Latin America’s Think Tanks: The Roots of Nonprofit Privatization

Daniel C. Levy

Conventional development models refer to two sectors, public and for-profit private. Massive growth of nonprofit private activity undermines that picture. Latin American think tanks exemplify a nonprofit privatization that has an enormous impact on development and remolds inter-sectoral relationships overall.

Four major dynamics account for the spectacular growth of the region’s nonprofit think tanks. Three push factors are state repression, state weakness, and public university problems, and, as epitomized by financial supply, a pull factor is also crucial to attract nonprofit growth.

To conceptualize its findings, this article considers public failure theory. Unhelpful regarding the pull factor, the theory otherwise works reasonably well, especially where there is visible movement from the public to the nonprofit sector. Beyond that, the evidence suggests ways to broaden the theory. Even a broadened formulation cannot fully capture the remarkable diversity and vitality of the growth in Latin America’s think tanks. But we are able to identify and analyze the key growth factors that blend together to produce particular institutional and national configurations.

Significance

Powerful growth in nonprofit private organizations undermines two-sector development models in Latin America and beyond. Yet, mainstream development literature, whether focused on the state (Evans, Rueschemeyer, Skocpol 1985b) or private alternatives (Glade 1991; Heath 1990), still considers sectors almost exclusively as public and for-profit private.¹ The need to incorporate the “third sector”—

Daniel C. Levy is a professor at SUNY-Albany. After earning his Ph.D. in political science at the University of North Carolina-Chapel Hill, he was research associate for five years at Yale University. He has published five books and roughly seventy articles on politics and higher education, especially on Latin America, and on Mexican politics. Levy has done field research in most Latin American countries and has presented lectures and been published on five continents. Address correspondence to: ED 315, SUNY-A, Albany NY 12222.

juridically private but not pursuing or distributing profits—becomes clear from a new literature that documents both its range and its distinctiveness (Powell 1987; Anheier and Seibel 1990b). Privatization through nonprofit or non-government organization (NGO) growth is massive in developing countries (Carroll 1992; Díaz-Albertini 1990; B. Smith 1990). This privatization may result from conversion of institutions from public to private status but often involves a shift of people and resources between sectors or the growth of new institutions disproportionally within the nonprofit sector.

Unfortunately, there is nothing approaching a reliable regional data base on the nonprofit sector in Latin America. One reason is the lack of a common definition of nonprofits. This is so within nations and has a crippling effect across them. Second, still less agreement exists on what is worth covering (e.g., membership organizations, informal associations, fee-charging agencies). Or different observers choose greater or lesser inclusiveness depending on the purposes of their work. The different criteria then produce estimates several times removed from one another. Third, much of the nonprofit proliferation has occurred in just the last few years. Coupled with the belated and still sporadic scholarly attention to nonprofits, this also means huge gaps in the counting. Fourth, as often happens with small and multitudinous private organizations that are not publicly accredited, regulated, or subsidized, no official compilations arise. Available data therefore yield only the most general estimates on nonprofits. The same holds true, specifically, for think tanks for much the same reasons.

Think tanks are a politically important part of the nonprofit privatization. Not all think tanks lie in the nonprofit sector but the association is strong in Latin America. This article treats think tanks that are nonprofit private. Such institutions are surfacing in much of the world, including the former Communist bloc, western Europe, and Japan, but the trend is well documented only in the United States (J. Smith 1991). Outside the United States, however, Latin America’s growth in think tanks appears unrivaled.

Spectacular growth itself attracts our attention, but interest soars when growth has serious substantive consequences. We, therefore, start by briefly citing some salient consequences, though documentation lies elsewhere.

In most Latin American nations (Argentina, Chile, Peru, Uruguay, Bolivia, Paraguay, the Dominican Republic, and Central America except Costa Rica), nonprofit private research centers have largely displaced public universities and achieved a leadership sometimes bordering on monopoly in social research (social science plus policy). Further, these centers often pioneer to new heights in quantitative, qualitative, and relevant production. In most other Latin American nations (led by Brazil and Mexico), the centers share the social research stage with other institutions but are responsible for a significant share of the influential policy work. Only in Venezuela and Cuba are centers clearly subordinate or nonexistent. Throughout the region, even the academically best centers focus on policy: think tanks are widespread.

Much of the policy contribution serves the state. Yet, a great deal also serves for-