

Suman Bery: Taking think tanks seriously

India's think tanks need to diversify their support to enhance their contribution

Suman Bery / December 14, 2010, 0:06 IST



At a time when the Indian economy is once again booming, domestic politics is in turmoil and the fate of the euro is in the balance, some justification is needed to devote a column to India's economic policy research organisations, more commonly referred to as "economic think tanks".

I can offer two reasons. This month marks the end of ten exciting years for me as the director-general of the National Council of Applied Economic Research (NCAER). As I prepare to hand over to my successor, this seems a good moment to reflect on some of the challenges facing this profession in India.

The last few weeks have also seen the official launch of the Think Tank Initiative (TTI) in South Asia. The Think Tank Initiative is a multi-agency effort administered by the International Development Research Centre (IDRC) of Canada, dedicated to the belief that strong, well-funded, autonomous local policy research organisations can make a significant contribution to consideration and discussion of rational, evidence-based economic and social policy in developing countries*.

This global initiative began by funding 24 institutions in East and West Africa, selected through a competitive call in 2008. The programme was extended to countries in Latin America and South Asia in 2009. Sixteen South Asian institutions were selected as grantees, of which nine are from India. NCAER is fortunate to be selected as one of these nine Indian awardees.

The consortium of donors has committed around \$110 million to support the global programme of which \$65 million has already been allocated to the grantee institutions. All institutions have been assured of stable support for several years, designed to give them the freedom to build core capacity in specific areas.

Writing in *The Hindu* (October 26, 2010) on the eve of the official South Asia launch, IDRC President David Malone (a distinguished academician and a former Canadian high commissioner in India) observed that the programme sought to support "sophisticated multi-issue research centres that can (among other strengths) relate and sometimes prioritise issues relative to each other".

India needs to aim higher. Policy research on economic development dates to the 1950s, and was stimulated largely by funding by the major foreign aid agencies in the midst of the Cold War. One result was the creation of important centres of applied development research in the advanced countries, often linked with the great universities. As this initial wave wound down, leadership in development research passed in considerable measure to the multilateral agencies, particularly the World Bank and the International Monetary Fund.

With the transition of the major developing countries to the status of emerging markets, it is appropriate that the next wave of globally significant research centres be located in the leading emerging markets, India included. Unlike the first wave, credibility will depend not just on quality and rigour, essential as these are, but also on local relevance and impact.

As India's fast economic growth has become more firmly established, there has been a notable pick-up in visitors to NCAER from a range of developing countries (Africa, the Gulf), seeking a better understanding of "the Indian model". There is also a perceptible desire to understand this experience directly, rather than being intermediated through the filter of the multilateral agencies.

Two questions arise. Given the impressive international commitment to local capacity development that the TTI represents, what else needs to happen to help us grasp these opportunities? How would India as a whole benefit if we succeeded?

When NCAER was set up in 1956 (with the generous support of the Ford Foundation), its mission was to provide independent advice and analysis to

both government and the private sector in support of India's economic development. Even though the Planning Commission was actively involved in its creation, there was concern that a "think tank" within government could not be sufficiently neutral or objective. NCAER was set up as a board-run, non-profit, membership-based organisation. By its charter, it was expected to support itself through contract research for at least two reasons: first, because there was no other funding model available and, second, to ensure that its work programme addressed practical problems rather than reflecting the intellectual interests of its staff.

Today, 54 years later, many elements of this "business model" are increasingly unviable. While contract research for government remains an important part of our portfolio, it is becoming an increasingly unsatisfactory business. Output is delayed or suppressed by mid-level bureaucrats, payments are sometimes withheld even for completed work, and different officials or departments hold widely differing attitudes to public disclosure or publication of the contracted work. This is obviously not an environment conducive to professional development.

As Sanjaya Baru noted in a column in this paper earlier this year ("Indian minds, foreign funds"; Business Standard, August 9, 2010), the outcome has been to drive many such organisations to avoid contact with government if at all possible. While his concern was with foreign policy think tanks, the incentives facing economic think tanks are not very different. Meanwhile, a long-established consensus that the activities of such institutions should be tax-exempt has been upset by recent changes in the law, perhaps reflecting abuse of these provisions by newer players.

Finally, efforts by Indian think tanks to become regional centres of excellence are being frustrated by increasingly restrictive visa restrictions on visits by scholars for seminars or for research. I remember a leading American academician once remarking to me that, because of visa uncertainty, she recommended that only her students of Indian origin take up a career of research on India. A recent notification from the Ministry of Home Affairs has now clarified that even holders of OCI cards need to seek permission to undertake research on India.

International research on the role of think tanks suggests that they come into their own once the business sector begins to feel that it benefits more from rational policies rather than specific rent-seeking. Outsiders seem willing to bet that the time has come for this transition in India. It will be interesting to see if our own corporate and foundation sector follows suit.

*Apart from the IDRC, donors include the Hewlett and Gates Foundations, and the British and Dutch governments

The author is director-general, National Council of Applied Economic Research, and member, Prime Minister's Economic Advisory Council. The views expressed are personal