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The Top Free-Market Institutes: 2015 Rankings

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As in previous years, during the last week of January, Dr. James McGann of the University of Pennsylvania, released a new edition of the Global Go To Think Tank Index. It is the most mentioned and comprehensive think tank index in the world.

Popularity attracts both criticism and praise. Those who appear well-ranked, even Harvard's Center for International Development (which achieved second place in the “university based centers” category), trumpet the results. Those who rank below their expectations complain about the index's weak methodology: It has duplicate entries, the ranking does not provide qualitative or quantitative data about the organizations, and think tanks with only a handful of staff members seem to score well above their weight. McGann describes the process and rankings criteria, and he is open to suggestions for improvement. A think tank needs at least 10 nominations to appear in the drop-down menus, which serve as a guide for voters. More than 4,000 people participate as nominators and over 900 serve as voters. They include policy experts, decision-makers, journalists, think tank leaders and donors. They are chosen by Dr. McGann who, each year, seeks advice to expand and improve the list. Voters are from all over the world, so think tanks that cultivate an international following have better odds of obtaining a nomination.

Dr. McGann warns that his team's choice to list a think tank in the ranking does not mean that they endorse that organization's work and disqualify the work of others. The Go To Index should be taken as a guide—in conjunction with other measures. I focus only on the think tanks I know best, those committed to free-market principles. Despite their flaws, the institutes that score higher in the McGann index, especially those with more than 5 nominations among the 50 categories (shown in the table), have solid track records. The results also show some consistency over the years; only a handful of think tanks show dramatic improvement or decline in a 12-month period. There are few changes in comparison with 2014.

As in last year's index, Brookings came on top among all think tanks. Cato again was just ahead of Heritage among market-oriented think tanks, though Heritage continues to lead the rankings by nominations.

This year, the index was launched in over 100 events around the world. I expect that McGann will receive a record number of recommendations for improvement. Many of these presentations focused on a specific aspect of the index. I attended a launching in Guatemala hosted by one of the oldest educational institutes in the Americas, the Centro de Estudios Económicos y Sociales (CEES), founded in 1959. The event received logistic support from Fe y Libertad (*Faith and Liberty*), a young think tanks founded in 2014. It focused on university-based think tanks, and on their collaboration and competition with independent centers. (CEES itself led to the creation of the Universidad Francisco Marroquín (UFM) in Guatemala in 1974.) UFM hosts several centers, which act and produce like think tanks. The university is presided by Dr. Gabriel Calzada, a former “think tanker.” UFM recently created a policy analysis unit “Market Trends” in collaboration with the Instituto Juan de Mariana in Spain. Market Trends policy papers resemble the country analyses produced by independent think tanks, such as Libertad y Desarrollo in Chile, and for-profit banks and consultants.

The Hoover Institution at Stanford University, and the Mercatus Center at George Mason University, received the most votes among market-oriented, university-based think tanks. The Center for International Development (CID), mentioned above, scored second place; CID is a Harvard University think tank led by Ricardo Hausmann and Marcela Escobari. (The Center replaced—but should not be confused with—the Harvard Institute for International Development, which was directed by Jeffrey Sachs and had to close its doors due to a well-documented scandal under Sachs’ leadership involving consulting in Russia). One of CID’s goals is to “extend markets to the underserved and empower the disenfranchised,” and both Hausmann and Escobari respect the creative power of free enterprise. The thrust of their work, however, is still much less oriented toward free markets than that of Hoover or Mercatus, so I do not define them as a “free market” think tank. CID’s contributions, however, should not be neglected.

Among independent think tanks, the performance of the Fraser Institute is worth mentioning. Despite having a much smaller budget than its U.S. counterparts (approximately \$10 million), Fraser received an impressive amount of nominations, 24 in total. The Center for Strategic and International Studies, with 19 nominations, also scored extremely well, but as with Harvard’s CID, not all its work qualifies as “free-market.”

The largest free-market think tank network (that of the Atlas Network), includes over 450 think tanks from around the world. It excludes some political party-oriented and for-profit think tanks as well as several university-based think tanks. If we add those, I estimate that there are 650 free-market think tanks in the world. The Go To Index mentions that their database includes over 6,854 think tanks, so only 10% of the think tanks around the world are overtly free-market.

As in other editions of the index, McGann includes the number of think tanks by country and by region. Studying these categories, it becomes apparent that there is no correlation between the number of think tanks in a country and its economic performance. Argentina and Russia, for example, have over 100 think tanks each and a very poor economic record.

The publication serves more as a list than as an accurate ranking. This is especially poignant when considering think tanks in countries and regions where there are few expert voters. In fact, the index’s original intention was to be a list, not a ranking. Accordingly, as in previous years, I

regard the introductory analysis as even more valuable than the rankings themselves. The Go To Index has one of the best explanations on which factors are most important in determining the quality and impact of a think tank. The index also includes several case studies of vastly diverse think tanks which embarked upon successful efforts to improve and revamp their operations—and can therefore serve as guides for other organizations.

Few people in the world have as much experience with think tanks as James McGann, yet in order to prepare a more accurate global index, he will need additional resources. Indeed, as he has repeatedly cautioned his audience, McGann lacks a permanent team of researchers and statisticians. So I once again recommend greater collaboration from leading think tanks, which could provide advice and constructive criticism to McGann and his team in order to continue to build and improve this valuable guide.