

# The Privatization Vanguard: Corporate Funded Foundations and Think Tanks

by Jim Tarbell

In the 1970s, corporate-funded foundations, faced with a backlash against destructive corporate practices, decided to retake international political power. This led to the "privatize everything" zeal we see today. Smith Richardson, Scaife, Bradley joined nine other foundations to provide over a billion dollars to these privatization-promoting think tanks over the past 30 years.

This recent privatization binge claimed its first takings under the Conservative British administration of Maggie Thatcher in the early 1980s. Her administration was assisted by the "free-market" Adam Smith Institute. Its Director, Eammon Butler, learned the privatization trade while working at the Heritage Foundation with his brother Stuart Butler, Vice President for Economic and Domestic Policy Studies at the Heritage Foundation.

According to the National Council on Responsible Philanthropy, "It is not simply the volume of money being invested that merits serious attention, but the way in which these investments have helped to build the power and influence of the conservative policy movement. These 12 funders directed a majority of their grants to organizations and programs that pursue an overtly ideological agenda based on industrial and environmental deregulation, the privatization of government services, deep reductions in federal anti-poverty spending, and the transfer of authority and responsibility for social welfare."

Koch Industries, the largest privately held company in the United States, whose founder helped establish the John Birch Society in the 1950s, has been at the forefront of this effort. Koch foundations and family members have helped fund and start both the Cato Institute and the Los Angeles-based Reason Foundation, which prides itself as "the world leader in privatization." Since 1977, they have led this second enclosure of the Commons with their website privatization.org and their *Privatization Watch* publication. They work to spread privatization around the world where they feel that everything should be for sale. Recently the Cato Institute suggested in a *Houston Chronicle* article that Disney should take over the Grand Canyon if it could make more money than the present operation.

Almost all the business-oriented think tanks that have taken over policy making in DC have a part in this new movement to enclose all of our cultural, economic and Natural Commons. The Heritage Foundation promotes the Index of Economic Freedom that tracks not political freedom but the

freedom of the power of money to do whatever it wants, whenever it wants, wherever it wants. The American Enterprise Institute has a resident "scholar" on privatization and hires interns to work on privatizing public housing and federally funded mortgage programs. They also published the book *Let Them Eat Precaution* deprecating the advocates of the Precautionary Principle and promoting corporate efforts to take control of our genetic Commons.

Joining these stalwarts is a stable of other organizations including: the Competitive Enterprise Institute; the Foundation for Research on Economics and the Environment; the Property and Environment Research Center and The National Center for Policy Analysis. This last one compiles a list of "Candidates for Privatization" which includes 850,000 government jobs, law enforcement, criminal justice, military support functions, water and many others.

Meanwhile, think tanks are going local where the privatization action is hot. Look for the Pioneer Institute, The Mackinac Center, The Georgia Public Policy Foundation, the Commonwealth Foundation for Public Policy Alternatives in Pennsylvania, the Wisconsin Policy Research Institute and others promoting privatization in your local area.

They are spreading their efforts around the globe. Writing about the "free trade" think tank invasion of California, Jim Miller in the *San Diego Beat* writes "the agenda of the right-wing think tank movement is privatization...the answer is always to hand over the Commons to the corporate world, which, we're told, does it better and more efficiently than the public sector. We are told this ad nauseam even after Enron, Halliburton, Abramoff and the K Street gang do all they can to prove it wrong—it's the big lie that keeps on lying."

