

**Policy research institutes and think tanks in Western Europe:
Development trends and perspectives**

**Paper prepared for
the Local Government Institute,
Budapest,
January 2003.**

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Summary

Western Europe has an extensive industry of policy research institutes. The first wave of these 'think tanks' emerged in the late nineteenth century in countries such as Great Britain and Germany. The most extensive growth occurred in a second wave of development in most European countries after World War Two. These institutes were often large technocratic institutes with a professional, in-house research staff and usually benefited from extensive state support. A third wave of organisational development from the late 1970s brought diversification, specialisation, more apparent normative agendas and stronger advocacy of policy analysis. Many of the new institutes are smaller in size and contract external researchers. A nascent fourth wave of think tank transnationalisation is unfolding.

The policy influence of these organisations is multi-faceted. They contribute broad ideas and frameworks of policy thinking; they have become essential to data construction, information gathering and dissemination; and among civil societies they play a role in raising public awareness. Many of these organisations are recognised policy actors in their own right rather than simply being 'informers' of policy on the outside of decision-making. In particular, networks are important mechanism for feeding policy analysis into policy development, especially in milieu characterised by multi-level governance. However, the preponderance of policy analysis organisations does not necessarily lead to improved policy formation or effective knowledge utilization.

Institutes face a number of challenges today and in the future. The most critical challenge for many is shortage of funding. Whilst there are numerous sources of funding – government, the EU, international organisations, private foundations, corporations – competition is stiff. Moreover, policy fashions change and donor organisations develop new funding priorities that may spell hardship, and sometimes closure, for think tanks without a broad base of funding support. The use of information communication technology is increasing the transparency of think tanks, extending their public outreach, broadening their audiences and potential membership. In future, accountability, participation and representation in policy research may become more pressing concerns for think tank managers.

Introduction

In this paper we discuss the roles, diversity, country differences and influence of public policy institutes and think tanks in Western Europe with special attention to the European Union (EU) context. Discussion of think tanks was once limited almost exclusively to Anglo-American systems.¹ However, policy institutes in the EU have come under greater scrutiny (see *inter alia*, Day, 2000; Ladi, 2002; Sherrington, 2000) and we draw extensively on this body of literature. In addition, current research is increasingly focused on think tank development in the developing world (see chapters in McGann & Weaver, 2000) and post communist transition countries (see Struyk, 1999; Goodwin & Nacht, 1995; Quigley, 1997; Krastev, 2000).

These studies come in the wake not only of an explosion of think tank numbers but also in response to increasing activity of other organisations seeking policy advice and promoting think tank growth. Private foundations, corporations and other non-state actors are demanding high quality research, policy analysis and ideological argumentation. Governments and international organisations like the United Nations often regard think tanks as a means to extend policy analytic capacities, aid civil society development or promote human capital development (ODC, 1999). Our appendix of selected policy research institutes with a social science orientation is not comprehensive but does provide some indication of the extent and diversity of institute development throughout Western Europe. However, our purpose here is to provide more of a conceptual analysis of the development, roles and influence of policy research institutes/think tanks, than to provide a descriptive map of organisational development.

In Part One, we provide an overview of the think tank landscape in Western Europe and their periodic waves of institutional development. We outline some of the definitions of think tank and policy institute and how understanding of these terms can differ substantially from one political culture to another. In addition we provide a typology to guide some of our discussion. We argue that:

- There have been successive waves of think tank development over time throughout most European countries with trends from generalist to specialist focus, and from technocratic styles of institute activity to more advocacy, increasing competition.
- Policy analysis organisations – private and governmental – have consolidated, diversified and matured to produce collectively a strong, sophisticated and extensive policy analysis industry.
- Given the vast diversity of policy institute structures, research objectives, size and ambit, we claim that there is no such thing as a 'typical' profile of a European policy research institute or think tank.
- Growth of the organisations undertaking policy research – whether they be private or public – is likely to continue.

¹ Some of the best known studies include: Abelson, 1996, 2002; Cockett, 1994; Denham, 1996; Dickson, 1971; Ricci, 1993; Smith, 1991; Stone, 1996; Weiss, 1992.

In Part Two, we address the policy process and knowledge utilisation with a specific focus on: firstly, how European institutes bridge research and policy; secondly, issues of political independence, scholarly autonomy and policy credibility; and thirdly, the development of think tank networks, research centre cooperation and institutional linkages to governments and other official policy actors. Addressing questions about modes of think tank influence and relevance, we argue:

- Many of these organisations are recognised policy actors in their own right rather than simply being ‘informers’ of policy on the outside of decision-making.
- Policy impact is multi-dimensional. For example:
 - Contributing ideas and frameworks of thinking
 - Data construction, information gathering and dissemination
 - Raising public awareness.
- Different tactics are employed by institutes/think tanks to disseminate analysis, communicate with decision-makers, bridge research and policy. In other words, while advocacy and punditry has become commonplace it has not supplanted more traditional and scholarly modes of analysis and publication.
- Networks are important mechanism for feeding policy analysis into policy development, and policy networks will become a more common feature of policy development characterised by multi-level governance.
- However, the preponderance of policy analysis organisations does not necessarily lead to improved policy formation or effective knowledge utilization.

In Part Three, we focus on the demand side of utilization of think tanks' intellectual capacity, as well as their financial linkages and sustainability in the market for policy analysis. We identify a number of issues that institutes face today and in the future.

- There are many challenges facing think tanks, the most critical of which for many is shortage of funding.
- There are numerous sources of funding – government, the EU, international organisations, private foundations, corporations – but competition is stiff.
- Issues of accountability – participation and representation in policy research – have not been an issue for this industry but may become so in the future.
- The use of information communication technology is increasing the transparency of think tanks and broadening their audiences and potential membership.

Methodology

Much of the information in this paper derives from in-depth interviews carried out by one of the authors (Ullrich) with the directors, researchers and policy analysts of Western European think tanks, with an emphasis on Brussels-based EU think tanks and German and UK EU-oriented think tanks. The locations were chosen in order to highlight the

diversity that exists among think tanks within Western Europe. Additionally, to gain a more balanced view, government policymakers, the primary consumers of think tank output, were also interviewed including officials within the European institutions as well as member state civil servants based both in Brussels and in their respective capitals. The other author (Stone) has been a participant-observer of a number of policy research institutes. She has been a member of various institutes, a consultant to the World Bank in its think tank capacity building programs and more recently a member of governing bodies of both European university research institutes and independent think tanks as well as the Global Development Network.

Part One: Overview of Policy Research and Analysis Organisations

Definitions

Think tanks and public policy institutes vary considerably in size, structure, policy ambit and significance. As a consequence of this diversity, there are considerable difficulties in defining 'think tank'. While it is often the case that 'think tank' is used interchangeably with 'policy institute', it is not always appropriate. A 'policy institute' is the broader generic category concerned with the functions of policy analysis and research. This activity may be undertaken within a private, third sector or governmental context. For most of the last century, the term 'think tank' was associated with a particular kind of organisational entity with legal status as a non-profit organisation predominant in the USA and Westminster political systems such as the UK, Australia and Canada. This cannot be assumed in the European context where the label 'think tank' has been applied to many official and quasi-official bodies.

The Anglo-American understanding of think tanks is of relatively autonomous organisations engaged in the generation of ideas and/or the analysis of policy issues *independently* of government, political parties and pressure groups. It is a '*relative autonomy*' as think tanks are often in resource dependent relationships with these organisations. Funding may come from government sources but think tanks attempt to maintain their research freedom and at least claim not to be beholden to any specific interest. Nonetheless, 'think tank' is a slippery term. It has been applied haphazardly to any organisation undertaking policy related, technical or scientific research and analysis. Such organisations may operate within government (this is evident in the case of the Group of Policy Advisors within the European Commission). They may be found within academic institutions (such as the Constitution Unit in the School of Public Policy at University College London). Often they are independent non-profit organisations while a few are attached to a profit making corporate entity.

As think tanks have proliferated in other regions, the think tank concept has been stretched. While the term 'think tank' has often been adopted in its English wording, with all its cultural connotations (Krastev, 2000), it has been applied to government research units that lack autonomy from political interests. There has been conceptual stretching of the term in France. As Fieschi and Gaffney argue, "in the French case, the main difficulty in defining think tanks lies in the relationship between think tanks and the state/policy sphere given that the line between intellectual, or at least a particular type of intellectual, and politician is blurred" (2003: 3)

Given the complex multi-level policy-making environment of the EU, it may be argued that rather than seeking to develop an all-encompassing definition, perhaps more critical to gaining an understanding of European think tanks is defining their role in the policy process. According to EU think tank researchers and government officials, this can be characterised as follows:

“Firstly, to develop ideas for the policy agenda for about two years down the line [since] there is a need to take up the issues of today and then link them with the future. Secondly, to promote intelligent ideas. Thirdly, to pull policy-makers away from the here and now and get them to see the implications and deeper meanings of issues” (Interview with member state official. Brussels. March 2001).

“To provide independent analysis and policy options” (Interview with think tank director. Brussels, January 2001)

“Think tanks act as facilitators or catalysts [within the EU policy process]. They also bring together those who would not have any other occasion to come together. These include academics, civil servants, associations and lobbyists, civil society organizations and non-governmental organizations...A broad field of people who are working in the same field, but have different perspectives” (Interview with an official in the European institutions. Brussels. January 2001).

Taken together, these comments produce constructive defining characteristics that provide a useful basis for analysing the large variety of think tanks operating within the EU policy environment.

Think tanks or policy institutes need to have some kind of engagement with government if they are to succeed in influencing policy. However, their desire to preserve intellectual autonomy means that most institutes try to strike a delicate balance between dependence on government and total isolation from it. The precise nature of 'independence' is to be treated with flexibility. While many institutes discussed in this paper are private organisations, the degree of independence of these organisations varies across at least three dimensions:

1. Legal independence
2. Financial independence
3. Scholarly independence.

Legal independence might be said to derive from status as a private organisation outside the state apparatus. That is, established as a commercial entity but more often as a charity or non-profit organisation. Despite independence as a private organisation, some of the organisations may be said to have resigned their autonomy to government, a political party or a corporation. (Examples include the Commission's Group of Policy Advisors and the former Philip Morris Institute in Brussels.) However, the notion that a think tank or policy institute requires independence or autonomy from the state in order to be 'free-thinking' is a peculiar Anglo-American predilection that does not travel well into other cultures (as noted earlier in relation to France).

A number of think tanks are dependent on a single funding source whether it be governmental or private. Accordingly, *financial independence* could be construed as

developing an endowment or having numerous sponsors and a diverse funding base, so that an organisation is not dependent on any *one*, or few, benefactors. We return to this theme in Part Three.

Scholarly independence is a different concept, and reliant upon certain practices within an institute: for example, the processes of peer review and a commitment to open inquiry rather than directed research. The scope for critical analysis and freedom to determine research agendas is frequently deemed essential to democratic participation in public debate.

Cultural understandings of independence, the degree of research autonomy and the extent of interest in policy and political issues, varies dramatically not only from country to country but from one institute to another.

Are these definitional and labelling dilemmas of any practical concern for policy analysis organisations? We think so. As more and more organisations claim to be ‘think tanks’, the meaning of the term is de-stabilised and potential the value or currency of this term debased. Given that its etymology is associated with some of the most prestigious US research institutions (such as RAND, the Council on Foreign Relations, the Brookings Institution and the Carnegie Endowment) this term was associated with a discrete set of organisations identifiable with high quality research and sound analysis. Band-wagoning on this (primarily American) heritage of excellence, it was fashionable to be called a ‘think tank’, especially in the 1990s. Indeed, the term is well established in the policy lexicon.

Yet, the adoption of this term around the world has seen it applied to organisations lacking the research capacity and intellectual strength of the older Anglo-American tradition. That is, bodies more directed to advocacy without a solid foundation of research, to organisations designed to promote the political interests of directors and advance the careers of staff (‘vanity tanks’), as well as to organisations in policy practice (‘think-and-do-tanks’) or capacity building. In short, the term has been stretched. Whilst many think tanks maintain professional standards and research excellence, the increasingly diverse kinds of organisations encompassed under this umbrella term undermine its caché. Accordingly, directors of institutes may find reasons in future to distance themselves from this label.

Waves of Development

Think tank development across nations is very uneven. At the end of the 20th century, in excess of 1200 think tanks are estimated to have emerged in the USA (Hellebust, 1997). They are relatively few in number in European countries. American analysts often argue that the US system is more open, pluralistic and permeable than European political systems. They often assume (*inter alia*, Polsby, 1983; Weaver, 1989) that there are fewer opportunities for think tanks to enter the policy fray in Europe and elsewhere due to factors such as stronger party systems, corporatist modes of decision-making, strong and relatively closed bureaucracies, or weak philanthropic sectors.

Such assumptions about the ‘exceptionalism’ of American political structures and institutions should not be taken entirely at face value. There has been a think tank boom in Central and Eastern Europe (CEE) as well as in Asia suggesting that other political systems provide fertile conditions for their proliferation and abundance.² Nevertheless, the strength of US policy research industry in comparison to Europe needs to be observed:

Although the European Union has a larger economy, the US has 30 per cent more internationally recognised think-tanks - that is, research institutes composed of scholars and scientists with academic, government and/or private experience. Most of such centres in both Europe and the US are independent (80 per cent in the US and nearly 70 per cent in Europe). A handful are university and government affiliated but otherwise independent. Moreover, the total number of researchers and the budgets for each are also higher in the US. The 82 internationally recognised think-tanks in the US had a total budget of \$1.2 bn last year for 8,500 staff. Their 58 European counterparts employed 4,400 people and received \$300m (Kim & Mauborgne, 2001).

Nevertheless, Western Europe is typified by a mature industry for public policy research and analysis. Previous studies of think tank development identify in most countries a pattern of ‘waves of think tank development’. Such waves of development will vary from country to country but each appears to bring increasing diversity. Later generations tend to be more advocacy oriented, partisan or ideological.

In Britain, the first wave of development occurred in the late 19th century up until the onset of World War Two. In this country, policy analysis institutes outside of government (eg, Chatham House/RIIA, the National Institute of Economic and Social Research – NIESR, the Fabian Society) were scholarly in style and generalist in focus. They produced substantive, book length publications. Some like the Royal Institute for Defence Studies (RUSI) had close and comfortable relations with the civil service. With fewer numbers of institutes, the first wave was also apparent in Germany (Deutsches Institut für Wirtschaftsforschung – DIW in 1925; the Friedrich Ebert Stiftung in 1925; Institut für Weltwirtschaft Kiel – IfW in 1914; and HWWA Institut für Wirtschaftsforschung in 1908), Sweden (Industriens Utredningsinstitut in 1939; Kojunkturinstitutet – KI in 1937; Utrikespolitiska Institutet – SIIA in 1938) and Austria (Österreichisches Institut für Wirtschaftsforschung – WIFO in 1927). However, institutes were far fewer in number and sometimes of more informal ‘society’, ‘salon’, or ‘association’ structure than Anglo-American counterparts.³

² Indeed, independent policy institutes are often perceived by young professionals in Central and Eastern Europe as a more viable vehicle for personal advancement than a career in decimated public sectors.

³ Institutes were also relatively prevalent in the Dominions of the British Empire. Data is taken from an international directory of think tanks (Day, 1993).

The second wave throughout many Western European countries took place from 1945 until roughly the late 1970s. It is the period when some of the most well known *continental* European institutes emerged. This was a period of massive growth of policy research and analysis capacity both inside and outside government, spurred by government funding (see next section). Institutes tended to be technocratic in style and remained relatively elite institutions where staff were highly educated and/or technically qualified. In common with the first wave, there remained a heavy emphasis on pragmatism, non-partisanship and objective analysis.

They fell into two broad groupings: those institutes focused on the gamut of domestic policy (*inter alia* bodies such as Political and Economic Planning - PEP) in the UK (changed to the Policy Studies Institute - PSI) in 1978 and institutes addressing foreign policy, defense and security or questions of development (for example, the Austrian Institute for International Affairs in 1978; and the Norwegian Institute of International affairs, established via an act of parliament in 1959). In other words, there were signs of specialisation. However, institutes in this period tended to be quite large institutions with permanent in-house research staff and their product remained relatively scholarly in tone. Both types were state-centric in orientation; that is, with a strong national identity. Notwithstanding the international reputation of bodies like the Institut Français des Relations Internationales (IFRI), and Clingendael in the Netherlands, their product was directed to national policy communities.

The third wave has been over the last two decades and has brought a proliferation of independent think tanks throughout the world. There are a number of features that are distinctive to the third wave. Specialisation of policy focus became much more pronounced with an abundance of environmental think tanks (the Öko Institut in Germany and the French, Belgian and British Institutes of European Environmental Policy dating from 1990), peace studies centers (like the Copenhagen Peace Research Institute - Center for Freds- og Konfliktforskning established 1984 in Denmark), labour policy institutes (the European Centre for Work and Society, 1979 in the Netherlands) or centres for the study of monetary policy.

Another important feature was the ideological positioning of many of the new institutes with forthright normative agendas. However, this tendency was more pronounced in some countries (like Britain and France) than others (Germany). The so-called New Right think tanks (*inter alia*, the Adam Smith Institute in the UK; Timbro 1978 in Sweden; Libertas Denmark 1983) are the most obvious example of ideological institutes that started to be founded from the late 1970s.

Alongside increasing partisanship and value driven policy analysis came increasingly diverse styles of operation. Many (but not all) of the new institutes, adopted a more adversarial approach to the marketing of their analysis with more overt advocacy in an attempt to bridge research and policy. With advances in communication technology, many of these institutes were able to project themselves to an extent that often belied their often smaller, more compact size. The diversity of policy outlook in many countries heralded a competition in ideas between institutes that was not so obvious

in the earlier waves when there were fewer, larger organisations. However, while competition among think tanks within European countries increased, there was also an increase in collaboration among think tanks located in various European countries.

While competition from other policy analysts poses a challenge to European think tanks, increased competition among European think tanks may result in improvements in their output. Even within the relatively limited Brussels market for think tanks working on EU issues, competition was widely seen as a positive factor. According to one senior think tank researcher: "Competition is healthy. It allows us to focus" (Interview; Brussels: 29 January 2001).

An additional and much stronger potential source of competition for traditionally-organised think tanks and policy institutes is coming from universities. As increasing numbers of European universities have had to look beyond the security of state financing to secure research funds, many have set up specialised research centres, often with a strong policy focus. However, given the similar nature of their work, these university-based research institutes increasingly collaborate with each other or with other think tanks on specific research projects. Collaboration among EU institutes indicates that there is widespread awareness of the benefits deriving from such relationships. In future, this collaboration is likely to expand given limited resources among individual European think tanks as well as the planned enlargement of the EU.

These trends are necessarily very broad brush in a paper such as this one and there are obviously exceptions to our general claims. Between European countries, there are significant differences as to when the first wave of development occurred. The emergence and diversification of policy research organisations started at later dates in Greece, for example, which has a smaller population of think tanks (such as recently established Research Institute for European and American Studies -- REIS). In Britain, Germany and Austria, the three waves begin from the late 1800s. In most other European countries, these waves are a post world war two phenomenon. However, the third wave of development is a dynamic throughout Europe. Needless to say, in CEE, the first wave of independent policy institutes was only evident after 1989.

A fourth wave appears to be emerging, and to which we give substantive treatment in this paper. Policy analysis organisations are expanding their research interests beyond the confines of the nation-state. We suspect that this trend is more observable among the independent think tanks given their potential for greater autonomy in this regard than internal government policy research units that may be tied, to a greater extent, to the dictates of national decision-making. The trend is towards a regional and global remit, and in Europe, towards the EU.

Within Western Europe, there has been a significant increase in the number of think tanks focusing on EU policy issues since the early 1990s. They now cover a wide spectrum of European policy issues, ranging from broad questions of institutional reform and enlargement to much more specific topics such as financial regulation and the creation of a single market for European advertisers. The growth in EU-oriented think

tank activity may be seen as a response to both the deepening and widening of the EU itself and the corresponding increase in the quantity and complexity of policy-making activities at the EU and member-state level. As the policy environment expands in scope and demands on government policy-makers in terms of time and expertise become greater, there is an increasing need for specialist knowledge, new ideas and policy alternatives.

Additionally, the rise in the number of EU-oriented think tanks may be seen as part of the more widespread phenomenon of increased policy-relevant activity by non-state actors witnessed since the start of the 1990s. In the EU, the trend of increased non-state actor activity was partly a result of the difficulties surrounding the ratification of the Maastricht Treaty between 1992 and 1993 and the acknowledged need for greater transparency in policy-making. Recognizing a need to incorporate the views of citizens to reduce the perceived democratic deficit within the EU political system, Western European politicians and bureaucrats have encouraged the increased involvement of non-state actors.

The EU's relatively transparent and open policy-making process provides think tanks with potentially numerous targets for their research and ideas. Sherrington (2000: 175) notes that: "Given the multi-level nature of EU policy-making, there are also a variety of access points, or target audiences for think tanks...Consequently, there is a much wider constituency for think tanks at the EU level." This broad constituency is a primary reason for the burgeoning scale and diversity of EU-oriented think tank activity in recent years.

Forces behind waves of development

For the first wave of development, the emergence of complex societies – that is, industrialisation, urbanisation, increasing levels of literacy and education, the maturation of young democracies, the growth of middle classes and the development of mass media – provided fertile conditions for the emergence of independent institutes. Lack of capacity in government to undertake extensive social science investigation and policy analysis in what were then much smaller bureaucracies, as well as increasing awareness amongst educated and growing middle classes generated demand for knowledge to aid modernisation. The post World War Two era of social and economic reconstruction witnessed the expansion of the public sectors of most European countries, Keynesian macro-economic policy and a broad social democratic consensus that generated even further demand for policy and analysis to support new policy experiments. In more general terms, as governments and international organisations seek to tackle the seemingly intractable problems of, amongst other things, poverty, pollution, terrorism and insecurity, there will be demand for ideas and analysis to better comprehend and respond with appropriate policy.

One thesis that may partially explain the development of think tanks emphasises the spread of democracy, often in tandem with economic development. Certainly, independent institutes seem to be more prevalent in industrially advanced democratic

polities. The argument is that they contribute to more plural and open societies by promoting a diversity of political analysis and policy opinion. This could easily lead to the inference that think tanks are symptomatic of democratisation and national prosperity. A diversity of organisations – none of which has a monopoly on policy advice – strengthens the democratic functioning of society by educating the populace and providing another forum for political debate and participation. Comparative examination, however, suggests that there is no simple correlation (see chapters in Stone and Denham, 2003).

A further proposition regarding think tank growth concerns government 'overload' and the increasing complexity of decision-making processes. In this view, institute growth is indicative of a need for more information, analysis and advice as economies and societies become more complex. Big government, globalisation and the flood of information from interest groups, industry and new government programmes mean that think tanks become one source of expertise able to explain the nature, causes and likely remedies of problems.

There is demand also for information to be managed. International organisations and governments require organisations to sift and edit knowledge as well as translate the abstract modeling and dense theoretical concepts characteristic of contemporary social science. Think tanks and policy institutes represent a legitimate and neutral vehicle to filter, to make sense of the conflicting evidence, sets of argument and information overload. The 'politics of credibility' -- of status, trust and reputation -- is an important dimension of demand for think tank services in the "information age" (Keohane and Nye, 1998).

... to understand the effect of free information on power, one must first understand the paradox of plenty. A plenitude of information leads to a poverty of attention. Attention becomes a scarce resource, and those who can distinguish valuable signals from white noise gain power. Editors, filters, interpreters and cue-givers become more in demand, and this is a source of power. There will be an imperfect market for evaluators. Brand names and the ability to bestow an international seal of approval will become more important (Keohane and Nye 1998, 89).

'Think tank' is one such brand name. The massive proliferation of non-governmental organisations (NGOs) and other non-state actors, their networks and dense patterns of exchange along with their advocacy and policy demands are creating congestion -- the so-called 'paradox of plenty'. Think tanks can set themselves apart as credible 'filters and interpreters' of information.

For governments concerned about 'evidence-based policy', policy research organisations potentially help create a more 'rational' or better informed policy process (Dror, 1984). This harkens back to the policy sciences in which some writers identify an *ideal* 'rational-comprehensive model of decision-making. The model is 'rational' in the sense that it follows a logical and ordered sequence of policy-making phases. It is 'comprehensive' in the sense that it canvases, assesses and compares all options,

calculating all the social, political and economic costs and benefits of a public policy. The central principle is the collection and analysis of all data. This is intended to provide policy-makers with certainty. Extensive communication and consultation is required, and because policy-making is construed of as 'problem-solving', 'expert' participation becomes necessary. The role of the researcher (or policy analyst) is to research and present all policy options.

However, this model assumes that researchers have both time and access to full information, and that this information will allow the best policy option to be identified. Knowledge is seen as neutral or apolitical, and consequently technocracy and cliques of 'experts' can emerge. This model also assumes that decision-makers will be persuaded by the most accurate or scientifically plausible option. However, the aims of policy-makers are often limited to satisfying immediate public demands, not to maximising long-term social gains. Rather than searching out all policy alternatives, research often stops as soon as a workable option is identified. Furthermore, the combination of 'sunk costs' in existing policies, the cost (time and resources) of compiling and assessing information, and the (generally) poor predictive capacity of (social) science result in less than 'comprehensive' outcomes from the policy-making process. Notwithstanding such limitations, institutes and think tanks (particularly the government sponsored institutes set up in the 1950s and 1960s) often adopt a public image or identity that stresses their problem solving and technocratic abilities.

Rather than organisations for 'rational' knowledge utilisation in policy, think tank development is also indicative of the politicisation of knowledge. Instead of research and analysis being used to help decision makers choose among policy choices, it can be used *ex post facto* to legitimate pre-determined policy (see Part 2). In a few countries think tanks are a means of career advancement or a stepping-stone for the politically ambitious. The 'revolving-door' of individuals moving between executive appointment and think tanks, law firms or universities is increasingly seen in CEE countries. Denham and Garnett (2003) argue that this has led to the 'hollowing out' of British think tanks.

Another thesis of the recent spread of think tanks is that a long-term process of convergence has taken place. That is, the creation of policy research institutes is indicative of national intellectual and decision-making elites copying each other (particularly those of the USA – see Krastev 2000; Dolowitz & Marsh, 2000). Within an international context the American think tank form is often taken as a template for think tank development elsewhere. Mimicry occurs when founders in other countries say they want to establish a Brookings-style institution in their own country. There is some evidence to support this explanation for think tank dispersion. The Atlas Foundation and the Mont Pelerin Society have been an important funding organisation and intellectual society respectively that have supported libertarian and free market institutes around the world. Organisational transfer has also been fuelled by individuals trained in other educational systems who have gained familiarity with the think tank form and occasionally a desire to replicate them in their countries of origin.

While the convergence argument has some purchase, it does not explain the development of all institutes. Many bodies emerge as the result of initiatives and dynamics *within*, rather than outside, the host country. Moreover, institutes are irrevocably shaped by the need to find or create their own policy niche and funding sources. Rather than mimicry, a range of organisational forms, styles and practices have emerged across nations. National political cultures and institutional arrangements strongly determine the type of think tank that takes root and the character of its policy involvement.

In many instances, the heightened activity of think tanks appears to be related to periods of economic and political instability. The rise of the so-called 'New Right' think tanks illustrates this point as their emergence coincided with a crisis in the Keynesian paradigm in policy making. Accession to the European Union prompts new organisational growth. The Cold War and the more recent War on Terrorism stimulated the growth of security studies institutes and the reorientation of research agendas. This suggests that 'waves of policy analytic development' in a particular country do not occur in a linear fashion but in response to significant societal, economic and political transformations.

Finally, beyond the nation-state, there are strong signs of think tank adaptation and evolution that may pre-figure a further wave of think tank development and diversification. The activities of international organisations such as the United Nations agencies, the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO) have drawn think tanks into their ambit. Other policy stakeholders (civil society, NGOs) are increasingly global. The European Union provides yet another institutional forum for think tank activity with the emergence of EU wide think tanks disengaged from specific national identities. Furthermore, with the revolution in information and communication technology, the possibilities for policy research disconnected from specific organisational settings has become increasingly feasible and fashionable. Most think tanks have a virtual presence (see Appendix: List of Selected Western European think tanks) and international research exchange and cross-national collaboration between think tanks is common place. The European Policy Institutes Network (EPIN – <http://www.epin.org>) and the European-Mediterranean Study Commission (EuroMeSco - <http://www.euromesco.org/euromesco/matriz.asp>) network of Euro-Mediterranean foreign policy institutes are good examples.

Political Culture and Institutional Architecture

There are significant differences in the organisational characteristics of think tanks between countries. Different institutional and cultural environments affect think tank modes of operation and their capacity or opportunity for policy input and influence. Oppressive regimes can severely limit the realm of 'safe' policy inquiry and investigation.⁴ All EU nations have established democratic traditions and practices with

⁴ In Egypt, for instance, international attention has been drawn to the forced closure of the Ibn Khaldoun Centre and imprisonment of four of its scholars.

tolerant political cultures where freedom of speech is recognised. However, the way in which policy research and analysis is (or is not) incorporated into policy is modulated by the political culture of a nation and channelled by the institutional architecture of the state. The following discussion simply highlights some of these factors as it is beyond the scope of this paper to provide a detailed cross-country analysis of institutional and cultural variables.

Federalism: A federal structure of government may aid the extent of development. Federal systems supposedly provide more points for political contact into which think tanks can target their activities. This is true of the *Länder* in Germany. In unitary systems, however, there is a stronger focus of institutes on national government that is often matched by a geographical concentration of these organisations in the capital cities of London, Paris and Athens. Today, we also see a concentration in other centres of power; that is, in Brussels with institutes drawn in by the centrifugal forces of the EU.

Parliamentary and Presidential systems: A presidential system with checks-and-balances between executive and legislature supposedly provides interstices through which think tanks can seek influence. As a broad generalisation, the separation of powers has a tendency to create relatively autonomous agencies that are often staffed by political appointees. In such an institutional context, appointees might want to cultivate their own sources of advice and analysis and either patronise independent think tanks or build in-house research capacity. However, the degree of institutional permeability to outside sources of policy analysis as in the US presidential system has not yet been witnessed to the same extent in European countries (see Weaver & Stares, 2001).

By contrast, parliamentary systems are said to involve greater centralization of fused executive-legislative power and accountability, supposedly allowing for greater political control over policy and exclusion of external policy actors. Furthermore, political parties in parliamentary systems (especially those with a 'first past the post' electoral system) tend to be more cohesive and disciplined and 'crowd out' opportunities for policy influence by research institutes outside government. Nevertheless, political institutions of national leadership are only one factor in determining opportunities for policy institutes: a combination of other factors can be more significant.

Political Parties: There is no evidence that think tanks are more likely to develop further within multi-party systems contributing to coalition government (as in Germany or Italy) or in strong two-party systems which alternate in office (as in Britain). The link with political parties is clearly central to understanding the role of think tanks in Germany. In other countries, such as Italy, the ties to political parties are less formal and substantial.

Bureaucratic traditions: Government appointees are more apparent in presidential systems. By contrast, in Britain a permanent civil service dominates as a source of policy

advice. Similarly, a permanent career civil service in Germany has traditionally been suspicious of too much dependence on external sources of policy advice (Thunert, 2001: 158). Yet, over the past two decades there seems to be a tendency towards drawing upon external sources of advice, possibly in response to what is seen as the 'rubber stamp' role of parliaments, or a reaction against the civil service view or *pensée unique*. Thus, the 'closed' nature of these systems can be overstated.

Cultural and Historical Dynamics: Additional variables for understanding the diversity of styles of research advisory bodies and the different dispositions of policy experts between countries lie in the legacy of history and political culture. In France, the 'public intellectual' is a well recognised figure. In Germany, "the technocratic ideal of 'non-ideological pragmatism'" associated with the consensus politics around the social state in the post war era "...can also be attributed to the exceptionally strong scholarly disposition (Wissenschaftlichkeit) that can be found among many policy experts". Moreover, "to have a sharp partisan or ideological profile is seen neither as desirable nor as an advantage in the policy advice market" (Thunert, 2001: 159). Likewise, in CEE and the Soviet Union, a highly technical, scientific and pragmatic approach prevailed in the large institutes (see Sandle, 2003). Notwithstanding a massive influx of third wave institutes in the former Soviet Union (fSU) and CEE, traditional norms of scientific distance from the policy domain persist.

Tax Regimes and Philanthropic Traditions: Crucial to the viability of many private sector institutes is their tax status (see Part 3., below).

Towards a typology of policy institutes in Europe

Western European think tanks share many defining characteristics but also vary in their methods of operation, size, sources of funding, target audiences and the political environments in which they operate. Given this diversity of characteristics and contexts, it is useful to place them within a typology to provide a framework for analysis. The typology developed here identifies four categories of Western European think tanks: (For a similar broader-based typology, see McGann & Weaver; 2000).

- 1) Policy institutes connected with regional or international organisations. For example, the EU's internal think tank - The Group of Policy Advisors (GPA), widely known by its French name, *Cellule de prospective*, operates within the European Commission to provide both expert policy advice to the President of the Commission and his cabinet and provide a link with external research institutes and associations. This category also includes policy institutes within European- based international organizations such as the Organisation for Economic Cooperation and Development (OECD), the North Atlantic Treaty Organisation (NATO), and the World Health Organisation (WHO).

- 2) Brussels-based EU think tanks The handful of Brussels-based EU think tanks differ in at least two important respects from their member-state counterparts. First, their location in the heartland of EU activity gives the former more frequent access to both EU and visiting member-state officials. Secondly, their independence from any member-state government means that they are relatively immune from the influence of national political and policy agendas, which may in turn enhance their credibility at the EU level.
- 3) EU Member State think tanks This category includes numerous EU Member State think tanks with varying objectives and distinctive methods of operation due to the nature of their particular domestic political system. There are several variable elements amongst European think tanks based in member states. First, although this category of think tank often reflects the political and policy-making environments in which they operate, some are clearly affiliated to national political parties. This is particularly true in Germany in the case of party institutes including the *Konrad Adenauer Stiftung* and the *Friedrich Ebert Stiftung*. Secondly, EU member-state think tanks vary in the amount of time they devote to broader European or EU issues as opposed to purely domestic issues. Thirdly, Western European think tanks vary in accordance with their geographical location. A researcher familiar with both UK and continental think tanks observed that in general, “continental think tanks are typically more academic in nature, while UK think tanks are frequently based on youth, dynamism and innovation”(Interview. January 2001). As Day (2000: 104) notes, while think tanks in the UK tend to resemble their US counterparts in terms of structure, there is “definitional blurring” when one considers think tanks across Western Europe as a whole.

Continental think tanks may be divided into categories according to their primary activities. Those focused on research and generating ideas include the *Institut Français des Relations Internationales* (IFRI) in France; the *Deutsche Gesellschaft für Auswärtige Politik* (DGAP) and *Stiftung Wissenschaft und Politik* (SWP) in Germany; the *Instituut voor Internationale Betrekkingen Clingendael* (Clingendael Institute) in the Netherlands; the Hellenic Foundation for European and Foreign Policy (ELIAMEP) in Greece and the *Instituto Juan March de Estudios e Investigaciones* in Spain. Organisations primarily involved in policy-oriented analysis for a specific constituency include the European Institute of Public Administration (EIPA) in Maastricht and the WEU Institute for Security Studies in Paris. Aiming to further debate on European issues are Jacques Delors’s *Notre Europe*, DGAP’s Forum on European Foreign Policy, the outreach programmes of the *Bertelsmann Stiftung* including its extensive conference network, international forum and European summer

school, and Germany's party-affiliated institutes such as the *Friedreich-Ebert Stiftung* and the *Konrad Adenauer Stiftung*.

- 4) University-based Western European research institutes - University-based Western European research institutes carry out policy-relevant research, publications, and conference activities. These major university-based Western European research institutes, while cherishing and claiming their independence in terms of research, often collaborate with each other or with other think tanks on specific research projects. Thus, a mutually beneficial relationship is formed. Examples of such research institutes include the Robert Schuman Centre at the European University Institute (EUI), the European Institute at the London School of Economics (LSE), the Centre for Applied Policy Research in Munich and the Mannheim Centre for European Social Research.

While typologies serve as an analytical tool, some caution is warranted in their interpretation. This is particularly so in the case of Western Europe, given both the multi-level and multi-dimensional nature of the policy-making environment. Even within the categories of this typology, significant differences in objectives are evident. These differences, most apparent among the Brussels-based and member state EU-oriented think tanks, may be divided into three main groups reflecting their primary functions: 1) generating ideas; 2) policy-oriented analysis and outreach and 3) furthering debate. Figure 1 positions selected Western European think tanks within these three categories of activity.

Figure 1: Selected Western European Think Tanks: A Typology

	Generating Ideas	Policy-Oriented Analysis	Furthering Debate
Connected to regional or international organisations		Group of Policy Advisors Organisation for Economic Cooperation and Development (OECD)	
Brussels-based	Centre for European Policy Studies	European Policy Centre	Friends of Europe
EU Member State UK	Royal Institute of International Affairs (Chatham House)	European Policy Forum	Centre for European Reform Foreign Policy Centre Federal Trust
Continental	Clingendael Institute <i>Deutsche Gesellschaft für Auswärtige Politik</i> Greek Centre of European Studies and Research <i>Institut Français des Relations Internationales</i> <i>Institut für Europäische Politik</i> <i>Instituto Juan March de Estudios e Investigaciones</i> <i>Max-Planck-Institut für Gesellschaftsforschung</i> <i>Stiftung Wissenschaft und Politik</i>	European Institute of Public Administration WEU Institute for Security Studies	<i>Bertelsmann Stiftung</i> <i>Friedrich Ebert Stiftung</i> <i>Konrad Adenauer Stiftung</i> <i>Notre Europe</i>
University-based Research Institute	Robert Schuman Centre (European University Institute, Florence) European Institute (London School of Economics)		

Part 2: The Policy Process and Knowledge Utilisation

Traditionally, policymaking has been deemed the preserve of national and sub-national (local, regional or canton) government. Consequently, ‘policy knowledge’ has been produced by scholarly communities that are constituted at the nation-state level and their analyses delivered to domestic audiences. Attempts by scholarly communities and policy researchers to inform policy are limited by time and funding, so activities have tended to focus on what is perceived as the crucial decision making level. In the past, and still so today, this is at the level of national government. Only when regional or local governments have significant powers (as in a federal system) will they attract the attention of researchers and policy entrepreneurs (defined as “advocates for proposals or for the prominence of an idea” (Kingdon; 1995: 122-123). Today, however, policy advice comes from experts, analysts and consultants who transcend borders and operate in an international marketplace of ideas

As the earlier discussion suggests, the policy process is taken to be a multi-level one. The trend toward multi-level governance complicates and extends the national policy scenario. Multi-level governance can be defined as:

“An arrangement where there is significant institutional development at both national and supranational levels, and where politicians, bureaucrats and civil society actors engage in a multitude of cooperative working arrangements that cross levels” (Coleman and Perl; 1999: 701)

Peterson (1995) has developed a widely-used model of multilevel governance within the EU policy environment (see Figure 2). Given their policy shaping role, think tanks and policy institutes are placed within the sub-systemic level. Multilevel governance is useful in explaining the stage and timing that the ideas and policy alternatives that Western European think tanks feed into the multi-dimensional EU policy process. Policy actors including experts, national government bureaucrats and senior government officials all add to the EU policy debate. As the CEE countries join the EU, this model is likely to find application in think tanks and policy institutes in these states.

Beyond the EU, the role of non-state and (quasi)-official policy institutes in international organisations and multilateral initiatives (such as the ‘global public policy networks discussed below) gives a stronger sense of how policy processes are layered and overlap at different levels. In this more demanding policy context, the skills and strategies of institute staff need to become more sophisticated in order to effectively engage with political debates and interact with epistemic and policy communities as well as knowledge and policy networks at multiple levels.

Figure 2
Multi-level EU Decision-Making

<i>Level</i>	<i>Type of Decision</i>	<i>Dominant Actors</i>	<i>Rationality</i>	<i>Best Model</i>
Super-systemic	History-making	Euro. Council; Nat. Governments in IGCs; ECJ	Political/legalistic	Macro Theories
Systemic	Policy-setting	Council of Ministers; COREPER	Political/technocratic	New Institutionalism
Sub-systemic/ meso-level	Policy-shaping	Commission; Committees; Council groups; Think tanks and Research institutes	Technocratic; Consensual Administrative	Policy Networks

(Source: Adapted from Peterson; 1995: 71 and 84)

One of the most effective mechanisms through which think tanks have become transnational is via networks. An important distinction needs to be made here between policy networks and knowledge networks. Knowledge networks of think tanks are composed of organisations with shared perspectives, joint intellectual interests and common scholarly agendas, ‘homogenous rather than heterogeneous in their fundamental views’ (Struyk, 2002: 83). An example might be the members of the European Policy Institutes Network. By contrast, policy networks are more heterogeneous and designed to mediate between members with differing interests in the policy process. Networks are discussed in greater detail below; however, there are a number of other strategies deployed by institutes to disseminate their ideas.

Bridging Research and Policy

In some policy communities, there are increased pressures for the social utility of knowledge production to be demonstrated. Governments, foundations, international organisations and other donors that fund or otherwise sponsor research and analysis as a public good, are also under pressure to be accountable for funding allocations. These institutions need to demonstrate to themselves as well as to their wider constituencies (electorates, member governments, memberships, boards of trustees, etc.) that the policy research they support has impact and is useful to society and economy.

Given the scale of policy institute development throughout Europe and the diversity of their activity, advocacy and publication, a valid assumption might be that knowledge is being put to continuous policy use. This is not necessarily the case. More often than not, decision makers are unaware of relevant policy analysis, even analysis within their

internal government research units. Yet, it is also the case that many policy analysts are unconcerned with dissemination and marketing of their research, sometimes operating under the false assumption that the results or data or evidence will ‘speak for itself’. Both researchers and policy-makers might be accused of holding unrealistic expectations of the other. That is, researchers often consider that there is no political audience for their work despite the important observations they make and policy relevant explanations they develop. By contrast, policy-makers often consider that what researchers contribute is not relevant, too esoteric and asking theoretical questions that do not resonate with the needs of policy makers. Where the one group feels nobody listens, the other feels their opposite numbers have little to say.

A number of independent think tanks have sponsored studies into how they might improve their interactions with decision makers and their impact upon policy. Notable examples include the on-going ‘bridging’ programmes of the Overseas Development Institute (ODI) in London (see: www.odi.ac.uk/) and the Global Development Network (GDN).⁵ In the same vein, a report has been published by the International Institute for Environment and Development (IIED) (Garret and Islam, 1998). Similarly some government agencies have also undertaken analysis to raise awareness among recipients of research funds of routes to knowledge utilisation. Official bodies such as the Netherlands Development Assistance Research Council (RAWOO; 2001), the Swiss Commission for Partnerships with Developing Countries (KFPE; 2001), the Department for International Development (DfID, 2002) in the UK, and the Danish Agency for Development Assistance (Danida, 2001) have conducted enquiries into the relationship between knowledge production and policy development.

This is not a crass instrumentalisation of knowledge (as the sophistication of the RAWOO, DfID and other reports indicate) but a trend to be expected in polities where there is policy rhetoric about the ‘knowledge society’ or ‘evidence based policy’. The future implications for the policy research industry are that funding agencies are increasingly cognisant of mechanisms and processes for knowledge utilisation and will be more demanding of think tanks and government policy research units to build into research design and practice strategies for knowledge utilisation. Those policy researchers and organisations that adapt to these ‘bridging’ pressures will be in a stronger position to secure funding and contracts in the market place of ideas.

Strategies of Research Advocacy and Impact

Assuming researchers want to be heard in policy circles, they must identify problems in the character of the supply of research that hinder its policy utility and devise techniques that push data, analysis and information into the policy-makers world. Getting the supply of research into appropriate formats for policy consumption has many

⁵ Some of the most up-to-date analyses of how policy research can be marketed and the kinds of policy influence to pursue can be found on the website of the Global Development Network – www.gdnet.org. Follow the links from its ‘Bridging Research and Policy’ project to over 90 papers and case-studies.

ingredients but there is no fail-safe recipe. However, the various methods that follow may lead think tank research to have increased policy relevance:

1. *Quality*: The policy promotion of research need not, and should not, come at the expense of quality and standards of scholarly inquiry. Work that is sloppy, inaccurate or misconceived will be displaced by the research of other more competent groups, reputations will be damaged and future opportunity squandered. There are issues of uneven quality within the policy research industry.
2. *Dissemination*: One supply problem is the inadequate dissemination of research results. More often than not, a researcher does not disseminate findings beyond publication in a scholarly journal with very small readership. There are numerous secondary routes. Websites are an obvious location for pre-published work. But there are many other less academic routes of dissemination: newsletters and magazines; research reporting services; the media; electronic discussions, etc.

“Outfits such as the Centre National de la Recherche Scientifique (CNRS) or the Institut Francais pour les Relation Internationales (IFRI), who were barely present on the web four or five years ago, have now developed extremely sophisticated and informative sites; associations with little financial resources have made the most of the web to make their publications available and develop links and hyper-links to other associations. This seemingly strictly technological development had ... important consequences. ..., the sites, by presenting links to other think tanks, political parties, associations and clubs, contribute to the identity of the relevant think tank itself” (Fieschi and Gaffney; 2003: 1).

3. *The ‘Brief Case Test’*. The President of the Washington D.C. based Heritage Foundation once famously accredited some of the influence of his think tank to the requirement that staff ensure that Heritage ‘policy briefs’ could be carted to Capitol Hill in one brief-case. These ‘briefs’ are usually less than ten pages, cogent in laying out a policy problem and explicit with recommendations for reform or action. In other words, tailoring research into user-friendly format. Research is re-packaged to meet the specific needs of policy makers: executive summaries; simple and non-technical language; short and accessible for busy politicians or staffers to read in 15 minutes.
4. *Creative Communication*: Researchers may be poor advocates. Researchers usually cannot and often do not want to provide the unequivocal answers of the kind policy-makers demand. But, the style of presentation and ‘narratives’ that help ‘sell’ research are very important. ‘Policy entrepreneurs’, people who have a talent for creating ‘narratives’ or story lines that simplify complicated research findings for public consumption. It makes research distinctive and appealing. Policy entrepreneurs are ‘media savvy’. They have a flair for interpreting and communicating technical or theoretical work. Usually an entrepreneur is an individual, but sometimes an organisation such as think tank or a research network plays a similar role in marketing knowledge or synthesizing and popularizing research.

5. *Public Debate:* Research for policy is also research for the recipients of that policy. Even the most carefully crafted policy initiative, employing the best expertise and wisdom, is likely to run aground if broader coalitions of popular support and understanding are not built. Public debate sheds light as to whether a policy option is politically, economically and socially feasible. Discussion of research in public forums helps to protect the integrity of research and makes information available for a wide range of audiences. In the public eye, researchers have greater control over how findings are presented – including form, content and venue – helping prevent distortion of evidence.
6. *Serving Policy Maker Demands:* A civil servant, politician or agency chief wants answers to problems as well as recommendations and blue-prints that can be put into practice to a deadline. They are in a ‘pressure cooker’ environment. Research needs to be policy relevant and action oriented. Sometimes they want ‘blue skies’ research but this will be clearly designated. Some politicians and bureaucrats are innovative and seek policy concepts and ideas challenging and questioning of the status quo. In other instances, policy makers are looking for scientific credibility and scholarly justification to legitimate existing policy preferences. In both choosing their topics and presenting the results of their research or policy analysis, European think tanks need to consider the limited time decision-makers have to “indulge” in the material presented by think tanks. One national decision-maker involved in EU policymaking stated that “the products of think tanks interest me professionally only when I think they add real value to my task, either by enhancing my analysis of the issues or providing an opportunity for promoting agenda change in the direction favored by the Government I serve” (Interview; Brussels: 2001).
7. *Policy process awareness:* One reason the supply of research is flawed is due to the poor policy understanding of researchers about both the policy process and how research might be relevant to this process. For example, research recommendations can be impossible to implement if political realities (such as cost-effectiveness, bureaucratic capacity) are not addressed. Research will resonate at different stages of the policy process – during agenda setting or in policy evaluation – and institutes need to be vigilant in waiting for windows of opportunity. Similarly, the amount of original data available in a policy environment/country also plays a role in determining the type of research a think tank or policy institute should produce. In environments where there is a lack of basic economic data, there will be a demand for original research that gathers and analyses such data and presents it in a way understandable to policy-makers (Weaver and McGann; 2000: 1). As the policy environment expands in scope and demands on government policy-makers in terms of time and expertise become greater, there is an increasing need for policy analysis and policy alternatives.
8. *Target research to key audiences:* A principal challenge is to identify key policy actors who might have an interest in research results. This only results from understanding the policy process and who are the key actors within a policy community both inside government as well as outside. The legislature is not always

the best location to push research; instead, the locus of decision-making may be in a 'kitchen cabinet', amongst advisers to ministers, or a cabal of bureaucrats; etc.

9. *Networks*: Research results are given force and amplified by the collegial recognition of peers and the weight of scholarly opinion. Knowledge networking activities (professional associations, academic conferences and specialist newsletters) help build a scientific consensus that decision-makers can only ignore at their own risk. (on policy networks see next section)
10. *Co-option and Co-operation*: "A good way to bridge think tank research and policy development is for researchers to work with policy actors from the start (of a project). Then the researchers need to decide how much they want to (take the policy actors' views) on board" (Interview; London: 13 January 2003). Feeding policy research into policy deliberation and implementation is more likely when researchers/experts actively try to follow the research by seeking appointment to official committees or becoming government advisors. For impact it is often necessary to provide policy back-up in the form of policy evaluation and monitoring. Researchers in close contact with policy makers develop a better understanding of their needs and the political constraints they face. Additionally, positive interactions can create trust that allows policy makers to become more open or pre-disposed to new information. In other words, an institute should consider working closely with key stakeholders inside government or international agencies. 'Insider' status may also provide a unique vantage to identify critical gaps in knowledge and opportunity to embark upon new research to help fill these gaps.

The above list assumes a policy audience. However, it must be remembered that there are wider constituencies for policy analysis in the corporate sector, within social movements and among NGOs.

Conceptualising Institutional linkages and policy networks

Although the typology offered above provides a useful framework to distinguish the various types of Western European think tanks, it does not offer significant insight into the role EU think tanks play in influencing EU policy, specifically within transnational networks. This requires a conceptual framework. A potentially useful conceptual model is that of policy networks. Broadly defined, they are "a mode of governance that incorporates actors from both inside and outside government to facilitate decision-making and implementation" (Stone and Garnett; 1998: 15).

Policy networks may emerge when certain policy objectives require the exchange of resources from many different levels of actors. This is particularly the case when a policy consists of technical elements or is a new policy area. However, rather than simply exchanging resources, policy networks are seen to have other functions. Van Waarden outlines these functions:

- 1) channeling access to decision-making processes;

- 2) consultation, or exchange of information;
- 3) negotiation;
- 4) coordination of otherwise independent action;
- 5) cooperation in policy formation, implementation and legitimization (1992; 33; numbers added).

Policy networks range in their cohesiveness. Policy communities consist of a tight relationship of policy actors with common views on a specific policy issue. In contrast, issue networks are much looser groups who create “webs of influence” around various policy issues (Heclo; 1978: 102).

Rather than applying only the general notion of policy networks, this paper suggests applying several of its various components are particularly relevant in conceptualizing the role of think tanks and policy institutes. These include the concepts of policy communities, epistemic communities, advocacy coalitions and policy entrepreneurs. These various groups, (or individuals in the case of policy entrepreneurs), may be identified as explanatory factors in analysing both the manner in which and the reasons why a specific policy emerges.

Applying conceptual frameworks to European institutes in this manner offers a more comprehensive approach with which to explain the role of European think tanks in the multi-level EU policy environment. The following section provides a brief introduction to the various conceptual components as applicable in the case of Western European think tanks.

Policy Communities: Members of a policy community include a wide range of policy actors including politicians, civil servants, interest group and non-governmental organisation representatives as well as recognized experts. Actors within policy communities “interact strategically, while engaging in exchanges involving the sharing of information, expertise, and political support” (Coleman and Perl; 1999: 696). Numerous policy communities consisting of European think tank researchers, national and EU bureaucrats, politicians, academics and corporate representatives are active within the wider European policy environment. Although these various communities often differ in terms of nationality and specific policy issues, think tanks and policy institutes can provide a primary domain in which these various policy communities overlap. Thus, European think tanks are one factor in the development of a Europe-wide policy community. Notably, EU think tank-sponsored forums exclusively for fee paying corporate members, (referred to by some as ‘new’ policy communities as compared to the more traditional ‘old’ policy communities that involve a mix of government, corporate and citizen representatives) has been described as ‘private diplomacy’ (Interview. London. February 2001). The increase in new-style policy networks is due to the large number of mergers across EU member state boundaries encouraging corporate representatives to become part of a policy community that is not separated along national lines.

Epistemic Communities: Epistemic communities have been defined as: “a network of professionals with recognized expertise and competence in a particular domain and an

authoritative claim to policy-relevant knowledge within that domain or issue-area” (Haas; 1992: 3). Epistemic communities are formed when there are conditions of uncertainty in order to provide expert information on complex technical issues to policy-makers. In order for specific epistemic communities to be legitimized within the policy process, their ideas and policy tools generally need to be accepted as well as used by other policy actors. Epistemic communities are of specific interest in tracing the development of new ideas and policy alternatives.

“Epistemic communities require a presence in reputable organisations outside government such as universities, policy institutes, scientific laboratories and international organisations to cultivate and sustain their scientific expertise and authority” (Stone; 1996: 94-95). Thus there is a potential point of intersection between epistemic communities and think tanks. The existence of epistemic community members is more likely within think tanks that emphasize the generation of ideas and university-based European research institutes. For example, evidence points to the group of natural and social scientists working in the Institute for European Environmental Policy (IEEP) as being part of an environmental epistemic community (Sherrington; 2000: 185). Additionally, the European Network of Economic Policy Research Institutes (ENEPRI), sponsored by CEPS and the London-based Centre for Economic Policy Research (CEPR) with its wide European network of economists exhibit aspects of epistemic communities. Given that these epistemic communities operate within European think tank and policy institute networks indicates that within the European policy environment, epistemic communities may tend to be transnational in nature.

Advocacy Coalitions: Similar to epistemic communities, advocacy coalitions place a premium on knowledge. Consisting of a diverse range of policy actors such as politicians, civil servants, researchers and interest group representatives, advocacy coalition members “seek to better understand the world within a particular policy area in order to identify means to achieve their fundamental objectives” (Sabatier; 1993: 33). The advocacy coalition framework is particularly applicable to explaining policy change. Confronted with new knowledge and expertise, members of advocacy coalitions may alter some of their beliefs through a process of policy-oriented learning, thus allowing for changes to current policies. However, a key distinguishing variable of advocacy coalitions is the emphasis on the belief system rather than knowledge in itself. The beliefs of members guide their actions and shape their ideology and interests. Thus, unlike epistemic communities, advocacy coalitions offer a “more overtly political and value-based” approach to the policy process (Dudley and Richardson; 1996: 69). Accordingly, this concept may be most appropriately applied to understanding the activities of the more ideological think tanks. An example might be found in the Stockholm Network (<http://www.stockholm-network.org/>) -- a working group of European market-oriented think-tanks seeking to build a wide network of pro-market policy specialists within Europe and to use that network to influence the future direction of European policy-making on issues of pan-European importance.

Policy Entrepreneurs: Kingdon identifies policy entrepreneurs as “advocates for proposals or for the prominence of an idea” who are particularly noted for “their willingness to invest their resources – time, energy, reputation, and sometimes money –

in the hope of a future return...that might come to them in the form of policies of which they approve, satisfaction from participation, or even personal aggrandizement...” (1995: 122-123). Kingdon continues by explaining the motivation of some identified policy entrepreneurs: “They enjoy advocacy, they enjoy being at or near the seat of power, they enjoy being part of the action. They make calls, have lunch, write memos, and draft proposals” not only to promote their own visions or values, but because they “simply like the game” (Kingdon; 1984: 130).

In the case of the EU policy process, the source of policy entrepreneurs’ influence derives not only from their expertise in a particular policy field but also from their intimate knowledge of the EU policy process and access to elite policy communities. Additionally, the existence of a well-placed and highly-regarded policy entrepreneur within an advocacy coalition may increase its chances of gaining dominance in the policy environment. Acting as a policy entrepreneur is generally a choice made by individual policy actors based on various motivations. Thus within Europe, they may be active in the full range of think tanks. The link between policy entrepreneurs and institutes is that they need an institute’s intellectual vitality and organisational reputation as a public platform from which to broadcast policy visions with greater credibility. However, given that policy entrepreneurs tend to be involved in the policy debate, there may be a greater likelihood of such actors within think tanks focusing on policy analysis or furthering debate such as the Brussels-based Friends of Europe and Jacques Delors’ *Notre Europe*. Tracking the combination of these groups and networks, active at various times and to various degrees at each stage in the policy process is useful for conceptualizing the role played by European institutes and their staff within the multi-level EU policy-making environment.

The majority of European think tank researchers interviewed thought that belonging to one or more networks – whether formal or informal, knowledge based or policy focused – was both an objective of their organisation as well as an important element in promoting the work of their institute. A member of a formal European network of think tanks was more precise in stating that her organisation aimed to “build *collaborative networks* of researchers, policy-makers and business” (Interview; Brussels: 2001).

Through being proactive in seeking out existing networks working in similar policy areas, think tanks and research institutes are likely to gain a greater awareness of current policy trends, an increased audience for their research and potentially more funding prospects. Although collaboration among think tanks across national borders has existed for some time, recently there have been calls that even within the competitive domestic environment, think tanks with similar views “should perhaps work more closely together [in order to] create synergy.” (Interview; London: January 2003). Such synergy would be of particular benefit if the think tanks involved spanned the three types of identified primary functions of think tanks: 1) generating ideas; 2) policy-oriented analysis and outreach and 3) furthering debate.

Transnationalisation of policy analysis networks

More frequently institutes are responding to transborder policy problems of pollution and international movements of finance and human capital by adopting broader research agendas in recognition of compromised state sovereignty and various processes of economic and political globalisation. Think tank transnationalisation also parallels the transnationalisation of academia with its 'invisible colleges' and cross-national research partnerships (KFPE, 2001). Research staff employed in institutes such as SIPRI (Stockholm International Policy Research Institute), The Brookings Institution in the US and Chatham House in the UK are often drawn from an increasingly internationally mobile community of academics, consultants and other experts. Indeed, many have a transnational presence as a consequence of the media – *Le Monde Diplomatique*, CNN or the BBC – requiring pundits or 'talking heads' to speak authoritatively on matters such as the war on terrorism or the decay of the ozone layer.

Since the late 1980s, a growing number of institutes have extended their activities beyond their home states "The transnational boom in think tank development has been prompted by foundations, corporations and other non-state actors demanding high quality research, policy analysis and ideological argumentation. It has been fuelled by grants and other funding from governments and international organisations seeking to extend policy analytic capacities, aid civil society development or promote human capital development" (Stone; 2003: 1). A few American institutes have opened offices abroad; for example, the Aspen Institute in France and the Urban Institute in Russia. Convened by the Japan Center for International Exchange, Global ThinkNet (<http://www.jcie.or.jp/thinknet/>) is a dialogue forum for the heads of some of the world's leading think tanks in which to address pressing global issues.

According to one senior think tank researcher, "Whether networks are regional, international or global dependent on the issues involved" (Interview; London: 13 January 2003). In the case of the Western Europe, regional networks, both formal and informal, are forming within and across the categories of the typology as well as with states outside the EU particularly with applicant countries. Due to the unique features of the EU policy environment, including that it is multinational, multilingual and multilevel, policy networks operating across national borders within Europe and contributing to debates both in Brussels and member states are particularly important. These networks of intellectuals take shape through interaction at conferences, collaboration between European think tanks, international institutions and associations that draw upon national contributions. Such transnational networks allow European think tanks to gain broader perspectives on European issues and, among EU member states, incorporate different approaches to EU policy issues.

The Trans European Policy Studies Association (TEPSA) is an example of an initially informal network becoming formalized. Established in 1974 by three Western European think tanks, TEPSA currently consists of 15 EU member state think tanks and research institutes as well as six associated members, four of which are located in the applicant countries. TEPSA's aims include the establishment of dialogue between the

different nationalities of the EU as well as developing a common TEPSA view. Advantages of belonging to this formal network of particular relevance for national associations from newer member states or candidate countries, is the assistance of other TEPSA members in learning the intricacies of the EU policy process and gaining easier access to EU policy-makers.

A more recent regional network is the European Policy Institutes Network (EPIN) consisting of 41 policy institutes from in 30 countries across Western and Eastern Europe. Among its stated aims are “to promote and develop pan European debate and understanding” on the most critical issues facing the future of Europe as well as to “act as a focal point for dialogue with the [European] Convention” (<http://www.epin.org/>). Key strengths of EPIN are its ability to foster a truly European-wide network of policy institutes working on common issues as well as to produce analyses of European policies based on a broad comparison of national research.

Within such European networks, a European ‘policy elite’ has emerged that facilitates linkages between Brussels-based EU institutions and the national debates within the individual member states. Notably, a researcher within a EU-oriented think tank argued that while historically debates over Europe had been primarily national in their outlook, due to the increase in think tank networks and collaboration on research projects, as well as the growing frequency with which European policy actors are meeting in think tank sponsored forums, a truly European debate could be said to be developing (Interview, London. February 2001).

Think tanks that are genuinely international are less apparent. The Trilateral Commission (<http://trilateral.org:9999/>) is a policy research organisation that is transnational in its form of organisation. The Club of Rome (<http://www.clubofrome.org/>) and the World Economic Forum based in Davos, Switzerland (<http://www.weforum.org/>) may also qualify. Transnationalisation also results in think tank hybrids – international policy salons like the elite Evian Group (www.Eviangroup.org) or research units inside NGOs like Transparency International (<http://www.transparency.org/>).

Globalisation is also a phenomenon that has prompted changes in think tank activity and research agendas (Stone, 2001). This is evident in three orders. Firstly, as the number of think tank publications on globalisation testify, policy institutes/think tanks are observers and interpreters of globalisation. Secondly, the changing focus of think tank activity is symptomatic of globalisation. That is, these organisations are both transnational and (to a lesser extent) globalised in response to the compromised autonomy of the state, the formation of regional blocs and the more general phenomenon of non-state actors interacting on the global stage alongside international organisations and nation-states. Third, in a small way, institutes are also constitutive of globalisation. They propel political, social and economic forms of globalisation respectively by promoting their staff into transnational policy communities, by forming transnational networks and alliances with other non-state actors, and through policy studies that advocate or criticise economic forms of global integration. Many seek to address a

‘global audience’, and can be seen as contributing to the emergence of global civil society.

Think tanks are drawn into ‘global public policy networks’ (or what could also be called ‘transnational policy communities’ not dissimilar to the national and European policy communities outlined above). In many issue areas, governments and international organisations do not have the ability to design and/or implement effective public policies alone. ‘Global public policy networks’ (GPPNs) – composed of NGOs, government agencies, business groups and international organisations – are helpful in some issue areas to come to terms with these challenges (see: www.globalpublicpolicy.net and www.gppnresearch.org/). The transnational character of policy problems establishes rationales for research collaboration, sharing of information and co-operation on other activities that creates a dynamic for the international diffusion of ideas and policy transfer.

Examples of well-known GPPNs include the World Commission on Dams, the Global Reporting Initiative, the Roll Back Malaria Initiative, the Campaign to Ban Landmines, the Forest Stewardship Council, Transparency International, and the Apparel Industry Partnership. A more research based example, is the World Bank sponsored Global Development Network (GDN - www.gdnet.org) a world-wide network of university centres, think tanks and institutes with a shared interest in promoting, as a global public good, policy research on economic development. The Western European hub is based in Bonn (www.eudn.org/), another in Moscow (www.eerc.ru/) and a further hub in Prague (www.cerge-ei.cz). Collectively, they help connect researchers with decision-makers in national, regional and international organisations.

Think tank prominence at a global or regional level is often reflective of the extent of their consolidation in their home country. Transnational institutes still require a strong domestic constituency and local sources of sustenance. Transnational activity requires finance, leadership skills and vision as well as expert personnel to carry the organisation forward into regional and global forums. Not all institutes command sufficient material and ideational resources. Furthermore, there are often ‘drag’ factors that keep many institutes primarily focused on national policy issues and domestic audiences. Institutes that operate in global arenas tend also to be elite, well-established and high profile bodies in their national context. The majority of institutes are not known beyond their national borders and lack the size, stature, recognised experts and resources of mainstream institutes based in OECD countries to sustain a presence beyond national borders. Nevertheless, despite disparities in organisational capacities, the general trend is an increasing diversity and depth to transnational activity among policy research institutes.

The Question of Influence

One of the most common questions associated with the study of policy research organisations is how to determine their influence. There are no easy answers. Attempts to measure this influence are plagued with methodological problems. As a result there are wild fluctuations in assessments of think tank powers and capacities. ‘Influence’ is a word that is itself open to a variety of interpretations. For scholars, the problem is

complicated by the fact that think tanks often need to convince members, their donors and benefactors, their media contacts and decision-makers of their influence, relevance or importance. As a result, these organisations often claim an influence over policy that is inflated or unrealistic. Whilst some do have links into the policy formation processes and have some kind of presence in the broader social-political system, their power or influence is limited and dependent. Thus, it may be less the case that institutes have an impact on government and more the case that governments or certain political leaders employ these organisations as tools to pursue their own interests and provide intellectual legitimisation for policy.

As the politics and policy process in any country is invariably complicated, it is rare to find uncontested examples of a one-to-one correspondence between a think tank report and a policy adopted subsequently by government. Many are sceptical of think tanks exerting direct impact on politics. Other observers, however, develop wider and more nuanced understandings of policy research influence and social relevance. For instance, the intangible role of agenda-setting where policy experts and institutes create policy narratives that seek to capture the political and public imagination. This ability to set the terms of debate, define problems and shape policy perception has been described elsewhere as ‘atmospheric’ influence (James, 2000: 163).

As noted earlier, think tanks appear to be useful in periods of critical transition. Such transitions may occur with electoral change whereby an in-coming party requires transition thinking in the form of policy ideas and blue-prints. ‘Paradigm shift’ represents another form of transition (Hall, 1990). Indeed, many of the Russian ‘instituteniki’ were constitutive of changing policy orthodoxies that led to ‘glasnost’ and perestroika’ in the Soviet Union. The manner in which some EU institutes contribute to a specifically *European public debate* and constructions of *European identity*, might have similar long term impact.

Rather than identifying instances where policy research organisations have an impact on the climate of opinion, or upon policy paradigms over the medium to long term, or indeed, more direct and immediate impact on legislation, it may be more appropriate to think about how these organisations are used as instruments. On a day-to-day basis, the frequent mode of institute activity is a low-key technical service role. For example, institutes provide services such as ethics training to government employees or are commissioned to organise conferences and seminars. With official patronage, they create channels of communication between formal and informal policy actors by starting newsletters, compiling data-bases and building networks. They fulfil contracts to gather and analyse information and are requested to monitor policy implementation. In short, many institutes are *reactive* to demand from governments and international organisations. As such, rather than as agents of influence, many policy research organisations might be better be viewed as ‘cogs’ in the administrative apparatus of the state or as ‘minor functionaries’ in the EU system. This is an important counterfactual to keep in mind when considering institute influence.

We addresses three issues related to the impact of European think tanks on the European policy process: 1) whether influence is direct or indirect; 2) the sources of influence; and 3) areas where EU think tanks exhibit impact.

1. Direct or indirect influence? There is virtually unanimous agreement among European think tank communities and constituents that to the extent to which influence may be said to exist, it must be considered indirect. The director of one Brussels-based think tank admitted that: “Regarding influence, one can’t say that ‘x’ caused ‘y’. There could be 50 reasons why something happened. All one can do [to determine influence] is look back at previous papers and see if any valuable ideas came from them” (Interview. London, February 2001.)

Many of those interviewed were of the view that judgment of the degree of think tank influence required a period of at least two to three years between the development of a specific idea and when it could be said to have been taken up by policy-makers. To compensate, one researcher pointed out that “Think tanks try to influence the climate of opinion, rather than have a direct link [to policies]” (Interview. London. February 2001).

2. Sources of Influence: The influence that European think tanks have on the EU policy process derives from three interrelated sources:

- Authority based on expertise: As pointed out by a senior EU think tank staff member, in order to have influence, think tanks “must have good information, good statistics and good research” (Interview. Brussels. January 2001). Expertise may be in a specific issue area, such as possessed by researchers in EU think tanks focusing on research and analysis and in university-based research institutes. However, in the case of the EU, expertise may also be intimate knowledge of the EU policy process and/or having access to the key policy actors.
- Promotion of an independent, balanced view: Preliminary research of the views of EU policy-makers indicates that the outputs of EU-oriented think tanks, particularly those operating in Brussels, are seen as credible sources of information and policy advice due to their independence. An official in a European institution stated that some EU-oriented think tanks had “moral authority” due to their independent status (Interview. Brussels. March 2001).
- Legitimacy: The issue of legitimacy largely stems from having recognized authority. Several European think tank researchers mentioned that their legitimacy was strengthened by their need to defend their reputation. The expertise of researchers was also a factor in the existence of think tank legitimacy. Policy-makers focused on the unique features of some EU think tanks noting their ability to bring a wide group of important policy actors together as well as their strong track-record of addressing EU policy issues.

3. *The Impact of European Think Tanks on the EU Policy Process*: The activities of European, and specifically EU-oriented, think tanks have three types of impact on the EU policy-making process:

- Serving as a forum for debate: Bringing European policy-makers together through their forums was mentioned on numerous occasions by those interviewed as one of key impacts European think tanks have on the EU policy process. Through offering various policy actors, including civil servants, politicians, academics, lobbyists and members of the interested public a forum for debate allow for the sharing of ideas, broadening of perspectives and the exchange of information. An official in a European institution exuberantly remarked: “Think tanks are an excellent forum for discussion. *Here* they have influence!” (Interview. Brussels. March 2001).
- Serving as a catalyst for debate: In addition to serving as a forum for debate, European think tanks can also have an impact due to their ability to be a catalyst for debate. This stems from their analysis of policies, their development of alternative ideas and providing relevant information. Through proposing policy ideas and concepts, EU think tanks generate debate, primarily in the agenda-setting stage, of the EU policy process.
- Developing medium-to-long-term ideas: Unlike policy-makers, particularly those within government institutions, EU think tanks have the ability to address long-term issues and overarching themes as well as those that others may at first dismiss as unrealistic. An observer within a European institution noted that “Think tanks think ahead with their proposals. These proposals may not be feasible, but [someone] must keep the fantasy” (Interview. Brussels. January 2001). However, given its long-term nature, the results of this impact may not be traceable to an individual think tank.

Part Three: The Market for Research

Weaver and McGann argue that there are two distinct markets think tanks must consider. The first is a market for funding while the second is that for policy advice (2000: 13). Although these two markets to overlap, for the most part they remain separate. These markets are driven by globalising and localizing forces operating in unison. In terms of global currents, Weaver and McGann state that major international funding agencies are working beyond national borders. However, the authors note that at the national or local level, state governments still play an important role in determining the laws pertaining to funding (Weaver and McGann; 2000: 13).

Sources of Demand

In the main, government departments and agencies, national and local, are the main sources of demand for policy research whether from independent institutes or internal governmental think tanks. However, increasingly demand for expert policy research is expanding to other policy actors. Major consumers also include politicians, academics (and their students) and the corporate sector (interview: London 27 March 2001). Other consumers are to be found among private actors in the media, law firms, NGO and consultancy companies. They commission or otherwise support think tanks because they provide useful resources. For instance, the media can find expert commentary from so-called 'independent' and 'scholarly' think tanks. In a number of countries, the media has developed an enormous appetite for think tank services. Mutually beneficial relationships develop whereby think tanks represent an 'expert' source of information and commentary for journalists who, in turn, play a key role in amplifying an institute's reputation and broadcasting their analyses.

Interest groups, trade unions, churches, NGOs and social movements can find ideological succour or normative arguments to bolster their advocacy. Groups want ideas fashioned into a format to bolster their arguments and interests; that is, in a simplified palatable form that can be used to inform and mobilise their constituencies. "Without access to expertise (or counter expertise)..." non-governmental organisations "...cannot effectively participate in the policy process" (Fischer, 1993: 36). By necessity, NGOs will align themselves with certain think tanks or support the establishment of new think tanks while corporations will fund institutes that concord with preferred policy perspectives. Activist organisations like Greenpeace can draw upon the analysis of respected institutes such as IIED, the Öko-Institute or Club of Rome to reinforce its own research or advocacy on sustainable development. Those who desire policy analysis that supports the case for a free trading system are likely to find policy options and analyses of high but accessible standard produced by organisations such as the Institute for Economic Affairs in London or the Kiel Institute in Germany.

Further engagement between policy institutes and NGOs heralds two possible developments in future. First, NGOs may increasingly seek to develop in-house policy research capacities. Indeed, this is a trend in the making in organisations like

Transparency International. Secondly, some private think tanks will become more like NGOs or closely identified with specific NGOs. In other words, NGO utilization think tanks intellectual capacities may change not only how these organisations are perceived but also how they undertake policy research unless there are other sponsors/funding sources who bring countervailing pressures.

Political parties have also established formal and informal ties with think tanks, not only because they are a source of policy ideas and innovation, but also because think tanks have intellectual authority that can be used to give established policy positions additional credibility. The relationship between political parties and research institutes is a highly formal one in Germany, and the Netherlands, but more distant in the UK where charity and tax laws create incentives for formal or legal independence of institutes. However, this does not preclude financial dependence. The London based Overseas Development Institute (ODI) is a good example. A large, highly respected institute, it is nevertheless overly dependent upon the UK Department for International Development (DfID) for financial survival. However, DfID is not reliant upon ODI and commissions research from a number of university research institutes from which ODI increasingly faces stiff competition due to lower overheads and cross subsidisation within universities.

Needless to say, philanthropic foundations are an important source of demand. Indeed, there is often considerable kudos for an institute if it wins a large grant from international foundations such as Ford, Rockefeller and MacArthur in the USA, Sasakawa in Japan, Nuffield in the UK or the Aga Khan Foundation. Foundation executives and other sponsors have the ability to define what are emerging policy agendas and to legitimate particular kinds of professional expertise (see Parmar, 2002). This is potentially strengthened via co-financing large research initiatives (such as the GDN) where foundation grant-giving is in conjunction with funding from government development agencies and international organisations

The growth in think tanks, particularly in developing and transition economies, has also been fuelled by funding from international agencies (such as the IMF), developed country development agencies (for instance, USAID), and private foundations (like the Soros Foundation) (Weaver and McGann; 2000: 16). Although foreign funding has in the past been both general as well project-specific, recently the trend has favoured the latter (Weaver and McGann; 2000: 16). At the same time, competition for funding has intensified in the increasingly crowded policy research industry.

Sources of Funding and Financial Stability

The budgets of think tanks and policy institutes are generally a mixture of both core and project funding. Institutes in Western Europe “typically pursue a balanced budget strategy, spending roughly as much as they receive in regular income. Bodies in countries without government funding of think tanks try to build up financial reserves, from bequests and special gifts” (Day; 2000: 126). However, it is impossible to generalise about the financial condition of policy institutes and think tanks throughout

Europe. The only valid statement is that funding usually follows from the sources of demand identified above. However, one observer points out that

West European think tanks are not, for the most part, as well funded as their US counterparts. Finance from the 'blue list' of government approved think tanks, a few German institutes have an annual income in excess of US\$10 million and therefore measure up to the better funded US think tanks; but the West European median level is somewhere around \$2 million, and the average level significantly less than that (Day, 2000; 126).

In Finland, for example, there is a very small think tank population and they are much smaller than their German counterparts usually with fewer than ten semi-permanent staff members and, in the main, subsidized by the government (Forsberg, 1999).

Even state funding does not come without some restrictions to their research and operations. Existing legislation in many continental countries requires that they provide independent and impartial and policy-related research. Additionally, the large state-funded institutes are often obligated to be supervised by a board composed of a combination of "government, academic and private-sector appointees, and run by a director appointed by the board subject to government endorsement" (Day, 2000: 123).

A policy institute cannot recoup its costs from membership fees, sales of publications or gifts. Philanthropy, corporate support and government contracts are essential to survival (Stone; 1996: 53). Given the financial constraints, think tanks have developed ways to stretch their budgets. One way that think tanks may save funds on activities is to ask for activities such as conferences to be hosted or co-sponsored by embassies or ministries. (Interview; London: January 2003). The director of a London-based think tanks noted that 90% of research and writing from people is pro bono (Interview; London: 27 March 2001). Occasionally, an institute might benefit from in-kind support from companies such as provision of free or subsidised office space.

The financial health of a non-governmental institute can be affected by the tax environment. For example, in the past, the availability of generous state funding made up for the relative absence of a strong philanthropic tradition of think tank funding in Germany. However, as Germany has changed its foundation laws and thereby created stronger tax incentives to establish philanthropic foundations, this might be changing in future, albeit slowly (Thunert, 2003: 14). In the UK, funding is less of a tax issue. Funds can be 'gift-aided' by corporations and other sponsors. According to Day:

In Britain, most think tanks are registered as educational charities and therefore enjoy tax exemption on certain categories of incomes. The rather imprecise British rules specify that organisations that seek to exert a direct influence on government policy or to promote changes in the law cannot normally be regarded as eligible for charitable status. Think tanks registered as charities are permitted by the Charity Commissioners to 'influence opinion on particular public issues which are directly relevant to their objects' and to publish research findings to that end; but they must not

advocate a particular line of policy or legislative change if they wish to retain the tax benefits of charitable status (Day, 2000: 124).

For the majority of Western European think tanks, the state remains the most important source of funding. The exception is the UK where think tanks do not receive core funding from the government (Day; 2000: 125-126). Within the EU, the Commission is increasingly a source of income. In the case of the handful of EU think tanks in Brussels that receive no state funding, the Commission is a key source of funding, contributing approximately Euro 125,000 per annum (Interview; Brussels: 30 January 2001).

In addition to a separate budget line for think tanks funding, various funding programmes exist within the EU that are open to proposals from think tanks. The EU's Sixth Framework Programme (FP6) is one of the largest sources of funding for organisations within the EU, as well as increasingly for candidate countries. In November 2002, the first calls for tender were made under this programme with deadlines beginning in March 2003. Similar to the earlier Fifth Framework Programme, the major themes under which projects could be submitted include a mixture of social and natural sciences. (<http://www.cordis.lu/fp6/activities-print.htm>). One of the objectives of the FP6 programme is to promote cooperation among European organisations. Of the three new instruments with which successful projects will be implemented, two focus on multi-partner proposals. The "Networks of Excellence" consists of:

Multipartner projects aimed at strengthening excellence on a research topic by networking the critical mass of resources of expertise. This expertise will be networked around a joint programme of activities aimed primarily at creating a progressive and lasting integration of the research activities of the network partners while, at the same time advancing knowledge on the topic (<http://www.cordis.lu/fp6/activities-print.htm>).

FP6 projects are intended to include between 3 to 5 project partners but can be much larger collaborative exercises. Although primarily intended for organisations in current EU Member States, projects that include partners from candidate countries are strongly encouraged. These networks and projects will play a major role in defining the future European 'research space'.

Given the limited funding available, many European institutes are experiencing financial constraints that affect their activities. In the view of one London based think tank researcher, the reasons for financial constraints are three-fold:

1. There is a global recession
2. There are so many institutes/think tanks, their work has become a public good – businesses and other potential sponsors frequently wish to make use of work done but do not necessarily see a sufficient interest to wish to pay;
3. Increased competition from university research institutes who frequently undertake the sort of policy-oriented research that was traditionally based in think tanks.

(Interview with Julie Smith, Chatham House, London, January 2003).

In the case of the Brussels-based EU think tanks, this situation stems from the fact that they do not have access to member state sources of funding. However, most Brussels-based EU think tanks do receive funding from the European Commission. Throughout the EU, financial necessities have increased the reliance of EU think tanks on membership dues and contributions.

This is compounded by the shift in the form of both governmental and foundation grants over the past four decades. Large capital funding was often associated with the establishment of many of the first wave and second wave institutes. A significant proportion of the older independent institutes have endowments, own a building, and were able to build a strong capacity and large in-house staff due to the willingness of foundations or governments to support longer term research programmes. In Germany during the 1990s, some operating as well as grant-giving foundations such as the German Marshall Fund and a number of smaller foundations began shifting their funding priorities from basic academic research to applied and policy-related work (Thunert, 2003: 14). Today, shorter-term project funding is more prevalent which hits hard on independent think tanks that must engage in a constant round of grant applications in order to survive. It brings pressures on institutes to be leaner and smaller, with greater reliance on short-term contract researchers.

There are dilemmas common to both domestic and foreign funding. According to Julie Smith, Director of the European Programme at Chatham House, these include:

- 1) Conflict of interest: There is the question of 'Who do we take money from'. Sometimes there are conflicts of interest.
- 2) Research agenda objectivity: There is a risk that the research agenda can be skewed, especially with project-specific funding.
- 3) Undue influence: The research results may be unduly influenced by the needs of the funding source. However, if there is a significantly good funding portfolio, then any one source of funding (i.e, corporations vs. government vs. members) is less likely to have excessive influence.
- 4) Independence: If funding is general in scope rather than project specific, there is less of a possibility that a think tank's independence would be compromised. (Interview; London: January 2003)

There are also dilemmas specific to foreign funding. Weaver and McGann (2000) note the existence of a "weaning" problem that may emerge if a think tank depends overly on foreign funding at the expense of developing domestic sources of funding (17). This could result in the think tank experiencing severe financial problems if the foreign funder shifts its focus to another geographical or policy. An extreme example of this is the Brussels-based Philip Morris Institute in operation from 1991 until a few years ago

when a change of management at the Philip Morris headquarters in the US led to its demise. Its former director, Giles Merritt, founded Friends of Europe based on a broader source of funding.

Some sources of funding are perceived to be 'cleaner' or more desirable than others. However, such perceptions vary from country to country. In Germany, to be a 'Blue List' institute that receives federal funding is prestigious. In other political cultures, there can be some suspicion that government funded institutes are compromised. As an official in an EU institution noted, "The lack of party affiliation of Brussels' think tanks (make their information useful)" (Interview, Brussels: 26 March 2001).

Accountability and Transparency

Over the last decade, there have been numerous developments in Information Communication Technology (ICT). Perhaps the most significant in terms of increasing the ease, volume and speed of information exchange have been the internet that allows communication via e-mail and online forums, as well as the World Wide Web that facilitates document exchange and the transference of images. The benefits of ICT over conventional forms of communication technology include cost-effectiveness, interactivity and the ability to rapidly exchange large amounts of information (O'Neill; 2000: 194).

For think tanks, use of the internet has both widened and deepened debate as well as made it more transparent. The internet has been revolutionary for think tanks. This is specifically due to two advantages offered by the internet: 1) The ability to advertise and promote activities. Think tanks can make their presence known through their website; 2) Think tanks can continuously update their material. This can't be done with traditional publication methods. (Interview; London: 27 February 2001).

The extent of outreach a website can generate is potentially enormous. A Brussels-based think tank researcher noted that his institute's website generates between 400,000 and 450,000 hits per month. Half come from the US. This staff member was of the opinion that "The future will see an increase in the digital elements of communication...The electronic dimension is increasing in importance and may bring about virtual think tanks" (Interview; Brussels: 31 January 2001). The use of ICT offers European think tanks vast opportunities to improve their presence within the EU policy process, both through the use of a website as well as through the use of electronic mailings lists. To spread their information as far as possible, think tanks, particularly those with an international focus, are increasingly providing multi-lingual websites and developing innovative modes of e-membership.

In short, the research, publication and advocacy of think tanks and policy institutes is becoming much more visible and accessible to interested members of the general public. Even so, institutes are largely unknown to the public. Whilst transparency and accessibility can be seen as a positive development – for the returns to both institutes and their audiences – questions of accountability and democratic participation are very rarely

directed at these bodies. There is a lack of systematic scrutiny (Kim & Mauborgne, 2001).

For government created and funded institutes that are part of the state architecture, there are established bureaucratic procedures of review and lines of accountability. The situation is less clear in relation to the non-profit independent think tanks. At one level they are accountable to their donors and sponsors. In another sense, they might be accountable to a membership body. Or in another way, there is accountability to scientific norms and professional standards where preservation of scholarly reputation is important for the public profile and credibility of an institute. In part, the publication of annual reports and holding meetings open to the public represent mechanisms of public review for those institutes that may be in receipt of public funds.

It is not uncommon to hear the argument that institutes contribute to the plurality of public debate. That is, “there are a large variety of think tanks so there are many different views” (Interview; London: January 2003). And as independent institutes, they act in the public interest. The vast majority of EU think tanks claim that despite foundation, corporate or government sponsorship their views remain independent. Day argues that:

The evidence in western Europe suggests not only that publicly funded think tanks (including party-linked institutes) operate independently in accordance with their statutes, but also that reliance on corporate funding does not result in any slavish adoption of corporate policy agendas, even by advocacy think tanks sympathetic to corporate objectives. Many free market institutes, for example, have received substantial donations from private-sector companies broadly in favor of the free market message, but all insist credibly that such funding in way constrains their freedom to set their own policy agendas (Day 2000:124).

However, most policy institutes are run by an intellectual elite, speak to a small, politically educated audience, and have small membership bodies or none at all. It could be argued that the citizenry of European nations are marginalised from policy debate by the proliferation of think tanks. As noted earlier in a different context: “A plenitude of information leads to a poverty of attention” (Keohane and Nye 1998, 89). By and large, European publics are passive recipients of pronouncements that trickle down from experts in think tanks via the media. Think tanks do not necessarily represent a democratisation of opinion.

As argued earlier, an institute’s participation in global policy networks is dependent on substantial resources and contacts. A question about ‘inclusiveness’ in both national and transnational policy communities is their club-like and elite character. Involvement is usually limited to recognised stakeholders and experts in the policy field. Participation is informally restricted and regulated by the network to exclude minority or protest knowledge.

Networks are porous and do present opportunities of informal participation in decision-making. Yet, policy networks can also prevent the emergence of challenges to the dominant values or interests in society suppressing or thwarting demands for change in the existing allocation of benefit and privilege in society. Networks undermine 'political responsibility by shutting out the public' (Rhodes & Marsh, 1992: 200). Institutional procedures entail that the system responds better towards the well-organised, wealthy, skilled and knowledgeable rather than to unconnected, poorly financed, unskilled research groups. In sum, the technocratic policy expertise of academics, think tanks and other experts needs to be addressed in terms of their alignment with the interests of political and economic elites whereby they may become key actors in wider societal struggles to control the terms of political debate.

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Appendix

See attached file.