

Forbes

The Top Ranked Free-Market Think Tanks Today

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“If it matters, measure it” is the motto of the [Fraser Institute](#), one of the leading think tanks in the world. The [Global Go To Think Tank Index Report](#) ranks Fraser a “Center of Excellence” among non-U.S. North American think tanks, a status granted to think tanks that lead one of the Index’s various categories for three years in a row. For those who work in policy research and advocacy centers, think tanks matter, and thus high rankings or mentions in the Index are important.

The think tank index and report, produced by James G. McGann, director of the Lauder Institute’s [Think Tanks and Civil Societies Program](#) (TTCSP) at the University of Pennsylvania, was released late last month. McGann is always extremely transparent about his methodology and the challenges he faces. He does not have long-term staff or a developed donor base, for instance. But despite certain weaknesses, his publication is the only effort to track and quantify the work of think tanks around the globe.

The discussions between think tank leaders that precede the report are usually off the record and not for attribution (that is, they follow the so-called Chatham House rules). This time, due to the pandemic, the presentation was online and has been recorded for everyone to see. The focus of the discussion was again self-reflection and existential questions: why do think tanks still matter in times of crisis? The title of the discussion was already written with an answer in mind.

After Donald Trump, Brexit, and Jair Bolsonaro, the “Embassy Row” think tanks, as well as many of their London and German peers, wondered how it all happened. Why did voters reject the wisdom coming from their analyses? But not all think tanks read the tea leaves wrong. The [Heritage Foundation](#), for example, had a former president, Ed Feulner, on Trump’s campaign team. It also had several insiders pushing for Brexit, and also some who understood the importance of Jair Bolsonaro’s unlikely victory for the Americas. This helped Heritage’s rankings, but now, at least in the United States, its influence will be measured more by what it can stop the administration from doing than by its efforts to promote market liberalization.

It is understandable that all think tank leaders argue that think tanks always matter, especially in times of crisis. A few participants in the pre-release Index discussions, though, were consumers of think tank products rather than think tank representatives. One such was Jacob Schlesinger of the Wall Street Journal, who lamented “the defunding of government functions.” Yet he ended up raising alarms about the high levels of government debt, as if these two factors were independent. At the start of the pandemic, taxes in relation to GDP were the highest ever recorded in the OECD. Blaming the Covid-19 crisis on the weakening of government, or distrust, does not correlate well with what happened and is happening in the U.S. or globally.

David Sanger, national security correspondent for the New York Times NYT -0.1% and a veteran journalist whose career spans 38 years, was one of the few in this year's discussions who cautioned think tanks not to fall into the trap of speaking to themselves. He mentioned that "we inhale the same fumes every day," which is dangerous – and it affects the media as well as think tanks. He argued for the need to have a narrative that reaches those who distrust institutions, sectors where "think tanks are seen as the theater of the Deep State." Sanger prefaced some of his comments with the humble recognition that in recent polls, media like his are held in even lower regard than Congress and lawyers. From the think tank world, only Carlos Lagorio, head of CARI (a foreign affairs think tank based in Argentina) made a similar case to to pay attention to "we the people" and not just to elites.

There are more than 8,200 think tanks in the TTCSP database. Although almost 45,000 people are invited to fill the survey, just under 4,000 complete at least part of it. Voters include university faculty and administrators, journalists, policy makers, think tank players, and donors. Given the large number of think tanks listed in the main report, in my rankings I focus just on organizations that favor the free economy. This is the sector where I work and that I know best. The Heritage Foundation again had more nominations than any other free-market think tank, appearing in 26 categories. As in previous reports, the Brookings Institution was again the highest-ranked group overall. Not counting its foreign affiliates, Brookings received 34 nominations. The Japan Institute for International Affairs, which had achieved some top ten positions in the past, was listed as the top institute in the world. In total it received nominations in 14 different categories.

Among market-oriented think tanks, Canada's Fraser Institute and the Cato Institute were just behind Heritage, with 22 and 21 nominations respectively. Fraser's budget, approximately \$10 million, continues to be a fraction (approximately 15%) of that of Heritage, and one-third that of Cato. Fraser ranked first overall in Canada and topped all other free-market-oriented institutes in the category of domestic health-policy studies, as well as in social policy. The Heritage Foundation also maintains its Center of Excellence status in the category that ranks public policy influence. With the presidency of Joe Biden, though, that top place in the report will likely pass to a different Washington-based think tank.

Among the weaknesses of the index is the lag in including some major changes. China's Unirule Institute, for example, which closed its doors in August 2019, continues to be ranked, and received 11 nominations, the same as last year. I still included them in the table since their website, which most of their activities from before the group's folding, is still up. Given today's political situation in China, even if Unirule comes back to life I doubt it would be as independent as in the past.

In Europe, the U.K.-based Adam Smith Institute (ASI) continues to gain more nominations than any other free-market think tank. The institute is open to market-oriented interventions, from public funding for private health care to some sort of basic income, but is still controlled by two longtime free-market economists: Madsen Pirie and Eamon Butler. And since branding is important, being named after Adam Smith helps with Index voters aligned to free-market causes.

The Institute of Economic Affairs (IEA), also in the U.K. and with a budget roughly five times larger than that of ASI, also made my personal top-20 list, but it attracted only six nominations.

Both ASI and IEA have devoted considerable resources to reaching the young. ASI devotes almost half of its resources to programs that involve younger intellectuals and freedom activists.

In continental Europe, the Foundation for Analysis and Social Studies (FAES), founded by former president of Spain José María Aznar in 1999, continues to receive a good number of votes. FAES's budget was greatly reduced after it became independent of the Popular Party, but it remains active and is recognized by its peers. A new party-affiliated think tank, Fundación Disenso, was recently launched in Spain. Its board is headed by Santiago Abascal, leader of the Vox party, which has a similar free-market agenda but is more active than FAES in conservative values. Disenso (*dissent* in Spanish) tapped two talented think-tankers as leaders of the foundation: Jorge Martín Frías, formerly of RedFloridablanca, and Eduardo Fernández Luiña, who formerly headed the more libertarian Instituto Juan de Mariana in Madrid. With the growth of Vox, which yesterday came way ahead of the Popular Party in the elections in Cataluña, we might soon see Disenso appear in the rankings.

How do free-market think tanks fare in different categories? In Table 2 I include the leading free-market think tanks in 20 categories. There are many other categories, but free-market think tanks sometimes do not appear in them.

Outside North America and Europe there are several think tanks that also excel, such as Chile's Libertad y Desarrollo, a multifaceted organization. Also worthy of mention are the heroic efforts of CEDICE in Venezuela, working in extremely difficult conditions with a government hostile to free-market views. Another of the leading-market oriented think tanks in the world, based in tiny but often exemplary Uruguay, is the Centro de Estudios de la Realidad Económica y Social (CERES). CERES's longtime leader, economist Ernesto Talvi, recently ran for president of the country and ended up becoming foreign minister, a job he did not find suited to his talents. He resigned but did not return to the think tank. To replace him, CERES tapped Ignacio Munyo, an outstanding and respected economist and former nonresident fellow at Brookings' Global Economy and Development program. Munyo had previously been doing a stellar job at a think tank within the University of Montevideo, a private university founded in 1986 and officially authorized in 1997, which has been ranked number one or two in Uruguay for the last five years.

As usual, I end with an apology to think tanks whose leaders think that I should have included them as a pro-free economy think tank. Categorization, however, is not an exact science. For instance, I track the work of the Center for Strategic and International Studies (CSIS), which received many nominations (21) and will likely have more influence on the Biden administration than it had on that of Trump. Its work is similar to that of Hudson Institute, but since CSIS focus on economics is mostly through the lens of national security and strategy, I list them in the same category as Brookings.

My recommendation to all who work with think tanks and want complete information is to read the report, which since being posted online by the University of Pennsylvania has been downloaded 34,000 times. James McGann is always looking for partners who will help to bring extra resources to his work and contribute with constructive suggestions on how to improve the Index. If you read his work, send him your comments. His work helps to map an important sector of civil society that is relevant to business, government policy, and the future of freedom.