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Corporate Funding of Phony “Free Market” Think Tanks

Kevin Carson

November 8, 2005

From *Corporate Europe Observatory*, July 2005: “Covert industry funding fuels the expansion of radical rightwing EU think tanks” Be forewarned: the article takes the neoliberal use of “free market” and “laissez-faire” pretty much at face value, resulting in some real howlers. If you can set that aside, though, there’s a lot of good information on corporate funding of think tanks to promote phony, ASI-style “privatization” and “deregulation” (corporatism with a free market face).

Over the last few years, the EU capital Brussels has experienced a huge growth in the number of new think tanks seeking to influence the EU’s political debate. A large number of these new players advocate radical “free market” [sic] ideology. The turn to the right in European politics over the last few years has boosted the self-confidence of think tanks in Europe who promote radical versions of laissez-faire [sic] capitalism...

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Concern about the rising political activity of these think tanks is accentuated not only because they adhere to an extreme right wing economic orthodoxy, but also because they have found well-heeled allies in the corporate sphere who are prepared to fund advocacy activities as part of their own corporate political strategy...

Ideologically, the right-wing think tanks emerging in Europe can be compared to powerful US think tanks like the Heritage Foundation and the Competitive Enterprise Institute...

Ah, well! How can you get any more “free market” than that?

In 1993, the Centre for the New Europe (CNE) was the first of this particular brand of think tanks to open its Brussels office. Others soon followed, including the European Enterprise Institute, Institut Economique Molinari, Institut Thomas More and affiliates of US think tanks, the International Council for Capital Formation and Tech Central Station Europe. Their numbers swell when adding a substantial number of likeminded think tanks that while based elsewhere in Europe have a clear strategy to influence EU debates. This includes the London-based International Policy Network and the Paris-based Institut Montaigne...

It is difficult to close the loop on what is a complex web of relations between these think tanks in the US and Europe, their networks such as the Stockholm Network and their corporate funders. The lack of financial transparency on the part of the think tanks is a major obstacle.

An example of the web is the close relationship between the Stockholm Network and the Heritage Foundation, one of the most powerful rightwing think tanks in Washington DC. In 2000, the Heritage Foundation employed 205 people and had a budget of 38 million US\$. The think tank boasts about how US President Bush's domestic and foreign policies come "straight out of the Heritage play book". They frequently send staff to Europe and have worked closely with five like-minded European think tanks to produce and launch a European edition of their Index of Economic Freedom, which ranks countries according to criteria like tax reduction and deregulation policies.

Well, we all know how free-market President Bush is! We've already seen that he's slated to join Maggie and Ron in the laissez-faire pantheon.

The support from large corporations goes beyond funding. For example US pharmaceutical giant Pfizer has played a major part in Europe, getting this kind of political advocacy off the ground. Michael W. Hodin, the company's Vice President Corporate Affairs Europe, played an active role in creating both the Stockholm Network and the Centre for the New Europe. At a February 2003 Stockholm Network seminar on "How to grow a think tank", Catherine Windels, Director of Policy Communications at Pfizer, spoke on the theme "What do business sponsors look for from think tanks?" Windels is also a board member of the Centre for a New Europe...

The discourse of the Stockholm Network is far more strategic and media savvy than most radical

neoliberal think tanks, whose ideological zeal often prevents them from reaching a larger audience. Layers of mainstream rhetoric conceal the Network's ideological agenda, where virtually every aspect of society is to be left to unregulated markets. It is only during internal workshops that the undiluted free market fundamentalism of the Stockholm Network is revealed...

Uh, yeah. Pfizer, about as independent of the state as McDonnell-Douglass, is agitating for a society left entirely to unregulated markets. And I hear Gandhi is getting funded by the American Beef Council.

The author, surprisingly, comes out of his coma long enough to notice at one point that what the neoliberal think tanks are promoting might not be all that free market:

The Stockholm Network and the Centre for the New Europe have a strong focus on healthcare issues. Both are staunch promoters of the removal of restrictions on advertising for medicines, as well as the commercialisation of health services. However, inconsistent with their radical free-market ideology is their advocacy on the issue of intellectual property rights, which pursues far-reaching corporate patent protection rather than free markets. CNE for instance is deeply involved in campaigning to get the EU to adopt the US model of corporate software patents, the demand of software giants such as Microsoft. This demand is contained in a proposed EU directive that would allow corporations a 20-year monopoly on ideas and knowledge. The think tanks that support this view are opposing civil society groups, including open source software users, who are mobilising against this directive...

gets reports defending its position on intellectual property and drug reimportation, Microsoft gets rabid anti-Linux advocacy, Exxon gets global warming denial and Monsanto gets defences of gene patents and an anti-organic campaign.

Pfizer, Microsoft, Exxon and Monsanto. Now that's certainly what I'd call a natural constituency for the "free market."

For our next item, via Progressive Review, Morton Mintz comments on the phenomenon of industry-funded think tanks.

My case in point is the Competitive Enterprise Institute. Merely between 2000 and 2003, Chris Mooney reported in Mother Jones magazine, Exxon Mobil gave the CEI \$1,380,000 (and several million dollars more to some 40 other opinion-influencing groups). Thanks to additional shrewd investments in CEI made by cigarette makers, drug companies and the rest, its annual budget had reached \$3 million by 2002.

It's Journalism 101 to follow the money. In the case of think tanks, with few exceptions, the Post, Times and other mainstream news organizations have failed for years to do it. In the case of the CEI [Competitive Enterprise Institute], they've repeatedly cringed from describing it as the industry-funded think tank it plainly is. Instead, they've applied such sanitizing labels as "libertarian," "business libertarian," "conservative," and "free-market."

Perhaps the most mealy-mouthed description of all appeared last November in a Washington Post story on new government drug-safety initiatives. The CEI, the article said, is "a nonprofit public policy organization dedicated to the principle of limited government." This is a classic entry in the annals of fact as the enemy of truth.

Uh huh. An advocacy group funded by and acting on behalf of an industry that gets at least half its R&D funding from government, depends on government-enforced patent monopolies, and fights obsessively to keep up trade barriers against

competition from cheap imports. You know, a “free-market” think tank!

And finally, hat tip to Martin Smith, who sent this link by email.

The International Policy Network is a little-known lobby group set up in 2001 with drug company money. It works by setting up websites, which appear to the casual viewer as NGOs, to promote the interests of its corporate clients. It works closely with its clients’ more traditional PR companies: it collaborates with corporate lobbyists DCI Group and the senior director from PR firm the White House Writers’ Group even has a seat on the IPN’s board...

The IPN is shameless: its activities directly correlate to the size of the cheque. Its main funders, Pfizer, Microsoft, ExxonMobil and Monsanto, get exactly what they pay for: their positions supported “independently” by IPN research. Pfizer gets reports defending its position on intellectual property and drug reimportation, Microsoft gets rabid anti-Linux advocacy, Exxon gets global warming denial and Monsanto gets defences of gene patents and an anti-organic campaign.

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