

Who Funds the Think Tanks?

By [Tony McKenna](#)

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A new report shows how 'highly opaque and deceptive' methods are used to shape public perception, writes Tony McKenna.

The current political landscape is fraught, treacherous and more difficult than ever to navigate. The EU referendum in 2016 saw the Leave vote carry the day, but the decision to 'Brexit' has created in its wake a bitter and on-going division within Britain. The current government have done little to balm the divide. Its preparations for the Leave vote were almost non-existent. When British PM Theresa May's cabinet was pushed to act by an increasingly frantic public, it endeavoured to trigger the exit process without disclosing its strategy or putting it to a vote in the Commons. Such lack of accountability only generated further uproar. May's oblique manoeuvring ran aground on a High Court ruling which forced the government to debate the issue, causing the [Prime Minister herself](#) to become more cautious when she declared a need for 'full and transparent' parliamentary scrutiny.

More caution and accountability is welcome, but the problem with transparency does not begin at the highest echelons of the government. It is a broader issue which often works from the grassroots up. Think tanks help transmit a multitude of voices – from professionals, activists, and businesspeople, to academics on the ground – channeling information upward through the state bureaucracy and acting as an important source for the formation of law. But how do these bodies choose which of those voices to listen to? And what groups stand behind the think tanks themselves?

What material interests underpin their funding? These questions are important because in the world of policy advisement, think tanks are presented as *politically independent*. This quality elevates them to the status of the rare and sought after magical unicorn in civil arena. Yet, reality is often more complex.



The organization Transparify tackled this problem in its new report on the funding of UK think tanks, launched this week. The report made it clear from the outset that think tanks are becoming increasingly opaque. There was only one think tank – The Royal United Services Institute – which actually improved the level of its disclosure from the previous year, grouping its donors in coherent financial categories and permitting the public to have a clear idea of who supports its work. Worryingly, however, Transparify has discovered a tendency toward greater opacity with seven major think tanks [resorting to 'highly opaque and deceptive' methods](#) of veiling their root sources of funding.

This is up from four institutions who resorted to similar tactics in the year before. According to Transparify the seven think tanks 'take money from behind closed doors...over £22

million of dark money’ and are thereby able to ‘collectively employ over 200 people in their quest to shape public debates and influence policies.’

Why the need for such Byzantine secrecy on the part of these super trusts? The report provides some of the answers. One of the groups in question, the Adam Smith Institute, involves a research trust which is allied to a commercial consulting company (Adam Smith International LTD). The Institute’s commercial links are increasingly evinced in the tone and tenor of its research which the trust produces and which seems anything but dispassionate and objective. For example, this year the Institute went on a media offensive disparaging the claims of research conducted by Oxfam showing how the ‘world’s eight richest people have the same wealth as the poorer half of the globe’s population.’

The Adam Smith Institute’s ‘findings’ more and more feed into a clearly delineated ideological assumption – one which the Institute stated openly in a 2015 study: ‘[T]he private sector, rightfully driven by the profit motive, tempered by tolerance for risk, rewards innovation.’ Such a statement illustrates the trust’s commercial basis, for as the Transparify report notes, ‘Adam Smith International reported a turnover of over £130 million, with an operating profit of nearly £17 million’. It is no surprise that the AS Institute holds a natural affinity with companies in the private sector, cultivates strong financial connections with them; consequentially, much of the information it issues is almost inevitably partisan. In 2013 the Observer newspaper revealed that the Institute had taken ‘3 per cent of its funding...from tobacco firms’, so one does not have to look deep to find the impetus for the Adam Smith Institute’s audacious claim, last year, that big tobacco companies like Philip Morris International were the ‘true public health heroes’ for having decided to augment their profits with a new range of e-cigarette products.

Perhaps the Institute’s namesake, the great political economist whose legacy they have so shamelessly bowdlerized, would have appreciated the irony of the ‘invisible hand’ of big tobacco working from behind the scenes to mysteriously effect its own ends. But the Adam Smith Institute is not the only think tank to have been infiltrated by cigarette companies, indeed according to the watchdog organization TobaccoTactics ‘the Institute of Economic Affairs (IEA) has in the past regularly received substantial amounts of money from tobacco companies, and may continue to do so.’ The organization Centre for Policy Studies also has the dubious honour of [membership of this elite coterie of tobacco financed organizations](#) who claim to act in the public interest – often on the basis of tax exempt charity status.

Sometimes, however, the subversive influence strays beyond the level of private interest into the realm of national-state actors. One of the seven think tanks the Transparify report focuses on is the International Institute for Strategic Studies. This venerable body has ‘secretly taken at least £25 million from the oil-rich Gulf monarchy Bahrain over the course of several years’, the same Bahrain which is now enthusiastically engaged in the wholesale massacre of its own citizens – courtesy of security aid packages provided by the British government. Of course, as the advocacy organization Bahrain Watch notes, by allying itself with the International Institute for Strategic Studies, the Bahrain government is able to cultivate an image of itself ‘as modern, liberal and business friendly’.

Transparify’s new report arrives at an opportune time. In the chaos of Brexit, it seems Britain’s Conservative government is increasingly inclined to genuflect before the Trump administration, to turn the UK into a deregulated low-tax state, a haven for large capital investment – in order to gain an advantage over its former EU allies. Such strategies will no doubt be girded by ‘objective’ public service reports issued from the likes of the Adam Smith

Institute. It is, therefore, worth scrutinising the veiled interests which underlie such information.

Tony McKenna's work has been featured by The Huffington Post, New Statesman, The Progressive, The United Nations, ABC Australia, New Humanist, In These Times, Open Democracy, Ceasefire Magazine, Adbusters and many others. His latest book – a biography of the Soviet dictator Joseph Stalin – is available now.

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