



Think Tank Confidential

By Christopher DeMuth

This past October, Christopher DeMuth, who has been president of the American Enterprise Institute since December 1986, announced that he intended to relinquish his position before the end of 2008. On October 11, he published a valedictory in the Wall Street Journal on the nature of think tanks and their role in political debate and government decision-making. Following is an extended version of that essay with a postscript on the AEI succession.

I will be stepping down as president of the American Enterprise Institute before the end of 2008, which would be twenty-two years at the post. The search for a successor has begun—this being AEI, it will be a competitive search, and we expect a happy conclusion long before the target date.

I hope to remain at the Institute, if my successor will have me, pursuing my own research and writing. Policy think tanks such as AEI have become important centers of applied scholarship, and friend and foe alike say we are terribly influential. But our position at the crossroads of politics and academics draws a certain amount of fire from both directions, and the reasons for our success are not widely understood. Here is my kiss-and-tell.

Secrets of Success

Think tanks are identified in the public mind as agents of a particular political viewpoint. It is sometimes suggested that this compromises the integrity of their work. Yet their real secret is not that they take orders from, or give orders to, the Bush administration or anyone else. Rather, they have discovered new methods for organizing intellectual activity—superior in many respects (by no means all) to those of traditional research universities.

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To be sure, think tanks—at least those on the right—do not attempt to disguise their political affinities in the manner of the (invariably left-leaning) universities. We are “schools” in the old sense of the term: groups of scholars who share a set of philosophical premises and take them as far as we can in empirical research, persuasive writing, and arguments among ourselves and with those of other schools.

This has proven highly productive. It is a great advantage, when working on practical problems, not to be constantly doubling back to first principles. We know our foundations and concentrate on the specifics of the problem at hand. Working in schools encourages collegiality, and boldness and clarity in our work. These are healthy correctives to the vices of “academic politics” (personal and overwrought) and “academic writing” (timid and overqualified), but their positive virtues are more important. The solitary genius is a wonderful romantic figure, and a rarity. Intellectual progress depends heavily on milieu: significant achievements in the arts and sciences have been highly concentrated in time and place. Think tanks try to apply that lesson in the realms of political and social criticism and policy reform. In contrast to political partisans and ideologues, we welcome competition from other schools of thought. We like to work on hard problems, and there are many fertile disagreements in our halls

over bioethics, school reform, the rise of China, constitutional interpretation, and what to do about Iran.

Think tanks aim to produce good research not only for its own sake but to improve the world. We are organized in ways that depart sharply from university organization. Think tank scholars do not have tenure, make faculty appointments, allocate budgets or offices, or sit on administrative committees. These matters are consigned to management, leaving the scholars free to focus on what they do best. Our research faculties are organized around issues rather than academic disciplines, and include not only scholars in established fields but also intellectuals (who make up their own fields) and people with practical experience in government, politics, and the professions who have the knack for generalization and organized argument and the zest for reform.

On the management side, we promote our output with an alacrity that would make many university administrators uncomfortable. And we pay careful attention to the craft of good speaking and writing. Many AEI scholars do technical research for academic journals, but all write for wider audiences as well. When new arrivals from academia ask me for whom they should write, I tell them: for your Mom. That is, for an interested, sympathetic reader who may not know beans about the technical aspects of your work but wants to know what you have discovered and why it makes a difference.

Our Origins

These methods are not new. They were in all essentials invented at AEI in the 1950s by William Baroody Sr., its president, and W. Glenn Campbell, its research director. The two would commission top academics to study front-burner policy issues, publish the results as pamphlets and distribute them around Washington, and organize conferences and appearances before congressional committees. A particularly important innovation was to offer extracts to newspapers to run as “op-eds” (long before that term was coined) or to draw upon for their own editorials. No one had thought to do these things systematically before Baroody and Campbell.

They hit the big-time in the summer of 1954. In a matter of weeks, the *Wall Street Journal* ran a lengthy excerpt of an AEI critique of farm price supports, accompanied by a vigorous editorial applying its teaching to an upcoming Senate vote, and both the *Journal* and *Barron's* lauded another AEI study proposing that fixed currency

exchange rates be abandoned in favor of free convertibility. The currency-convertibility proposal heralded some distinctive AEI traditions. *Barron's* noted that it was a radical concept, challenging conventional thinking in Washington and among the “hard-headed businessmen” who were AEI's backers, and that it was advanced not only on economic but also “political and indeed moral” grounds. And then, of course, the idea gained adherents over time and eventually prevailed—although only when practical exigencies coincided with the intellectual arguments.

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Bill Baroody refined these methods at AEI for a quarter century. Glenn Campbell transplanted them to the Hoover Institution at Stanford after becoming its director in 1960, and other AEI alumni applied them with variations at newer conservative and libertarian think tanks in the 1970s and 1980s. By the measures of participation in political debate and generation of influential policy ideas and proposals, the right-of-center think tanks have been stupendous successes. They appear in the national media, liberal as well as conservative, well out of proportion to their numbers and output. AEI essays appear more frequently than those from other think tanks of all persuasions, not only in the opinion pages of the *Wall Street Journal* but also those of the *New York Times* and *Washington Post*.

What accounts for this growth and prominence? It is not publicity techniques, which are straightforward and available to all: today any assistant professor can e-mail his latest brainstorm to a dozen newspaper editors, and the blogosphere is filled with the writings of independent policy wonks, some of them quite brilliant. Part of the answer is organization by school-of-thought and specialization within think tanks—methods that have proven productive and therefore attract scholars of talent and ambition. So too is attention to clear, engaging writing.

But there is a deeper and more important reason. I have tried to explain it to people who have been setting up liberal and leftist think tanks in recent years, advising them that the secret of success is to go away and spend

thirty years in the political wilderness. They have thought I was joking. Let me try again here.

Dissent and Independence

Every one of the right-of-center think tanks was founded in a spirit of opposition to the established order of things. Opposition is the natural proclivity of the intellectual (it's what leads some smart people to become intellectuals rather than computer programmers), and is of course prerequisite to criticism and devotion to reform. And for conservatives, opposition lasted a very long time—in domestic policy, from the New Deal through 1980.

These circumstances meant that the think tanks in their formative years attracted many contrarian characters who were strongly disaffected by some aspect of politics or policy. One of AEI's founders was Raymond Moley, the FDR brain-truster who coined the term "New Deal" and then became disillusioned with the project (a liberal mugged by reality long before the 1960s, he was a proto-neoconservative). Milton Friedman was an active AEIer when he was still considered a crackpot in polite academic circles. Robert Bork and Jeane Kirkpatrick worked at AEI long before they became public personalities.

These were intellectual outcasts of extraordinary talent, seeking the company of kindred spirits. As dissenters, they were fiercely attached to the principles of intellectual independence, freedom of inquiry, and open debate. (AEI's motto was "Competition of ideas is fundamental to a free society.") And as dissenters with little hope of influencing actual policy, at least in the short run, they were politically independent, too—uninterested in accommodating their views to strategic calculations or partisan interests.

At think tanks such as AEI, that spirit of independence continued after 1980, when conservative, neoconservative, and libertarian ideas acquired real purchase in practical politics and our phones started ringing. At AEI, we have spent more time kibitzing with friends in high office and talking about current events on television, and the attention has not been unwelcome. But we are in a different line of work from those on the inside and have never hesitated to offer blunt criticism when we thought it was justified.

Storehouse and Sanctuary

The most gratifying moments in the think tank world come when ambitious ideas, politically out of the question

at first, work their way through academic and professional debate, get noticed by public officials and legislators, and then are adopted as law or policy. That usually takes at least a dozen years—the period from the publication of Robert Bork's first antitrust critiques to the adoption of his ideas by federal enforcers and courts in the 1980s, and from the publication of Charles Murray's *Losing Ground* to the passage of the Welfare Reform Act of 1996. Currency convertibility took twenty years, as did the Milton Friedman proposition that monetary policy should target price stability rather than the unemployment rate.

Today we seem to be on schedule with the idea of reducing or eliminating capital taxation, and moving toward taxing consumption rather than income. (I predict that if a Democrat is elected president in 2008, the corporate income tax will be further reduced during his or her tenure.) The idea of eliminating the tax exclusion of employer-provided health benefits, scorned for decades as politically infeasible (especially by conservative activists), has now been embraced by President Bush and several smart legislators.

Think tank mavens like to point to episodes such as these as evidence that "ideas have consequences," but we know better than anyone how partial and contingent is the role of ideas in the march of politics. Public inattention, well-organized interest groups, anti-social ideologies, and sheer happenstance powerfully shape the actions of governments. Think tanks serve as storehouses of ideas, patiently developed and nurtured, waiting for the crisis when practical men are desperately seeking a new approach, or for the inspired leader who sees the possibilities of action before the crisis arrives.

Sometimes the moment comes with astonishing speed. Last December, a group of military specialists closed themselves at AEI to see if they could devise a new strategy for the war in Iraq, one that might have a reasonable prospect of victory following three years of catastrophic mistakes. Their plan was adopted within weeks by the White House, Pentagon, and new commanders in the field, with all credit due to our soldiers in action for their great success to date.

Other times it seems that the moment will never come. That 1954 study of farm price supports is still waiting. Undaunted, AEI published twenty-one studies of agriculture policy this year, intrinsically as good as our Iraq reports. When I showed them to an ambitious young Republican congressman, he smiled and shook his head.

My own think tank slogan is: “No one knows when the Berlin Wall will come down.” It is imperative to maintain intellectual sanctuaries in a world where Harvard University forbids the discussion of certain important issues and Columbia University welcomes the contributions of a master terrorist. Our sanctuaries have been instrumental to the expansion of human freedom in recent decades. We are laying the groundwork for further advances—as opportunities arise, as they surely will.



Postscript—the AEI Succession

If think tanks are as vital and wonderful as the foregoing essay says they are, then why should the author—after a considerable tenure as president of AEI, but still reasonably young and energetic—be stepping aside from leading one? My purpose is to prompt a change in the succession traditions of think tanks. The tradition, at AEI and elsewhere, is tribal: president-for-life, followed by a crisis. This seems to me a weakness standing alongside the strengths described in my essay. I believe that if more regular, businesslike succession procedures can be fashioned, the think tank as an institutional form will be not only vital and wonderful but more stable and durable as well.

Leadership succession is a policy issue of constitutional dimension—one of the most critical, as well as most problematic, issues faced by any organization, movement, or political system. AEI is a policy institute, so perhaps our approach to other issues can be helpful in thinking through our own succession policy.

The AEI approach may be said to be a melding of the conservative and the liberal. Our conservatism is that of Edmund Burke and Michael Oakeshott. It respects tradition and is skeptical about human reason. It is therefore suspicious of change and cultivates appreciation for the world as we find it: in particular, it recognizes that institutions and practices that have endured for long periods probably have virtues greater than we can fully rationalize at any point in time.

Our liberalism is that of John Stuart Mill, Friedrich Hayek, and Milton Friedman. It celebrates progress and human reason and cultivates criticism and the spirit of reform. It is impatient with the shortcomings of the world as we find it and devotes itself to devising schemes for improvement. I would say that AEI is conservative in temperament but liberal in practice: we are reformers but

not planners, and our reforms are grounded in a realistic, not romantic, view of human nature.

So maybe there are advantages that we do not completely comprehend about the leadership traditions of policy think tanks, and maybe we should not fuss with practices that have worked well enough to bring us to our current successful state. AEI is not simply academic, in the manner of a university, but also *engagé*—driven by a strong philosophy that unites its members and is controversial in the outside world. Perhaps it is in the nature of such an institution that, when it finds a leader who personifies its philosophy and terms of engagement, the personification cannot be transferred to another until mortality intervenes (or at least approaches to the extent colleagues cannot ignore it!). That, in any event, has been the implicit understanding and customary practice at many leading think tanks. It would not be the only instance of a seemingly primitive arrangement finding continuing utility in the modern world.

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But there is another side to the matter. We at AEI may be chronic dissenters, and sometimes embattled ones, but in recent decades we have nonetheless become respectable, a recognized part of the Establishment. Our views are also the views of many of our fellow citizens, but these views are often inchoate in democratic practice and in need of the kind of development, exposition, and mobilization that we can provide. We have won too many policy arguments to ignore the possibility that our victories might be multiplied and expanded—and even made routine.

In all events, AEI and its sister think tanks have clearly moved from the fringe to the mainstream. In so doing, we have evolved from what Irving Kristol has called “intellectual clubs” into mature institutions. If we are to become what we might become—an independent intellectual force in American politics that is entrenched and effectively permanent—we need to attend to many institutional fundamentals that have been handled on an ad hoc basis in the past. And the conservative traditionalist in me cannot help but notice that virtually all mature institutions—commercial, professional, and political—have eventually moved beyond the personal

in their leadership, and that the move has proven to be a source of continued strength and success.

The matter is by no means free from doubt, but executives are expected to make choices in the face of uncertainty on behalf of the organizations they work for. What can be said with certainty is that the risks of succession are eventually unavoidable, and that the advantages of facing them on our own time could be substantial. In explaining my decision to friends and colleagues, I have been struck that many people from the worlds of academics and politics have found the decision worrisome,

while those from business and finance have generally found it sensible. A think tank is not a business, but it is not inconsistent with a think tank's distinctive ethos and purposes to imagine that it might become, in the manner of a business firm, organic and self-perpetuating. That is the course that AEI's trustees and scholars have set for ourselves, and our ambitions include several initiatives to bolster our financial structure and management as well as succession procedures. We are determined to make succession not a moment of crisis but a moment of renewal.