

FINANCIAL POST

The idea marketers: Canada should cull proliferation of think-tanks, let market do the funding

By Philip Cross

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Ideas increasingly can only be exchanged freely outside of governments and universities

These are interesting days in the wonderful world of think- tanks, which I now inhabit almost full-time (I've worked for seven just in the past year). The North South Institute announced it is closing down after nearly 40 years of “combating poverty, injustice and inequality around the world” in the words of one of its proponents. Perhaps someone finally noticed that we have made considerable progress in combating poverty, injustice and inequality around the world not through studies from think-tanks, but from increasing international trade and investment flows.

Meanwhile, 400-odd academics (pun intended) signed a petition decrying the Canada Revenue Agency's audit of the Canadian Centre for Policy Alternatives. Of course, it is unclear if the CCPA is even a think-tank. An August 19 CBC radio news story identified it as an advocacy group and not a think-tank, simultaneously displaying a laudable insight into the CCPA's motivations and a distressing lack of self-awareness of the CBC's own advocacy bias.

So is Canada really threatened by a shortage of platforms to formulate and discuss public policy options? Or was William Watson's claim in a recent FP column that the “Ideas market works fine” correct? And what is the role of government?

First, think-tanks get audited all the time. The CCPA is the first to make a public issue out of it, presumably to boost its fundraising profile. It's no surprise that academics rushed to its defence, since they share the same anti-capitalist agenda and martyr complex (neither ever misses the opportunity to use the word “chilling” to describe anything the Harper government does). Of course, academics and liberal think-tanks do not regard themselves as advocating an ideology, but as promulgating self-evident truths. I would use stronger language about academia, but since my work for think-tanks is peer reviewed mostly by academics, the thought of antagonizing them is having a “chilling” effect on my expression.

Your think-tank lineup card: Who are these groups that hold so much sway over policy?

Conservatives are more cynical about the very possibility of objective social science research. Irving Kristol, godfather of the neo-con movement, observed that social scientists “are acting on a hidden agenda to propel the nation from that modified version of capitalism we call ‘the welfare state’ toward an economic system so stringently regulated in detail as to fulfil many of the anti-capitalist aspirations of the left.”

Kristol said the proliferation of conservative U.S. think-tanks during the 1970s, such as the Cato Institute and the Heritage Foundation, was driven by fear that the battle of ideas between “the academic and business communities” was being lost. In Canada, of course, governments didn’t trust the marketplace to develop networks and forums to discuss ideas. The federal government took the lead in founding the Institute for Research on Public Policy and the Policy Research Initiative, both forums to encourage researchers to share ideas. In 2009, the Ontario Government provided the funding for the Mowat Centre (based on its work, MOWAT evidently stands for Moulding Ontario to Wynne-Approved Talking points). Most reputable conservative think-tanks refuse government funding.

In recent years the think-tank industry has exploded in number, with 96 operating in Canada in 2013, enough to justify its own industry classification. One reason for the rapid growth of think-tanks is as a counter-weight to the left-wing bias of social science research done in universities and governments; the Montreal Economic Institute is the most dramatic example, a lone outpost of free market ideology in a province suffocating under collectivist group think.

Another is that ideas increasingly can only be exchanged freely outside of governments and universities. Academia operates under a “stultifying conformity of political correctness” in the words of Thomas Sowell of Stanford’s Hoover Institute. The exchange of ideas in government is inhibited by the constant and truly chilling threat of having research splattered all over the media after the inevitable access for information request. A prime example was last year’s federal government report on the middle class, which embarrassed both the government because of its narrative and the Department of Human Resources and Skills Development Canada because of its shoddy research, which drew a rebuttal from the Department of Finance.

The rapid expansion of think-tanks increases the already intense competition for donor dollars, which inevitably will cull the herd’s weaker institutes that cannot attract funding. More think-tanks creates another problem; in the words of one U.S. senator, “You can find a think-tank to buttress any view or position, and then you give it the aura of legitimacy and credibility by referring to their report.” This tactic is often seen in media reports, as if all think-tanks had equal claims to objectivity. This is part of a broader and disturbing Internet-enabled trend of selecting only the news and reports you want to hear.

Given the proliferation of think-tanks and the difficulty of identifying where policy advocacy ends and partisanship begins, governments should consider reducing its subsidies to the industry. This means cutting public funding for advocacy groups and policy forums and lowering the tax

deduction for individual donations to think-tanks under their designation as educational charities. That would help solve the problem of accusations of politically-driven audits, and end the unfair practice of taxpayers subsidizing ideas which they disagree with.

If you support an idea, by all means do so. Just don't ask others to subsidize your beliefs. If a think-tank like the North South Institute cannot raise the money to support its activities because funding is going to the other 95 think-tanks, well the marketplace for ideas has spoken.