human rights. So there is real soul searching and agenda setting around these issues, and the fact that these documents are actually publicly available is, I think, in a sense, one way in which there is a public acknowledgement of their historical responsibilities.

KATHLEEN MCCARTHY: And these lead to more nuanced discussions. One can say this happened here, this happened there, this happened here, and voila. But since the records are so rich, the kinds of balance that we’re getting out of this, the dots may have been connected and given a lot of internal grief over what had happened, and it emerges something else, like a new interest in human rights. And that’s part of the story as well.

INDERJEET PARMAR: Just to say that the resources and the records are very rich. There’s no question about that, but when you’re alone wandering around with a drill, [LAUGHTER] and you’ve got this massive kind of edifice, you go around, you look at those annual reports, they direct you to the kind of places where money was spent and some kind of rationale behind it. You look around for some of the other published work of the foundation to see what kind of activities there were around it. Then you go to the archives. The archives, it’s not a one to one correspondence from the annual report to the thing, the finding that pot of gold. You’re chipping away days and days with nothing, when you find refuge in donuts and stuff like that. But it ain’t quite as easy as you think in terms of joining these dots. These dots appear often quite randomly. So it’s not like there’s a file on Indonesia, and you just read through the file and leave bits out that don’t fit your theory. There are bits and pieces in so many different places, and it depends to a large degree as well on which archivist who happens to like you a little bit [LAUGHTER] or treats you as a human being. [LAUGHTER] Right? Because sometimes, files appear which you didn’t know existed, which apparently don’t have a place in the finding aid. So joining these dots sounds easy if it’s just one paper with dots on it [LAUGHTER]. When it is rooms full of papers and boxes, it is actually very difficult. Very difficult.

WILLIAM SCHAMBRA: Very good. Well, let’s thank our panel for a terrific conversation. [APPLAUSE]