

POLITICAL ECONOMY

IN THE CAROLINAS

EXCHANGE OPPORTUNITIES BETWEEN THINK TANKS AND ACADEMIA: ALLOCATION VERSUS SYMBIOSIS IN THE STRUCTURE OF INTELLECTUAL PRODUCTION

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Are think tanks primarily middlemen of ideas that translate academic work for activists and policy makers? Is a crisis, real or imagined, necessary for reform? I treat reform as an economic production process and contrast the allocation and exchange paradigms for modeling how think tanks and academia coordinate efforts to produce institutional change. A traditional model of the intellectual structure of production maintains a linear supply-chain approach, with academics as idea originators. This traditional model implicitly treats intellectual production as a problem of resource allocation. Yet, when viewed instead through the exchange paradigm, the intellectual structure of production resembles a dynamic network of symbiotic relationships. As technologies of idea dissemination advance, coordination between think tanks and academics increasingly resembles a multidimensional, multidirectional network of nonmarket-exchange opportunities. In the resource-allocation paradigm, donors seek a return on investments within particular stages of intellectual production, but when the structure of intellectual production is viewed through the exchange paradigm, the better question may be how to support exchange opportunities between academics and think tanks.

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We do not say that the production of potatoes is economic activity and the production of philosophy is not. We say rather that, in so far as either kind of activity involves the relinquishment of other desired alternatives, it has its economic aspect. There are no limitations on the subject matter of Economic Science save this.

— Lionel Robbins, *An Essay on the Nature and Significance of Economic Science*

The . . . approach that I suggest places “the theory of markets” and not the “theory of resource allocation” at center stage. . . . The same basic data are central to the allocation approach and the exchange approach. But the interpretation of these data, and even the very questions that we ask of them, will depend critically on the reference system within which we operate.

— James M. Buchanan, *What Should Economists Do?*

I. INTRODUCTION

The history of political economy marks numerous episodes of liberal policy reforms. Table 1 provides a non-exhaustive list of such reforms in the recent experience of the United States, spanning the end of military conscription in the 1970s to the still-unfolding reforms of asset forfeiture today. Similar recent examples globally include Britain’s industrial denationalization, Russia’s perestroika, and China’s economic zones. The list goes on. Even brief reflection on these episodes underscores their political-economic complexity and the confluence of many

factors leading up to them, and each would require its own body of work.² Yet even in broad focus, these reform episodes also have in common a basic characteristic: institutions change, and an old status quo idea gets replaced with a new and different idea.

In this paper, I ask how academics and think tanks coordinate their efforts to help create policy reform. In doing so, I aim to clarify some widely held beliefs about how reform comes about. For example, a traditional view is that think tanks serve as middlemen of ideas, translating academic work for activists and policy makers. I argue instead that think tanks and academics actually work together and exchange with one another to help form policy. Another widely held belief is that crises, real or imagined, are needed for reform to happen, and the role of think tanks and academics is to ensure that sound ideas are available for adoption when a crisis comes along. A related view is that ideas have consequences when their time has come. I argue instead that any of a broad set of factors—which John Stuart Mill describes as “favorable outward circumstances”—can arise to catalyze reform and that neither crises nor ideas alone are either necessary or sufficient for reform.

Over the years, many classical liberal political economists have studied the process of policy reform. I treat institutional change as an economic activity—as a production process that features trade-offs, in the spirit of the epigraph by Lionel Robbins. How, for example, do certain ideas and not others come to determine policy change? In taking this approach, I join a long tradition of

2. See Kingdon (2011) and Cairney and Jones (2016) for introductions to the policy-agenda literature, which maintains that policy reform is a complex confluence of numerous factors that include yet also transcend the importance of either ideas or crises. Similarly, see Karlson (2018), Rodrik (1996, 2014), and Leighton and López (2013) for treatments of liberal reforms as the tension between ideas and interests over status quo institutional arrangements.

classical liberal scholarship that collectively forms what I describe as the traditional structure of intellectual production. This traditional structure, I argue, construes reform as a problem of resource allocation and therefore is to blame for widely held misconceptions about the causes of liberal reform. To avoid these errors, I argue that classical liberals can conceive of intellectual production in the spirit of James Buchanan's epigraph. Briefly put, we should think of reform as a problem of symbiosis, or nonmarket exchange, not as one of resource allocation. In the symbiotic point of view, the structure of production is a network, and the division of labor overlaps and interleaves in multiple layers. The various producers—academics, think tanks, activists, policy makers—discover their respective comparative advantages and adapt them to new technologies of idea dissemination. And liberal donors are relieved of seeking compartmentalized returns, instead supporting the overall climate of ideas and reducing transaction costs of nonmarket exchange among producers of liberal ideas.

In section II, I sketch the traditional supply-chain approach from the ideas of John Maynard Keynes, F. A. Hayek, Milton Friedman, and John Stuart Mill. Bits and pieces of this work do suggest that ideas and crises are sufficient for institutional change, but a more complete review underscores the role of nonmarket entrepreneurs and favorable conditions combining to produce reform. In section III, I scrutinize the traditional supply-chain approach with short reviews of specific reform episodes and efforts to measure think tank effectiveness. In section IV, I sketch the alternative symbiosis

approach, focusing on how think tanks and academics coordinate and cooperate in multidirectional nonmarket exchange. In this view, academics supply valuable goods to think tanks, but the reverse is also true. I conclude with a discussion of future research and implications for donor strategy.

II. THE SUPPLY-CHAIN APPROACH

As mentioned above, classical liberal political economists have been thinking about the process of reform for centuries. Table 2 helps to organize the main highlights and takeaways of this tradition. To begin reviewing this work, I first turn my attention to the final lines of *The General Theory of Employment, Interest and Money* by John Maynard Keynes (1936). Parts of this passage are well known in classical liberal circles, but this lengthy quote when taken as a whole offers helpful insight for the purposes of this paper. It is also noteworthy that these are the points Keynes chose to end his famous book with. He maintains that

if the ideas are correct . . . it would be a mistake, I predict, to dispute their potency over a period of time. At the present moment people are unusually expectant of a more fundamental diagnosis; more particularly ready to receive it; eager to try it out, if it should be even plausible. But apart from this contemporary mood, the ideas of economists and philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the

air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil. (38)

Here Keynes does more than display his pen's colorful prowess; he draws attention to (at minimum) two factors key to understanding how ideas do battle over institutions. First, ideas must overcome vested interests of the status quo in order to be implemented. This helps us to focus on the two sets of ideas that matter for the task at hand: the ideas of the status quo and the ideas of different alternatives. Second, ideas do not do the work on their own but instead rely on people to innovate ideas, to craft and hone them, to persuade people in the public discourse of their merits, and ultimately to do the nitty-gritty work of implementing them. Without the academic scribbler, there is no innovation, and without the practical men, those madmen in authority, there is no implementation.

What about the think tank? By drawing a direct link from academics through public opinion to policy makers, Keynes implicitly skips over the role of think tanks and other potential intermediaries. To close this gap, we can turn to another famous liberal work, F.

A. Hayek's "The Intellectuals and Socialism." Again, parts of this passage are well known, but taking it as a whole provides relevant insight:

[The intellectual's] function . . . is neither that of the original thinker nor that of the scholar or expert in a particular field of thought. The typical intellectual need be neither: he need not possess special knowledge of anything in particular, nor need he even be particularly intelligent, to perform his role as intermediary in the spreading of ideas. What qualifies him for his job is the wide range of subjects on which he can readily talk and write, and a position of habits through which he becomes acquainted with new ideas sooner than those to whom he addresses himself. . . .

The class [of intellectuals] does not consist of only journalists, teachers, ministers, lecturers, publicists, radio commentators, writers of fiction, cartoonists, and artists all of whom may be masters of the technique of conveying ideas but are usually amateurs so far as the substance of what they convey is concerned. . . . There is little that the ordinary man of today learns about events or ideas except through the medium of this class and outside our special fields of work we are in this respect almost all ordinary men, dependent for our information and instruction on those who make it their job to keep abreast of opinion. It is the intellectuals in this sense who decide what views and opinions are to reach us, which facts are important enough to be told to us, and in what form and from what angle they are to be presented. Whether we shall ever learn of the results of the work of the expert and the original thinker depends mainly on their decision. . . . Even where the direction of policy is in the hands of men of affairs of different views, the execution of policy will

in general be in the hands of intellectuals. (Hayek [1949] 1960, 372)

Despite Hayek's litany, he does not mention think tanks as being in the intellectual class. This is partly because he is emphasizing individuals rather than organizations as intellectuals, but also partly because of the historical reality that think tanks in the twenty-first-century sense were exceedingly rare at mid-twentieth century, when he wrote "The Intellectuals and Socialism." Nonetheless, it seems unarguable that think tanks as we know them today do fit squarely into Hayek's middleman-of-ideas role.

The traditional supply-chain approach comes into view by noticing the commonalities between Keynes and Hayek, as table 2 summarizes: (1) the originators of ideas ("academic scribblers," and "scholar" or "original thinker"); (2) the broadly constraining or motivating role of public opinion ("contemporary mood," and "views and opinions" of "the ordinary man"); (3) the passage of time ("soon or late," and "sooner than those"); and (4) the implementers or policy makers ("madmen in authority," and "men of affairs"). Yet there are two main areas of difference. First is Keynes's emphasis on the status quo, guarded by vested interests, which we might think of as constraints on policy makers against implementing different ideas. Second is Hayek's intermediary role of the intellectuals, which fits in time between items (1) and (2) above.

To complete the traditional approach, we next consult J. S. Mill and then turn to Milton Friedman. Writing in response to a popular booklet titled *The Claims of Labour*, by Arthur Helps ([1845] 2010), Mill is motivated to

"make a stand against" Helps's "fashionable subject," which calls for state redistribution to laboring and impoverished classes. "If we go on this course," Mill ([1845] 1967) writes, "we may succeed in bursting society asunder by a Socialist revolution; but the poor, and their poverty, we shall leave worse than we found them" (374). Mill seeks to chart a better course by placing "before the public" the "fundamental principles of Adam Smith." To wit, the first duty toward the poor is to "abstain from directly counteracting" their circumstances: Mill advocates repealing the Corn Laws and every other "restriction, every hindrance, which legal and fiscal systems oppose to the attempts of the labouring classes to forward their own improvement" (385). Here Mill specifically mentions education policy and economic regulation, so in this piece itself he is therefore engaged in the battle between liberal and illiberal ideas over institutional arrangements. The outcome, Mill argues, depends not only on the people who innovate, distill, and agitate for those ideas but also on the worldly circumstances of the time: "Ideas, unless outward circumstances conspire with them, have in general no very rapid or immediate efficacy in human affairs; and the most favourable outward circumstances may pass by, or remain inoperative, for want of ideas suitable to the conjuncture. But when the right circumstances and the right ideas meet, the effect is seldom slow in manifesting itself" (370).

Fast forwarding to 1982, Milton Friedman's ([1962] 1982) preface to the twentieth-anniversary edition of his *Capitalism and Freedom* echoes Mill's "outward circumstances" and Keynes's "vested interests": "There is

enormous inertia—a tyranny of the status quo—in private and especially governmental arrangements. Only a crisis—actual or perceived—produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable” (ix).

The above insights combine to form what I describe as the traditional approach to idea implementation. Academics supply some set of innovative ideas. Intellectuals, in turn, craft and hone those ideas for consumption by mass audiences including the general public, policy makers, and policy makers’ staffs in civil service. Some time passes until certain favorable conditions or outward circumstances emerge, at which point the politically inevitable compels the madmen in authority to demote the interests of the status quo and implement a different set of ideas in institutional arrangements. No amount of time will be sufficient for an idea to be implemented if the intellectual class is opposed to that idea, if favorable conditions do not emerge, or if the interests of the status quo are sufficiently powerful.

In this traditional approach, think tanks and academics are necessary but are not sufficient for implementing liberal ideas. Furthermore, the traditional approach implies a sort of supply-chain view: the ideas of academics are inputs to think tanks, whose outputs in turn are inputs to policy makers. In other words, academic scholars produce intermediate goods that include original research, scientific legitimacy, and

highly trained graduates. Think tanks, in turn, combine the output of academics with other inputs such as public relations, fundraising, event planning, publishing, and distilling content for communication to mass audiences. All this is directed toward the goal of producing the final good, namely institutional change. In this way of thinking, the relationship between academia and think tanks is unidirectional. Academics are the originators of ideas, and think tanks are enterprises that seek to implement those ideas.

III. DO THINK TANKS MATTER IN THE TRADITIONAL VIEW?

To what extent can the supply-chain approach be detected in particular policy episodes—for example, the liberal institutional changes discussed in the introduction? Table 1 provides a non-exhaustive list of liberal policy reforms taken from the experience of the United States. A bit of reflection on these episodes will underscore their complexity and the confluence of factors leading up to them. Each would require its own lengthy case study to be thoroughly understood. For the present paper, we can merely ask: to what extent can the liberal institutional changes in table 1 be described by the traditional supply-chain model? A general response does not come easily, but certain episodes illustrate various components of the process. In the case of airline deregulation, an academic literature on economic regulation emerged in the 1960s. In 1970, the RAND Corporation founded the *Bell Journal on Economics and Management*. During the 1970s, the Brookings Institution and the American Enterprise Institute hosted

conferences and sponsored policy papers that cited heavily the academic literature on economic regulation. When political leaders took interest, the ideas were honed and ready in Friedman's sense. By 1978, legislation was passed that ended the federal government's setting of airline rates and routes, a triumph for liberal ideas in the production of which think tanks played a pivotal role.³

In similar fashion, tort-reform legislation in 2005 evidenced the supply-chain model. Academic research in the 1990s had demonstrated theoretically and empirically how adverse incentives were leading to widespread inefficiencies, inequities, and general distortions of markets through frivolous lawsuits. These points were packaged and transmitted to mass audiences through popular yet still scholarly books published by think tanks. Policy papers helped break the issues down for policy makers and their staffs, who began rewriting the rules of civil procedure to create what would become the Class Action Fairness Act of 2005. That legislation is a good example of a policy reform that was achieved through coordination of various specializations and comparative advantages among idea entrepreneurs.⁴

Briefly put, episodes such as airline deregulation and tort reform allow the path of ideas to be traced fairly clearly from the academic scribblers through the intellectual class, including and perhaps especially think tanks, and on to Keynes's madmen in authority. Such episodes provide a measure of vindication for the supply-chain model.

On the other hand, in many areas of policy reform, we see multiple think tanks working on the same issue over a sustained period, and either nothing happens or it becomes difficult to parse the contributions of individual think tanks. Similarly, it often seems plausible that think tanks are more reflective of ongoing change and less its lever. For example, populist movements have been primarily responsible for waves of liberalizing legislation such as the eminent domain backlash against the Supreme Court case *Kelo v. City of New London* (2005). Even more worrisome for the traditional model, reform episodes often evince a direct line of influence from academics straight to the madmen in authority. This direct link from academic ideas to policy maker implementation occurred with spectrum-license auctions (Coase 1959), floating exchange rates (Mundell 1963 and Fleming 1962), education vouchers (Friedman 1955), and the end of military conscription (Friedman 1962). What's more, some analysts have concluded that think tanks contribute little to institutional change, instead ascribing more influence to activists and lobbyists.

In pursuit of a more general (and favorable) empirical treatment of think tanks, some scholars have attempted to measure think tank effectiveness and to rank think tanks on a uniform scale. The annual *Global Go To Think Tank Index* (McGann 2021) is perhaps the best known of these efforts. It is also comprehensive, covering more than 6,500 think tanks worldwide. The index is generated by survey responses converted to a series of factors designed to capture a think

3. My coauthor Wayne Leighton and I discuss this further in our book *Madmen, Intellectuals, and Academic Scribblers: The Economic Engine of Political Change* (Leighton and López 2013).

4. For more detail, see the case study on tort reform in my edited volume, *The Pursuit of Justice: Law and Economics of Political Institutions* (López 2010).

tank's overall reputation, the managerial soundness of its leadership, the scholarly caliber of its analysts, the impact of its publications and events, and its relations with sponsors and donors. The report does not publish the survey instrument, nor does it indicate the raw scores think tanks receive in the various categories. Instead, it simply ranks the think tanks.⁵

An alternative approach would be to account for observable data rather than to elicit the perceptions of survey respondents. One example of this is offered by the Washington-based think tank the Center for Global Development (Clark and Roodman 2013, updated 2015). Intended to proxy each think tank's effectiveness by measuring its public profile, Clark and Roodman's approach measures a think tank's activities in five categories—namely, Facebook and Twitter followers, website traffic, incoming links, media mentions, and scholarly citations. The data are normalized to a 0–10 scale and presented in absolute levels and dollar-adjusted levels weighted for each think tank's total budget. Other surveys of think tank effectiveness include Claveau and Veillette (2020), Drezner (2017), and Rich (2004).

What are these studies measuring with reputational surveys, social-network presence, web traffic, press coverage, publication counts, and research citations? It is not the effect of ideas on institutional change.

Instead, these rankings appear to capture proxies for those desired outcomes. These proxies can be valuable insofar as they are directly or indirectly related to a think tank's influence on the climate of ideas and public opinion. However, such an influence does not necessarily map onto institutional change. Both the McGann and Clark-Roodman reports repeatedly express keen awareness of these empirical limitations and the general difficulties associated with measuring think tank effectiveness. Yet rankings do have their appeal, and so the authors proceed to measure anyway, however imperfectly, as though looking for the proverbial lost keys under the lamppost because that is where the light is good. This is understandable because the real problem of measuring think tank effectiveness is formidable. And there is value in developing the technology to measure real-time performance through proxies.

That said, if we consider how to approach the task with precision, a measure of a think tank's performance needs to capture its *marginal* effect on the relevant status quo. Viewed through the lens of economic theory, this is conceptually very simple and straightforward. But unlike market competitors, idea competitors lack the informational feedback of clear success and failure metrics. What are a think tank's deliverables? How does it demonstrate its rate of return to its investor-donors? This is not as

5. Hosted by the Think Tanks and Civil Societies Program at the University of Pennsylvania, the 2020 edition of the *Global Go To Think Tank Index Report* explains the goal of the project: "TTCSP works with leading scholars and practitioners from think tanks and universities in a variety of collaborative efforts and programs and produces the annual Global Go To Think Tank Index that ranks the world's leading think tanks in a variety of categories. This is achieved with the help of a panel of over 1,796 peer institutions and experts from the print and electronic media, academia, public and private donor institutions and governments around the world. We have strong relationships with leading think tanks around the world, and our annual think Tank Index is used by academics, journalists, donors and the public to locate and connect with the leading centers of public policy research around the world. Our goal is to increase the profile and performance of think tanks and raise the public awareness of the important role think tanks play in governments and civil societies around the globe. Since its inception in 1989, TTCSP has focused on collecting data and conducting research on think tank trends and the role think tanks play as civil society actors in the policymaking process" (McGann 2021, 2).

straightforward as a for-profit corporation's referring stockholders to its profit-and-loss statement, or even a newspaper's showing advertisers its circulation numbers. A market entrepreneur is guided by relatively clear feedback mechanisms: profit and loss denominated in units of currency. By comparison, an idea entrepreneur is guided by more nuanced, murkier criteria. This problem is compounded by the long and uncertain separation in time between a think tank's everyday activities and the eventual and ultimate outcomes it aims to achieve. How might we measure and rank the efforts of think tanks today in terms of their payoffs that materialize at some unknown and perhaps distant future time and are denominated not in the numeraire good but in units of incremental institutional change? Given the nature of competition in ideas, the empirical task of precisely and systematically measuring think tank effectiveness would seem to be impossible.

While this measure seems elusive, it is plausible that the problem is more the traditional supply-chain model than measuring think tank effectiveness. Examined through a slightly different approach, the coordination of academic and think tank efforts is not necessarily unidirectional, and the effectiveness of think tanks becomes more empirically approachable. There is more to academics than being the originators and suppliers of abstract ideas, and there is more to think tanks than serving as middlemen of ideas.

IV. THE SYMBIOSIS APPROACH

The reader may have noticed that the supply-chain model lends itself to a vertical-

integration view of the intellectual structure of production. For example, suppose you are a classical liberal seeking to optimize the effectiveness of liberal ideas at achieving liberal institutional change. Under the supply-chain view, the question would arise of the extent to which investments in liberal ideas should vertically integrate the operations of universities, think tanks, activist organizations, and political participants. This would prove to be a difficult question to answer, for the same reasons why empirically measuring think tank effectiveness in the supply chain is nearly impossible. Alternatively, we might view the interaction of academics and think tanks not as a linear flow but instead as a multidirectional and multidimensional exchange network. In this alternative view, a different question arises: how might mutually beneficial opportunities for exchange among idea entrepreneurs be maximized in some way other than vertically integrating stages of production? The familiar Coasean answer is to reduce transaction costs. A related response derives from viewing the intellectual structure of production as an arena of nonmarket exchange, as in the Buchanan epigraph.

Buchanan's (1964) fundamental argument is that economists should treat economic action as an evolving process of exchange rather than a problem of optimizing allocation, both in market settings with monetary exchange and in nonmarket settings such as the arena of ideas. A single acting unit, such as Robinson Crusoe, is not an appropriate starting point for doing economics. Rather, economics begins only at the point when more than one actor becomes involved (when Friday arrives), and when the two or more actors face

problems in associating with each other. In this general setting, conflict is possible, but if the individuals are to improve rather than worsen their conditions, then “a wholly new sort of behavior [must] take place, that of ‘exchange,’ ‘trade,’ or ‘agreement’” (218). The appropriate method for studying such a setting can be called “catallactics” or “symbiotics,” which Buchanan defines as the study of dissimilar organisms forming an association that is mutually beneficial even though the individuals’ interests may be different. Buchanan writes, “This mutuality of advantage that may be secured by different organisms as a result of cooperative arrangements, be these simple or complex, is the one important truth in our discipline” (218).

The potential for conflict between think tanks and academics is real. Think tanks see academics as too frequently impertinent in their subject matter and too prone to treat policy implications as an afterthought, and they see academics’ work as too abstract to be useful beyond small circles of expert elites. For their part, academics are prone to view think tank scholars as less than serious, and rarely do policy papers or other think tank publications contribute to promotion or tenure. However, a closer look reveals that think tanks and academics do coordinate and cooperate with each other, both voluntarily and frequently, presumably in pursuit of mutual advantage through complementary specializations. In this symbiosis view, academics do supply valuable goods to think tanks, but the reverse is also true. Think tanks provide organizational and financial infrastructure to disseminate ideas. Further, think tanks produce content that can be used

by academics, including videos and articles for teaching, events in real and virtual space that create forums in which academics can interact with others, data sets for research, and more. Think tanks and academics also tend to adopt different technologies at different rates, and they learn from each other. The exchange between academics and think tanks is multilateral, complex, and frequently not mediated by money.

This kind of symbiotic exchange that shapes policy can be seen in fiscal policy reforms in the United States, for example during the 1980s at the federal level and during the 2010s in North Carolina. As recounted by Birnbaum and Murray (1988) and others, the major federal tax reforms of the early 1980s culminated in the 1986 Tax Reform Act, which reduced the number of tax brackets and decreased marginal tax rates while broadening the tax base by tightening various exemptions, deductions, and credits. Birnbaum and Murray recount the many detailed exchange relationships that led to the landmark legislation. Many academic ideas were cast aside during the process, such as a flat tax and a consumption tax. Furthermore, it was not a crisis or emergency that led to the policy change, although the twin recessions of the early 1980s did contribute to a climate amenable to change. As Buchanan (1987) describes in a piece commissioned by the *Journal of Economic Perspectives*, a major yet under-appreciated impetus was the interest of policy makers as a whole. In Buchanan’s account of this episode, the outcome was the result of political exchange among a nexus of competing interests, including and especially the policy makers themselves. Policy makers and lobbyists were successful

idea entrepreneurs in their own right who made explicit attempts to convince people that the reforms would be revenue neutral. Buchanan writes, “This interpretation of the events of 1986 suggests that the reform exercise may have been promoted by political entrepreneurship of self-interested agents who exploited the temporary coincidence between their own and general constituency interests” (33).

North Carolina’s tax reforms of the 2010s further illustrate aspects of the symbiosis approach. Culminating in 2013, these reforms reduced corporate and personal income tax rates and broadened the tax bases, in broadly similar fashion to the 1986 federal reforms. One think tank—the John Locke Foundation, based in Raleigh, North Carolina—for more than a decade prior to 2013 had been publishing policy papers, editorials, and a biennial policy guide.⁶ In the 2010 election, North Carolina voters opted for unified government, with one party controlling both chambers of the state legislature and the governorship. This electoral change, combined with the adverse fiscal consequences of the Great Recession for North Carolina, created Mill’s “favorable outward circumstances.” While many think tank ideas were not selected into the final versions of reform (for example, a flat rate and a consumption tax), legislators did rely on the body of work that the John Locke Foundation had amassed. There were ideas lying around as a result of the foundation’s cumulative effort. Yet idea entrepreneurship was also a necessary ingredient in the reform.

Fiscal reform efforts also illustrate how

changing technology of idea dissemination blurred the specialization of think tanks and academia. López and Rial (2018) survey the major think tank literature on fiscal policy and construct a non-exhaustive, qualitative data set of seventy-seven fiscal policy studies written by seventy authors published between 2010 and 2015 by nine national think tanks spanning the ideological spectrum, including left-liberal, moderate, conservative, and libertarian (see figure 1). Of the seventy authors, twenty-six are academics and forty-four are non-academics. The authors can also be classified as *prominent* or *implementing*. Scholars are prominent if their work on fiscal policy has been frequently published, frequently cited or discussed in major media outlets, or frequently used in editorial commentary. They are deemed implementing if they have been directly involved with congressional testimony or if their work has been used or cited by congressional staff. Academic scholars tend to be more prominent according to these criteria, while nonacademic scholars are more implementing. But academics are frequently directly involved with writing think tank studies and implementing those ideas, and non-academics are frequently very active as scholars with sound research reputations. This suggests that insofar as think tanks and academics coordinate and cooperate significantly, much of their relationship is not one-directional.

Beyond fiscal policy space, think tanks can be observed making beneficial inroads into the academy. As relative specialists in communicating ideas, think tanks have been early adopters of certain technologies—

6. See Cordato (2013) for an entry point into this body of work

such as online forums, social media, and multimedia—early organizers of virtual and hybrid events and conferences, early creators of real-time statistics on online-content usage, and early generators of online content including teaching materials, magazines, issue briefs, and interviews. Likewise, academics have become active bloggers, produced instructional videos, conducted podcast interviews, and more. This blending of roles—facilitated by innovations in communication modes and technologies, many of which have been adopted early by think tanks—has imparted the ability to both academic and think tank scholars to specialize in their respective areas of expertise while also diversifying in communicating their ideas. Furthermore, the areas of overlap in think tanks’ priorities indicate relative importance and signal to policy makers where they should pay closest attention to look for reform opportunities. Think tanks can fruitfully coordinate and exchange not just with academia but with other think tanks. These developments were not feasible in the days of print media, except for the occasional academic who enjoyed the position of having a newspaper column. These developments, therefore, can serve as an aid for observing the transition from the traditional supply-chain intellectual structure of production to the model of a network of nonmarket exchange.

V. CONCLUSION

The one-directional supply-chain approach can make it difficult for many academics and think tank personnel to appreciate the effectiveness of the other side. But Buchanan (who, incidentally, almost never forayed

beyond the halls of academe himself) helps remind us that the interaction of academics and think tanks can be usefully understood as symbiotic exchange. Meanwhile, advances in the technologies of idea dissemination have generated more opportunities for such nonmarket exchange, and these opportunities are increasingly being exploited through the coordination of think tanks themselves and through multidirectional exchange between academics and think tanks. We can detect this in the blending of the roles of individual idea entrepreneurs, and the blurring of specializations of think tanks and academia, as more academic scholars become active in implementation space and as more think tank analysts establish more prominent scholarly reputations. The exchange lens renders intuitive the reality that academic and think tank scholars can specialize in the content of ideas while diversifying in their dissemination. Likewise, it adds some clarity to the mutual contributions of liberal academics and think tanks to surmounting illiberal status quos. This clarity, in turn, potentially carries implications for the strategies of donors in supporting reform. For example, in the traditional structure of production, donors might be led to seek returns on investment within each stage of production, and areas of higher perceived return could receive greater resources. The symbiotic-exchange paradigm suggests, alternatively, that resources could be fruitfully directed toward supporting the overall network and increasing the set of opportunities for exchange among think tanks and academics. Future research is invited to lend empirical relevance to this claim and to specify strategies that could be adopted.

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Table 1. Select Liberal Institutional Changes in the United States

1970s	1. End of military conscription 2. Floating exchange rates 3. Deregulation of airlines, pipelines, railroads, trucking
1980s	4. Income tax reforms: lower rates, fewer deductions 5. Education vouchers
1990s	6. Spectrum-license auctions 7. Electricity deregulation (some states)
2000s	8. Eminent domain restrictions (many states) 9. Tort reform 10. Welfare reform

Table 2. Common Factors between Keynes and Hayek on the Impact of Ideas

FACTOR	KEYNES	HAYEK
1. Originators of Ideas	"academic scribblers"	"scholar" or "original thinker"
2. Force of Public Opinion	"contemporary mood"	"views and opinions" of "ordinary men"
3. Passage of Time	"soon or late"	"sooner than those"
4. Policy Reactors	"madmen in authority"	"men of affairs"
5. Force of Stasis	Status Quo & Vested Interests	X
6. Intermediaries of Ideas	X	The Intellectual Class

Figure 1. Authors of Think Tank Fiscal Policy Reform Proposals by Status: Prominent or Implementing

