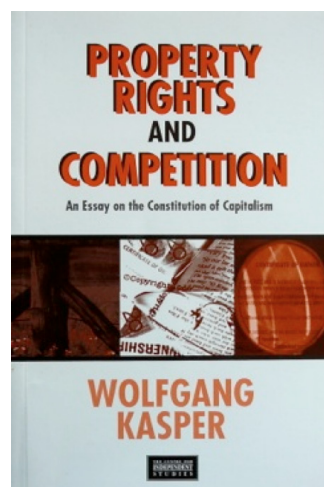


# HOW IDEAS SPREAD

One CIS report's 20-year journey around the globe.

Think tanks and university research departments develop and promulgate ideas and policy concepts whose impacts are normally hard to document and assess. Given sufficient time, we may of course be able to evaluate the relevance of ideas, for example Aristotle's teachings at his Athens think tank, the Lyceum. We may by now even have a good idea of the influence of Charles Darwin's insights into evolution. When competing new ideas are incorporated in goods and services, which are bought in markets, sales figures soon reveal how they are received. But there are no sales figures for the output of 'idea factories,' which generate and distribute inspiring policy concepts. In today's cacophonous competition of ideas, short-term impacts of useful ideas are therefore much harder to document and evaluate. Press reports and mentions on the internet may serve as a partial substitute, but this information is unreliable when it comes to assessing which ideas have become catalysts that triggered actual policy decisions.

This is why it would seem useful to report a case study about which I have detailed information. When I joined the Centre for Independent Studies in 1998, I was involved in its 'Liberty and Society' programme. Once or twice a year, gifted, interested tertiary students are invited to a weekend of seminars and brainstorming to explore the foundations of a free society. Alongside lecturers in philosophy, jurisprudence and



politics, I spoke about the merits of a free economy. When I discovered how little young Australians and New Zealanders, including most tertiary economics students, knew about fundamental economic concepts—such as competition, entrepreneurship, transaction costs, principal-agent problems, and rent-seeking—I decided to pen an introductory didactic text to define these concepts and outline which attitudes, customs, and laws facilitated the discovery and testing of useful knowledge. The text drew on the now widely accepted teachings of modern Austrian economics, most notably by Friedrich A. Hayek, as well as contemporary public-choice theory and the insights about capitalist dynamics of the great Austrian-American economist Joseph A. Schumpeter. I distinguished between the orthodox way of economic thinking (neoclassical economics), whose focus is on rationing and allotting known scarce resources to satisfy known wants (maximisation), and Austrian economics, which focuses on ignorance, discovery, and the widening of mankind's material opportunities. Like any writing on political economy, my text had to touch on philosophy, economic history, jurisprudence, sociology and public policy. My purpose was not to write yet another academic textbook, but to provide an easily accessible introduction to the rules of the free-market game and on how the right rules promote material well-being for the general



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student, journalist, aspiring politician and layman. The CIS published this 150-page booklet in 1998.\*

To my surprise, I was soon approached by a professor of economics from Ankara: Could he translate the booklet into Turkish, and would it be possible to apply what was said more explicitly to the question of economic development? At about the same time, a young Nigerian contacted me suggesting a version that had more to say about the economic development of poor countries and, above all, the consequences of political corruption; and the head of a liberal think tank in New Delhi proposed to publish my text both in English and a Hindi translation. The text thus metamorphosed into a discussion of economic development and necessary changes in cultural and institutional conditions. I tailored different forewords for these various editions. Although I had only limited knowledge of the three countries where these ‘reincarnations’ of the original CIS publication were to appear, I supplemented the text with country-specific examples to underline key points and inserted country- or region-specific data. In each case, the CIS willingly granted copyright permission.



Subsequently, I was pleased to learn that these booklets are used in quite a few introductory economics courses. Over the years, I have been receiving occasional e-mails from readers with criticisms, comments, and compliments. A journalist may send me an article in which he quoted me; another submits interview questions about topics related to the institutions of capitalism, as discussed in the booklet.

These international editions owed much to the energetic engagement of the London-based Network for a Free Society and its energetic *spiritus rector*, Linda Whetstone. She and her collaborators incorporated updated versions of my piece in a major compilation of key texts that may inspire classical liberal thinking, which they then put on a CD. This venture was the result of the deplorable fact that all too many regimes still censor the imports of books that may not be to the liking of their rulers. Moreover, young academics, journalists, and critical thinkers in poor countries do not find the relevant books and journals in their national or local libraries, nor do they have the means to buy the best-known books about classical liberalism, which inspired us in the more affluent countries when we were young. Poor download speeds in Third World countries also make it often impossible to obtain copies of relevant texts over the internet. But almost everybody now has access to a computer on which to read a CD.

With the help of generous donors, the CD *Ideas for a Free Society* now makes over one-hundred essays by (mostly dead) economists and other classical liberal thinkers accessible to people around the world. My text on *Economic Freedom and Development* thus now travels in the company of the Greats—Aristotle, John Locke, David Hume, Adam Smith, Alexis de Tocqueville, Frédéric Bastiat, Friedrich Hayek, Karl Popper, Milton Friedman, Peter Bauer—and a number of eminent contemporary writers. Internally amongst us, we call it the ‘Eureka CD,’ because so many readers tell us that they have found eye-opening and inspiring material there. About 130,000 copies have by now been distributed in some 70 countries,



\* *Property Rights and Competition — An Essay on the Constitution of Capitalism*, Policy Monograph 41 (Sydney: Centre for Independent Studies).

mostly through local think tanks and university departments. The CDs are often re-copied and read by more than one reader. Some countries, such as Armenia, may still ban the import of those CDs, but it seems that copies of the texts have nevertheless slipped through the customs nets.

Probably because I am still amongst the living, I am sent occasional feedback from readers in a great many countries. Quite a few tell me that many of the concepts, which I defined and which are reasonably well understood in Western countries, are not known at all where they live and work. It is hard for teachers or journalists to argue about pressing economic issues, when terms like 'entrepreneur,' 'private property,' or 'business' do not exist in their mother tongue, or when a term like *biznes* is tainted with connotations of corruption, as is the case in Russian. Several interested writers have therefore approached me and the CIS for the right to translate my little text into foreign languages. A CD with translations of the main texts into Russian (including the *Economic Freedom and Development* essay) was launched in Moscow by the Adam Smith Forum in November 2011.

In 2011, I also collaborated with an Iraqi, now living in England, to prepare an Arabic edition. I took the liberty of penning a foreword, in which I dwelled on particular difficulties that, in my opinion, Muslim believers have with modern capitalism, stemming from deeply held cultural beliefs about men and women, private property, tolerance, trust in complete strangers, the secular state, and the inevitable evolution of habits and laws. The Mideastern commercial culture, which developed institutions that so effectively facilitate personal trade and middlemen networks in bazaars, struggles to adopt the rules that underpin impersonal exchanges and cooperation with strangers. Instead of receiving a reply that such views of a foreigner were unduly provocative, I was told that it was



exactly these cultural obstacles that made the promulgation of Austrian economics throughout the Arab world necessary. And a reader e-mailed me from Oman: "You do not know how wrong you are; and you do not know how right you are!" (It turned out he was a *sufi*, a Muslim mystic.) In 2014, a Moroccan think tank published an edited version of this Arabic text and is now preparing a book publication. The *Economic Freedom and Development* paper will also form part of a selection of pieces from the original English CD on an Arabic CD that will soon be disseminated in North Africa and the Middle East. A Farsi version is now being prepared for distribution over the internet, and a hard copy will soon go on sale within Iran.

I also had the pleasure of meeting a young academic from Kyrgyzstan, who was involved with driving a 'Freedom Bus' around Central Asia. He proudly told me that he had used my piece in Russian translation (of which I had no inkling at the time) when talking to university staff and students.



In early 2013, my piece also appeared in French translation on a CD, *Idées pour une société libre*, which contains the writings of some classical French liberals alongside translations of many of the texts on the original English 'Eureka CD.' In 2015, the *Institut Coppett*, a Paris-based liberal think tank, is launching a 'digital university,' *L'école de la liberté*, which will promulgate the arguments of free-market advocates through videos of public lectures and a cyber library, including my *Liberté économique et développement*.

After the Network for a Free Society had bankrolled a Chinese translation of materials on the 'Eureka CD,' the Chongqing Publishing House, in cooperation with the Cathay Institute of Public Affairs in Beijing, published a book, containing amongst other texts *Economic Freedom and Development*. The same group also incorporated a few other articles I had written for the CIS in other books about capitalism. When I met some young economists from China, I was pleased to

note that these free-market ideas, which may not always be welcomed by higher authorities, are eagerly absorbed by critical minds in the next generation.

A few years back I learned that the original CIS publication was being used in economics courses at Guatemala's Universidad Francisco Marroquín (UFM). I was told that some students were struggling with the English; I therefore suggested a Spanish translation. Meantime, I have completely rewritten the original text in Spanish, incorporating material on Latin America, relying on an eager young lecturer at UFM to correct and polish my inelegant Spanish. With luck, this version will soon be published in hard copy as well as in an electronic version.

Further afield, the spread of wave rings from the stone I threw with the 1998 CIS booklet are becoming harder to discern. There seem to be a number of other editions and translations, which I have not seen. Thus, a think tank in Islamabad in Pakistan is rumoured to have published an edition, and a young academic from Maputo in Mozambique e-mailed me, referring to some Portuguese translation of some of the text. He told me that he was using my arguments on the protection of private property rights in a court case he was preparing. I wished him good luck.

The reader may feel that this case study is too self-congratulatory. However, given the difficulties

in documenting what waves around the globe think tanks are making, I shall risk being criticised. It seems important to me to spread a genuine understanding of Austrian economics, public choice, and capitalist dynamics. This is essential to understanding the modern knowledge economy, in which the bulk of what is produced consists of diverse, often tailor-made services. By contrast, conventional neoclassical economics—which still dominates university courses and the traditional economics journals in the developed countries—

may have something to say about a stationary world of agriculture and industrial mass production. But this brand of economics fails to properly inform the political discussions about economic reforms, such as liberalising markets and shifting property rights from public into private ownership.

Because Austrian economics focuses on cultural and economic evolution, it is now increasingly embraced by analysts and policy makers in the developing world. When traditional stationary societies are swept up in the turbulence of modernisation, Austrian ways of economic thinking point the analyst to a confidence-inspiring, hence growth-promoting

order. In often imperceptible ways, think tanks around the world have thus done much to make the ideas about a free social order and the role of self-reliance and economic freedom popular and relevant to public policy.

And this is a tale worth telling!

