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WANTED: A THINK TANK INSTITUTE FOR INDIA.

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“With public sentiment, nothing can fail. Without it, nothing can succeed. Consequently, he who moulds public sentiment goes deeper than he who enacts statutes, or pronounces decisions. He makes statutes or decisions possible or impossible to be executed”-Abraham Lincoln.

1. In developing countries like India, whenever new public policies, laws, controls and regulations are introduced, politicians and policy-makers claim that their goal is to ensure accelerated economic growth, improve the lot of the poor, usher prosperity or mitigate the hardships of the citizens. In point of fact, the results turn out to be not only exactly the opposite, but all sorts of distortions set in, causing further problems. They hinder economic growth, weaken the Government's budget, encourage malpractices, result in a colossal waste of the country's scarce resources and add to the hardships of the citizens. But somehow we seem to be caught in the trap of woolly thinking, and outdated, text-bookish economic theology.

2. As an economist and more so as a citizen, I have been concerned as to why this sort of situation should persist. On my own part, I have been trying to do whatever one could - challenge such conventional wisdom and plead for reforms if I were convinced of their merits, howsoever radical, fundamental or politically impossible they may appear. But something much more and much more organised is needed to focus public attention and mould public opinion.

3. Then, participating in international conferences from time to time, it came to my notice, that in many countries, numerous independent public policy think tank institutes [as they are called], were playing a laudable role. Several of their studies had helped mould public opinion in favour of what was initially considered to be too radical, and politically impossible. Often this role was gratefully acknowledged by Prime Ministers and Presidents, which further emphasizes the importance of their work in the modern world that is constantly changing.

4. The Institute of Economic Affairs at London is perhaps among the most widely known of these institutes. Felicitating that Institute on its 30eth anniversary in 1987, Mrs Margaret Thatcher said,

“ You began at a time when despite free speech in a free country, there prevailed what I would call a Censorship of Fashion...Few people dared speak up although they did not believe in that wishy-washy conventional wisdom.... You were the few. Once, you with your courage gave expression to your views, others followed. . What we have achieved since, could never have been done without leadership....”

5. The words of the British Prime Minister are worth pondering over. If one day this could be said in our own country of the work of any individual, institute or a think-tank, it would certainly

be an enviable achievement. Whether prime ministers or other policy-makers or leaders would ever have the courage and magnanimity to admit so and give credit is another matter.

6. How do these institutes go about their task? Will such an institute be beneficial to my country? Curiosity aroused, I seized opportunities to study at first hand the working of some of these institutes in the U.S., England and Canada, and to collect information about many others in Germany, Hong Kong, Japan and some South American countries. Indeed, there are so many of them that people commonly talk of a 'think-tank industry', and there is at least one formal group [The Atlas Economic Research Foundation] – something like an association of these think-tanks – which organises periodical meetings (I was invited to participate in one of these) of their representatives to discuss the current achievements and problems of the various think-tanks.

7. In the origin, legal structure, organisation – in fact in every aspect of their functioning – variety is the key feature of the think-tank institutes. Many of these originated as a result of donations left by some philanthropist or industrialist in his Will; or of some such large grant from a single source. But in the course of years, most of the think-tank institutes have diversified their sources of revenue which now comes from subscriptions from companies, institutions and individuals alike, from sale of books, donations and earmarked funds for specific projects.

8. Many institutes do not, as a principle, accept any Government funds but others are not so rigid as long as they are without strings of interference. The variety is also to be seen in the legal structure, in the sense that some are Trusts, others are Foundations, and still others are companies limited by guarantee.

9. In the organisation of the think-tank institutes, however, a clear pattern seems to emerge. There is generally a Board of Trustees (which also could be called a Board of Governors or a Board of Directors) which is in charge of the management and looks after funding and other administrative matters. In addition, there is usually what is called an Academic Board consisting of distinguished local and foreign personalities. The link between the two is the person variously titled as President or Director and who for all practical purposes is the Chief Executive. He is usually a Member of the Board of Trustees and the Chairman of the Academic Board. He seeks views and guidance of different persons of the Academic Board on different occasions, depending on the subject under consideration. The Academic Board members are also free and welcome to make suggestions on their own to the President/Director about subjects which the Institute should consider for study, about the authors who could be invited to study them, or about any other professional activities which the institute should engage itself in. Unlike the Trustees, the meetings of the Academic Board members are extremely rare.

10. The functions of these institutes are fairly clear. To put it succinctly, these institutes are in the 'ideas industry'. They help the production and the marketing of sound ideas which are conducive to rapid development and economic progress of the countries concerned. To subserve this objective, the institutes engage themselves in two main functions: First, they initiate and sponsor top-grade studies in specific subjects pertaining to the actual impact of various public policies on the economic well-being of the country. [This can be said to be the 'production' of sound ideas]. Secondly, it carries the message of these scholarly studies to numerous non-specialists, to the opinion-leaders and the interested and intelligent citizens in an understandable and effective language, so as to promote a public debate on the issues involved. [This can be considered to be the 'marketing' of sound ideas].

11. To ensure that ideas that are produced with the help of the institute are sound, it is necessary to identify a really capable and first rate individual to study the particular subject, and having once identified and selected him, guarantee that the results of his study will be published, irrespective of whether they are liked or not liked by the management of the institute. In fact, in several cases, the studies are not even seen by the Trustees until after they are published.

12. It is equally necessary to ensure a successful marketing and launch of these studies. The brilliant message of 200-page terse book often has to be conveyed in a 20-page eminently readable pamphlet. If the author himself can do so, nothing like it; otherwise a small 'editorial' staff of the institute will have to undertake this task. Sufficient media exposure is to be ensured by organising discussions on the T.V., radio, or through seminars and conferences. Presentation of an opposite view-point has also to be encouraged with the hope that in due course, public sentiment will gather momentum and oblige or influence the Government to undertake a necessary policy reform which, but for all this, would have been discarded by the politicians as being too radical or being politically impossible.

13. In my several discussions with opinion leaders, I found that the think-tank institutes are admired, liked, disliked, or even hated, but never ignored. It is generally conceded that undoubtedly they have an impact on the shape of public policies. In England, for example, when there was a feeling that many of the studies produced by many of the think-tanks are advocating right wing or free market or pro-private sector policies, the so-called left-oriented thinkers responded by starting recently their own think-tank with the avowed objective of disseminating left wing ideas!

14. One cannot say that all the think-tanks have done well and have been effective. Far from it. Prof. Milton Friedman who endorsed the need for a think-tank for India, during my hour-long chat with him in San Francisco recently, said:

"If you look at the think-tanks all over the world – those that have succeeded and given results, and those that have failed and withered away, you will find that the successful ones succeeded because there is there always one man who satisfies three attributes"

...'Which ones?' I asked eagerly.

Friedman said: "First, he is a man who believes in his work; he is set on a mission;

"Second, he is a first rate public communicator. He carries his message to the people in clear, simple language;

"Third, he has the intellectual courage to say what he is convinced about, without being ever worried about it being too radical or being politically infeasible."

15. Prof. Sir Austin Robinson, during my detailed discussions with him at Cambridge recently, also endorsed completely the need for setting up a think-tank institute in India, but insisted that, to succeed, it must be 'indisputably first class'. He said:

"I would underline again the immense importance of any research institute being indisputably first-class. It must carry enough authority for people making policy to take notice of it."

Sir Austin urged that we should try to get a first-class person who is in sympathy with Indian thinking and who will not be regarded as trying to impose American or British thinking on

reluctant Indians. Naturally, he also agreed that such an Institute should have a very powerful and influential Governing Body.

16. My own visits to the various think-tanks abundantly confirm these views. It is clear, thus, that the successful institutes have been and are seen to be first-class and are blessed with a President/Director possessing the sort of attributes mentioned above.

17. It is tempting to argue that there are dozens of institutes and bodies already in India which do conduct research and therefore this will be a wasteful duplication. After my first-hand study of institutes abroad, I feel that this would be a superficial view to take as none of these institutes or bodies can, in the real sense, be called think-tank institutes of India. There are interest-groups, yes. They publish numerous studies. Often they are valuable but it is a common human failing to judge studies not by an objective assessment, but by looking at the sponsor or the author. It will be a pity if think-tank institutes become known as interest groups. It is necessary that they should be, and should become known as, producers of sound ideas. There are many other institutes, too, in the country. Much of the work published by them is scholarly. But the findings of many of these studies are not calculated to have a direct impact on policies.

18. This is not an adverse reflection on their work. I noticed that a similar situation exists with reference to California's world-famous Hoover Institution too and where perhaps three-quarters of the staff were doing work of an important but academic nature, not directly related to public policies. There are also many other consulting organisations which work on a commercial basis for their clients and there are again other groups (e.g. the Forum of Free Enterprise) which have a good set up for marketing ideas but they do not aim to produce ideas. Looking at the nature of work done by think-tank institutes abroad and by the research institutes in India, I am clearly left with the impression that no single institute or group is today performing the important function of producing and marketing sound ideas. We have the talent but what we need is a catalyst or a clearing house.

19. In other words, an independent and strong think-tank institute that will sponsor the highest-grade studies on the impact of public policies, will not only question the conventional wisdom but will produce new ideas for fresh policy framework needed in the country and will also attempt to influence public sentiment for their formulations.

20. For India, there is no dearth of subjects that are in urgent need of a fresh and fundamental look. I sat down for one hour and could make a list of 35 subjects of economic policy matters which could do with such a study and more and more subjects in more and more areas will be thrown up as we gain more experience in studying them. That, for example, was unmistakably the experience in Britain. One would have thought that at the end of a ten-year term marked by several radical reforms, both the Government and the think-tanks in that country would run out of new ideas. Instead, one notices that the flood of yet untapped ideas is far from receding.

21. Finance Minister Madhu Dandavate in his Budget speech rightly claimed that he was a man of science and was a non-doctrinaire. In another context, Prime Minister V.P.Singh also said in Namibia: "when we cross the borders, we are all the same." We indeed need to cross the borders of our own doctrines and ideologies, and in the words of the Finance Minister, "let experimentation and results be the touchstones of all economic and social policies." These sentiments augur well; and the time seems to me to be clearly opportune for the launch of our think-tank institute with a strong and ambitious base. I would therefore like to invite all opinion-leaders and well-meaning, interested and intelligent citizens to consider this proposal.

Tailpiece:

22. "Names are important, and so are the short forms that we will use," said Lord Harris (the Chairman of London's Institute of Economic Affairs) to me once. I agree entirely. Since our Institute will produce and market sound ideas, why not christen it 'IDEA-INDIA' [Institute for Development and Economic Affairs of India]?

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