This Year-in-Review issue recounts highlights of Atlas’s activities over the past 12 months – some of the most active in Atlas’s history. These pages are filled with examples of the individuals and institutes with which we collaborate. On this page, we feature (clockwise from top right): Ugnius Trumpa (Lithuanian Free Market Institute); Kate Zhou (University of Hawaii); Radwan Masmoudi (Center for the Study of Islam and Democracy, Washington DC); Twila Brase (Citizens’ Council on Health Care, Minnesota); Michel Kelly-Gagnon (Montreal Economic Institute, Canada); Leônidas Zelmanovitz (Instituto Liberal-RS, Brazil); Charles Mensa (IEA-Ghana); Veselin Vukotic (University of Montenegro); Sally Pipes (Pacific Research Institute, California); Anthony Livanios (Hellenic Leadership Institute, Greece); Priscilla Tacuajan (IFC, Philippines); Martin Simonetta (Fundación Atlas, Argentina); Elbegdorj Tsakhia (Mongolia); Alan Kors (Foundation for Individual Rights in Education, Pennsylvania); Father Robert Sirico (Acton Institute for the Study of Religion and Liberty, Michigan).
Atlas Economic Research Foundation

The Atlas Economic Research Foundation works with think tanks and individuals around the world to advance a vision of a society of free and responsible individuals, based upon private property rights, limited government under the rule of law and the market order. Atlas is a nonprofit 501(c)(3) organization that is supported solely by donations from individuals, foundations and corporations.

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Every fall, Atlas takes stock of its progress in advancing its mission. This Year in Review recounts highlights from the last twelve months.

Building New Think Tanks
During the past year, Atlas has worked with 70 new think tank entrepreneurs from 37 foreign countries and several states of the U.S. Our database of market-oriented think tanks has swelled to more than 470, about a third of which were engaged in Atlas programs over the course of the year.

Teaching and Training
In 2003, Atlas developed a Starter Kit that provides new intellectual entrepreneurs with essential lessons on starting an institute – from organizing a board of directors to creating your first publication. See www.atlasusa.org for more information. Dr. Khalil Ahmad (Alternate Solutions Institute) noted, “Before reading your Starter Kit I knew what I wanted to do but I was not clear how to do it. The document helped me organize our efforts and set up an institute to promote the freedom philosophy in Pakistan. Now we are on the right track.” Atlas also provides advisory services on an ongoing basis to disseminate sound management advice and provide other assistance. Its workshops, such as those this year in Bogotá and Boston, bring together institute leaders to share ideas and strategies for more effective think tank management.

Connecting the Network
Atlas continuously works to help connect the individuals that advance market-oriented public policies and educational efforts around the world. From the annual Liberty Forum (this year attracting 150 participants from 50 institutes in 26 countries) to its Web site (with a think tank directory and useful interactive calendars and classifieds) to our publications that spotlight the most exciting work from the network, Atlas is the leading hub for information on the worldwide think tank movement.

Independent Voices, Innovative Thoughts
Atlas’s senior staff is frequently traveling to speak to audiences about the value of investing in market-oriented think tanks and about the innovative ideas being produced by such organizations. Atlas also uses its expertise to spotlight some of the independent thinkers in our network by organizing events around policy challenges (such as conference panels on current challenges in China, Argentina, and Venezuela) and through grants competitions that foster creative thinking throughout the Atlas network (for example, Atlas’s Health & Welfare Program).
Although Atlas again finishes a year supporting a record number of intellectual entrepreneurs and conducting programs worldwide, this was not an easy period from the income side. 2003 has been difficult for Atlas as well as many of the institutes in our family. When violence grows, prosperity suffers.

But while the forces of coercion and privilege try to erect barriers, the creative spirit – pushed by the natural desire for improvement, and also by noble purpose – continues to open the world to new products, new ideas, and new opportunities. These creators need to win.

To motivate and enhance the chances of the creators in our think tank sector – and thanks to the generosity of the John Templeton Foundation – Atlas is launching a major new awards program. The Templeton Freedom Awards Program will complement and, better yet, increase the effectiveness of the efforts Atlas is already conducting with your support. The awards provide incentives for innovation and reward those who integrate their work with their local civil society, building bridges to reach new constituencies.

While the focus of the Templeton Freedom Awards are institutions, rather than individuals, the program will celebrate intellectual entrepreneurs, mostly working in difficult territories. We define “intellectual entrepreneur” as someone, working in the field of ideas, who discovers an unfulfilled policy need, tries to find a solution, and is willing to act towards it. Atlas has always assisted intellectual entrepreneurs who are committed to the principles of the free society. The Templeton Freedom Awards program provides award money to enhance the local and global reputations of those who craft the best private solutions to social problems.

Aware that many intellectual entrepreneurs work in parts of the world where it is very difficult to raise funds, find adequate human capital, and even speak freely – this new awards program will match up to $250,000 per year in new donations made to Atlas for efforts in those regions. We hope this generous offer will motivate additional philanthropic activity among our investors, just as it motivates us to work extra hard to canvas the think tank network and develop new ideas about how to add value to the freedom movement.

While discussing the prizes he has enabled at Atlas, let me mention another effort of Sir John Templeton. Earlier this year, the William E. Simon Foundation honored Sir John as the third recipient of its annual Prize in Philanthropic Leadership. He immediately began a new prize with the proceeds from this fund, to reward those who help us understand “the mystery of noble purpose.”

The incentive structure in society, both the legal and the moral framework, needs to take into account that the majority of the people are motivated by self-interest. It is a dangerous to create an incentive structure, both in the private and public sector, assuming that people will always be guided by noble purposes. Yet, as Ludwig von Mises wrote, “mankind would never have reached the present state of civilization without heroism and self-sacrifice on the part of the elite.” Civilization relies on the leadership of those who, thanks to a noble purpose, spend their life doing good. Some – such as the late Bill Simon, as well as Sir John – achieve wealth, prominence and fame. Others, including those who create, direct, fund, and collaborate with think tanks, are seldom recognized as they should be. Yet their work too is essential for the free society. Atlas is here to help them.

Economics is the science of human action. Human action is free and purposeful behavior. Atlas, through its programs and competitions, seeks to increase the number of those who promote solutions to expand choice and opportunity. Join us in this noble purpose.
Bringing Freedom to the World

ACCOLADES FOR ATLAS SENIOR STAFF

At the end of 2002, Atlas’s Leonard Liggio and Jo Kwong, received recognition from their peers in the think tank and academic worlds. Leonard was named president of the Mont Pelerin Society, an organization dedicated to strengthening the principles and practice of the free society. As Mont Pelerin Society fellow and member, Richard Ware, noted, “[The MPS presidency] is an honor that Leonard has earned in service to the cause. This has been his life’s work. He has been historian and counselor to many on the path to freedom.” Jo was the recipient of The Roe Award from the State Policy Network in recognition of her many years of promoting sound public policy through think tanks. From SPN president, Tracie Sharp, “Over the years Jo has been instrumental in mentoring new and growing state think tanks to a higher level of effectiveness. She has never hesitated to meet with think tank entrepreneurs to provide advice and direction to help them become more successful.”

TRANSATLANTIC TIES STRENGTHENED

In October 2002, Atlas helped host and organize a multi-day event in Spain to bring together many of our Latin American think tank leaders and their Spanish counterparts. Some of the highlights of the Week of Freedom included the annual Economic Freedom Network meeting; a special two day Atlas expedition to Toledo; workshops on “The Role of Universities in Generating Public Policy Ideas,” “Public Policy Institutes and their Influence on Economic, Political and Social Reforms,” and “Latin America: Between Modernity and Neo-Populism;” and finally the launching of the transatlantic Fundación Internacional para la Libertad. One of the speakers, Ana Eiras (The Heritage Foundation) commented, “The two workshops were excellent. As always, important projects and ideas result from Atlas-sponsored events.”

INSTITUTES FOCUS ON HEALTH & WELFARE POLICY

Through the Health and Welfare Program launched by Atlas in 2001, Atlas funded 15 new think tank projects with seed grants to show the merits of voluntary solutions to a problem commonly considered the province of big government. In addition to this work, Atlas has promoted collaboration between institutes dealing with these issues, by organizing a regional leadership development workshop in June 2003 in Boston with State Policy Network. Focusing on various aspects of healthcare policy, institute leaders worked on better ways to communicate with policy makers and the general public. Participant and speaker Twila Brase (Citizens’ Council on Health Care, Minnesota) commented afterward, “That was a wonderful seminar. Packed full of ideas, and contacts and opportunities to collaborate. It was first rate! Not a moment was wasted, and every speaker had something valuable to share... Thank you so much!” In September 2003, Atlas also organized the healthcare sessions at SPN’s Annual Meeting in Seattle.

SHOWCASING INSTITUTE EXPERTS

In 2003, Atlas worked with friendly organizations in the Washington DC area to utilize foreign experts in Atlas’s network and raise their profile in front of important audiences. Perhaps most notably, Hudson Institute co-hosted two conferences arranged by Atlas on the challenges facing Argentina and Venezuela. Atlas also launched the first version of an online Latin American Public Policy Experts Guide of leading market-oriented Latin American public policy authorities.
Atlas is seeking to raise funds to also hold one or more workshops focused on this topic, so that think tanks can acquire media training. Many younger think tanks lack know-how regarding reaching the media and communicating a message effectively. One goal of the Templeton Freedom Awards program is to get Award winners to improve their public relations efforts.

The proposed workshop would be modeled after the Regional Leadership Development Meeting Atlas held in Boston in June 2003, in which a small audience discussed a shared policy challenge (health care reform, in this instance) and acquired new management skills. Atlas hopes to organize these smaller, more focused workshops on a more frequent basis.

If you want to find out more about supporting Atlas’s proposal for Media / PR Workshops – or other intensive think tank training events – please contact: elena.ziebarth@atlasUSA.org

LEADERSHIP AND DEVELOPMENT WORKSHOP in BOGOTA, COLOMBIA

Atlas stresses the importance of strong management and good governance. As is the case with for-profit enterprises, think tanks must aspire to high standards of performance and pay careful attention to strategic planning, fundraising, and being good stewards of the resources entrusted to them. In July 2003, Atlas co-hosted an International Workshop on Leadership and Corporate Governance with Colombia’s Fundación DL in Bogotá, attracting attendees from the U.S., Italy and twelve Latin American countries.

LIBERTY FORUM 2003

Atlas’s 3rd Annual Liberty Forum brought together 146 participants from 50 institutes in 26 countries. Panel sessions covered strategy and management topics including, “Winning the Battle of Ideas: Partners Tools and Strategies” and “Communicating the Benefits of Free Trade to the Public.” Atlas also gathered together a group of experts for sessions on “China and Free Trade: Prospects for Change in China under New Leadership” and “China and Free Trade: Opportunities and Threats for those Advancing Freedom.” Other highlights from the event included the keynote address by Claudia Rosett (Opinionjournal.com) on her experiences as a journalist in Southeast Asia and the hopes for liberty in China. Rosett, a first time Liberty Forum participant, noted, “Atlas is a terrific forum not only for appreciating the principles on which liberty depends, but for offering to people around the globe a vital understanding of how these principles work in practice.”

Media Training and Public Relations Strategies

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New Hope for the Freedom Movement

As you know, at Atlas we take our vision very seriously and put our hearts into making sure we do everything we can to promote a world that is based on free and open markets, individual liberty, limited government, and rule of law.

We have to continue to discover, integrate, and nurture new leaders. Happily, we steadily meet new intellectual entrepreneurs who are interested in starting institutes. This year, we have had many different encouraging encounters. Some come to us when they are ready to make the leap and start an institute; some have dabbled with an institute but have finally made the jump to full time; and still others are trying to find ways to advance free market ideas, despite local barriers that make it difficult, if not impossible.

Khalil Ahmad came to us via the Internet to learn how to start a market-oriented institute in Pakistan. Here, just like all other parts of the world, people are clamoring for the benefits the free market can bring. Fortunately, Khalil is a committed classical liberal who is dedicated to bringing these ideas to his people. We recently exchanged ideas about a motto for his proposed Alternate Solutions Institute: "Welfare of the People by the People." What joy it is to share ideas with someone who is committed to documenting the writings of the few, relatively unknown classical liberals in his country. To get an idea of the commitment he has, check out his electronic newsletter, "Free Pakistan." In it, you will find solid ideas that may someday be the guiding lights that help his country grow and prosper.

Another exciting new start-up is Fundación para el Desarrollo Integral de la Sociedad (FUDIS) in the Dominican Republic. Founded by Gabriel Sánchez-Zinny and headed by Pedro Dajer, FUDIS has had a very busy inaugural year, including its first publication, La Pobreza en República Dominicana: Diagnóstico, Análisis y Propuestas, which dealt with the troubling presence of poverty in the Dominican Republic despite its booming tourist industry and numerous ‘free-trade’ areas. Atlas’s Alex Chafuen spoke at a widely covered FUDIS event in March on the Dominican Republic joining the Free Trade Area of the Americas to increase opportunities for economic growth.

When we added up the brand new institutes and intellectual entrepreneurs we encountered this past year we had a list of 70. Of course we depend on friends in our network to help us find and assist these newcomers. I can’t tell you how delightful it is to see our friends embrace new intellectual entrepreneurs with care and enthusiasm. For instance, one of our newest contacts in Kiev was introduced to me by Fundación DL’s Andrés Mejía-Vergnaud. In his efforts to spread the word, Andrés met Sergei Medi who is interested in developing law and economics programs in the Ukraine. Eventually, Sergei expressed interest in learning more about the broader network of institutes and contacted Atlas. When I thanked Andres for all his great help, he responded "After all the help I received, it is such a pleasure to be on the giving end!" Likewise, James Shikwati (IREN, Kenya) has teamed up with

“This spending the summer at Atlas gave me a unique opportunity to explore the ideas of the free society and economic freedom. The experience I received during the fellowship will be a valuable source of ideas for future projects not only within the Institute Carantania, but also in other fields of professional activities.”

– Miha Majcen, Atlas Fellow from Slovenia

This past spring and summer, Atlas had seven fellows and interns from Slovenia, the United States, India, Venezuela and Poland. Pictured here with some of the Atlas staff are: first row: Romulo Lopez, summer intern Ashley Jean Rogers; second row: Colleen Dyble, Koch fellow Rohit Reddy, Latin American fellow Ana Luisa Perez; top row: fellow Miha Majcen, Nikolai Wenzel, Chris Martin, Eneas Biglione (Hispanic American Center for Economic Research).

One stellar example of a new intellectual entrepreneur is Franklin Cudjoe, who we met through our friends at the Staley Foundation, while he attempted to attend seminars about classical liberalism in the United States. Although the U.S. government turned down his visa application, he never gave up. He simply seized opportunities to do what he could, including working with Charles Mensa at the Institute of Economic Affairs-Ghana. About his experience with Atlas, he wrote:

“What more would I need than an Atlas training programme and a consistent application of these ideals in my country. The work of Thompson [Ayodele, Nigeria] and James [Shikwati, Kenya] inspire me not because they are peers but because they are doing all these in the most challenging of environments. I believe a multiplicity of such institutions even in Ghana can make my country grow fast.”

Atlas is optimistic that 2004 will bring new opportunities to help advance freedom in Africa. We launched an Africa Update email newsletter, developed an advisory board for Africa, and began circulating a proposal to allies that share our desire to bring more resources to freedom champions on this troubled, but promising, continent.

Atlas has a solid track record of helping start and developing think tanks that achieve high degrees of influence in their local communities. We hope that the new matching grant opportunity with the Templeton Foundation will motivate new donors to work with Atlas toward shared goals in Africa. If you can help our efforts, please contact colleen.dyble@atlasUSA.org.
Consistent Returns on Your Investments

Our Year in Review report is a tribute to the courageous allies involved in our network, but also the generous donors who make our efforts possible. We thank you for investing through Atlas in the future of the free society. With direct attacks and indirect erosions of liberty all too common, Atlas has been identifying growing numbers of partners and opportunities to help promote the freedom philosophy.

Atlas’s track record of assisting institutes over two decades provides it with uncommon expertise in investing prudently in what is still a young sector of the non-profit world. Donors who wish to advance the free society by helping build new institutes and new programs invest in Atlas and seek its input on innovative, promising new ways to add value to the freedom movement. Thanks to our donors’ generosity, Atlas has given more than $20 million in grants to market-oriented efforts since it was founded in 1981. Our goal is to increase that amount tenfold in the next decade.

We take this opportunity – as we look back on 2003 and prepare for next year’s challenges – to seek your continued support of Atlas’s mission. We appreciate your support of specific Atlas projects, and especially your unrestricted donations, which help us retain key staff and react with flexibility to unforeseen opportunities to advance the Atlas mission.

As you will have noted throughout this Year-in-Review Investor Report, Atlas is building on past successes and capabilities to expand into new regions and programs. Some of these efforts are presented in highlighted text throughout this report. For instance:

• Our new Africa program builds on ten years of prudent investments in the region.
• The International Freedom Corps expands Atlas’s two decades of experience in offering visiting fellowships and scouting for new intellectual entrepreneurs.
• The Media Training / Public Relations workshop proposes to build on our tradition of helping institutes develop skill sets to prepare them for success.
• The Hispanic Outreach program expands our work in the Americas and our cooperation with our new start-up, the Hispanic American Center for Economic Research (www.hacer.org).

Atlas takes pride in being a trustworthy custodian of your contributions. In 2002, 87% of our budget was utilized for grants and programs, with just 13% of expenses used for fundraising and administration. For more detail, please review our 2002 audited financial statement, available in PDF format in the About Atlas section of our Web site.

“The think-tanks’ influence is partly related to the intellectual barrenness of America’s two main parties. The Democrats and Republicans are little more than vehicles for raising and distributing campaign contributions. They have no ability to generate ideas of their own, and little control over individual politicians trying to burnish their reputations with new thinking.”

— “The Charge of the Think Tanks” (The Economist, February 15, 2003)
A Wish List for Freedom

Atlas works in many regions, with many partners, and through many different avenues to change the climate of ideas in favor of the free society. For your consideration, we offer some suggestions of priority opportunities to advance liberty around the world. We are happy to discuss our various efforts and “wish list” items with interested donors. Please also refer Atlas to individuals you know who are sympathetic to our shared vision. We would be delighted to schedule a time to explain how we help the think tanks that are changing the world in the direction of greater liberty.

General Funding – While the 2002-2003 period has been a big success for Atlas in terms of programs and partners, our overall budget has declined more than 25% from the level attained in 2001. Your general donations pay for the staff and infrastructure that in turn provide advisory services and resources to institutes and intellectual entrepreneurs. Atlas operates on a lean budget, and when we have a surplus of general funds, we use it to increase our support of new institutes around the world.

Difficult Regions – The John Templeton Foundation pledged to match up to $250,000 in new contributions for regions of the world that currently lack strong think tank efforts. A wonderful example of success and a solid investment in a difficult environment is the Institute of Economic Affairs – Ghana. In early 1993, five years after beginning work with IEA-Ghana, Atlas donated a fax machine and printer to help the fledgling institute become planted in the policy world. At the time, IEA-Ghana President Charles Mensa thanked Atlas writing, “The fax machine will make it possible for us to fax letters to all our friends and supporters within the Atlas family. And even though we are miles and miles away from the U.S. and Europe, the fax machine has brought us closer to the world. It has indeed revolutionized our office.” The IEA Ghana is now an influential institution in its civil society.

Conferences – Atlas will hold its annual Liberty Forum from April 28-29, 2004, in Chicago with a focus on expanding free trade from Canada to Central America. Donors can help allay costs of bringing new institute entrepreneurs to this event, or assist us in arranging other workshops to benefit the think tanks in the Atlas network.

Rule of Law – Since 1995, Atlas has been making respect for the rule of law, good governance, and transparency themes of Atlas workshops and projects. The importance of the rule of law, however, remains underappreciated, especially in countries of Africa, Latin America and Eastern Europe. Atlas would like to increase the quantity and quality of work on the rule of law, and utilize institutes worldwide to disseminate this research.

Latin America – Atlas has brought more resources to the challenge of building think tanks and advancing free-market ideas in Latin America than any other market-oriented group. We seek to partner with new donors who can help build our efforts further in specific countries or throughout the region.

In the photos to the left, you see Atlas president Alex Chafuen giving Charles Mensa office equipment in early 1993 (right) and at their recent meeting at the Atlas offices (left).


Chuck Preston of the Lilly Endowment (center) with members of the Atlas staff. Thanks to the continuing commitment of Lilly Endowment, Atlas has helped foster a strong network of Latin American think tanks that advocate respect for individual rights, rule of law under limited government and the market order.
Making A Difference

While the political class tends to take the contributions of businesses and entrepreneurs for granted, Atlas and its think tank allies never forget how wealth is created. Improved standards of living stem from the new innovations and productivity increases created by profit-seeking companies. Not only are jobs generated and consumer needs satisfied through the free enterprise system; trade between nations also promotes peace between nations.

At Atlas, we think of our work as an essential complement to the work of this “productive sector.” After all, businesses will not succeed if governments make it unattractive to invest in commercial enterprises.

Atlas is determined to improve public awareness of how wealth is created so that public policy will trend away from vilifying corporate interests and toward removing the regulatory shackles that often make investment too risky.

While much of Atlas’s work requires a long-term perspective (since think tanks succeed by building reputations and establishing credibility over time, there is no “quick fix”), an important aspect of our operation involves today’s policy battles. Because Atlas operates as an information hub for the international think tank network, we can mobilize efforts on key issues. Atlas finds partners among the 150+ independent research institutes that we have helped in their early stages. Because they have established strong credibility in their local environments, they can change policy debates by standing up for key principles. Among them:

- Free trade benefits all countries.
- Prospects for improved standards of living depend on economic development, which is undermined by the anti-globalization activists that want to impose excessive environmental and labor regulations on poor countries.
- Investment will occur where the rule of law and protection of private property rights (including those for intellectual property) are well established.
- The quality and affordability of services – even in health and education – improve in a climate of free competition, as compared with systems that rely on central planning or third-party payers.

The Manhattan Institute is an example of an institute that has profoundly changed public policy over its 25 year career by championing the “broken windows” theory of crime that led to Giuliani’s reforms in New York of the 1990s and by publishing Charles Murray’s Losing Ground (1983), a turning point in the entire debate on welfare programs. In a New York Post article titled “Revolutionaries” (Jan 30, 2003) author Tom Wolfe recounted the role of Atlas’s late founder Antony Fisher in starting the Manhattan Institute, and its remarkable success in the quarter century since.

Atlas also motivates think tanks to improve outreach to certain key audiences. For instance, Atlas is building on past work in connecting with the growing population of U.S. Hispanics who arrive in pursuit of greater economic opportunity, yet show voting patterns favoring bigger government.

Finally, Atlas showcases the issues faced by certain countries. During the past year, Atlas put a spotlight on the current challenges facing China, Argentina and Venezuela by creating events that utilized experts from throughout Atlas’s network.

Because Atlas stays independent from government funding, it is devoted to sharing candid perspectives on today’s issues from reliable, unbiased sources.

Atlas helped its friends at the F. A. Hayek Foundation (Slovakia) attract Steve Forbes as a conference speaker in 2003. The visit inspired him to write about the crucial role of homegrown market-oriented think tanks in the pages of Forbes magazine (Aug 11, 2003): “That Slovakia is emerging as a beacon of democratic capitalism is in no small part because of the foundation’s work. For example, it persistently and effectively pushed the flat tax idea, which should become effective Jan. 1, 2004. All of us, including savvy investors, should be grateful that such civic institutions as the Hayek Foundation are taking root in former Communist countries. They are providing the real push, the impetus for Western-style reforms and ideas.”
Since the beginning of 2002, Atlas has given out seed grants to 15 think tanks for Health & Welfare projects that range from educating health care providers of ways to facilitate better doctor-patient relationships; to the unintended consequences of the Americans with Disabilities Act that harm the disabled population; to an audit of the effectiveness of state-run and independent charitable programs; to collecting evidence of the negative consequences of rationed (i.e., not consumer-driven) health care. In January 2004, Atlas will announce its third round of Health & Welfare grant winners.

Hispanic Outreach

The voting habits of Hispanics in the U.S. are destined to have a tremendous impact on the direction of public policy in the 21st century. While many Latino immigrants are attracted to the U.S. for its economic opportunity and religious values, large numbers of these populations self-identify with U.S. political figures that promote dependency on government and attack traditional morals.

Atlas would like to create a virtuous competition for seed grants for projects that educate Hispanics about the virtues of the market order, limited government, and individual freedom and responsibility. Such an effort would rally the attention of think tanks, so that they pursue this important goal at the local level. For a detailed proposal about this project, please contact brad.lips@atlasUSA.org.

The think tanks with which Atlas works promote ideas to foster free trade, improve education, and remove the barriers to entrepreneurship and wealth-creation. For instance, Atlas honored the Cato Institute’s Against the Dead Hand: The Uncertain Struggle for Global Capitalism and Libertad y Desarrollo’s Ideas para una Educación de Calidad (Ideas for a Quality Education) as winners of its 2003 Fisher Awards Program.

Other think tanks in the Atlas network rail against litigation abuses and the use of junk science to impose extreme environmental regulations.

Atlas has developed a reputation for organizing events that showcase a variety of independent-minded experts. One such example occurred in August 2003, when Atlas organized a conference in partnership with the Hudson Institute on “Venezuela: Preserving Political Democracy through Civil Society.” Six speakers presented candid assessments of the difficult challenge of creating alternatives to the Chavez administration, given its abuses of power, corruption, and connections with the international Foro de Sao Paulo. Footage of this event can be ordered through the Video Archive section of the C-SPAN website, under the title: Panel Discussion on Political & Economic Situation in Venezuela.

Atlas’s president Alex Chafuen sits with Gil Cisneros and Robert Martinez from the Chamber of the Americas, an organization that facilitates commerce and understanding between the businesses and governments of the Western Hemisphere. Alex had the opportunity to meet with Cisneros and Martinez in Denver before speaking to a small group of Atlas donors and allies on the Hispanic American experience in the United States.

Speakers Beatrice Rangel (Cisneros Group) and Jack Sweeney (Stratfor.com) during the event on Venezuela.
An important ally for Atlas in its Teach Freedom Initiative is Liberty Fund, Inc. (Indiana), a private, educational foundation, established to encourage the study of the ideal of a society of free and responsible individuals. In early April 2003, while in Brazil for a Liberty Fund conference on “Order and Security,” Leonard Liggio spoke about the “Moral Foundations of the Free Society” to a group of 50 local business people. The Brazilian think tanks, Instituto Liberal do Rio Grande do Sol, Centro Interdisciplinar de Ética e Economia Personalista and Instituto de Estudos Empresariais, organized this event to help bring bridge the gap between the policy world and the business world. Leonard, at far right, is pictured here with the other participants in the Liberty Fund conference.

To build a stronger network advancing the ideas of freedom, Atlas is engaged in bringing free-market concepts to new audiences and building bridges with allies in the academy. Atlas’s Alex Chafuen and Leonard Liggio have taken numerous trips during the past year to speak and lecture on the principles of the free society. For instance, Chafuen has spoken at George Washington University on the prospects for the Free Trade Area of the Americas and to members of the Association for the Study of the Cuban Economy on transitions in post-communist countries. Liggio, serving from 2002-2004 as president of the prestigious Mont Pelerin Society, is well-known around the world as a professor who has helped hundreds of people find fruitful opportunities to advance classical liberal ideas. One of his longstanding affiliations has been as a lecturer at the Summer University held by the Institute for Economic Studies-Europe in Aix-en-Provence, France, which has a tradition of attracting eastern European students.

In 2003, Atlas launched the Fund for the Study of Spontaneous Orders to recognize and support the work of scholars who apply the perspective of Austrian methodological individualism, which has greatly improved our understanding of economics, to the many other forms of human action. The fund awarded its first Prize for Younger Scholars to Pierre Desrochers from Toronto University and the Montreal Economic Institute. The fund also celebrated the lifetime achievement of Vincent and Elinor Ostrom (Workshop in Political Theory and Policy Analysis at Indiana University) for their pioneering applications of methodological individualism to the study of social organization outside the realm of market exchange. The Ostroms will be awarded a $50,000 prize on November 7, 2003, at the George Mason University Law School.

Thanks to the support of other donors, Atlas has been able to promote a variety of academic projects that include book translations, fellowships, conferences, and independent research. Atlas also has supported the efforts of institutes with educational programs geared toward the ideas of classical liberalism. For example, the Centre for Civil Society (India) holds numerous “Liberty and Society” seminars, reaching approximately 2000 university students in India over the course of the year. The Instituto Ecuatoriano de Economia Politica (Ecuador) as well the Friedrich A. von Hayek Foundation (Slovakia) are additional examples of think tanks that teach high school and university students about economics.
International Freedom Corps

Priscilla Tacujan returned to her original homeland, the Philippines, as a member of the Atlas International Freedom Corps (IFC) in the Summer 2003. Her assigned task during her two-month stay was to find market-oriented individuals, expose them to Atlas’s interests in building lasting institutions to further the ideas of freedom, and develop ideas for expanding our work in this country.

Atlas’s IFC consists of potential intellectual entrepreneurs who visit Atlas to learn about think tanks, and trusted friends that go abroad to scout for individuals with the potential to start or develop public policy institutes in the future. The program builds on Atlas’s successful visiting fellows program that has hosted 76 individuals from 28 countries for weeks at a time, and special efforts working with allies to scout for intellectual entrepreneurs in difficult parts of the world.

With your support, we will build the IFC into a free-market alternative to the Peace Corps. Our goal is to develop the human capital and non-governmental organizations that will promote and protect the core values of the free society, thereby improving the prospects for peace, security, and rising living standards. For more information about how you can help this effort, please contact brad.lips@atlasUSA.org.

Boris Lvin (World Bank) is flanked by Nikolai Wenzel and Alex Chafuen while examining one of the books of Austrian Economics that Alexander Kouryaev (left) has translated into Russian.

Enrico Colombatto continues to teach “The Fate of Liberalism in the 20th Century: An Economic, Social and Political Analysis” at the University of Turin (Italy), a course launched in 2000 as a consequence of the International Freedom Project, which Atlas administered for the John Templeton Foundation from 1999-2002. He also runs a think tank at the university, the International Centre for Economic Research (Italy).
As a syndicated columnist, I am in almost constant touch with think tanks. In fact, they are vital to my work. Research institutes provide me contacts, ideas, statistical data and the occasional “reality check” to assure that half-baked concepts, whenever I have them, get fully thought-through before they get published.

Scholars at America’s large, established think tanks – such as the Heritage Foundation and the Cato Institute – routinely speak with me as I do my work. Local and regional operations, such as the Pacific Research Institute, are most helpful when I focus on matters unique to their localities, such as the San Francisco school board’s battles with the embarrassingly successful Edison Charter Academy. And in my town, the Manhattan Institute’s book luncheons offer plenty of food for thought while its social gatherings for pro-market New Yorkers have turned many fellow travelers into close personal friends.

While these think tanks enjoy international renown, I am delighted that Atlas continues to help launch, support and mentor smaller organizations that are rising toward the top of the policy research world. Many of these groups perform important duties with limited resources and small staffs and, in some cases, under considerable political pressure.

The Institute for Health Freedom, for example, offers timely and passionate arguments in favor of letting Americans gain more control over their medical care. Under the direction of Sue Blevins, IHF has built on the work of other think tanks – among them, the National Center for Policy Analysis and Galen Institute – to promote Medical Savings Accounts and denounce Big Government “solutions,” such as the gargantuan Medicare pharmaceutical benefit currently slithering through Congress. IHF also has warned about the increasing invasiveness of medical paperwork that could let bureaucrats peek at every American’s prescription records and psychologists’ notes.

Instituto Cultural Ludwig Von Mises (ICUMI) is a small Mexican think tank that focuses on the need to boost public integrity in our neighbor to the south. Corruption in Mexico is not just a criminal matter. Assaults on Mexico’s rule of law frustrate domestic entrepreneurs and frighten international investors. Among its unique programs, ICUMI has worked with authorities to develop an ethics curriculum for cadets in Mexico City’s police academy. This effort, to see that recruits become “good cops,” should pay handsome dividends for average Mexicans and for foreigners who conduct business there.

The Liberty Institute in New Delhi helps spread the ideas of freedom among nearly one billion people in India. Through the leadership of Barun Mitra, Indians learn that strong property rights, including well-protected intellectual property, are key to their advancement. Among other initiatives, LI has staged free-market book fairs that bring to India works by such libertarian luminaries as Rose and Milton Friedman and the late Julian Simon. Earlier this month, I saw Mitra at the World Trade Organization meeting in Cancun, Mexico, where he and other institutes friendly to Atlas countered the anti-globalization protesters who screamed for regulation and protectionism to “save” the Third World. As a resident of the developing world, Barun reminds those eager to “help” that they could start by prescribing less socialism and more laissez-faire.

Fundación Libertad in Rosario, Argentina, has waged a thankless battle to promote market reforms in a country that strays from prosperity’s path at least once each decade. Gerardo Bongiovanni, FL’s president, leads a team of media-savvy policy analysts who appear daily on TV, radio and in print. While many of their ideas held sway during former president Carlos Menem’s administration, Argentina now is soaking in old-style populism. The good news is that Bongiovanni and his freedom fighters keep pushing for individual liberty and private enterprise. As they educate those who will listen, they lay the groundwork for tomorrow’s Argentine renaissance. Meanwhile, they may help Argentina avoid even greater socialist excesses, such as those on vivid display in Venezuela.

As both a columnist and Atlas senior fellow, I am fortunate enough to see the work of think tanks, large and small. As pillars of the freedom movement, they fill me with pride nearly every day. With the assistance of Atlas and its friends around the world, who knows how much more these valiant groups can accomplish?

New York commentator Deroy Murdock is a syndicated columnist with the Scripps Howard News Service and a senior fellow with the Atlas Economic Research Foundation.
What causes transformative events to occur? And how can we better predict—or even engineer—them? I don’t expect to find a definitive answer to these questions any time soon. But I do want to relate some history and scholarship, related to these questions, which illuminate our strategy at Atlas for bringing freedom to the world.

This year marks the 100th anniversary of the founding of Ford Motor Company, which changed the world through the assembly-line manufacture of low-cost automobiles. As Americans bought millions of Model T’s in the first quarter of the 20th century, huge changes occurred in where and how people lived. New industries arose, bringing new jobs and new fortunes. Why did this miracle of a company arise where it did? We cannot discount the visionary leadership of Henry Ford, or the genius of his partner, James Couzens, who provided the accounting and operational framework for the company’s remarkable growth. Yet there was another factor at work: Detroit in 1900 already had great reserves of workers experienced with motors, as the city was a major center for the boating industry, due to its central location along the Great Lakes.

Austrian economics emphasizes the importance of informal knowledge: reputations of vendors, where to get supplies, who to ask for a quick fix to a certain problem. Centralized planning of economic activity fails because planners underestimate the value of informal knowledge and the costs of obtaining it.

The experience and know-how of a large cohort of machinists already located in Detroit accelerated the pace at which Ford Motor Company ushered in the popularization of the automobile. Henry Ford would not have achieved the same success had he started his company in landlocked Lansing, Michigan, rather than the gateway between Lake Erie and Lake Huron.

The scholarship of Pierre Desrochers—recipient of a 2003 Prize for Younger Scholars from Atlas’s Fund for the Study of Spontaneous Orders—drives home this point that the close physical relationship of different businesses facilitates creative problem-solving and unexpected innovations. He explains:

“Interaction with customers and suppliers, along with information about new technologies and ways to deal with non routine situations, is critical to business success... Most valuable knowledge is embodied in people and is not amenable to any formalized mode of communication. One of the ways that firms’ owners and employees can tap into the tacit knowledge of other people is by being located in close geographical proximity to them.” (“Geographical Proximity and the Transmission of Tacit Knowledge,” The Review of Austrian Economics, Winter 2001, pp. 42-43)

What does this have to do with Atlas? First and foremost, Atlas is in “the people business” and believes individuals can accomplish more when connected with others trying to solve similar problems.

Of course, the network with which Atlas works is spread all over the world. We try to create the links among champions of freedom that Desrochers has observed arising among firms in concentrated locations. These links foster the spread of better management practices and innovative policy strategies.

An example: at Atlas’s 1990 workshop in Munich, Vitali Naishul (Institute for the Study of the Russian Economy) met Chilean think tank representatives, Carlos Caceres and Arturo Fontaine. From this meeting grew a relationship that ultimately brought a number of Russian economists to the Centro de Estudios Publicos to study Chile’s market reforms of the 1980s as a possible model for Russia. Today, these economists are influential in the Russian government, helping enact a flat tax and other positive measures.

Atlas’s role in facilitating important developments like this is difficult to measure. But we do hope Atlas donors take satisfaction in these anecdotes that show how exchanging ideas makes a difference in the long struggle to expand the sphere of liberty in the world.

We know that breakthroughs in public policy only occur when the climate of ideas is favorable. Changing the climate of ideas depends on consistent intellectual leadership from institutions with credibility in their local environments. Building these institutions—and energizing them with new ideas—is the focus of our work at Atlas.
The papers from the recent Mont Pelerin Society Regional Meeting in Chattanooga focused on the theme of “Freedom, Entrepreneurship and Prosperity.” They underscored the important idea that private property and private entrepreneurship are the engines of economic growth and general prosperity.

The United States of the 19th century exemplifies a favorable climate for such prosperity, because of the strong tradition of private property, individual freedom and rule of law. In sectors such as the then-nascent electric industry, we see how in a free economy, talented entrepreneurs build on one another’s achievements.

Thomas A. Edison, viewed as a slow child and educated at home by his mother, began to demonstrate entrepreneurial talents in his early jobs. He was able to gain support for electrification by installing lighting in the mansion of J. P. Morgan who was an investor in Edison’s invention of direct current (DC). Buildings in downtown New York began to acquire electricity from different producers. William Whitney formed the producers into a single company, the Consolidated Edison Company. Electric lights and other consumer goods were produced by the General Electric Company.

But these developments were possible only because another inventor had pursued a parallel line. Nikola Tesla invented alternating current (AC) which made ordinary consumer products feasible, in a manner Edison’s limited DC did not. Tesla’s work was marketed by George Westinghouse, a major businessman who saw the advantages of AC for the individual household rather than the few offices buildings able to use DC.

Yet still other entrepreneurship was necessary to give consumers the confidence to buy a new and potentially dangerous product. The Underwriters Laboratory tested electric appliances for safety and certified the products for the consumer (marked with a UL label).

While we honor Thomas Edison for his invention of direct current, it is important to note that the rise in living standards associated with electrification came from many factors that are unique to market societies. Entrepreneurs recognized opportunities to provide new value to consumers; the potential for creating profits from these opportunities enticed investors to create companies to manufacture and market products; and market forces responded to additional consumer concerns, such as safety.

At Atlas, we see how the variety of entrepreneurship in businesses is paralleled by the variety of entrepreneurship in ideas. Intellectual entrepreneurs (leaders and trustees of market-oriented institutes) enable the creation of wealth by expanding the climate for freedom and entrepreneurship. Think tanks’ critiques of central planning, inflationary monetary policy, and welfare entitlements motivated policy changes in recent decades that have created better opportunities for producers and investors. Current think tank efforts toward educational freedom, privatized public pensions, and consumer-driven health care could yield equally beneficial results.

The principal difference between working in ideas and working to create products and services is that the consumer of ideas does not see the immediate value of the product.

Entrepreneurship in ideas is a long-term process that again benefits from the variety of talents and outreach to different communities. The Foundation for Economic Education, founded by Leonard Read in 1946, became the inspiration for many institutes in the western hemisphere. Its early success derived from a talented staff, mainly former Ph.D. students of F. A. Harper, and a board of directors drawn from the heads of major U.S. corporations. Over the years, members of the FEE board became lecturers to weekend seminars to fellow businessmen around the country.

Over two decades, Atlas has helped extend this intellectual entrepreneurship, pioneered by FEE as well as the Institute of Economic Affairs in London, throughout the Americas and other parts of the world.

There are now scores of market-oriented institutes south of the Rio Grand River, as well as several successful policy institutes in Canada. The United States of course is a full producer of market-oriented think tanks with approximately forty state-based institutes, working to maintain the climate of economic competitiveness for their states, and many nationally-focused institutes, often with particular expertise, such as education, health, values, and law.

Atlas requires many kinds of entrepreneurship in order to assist and advise the nearly 200 institutes around the world with which it works. Atlas’s focus on start-up institutes is particularly demanding, as new intellectual entrepreneurs are in need of many kinds of advice. Those who invest in Atlas’ various programs make possible the initiation of new institutes and the flourishing of those who have gained the first rung on the ladder.