

## **7 AWAKENING A SLUMBERING ELEPHANT: CCS IN INDIA**

*Parth J. Shah, Centre for Civil Society (India)*

On my arrival in India in August 1997, after more than ten years of graduate studies and teaching economics in the United States, I resolved to be as self-sufficient in running my new Indian home as I was at manning my American apartment. Cleaning the bathroom and dusting the furniture were indeed more demanding here. When I spent more than half a day paying my first telephone bill, however, and several hours on the electricity bill, my resolve vanished into thin air. I felt utterly helpless; I hired a helper. The dehumanising effects of government monopolies (telecoms and electricity) were no longer a theoretical speculation in the classroom.

But how did I manage to get a house and a telephone to begin with? Rent control and tenancy laws make it nearly impossible to lease any space without close personal contacts. Proprietors not only receive (legal) rents below market rates, but are also in constant danger of losing the property to their tenants. I was fortunate in finding a well-wisher with an apartment with a telephone and gas for cooking. Yes, cooking gas is also a government monopoly. Economically rational laws and the sanctity of contracts were no longer mantras to be recited at classical liberal gatherings.

Widespread abuse of political power, close ties between politicians and criminals, flagrant violation of even basic human rights, censorship of books, plays, films and works of art vividly

demonstrated the government's control over not just the economic but also the social and cultural life of India. After her political independence from an alien state, India awaits her civil independence. It was to signify the necessity of economic, social and cultural freedom from the omnipresent Indian state that the Centre for Civil Society (CCS) was inaugurated on 15 August 1997, the 50th anniversary of India's political independence.

It is important to choose critical dates in the life of the institute with care. I capture here a few more observations and thoughts as I look back at the ten-year journey of CCS; it has indeed been a delightful and rewarding journey. Fortunately for me, I met my wife Mana through this work, and she is an even more uncompromising, enthusiastic and energetic champion of liberalism, pushing me as well as helping me to dream bigger and aim higher. Though I write this as a personal account, Mana and my former and current team members are all integral to and responsible for the achievements of CCS.

### **Why the Centre for Civil Society? Making a statement through the institute's name**

It was clear to me that in India the message of liberty would need to be framed differently to how it is framed in the USA – within the historical and cultural context of India. The USA is rather unique in that being free from the state is generally seen as a virtue and accepted as a desirable situation. With the exception of political freedom, which is primarily practised through ritualised frequent elections, statism is the main theme in India. The 'language of liberty', American style, would be too foreign to India.

Second, in the mid-1990s a philosophical battle began between

classical liberals and the statist about who would claim 'civil society'. Central Europeans, who revived the idea of civil society in the second half of the twentieth century, thought of it as the space between the family and the state. You do not choose your family and you must be a citizen of a state (at least as of now), and except for the obligations to the family and the state, everything else in life is voluntary. Voluntary action is the domain of civil society. In these theorists' conception, civil society included not only non-profit entities but also for-profit businesses. It was important that civil society be contrasted with political society, and not with business or capitalism. I decided to do my bit in this battle by choosing the Centre for Civil Society as the name of a classical liberal public policy institute in India.

Even though it was conceptually clear that in India the ideas of liberty would be best captured in the language of civil society and in the principles of subsidiarity and 'livelihood freedom', it took quite some time to articulate that approach clearly and consistently. The role of the state should be subsidiary to the role of the people and the government should do only those things that individuals and associations cannot do for themselves. Within the government, the first charge should be given to the local government, then to the state government, and only those tasks that cannot be done by the local or the state governments should be delegated to the central/federal government. This is the broad message that we tried to capture in various phrases. We oscillated among 'Working for a Freer India', 'Developing Ideas that Better the World', 'The Power of Ideas' and 'Social Change through Public Policy'. There is no doubt an apt byline is critical in marketing and branding an institute.

### The road to success: models and modes

Everyone in our business has heard the story of F. A. Hayek and Sir Antony Fisher and the formation of the Institute of Economic Affairs (IEA) in London. Looking at think tanks around the world and my experience at CCS, it is clear that there are several different roads to success. These can be summarised in the following five models:

- *Hayek-Fisher Model*: this focuses on the second-hand dealers in ideas – professors, authors, journalists – and works through the trickling down of ideas. Judges are generally not included but they could be one of the most important transmitters of ideas since their judgements set precedents and change the course of legal reasoning. The main tasks embodied in this model are research, writing and dissemination of ideas. Prime examples of the approach include the IEA (London) and the Cato Institute (Washington, DC). George Mason University’s law and economics programme has regularly conducted workshops for sitting judges in the USA.
- *Read-Harper-Rockwell Model*: this goes farther downstream than the Hayek-Fisher Model and focuses on students and young scholars. It bypasses the existing second-hand dealers in ideas by becoming the transmitter of ideas to the next generation. Fellowships, seminars, conferences and publications are the primary tasks. Several US-based think tanks are fine examples of this approach – the Foundation for Economic Education under Leonard Read (Irvington-on-Hudson, New York), the Institute for Humane Studies under F. A. Harper (Arlington, Virginia) and the Ludwig von Mises Institute under Llewellyn Rockwell (Auburn, Alabama). In a

few cases, fully fledged universities have been created, such as the Universidad Francisco Marroquín in Guatemala and the University of Asia and the Pacific in the Philippines.

- *Feulner-Bolick-Mellor Model*: this focuses on lobbying policy/lawmakers directly through policy papers, legislative analyses, individual briefings, policy breakfasts and press meetings. Unlike in the previous models, the success is directly visible, even though one might find it difficult to take credit for the success publicly. People in the specific community, however, know why the bill got changed or how it got passed. The Heritage Foundation in Washington, DC, which was founded by Edwin Feulner, is the granddaddy of this approach and a role model for many state-based think tanks in the United States. Judges are also lawmakers but typically it is illegal to lobby them directly on any specific case. Bringing properly chosen cases to court, however – if possible when the judges are likely to be sympathetic – could be a way to ‘lobby’ the judiciary. The Institute for Justice founded by Chip Mellor and Clint Bolick, based in Arlington, Virginia, has used this method very effectively and has brought about substantial shifts in the legal environment. The International Policy Network in London actively participates in formal meetings of international organisations such as the World Trade Organization and the World Health Organization to voice liberal positions from within. It brings outside pressure on these organisations through the regular publication of articles by local authors in the international media.
- *Chicago-Eastern European Model*: this approach does not worry about changing the larger intellectual and social climate; it attacks policies directly by securing positions of

power or by advising those who are in power. The ‘Chicago Boys’ in Latin America are one famous example. The break up of the Soviet Union created many opportunities for policy entrepreneurs to work closely with new governments, which lacked policy ideas and the experience and capacity to execute them. The Lithuanian Free Market Institute is one group that fully exploited such a situation; they not only issued policy ideas but also actually drafted bills and at times guided them through ministries and parliament.

- *The Proletariat Model*: different from the Hayek-Fisher Model, which targets intellectuals, or the Read-Harper-Rockwell Model, which focuses on young scholars; this model works directly with the proletariat. It mobilises large numbers of people and groups directly affected by state policies, such as street vendors, taxi drivers, sex workers and unemployed youth. Their primary objectives are to help these people to organise, to provide meeting places and financial support and to conduct mass rallies and stage media events. The Free Market Foundation of South Africa has had good success with this model.

These five models offer a matrix to understand the work of existing institutes. More importantly, they can help guide new think tank entrepreneurs in determining the focus that would be most effective in their country.

The focus of a new institute could also be determined by a different approach – one that considers the type of activities or mode of actions undertaken by the institute. I can identify five basic activities: research, advocacy, campaigns, pilots and policymaking/writing. Research (along with writing and education)

could be original or applied; this focus goes well with the Hayek-Fisher Model. Advocacy is not just passive dissemination but, rather, it takes the message actively, regularly and consistently to a target audience that generally includes politicians and policymakers, but could also consist of students, young scholars, lawyers, judges and non-governmental organisation (NGO) activists. Campaigning involves bringing together a large number of affected citizens on a given issue and building a grassroots pressure group to implement change. Pilot projects take the policy idea a step farther by running actual experimental projects to demonstrate the feasibility of the idea and to generate statistical evidence in its favour. The last approach, policymaking, refers to drafting and implementing policy reforms by positioning oneself close to those in power. This could include building capacity within the government to undertake these tasks. The think tank’s influence would come from the training and guidance provided to key people in a position to achieve change. The power centre is generally the executive or the legislative branch of the government, but it could be the judiciary. Public interest litigations (PILs) in many Commonwealth countries utilise the judiciary for policy and institutional reforms.

One can imagine a single policy issue going through any of these five modes or different issues playing out in one or more modes depending on the ideological and policy context in a given country.<sup>1</sup> Over the years, CCS itself has traversed these

<sup>1</sup> It is easy to see how these five modes or approaches correlate with the five models discussed earlier. It would be useful to put the models and the modes in a table, understand their deeper connections and thereby determine a more effective focus of a new institute. Moreover, a great deal can be learned by taking all the institutes in the Atlas directory and classifying them into these models and modes. One can visualise a multidimensional graph or a matrix that captures the

five approaches. Initially, we did research and advocacy through publications, policy dialogues, policy meetings for Members of Parliament (MPs) and Members of the Legislative Assembly (MLAs), and student seminars and research internships. In recent years, we ran a Livelihood Freedom Campaign, which won a Templeton Freedom Award from the Atlas Economic Research Foundation, and a School Choice Campaign. To demonstrate the power of vouchers in offering school choice to poor parents and thereby helping to improve the quality of education, we are now conducting several voucher pilot projects. We are in the process of filing PILs in the Delhi High Court and the Supreme Court to directly challenge some of the country's educational policies. Over time, CCS has moved from research and advocacy to campaigns and pilots, and now works across several of these modes simultaneously.

The objective for a think tank entrepreneur is to look at these five models and five modes/approaches and identify a more effective and efficient way to engage with the process of social change in a given country or area. It is not necessary to view these as distinct models and modes, which work only one at a time. Given the variety of circumstances in a country and the availability of financial resources and, more importantly, human resources, understanding these models can help to delineate an approach that is best for the entrepreneur and the location. The different modes could help differentiate the many issues of concern into the categories of research, advocacy, campaign, pilot or policy-making based on the overall intellectual climate and the policy options being considered by the government. More technical

---

approaches and issues undertaken by the global think tank fraternity. I leave this task for some other day.

and abstract issues should be dealt with through research and advocacy (i.e. telecoms policy or insolvency law), while issues like the delicensing of street vendors and the legalisation of sex work are more suitable for campaigns. Very concrete reform ideas could be promoted by developing pilot schemes. A triangulation exercise of issues, models and modes could provide a systematic method of determining the appropriate focus for new institutes or changing the strategy of existing institutes.

### **Get the letterhead right: first a great liberal Board of Scholars**

Before and immediately after the formal launch of CCS, our primary focus was on identifying individuals who were classical liberal in approach, and respected and well known in their areas of expertise. Even though the think tank may be a new concept, there are usually several individuals in various walks of life who sympathise with classical liberal ideas and policies. We brought them together and created a Board of Scholars. Listing the names of these scholars on the letterhead opened many doors, provided credibility, and gave us a solid standing in the public arena. They also became our advocates when engaging with government bodies, the media and donors.

### **Plan, plan; prepare, prepare**

Initially, I wanted to start the think tank soon after I completed my PhD at Auburn University. I visited India in the late 1980s and met a large number of people, but the level of support was lukewarm. I realised that I needed to learn the tools of the think

tank trade and, more importantly, save enough money to support my personal expenses for at least three years. It seemed possible to raise some money to support the work of the institute, but almost impossible to get support for myself. In India, only the wealthy are expected to engage in such 'social work', and even the law looks harshly on founders of non-profits who draw a salary from the organisation.

While studying economics at Auburn University, I learned a great deal, first hand, by working at the Mises Institute on the campus. Later, while teaching at the University of Michigan-Dearborn, I was fortunate enough to be able to attend several excellent workshops hosted by the Atlas Economic Research Foundation, and I was inspired by Leonard Liggio and Alex Chafuen. I was also encouraged by the network of like-minded people across the world and by the work of institutes such as the Cato Institute (Washington, DC), the Institute for Humane Studies (Arlington, Virginia), the Foundation for Economic Education (Irvington-on-Hudson, New York), the Heritage Foundation (Washington, DC) and the Mackinac Center for Public Policy (Midland, Michigan). The key person who got me to buy my one-way ticket to India, however, was David Kennedy of the Earhart Foundation when he promised to support the institute during its initial years.

I know that I was lucky. Sometimes the best way to learn to swim is just to dive in. As much as possible, however, one must plan, build relationships and learn the tools of the trade. While a spur-of-the-moment launch of an institute makes for a great story, it is not the best recipe for success.

### **Focus on the youth: developing our own soldiers for the battle**

We realised early on that it was quite difficult to find people to do public policy research and analysis from a classical liberal point of view. I had assumed that, by sheer statistical odds, there must be a few public-policy-oriented classical liberals in a country of a billion people. As we all learn eventually, statistical probabilities do not really work in the think tank arena. With the help of our scholars, we started to organise discussions on topical policy issues to develop human capital and establish our presence in Delhi. In addition, we immediately launched a training seminar for college students called the Liberty & Society Seminar (named after an Institute for Humane Studies programme), a four-day-long residential programme teaching them about classical liberal principles and policies. Along with the seminar, we also run a research internship programme called Researching Reality, which allows students to experience and document the impact of public policies first hand. The indoctrination of the Indian youth, who came from a state-dominated education system, was a mammoth challenge for us. Our youth programmes turned out to be a very effective antidote for many of the participants.

Over fifteen of the young people who participated in these seminars came to work with us full time and were responsible for most of our research and publications. In the process, they also discovered completely new careers for themselves in the fields of public policy and research! We actually thought of starting a one-year graduate programme in public policy since such a programme did not exist in India. We are still looking for someone to head this project! One CCS graduate (we call all those who have attended our student programme CCS graduates) has started his

own research institute, the Centre for Public Policy Research, in Cochin, Kerala, a state dominated by Marxists since the 1950s.

### **Putting a human face on liberalism: choosing issues and strategies**

CCS is a unique free market think tank in that it directly champions the causes of street entrepreneurs (vendors and cycle rickshaw-pullers), poor parents who can access only government schools, farmers and tribal peoples. Free market institutes are generally viewed as doing the bidding of corporations and the wealthy. We have consciously chosen issues that clearly demonstrate that the classical liberal approach is beneficial to the poor in urban as well as rural areas. Our 'Livelihood Freedom Campaign' talks about delicensing and deregulating street entrepreneurs and the 'Terracotta Campaign' successfully lobbied for giving forest land to tribal peoples.

The 'Duty to Publish Campaign' emphasised the government's duty to provide information *suo moto* (without citizens having to file specific requests for information), which became Section 4 of the new Right to Information Act. The School Choice Campaign advocates school vouchers to break the monopoly of the government on the education of the poor. The classical liberal approach does more for the poor than probably any other philosophy; we just need to find issues to drive home that message effectively.

### **Novel and sustainable solutions**

One reason why CCS has a strong appeal is because our focus is on solutions. We offer novel and at times even radical answers

within the Indian context. Most non-governmental organisations (NGOs) spend their time and energy highlighting and magnifying problems. They hardly ever suggest solutions, and the ones that they do suggest typically deal with symptoms rather than the causes. In this NGO environment CCS stands out as the lone organisation that is really concerned about the actual problem and the people being impacted. We contrast 'direct action' with 'policy action' and consistently show the power of addressing social problems through policy and institutional reforms – 'social change through public policy'.

The Chicago School mantra 'if it matters, then measure it' is the right approach to all issues, new and old. One may be philosophically sceptical of the phrase 'measurement is science', but for all practical policy debates, facts, numbers, case studies, tables and charts matter a great deal. One Indian company has a motto, 'In God we trust, the rest must bring numbers to the table.'

### **Leading and managing: are you the right person for both?**

Like many intellectual entrepreneurs, I am an academic – not just by profession but, more importantly, also by nature. Researching, writing and talking about ideas excites me. This can be turned, though not without effort, into intellectual leadership. An equally important part of a successful think tank is managerial leadership. As with any start-up, the initial years run on adrenalin, but as the institute matures, high-quality management becomes critical for growth. At least after three to five years of existence institution-building must become one of the important concerns of the institute. When looking at the think tank fraternity, it is clear that those

institutes that have had a sustained impact have been the ones with a team of two people at the helm. John Blundell has rightly emphasised the synergy between Ralph Harris and Arthur Seldon as a key reason for the success of the Institute of Economic Affairs.

Ultimately, ideas are the business of any think tank and ideas must be part of its team training and management. Reminding the institute's staff about the overall vision of the institute, about applying ideas to current issues and cultivating an attitude of critical inquiry, is crucial for the cohesion, motivation and growth of the team. The belief that 'ideas matter' should become a part of the organisational culture. We have tried different avenues over the years: luncheon discussions about the daily news, 'Coffee with Parth', guest speakers, annual planning workshops, human resources retreats and 'CCS Chintan'. CCS Chintan is an internal forum to engage team members in the philosophy and ideas that define CCS and how to apply those ideas to current issues. There is no one formula, but each member must feel that the power of liberal ideas can improve lives and society.

### **A larger, long-term vision: India a liberal utopia!**

Along with the day-to-day policy work, it is critical to talk about an idealist social vision of the institute's work – particularly in engaging with the youth. We talk about the India of today where there is a long queue of Americans outside the Indian embassy in Chicago to pick up their visas to work in India! We ask ourselves: 'What then do we need to do to achieve that?' and 'What makes a good society? And then, how can we get there?'

For other audiences we predict that India could be the first fully and truly liberal society – a liberal utopia – that has bypassed

the welfare state and has progressed from free markets to a genuinely free society. Here the institutions of civil society – for-profit and non-profit – not only produce all goods and services, but also care for the needy. Economic statism is losing its legitimacy, but welfare statism is still very dominant. Despite its perverse social and economic consequences, dismantling the welfare state in the West has proved to be a daunting challenge. Some progress has been made, but it is unlikely that the West would be able to convert its state-dominated welfare system to one governed by charity and voluntarism.

In India, the absence of welfare statism, coupled with continued high economic growth in a democratic political system, offers a unique opportunity to build a liberal utopia. Our approach is designed for this goal: define the right size of political society and rejuvenate civil society. Liberal think tanks typically focus on the former, but it is critical that we also look at how to build systems and institutions so that, as the state withers away, people will have the confidence and civil society will have the breadth and the depth to tackle social problems. Unless people see civil society alternatives working, they will be very reluctant to let the state withdraw.

The nature and extent of state intervention in India have been such that an ordinary Indian has little faith in the capacity of the government to do much good. Indians are very proud of the freedom movement that resulted in political independence from the British, and we talk about a Second Freedom Movement for economic and social independence!

Like many of you reading this, I find it hard to imagine doing anything else in life. It is a wonderful journey and a worthy challenge.