

How Think Tanks Improve Public Policy

by Erik C. Johnson

Around the world, the daily toil of making policy is affected by the persistent efforts of public policy research institutes, better known as “think tanks.” Acting independent of government, their work is concentrated upon reconciling the needs of citizens with the realities of politics and limited resources—a job which is indeed consistent with that of government. In fact, think tanks can be viewed as a type of “innovation in government.”

Public policy guru Yehezkel Dror defines think tanks as “islands of excellence applying full-time interdisciplinary scientific thinking to the in-depth improvement of policymaking, as a main bridge between power and knowledge.” As this definition emphasizes, think tanks strengthen the decision-making capacity of government by transmitting policy-relevant information (knowledge) from a variety of sources to the ears and eyes of policymakers (power). Their work directly benefits policymakers by casting light on problems and providing alternative solutions.

Equally important is the vital contribution which think tanks make to democratic society. They inspire public debate and add their high-quality research and analysis to the voice of the people, boosting their influence on the policies that shape their lives.

Perhaps the most impressive testimony to the value which democratic society has come to place on think

tanks is their proliferation in the US. Seventy years ago, the pioneers of these novel institutions first opened their doors. Today, over 100 such institutions can be found in Washington DC alone. Their work drives the debate on issues ranging from poverty to space exploration. While mere numbers may not say much about the impact think tanks have had on public policy, their financial backing underscores the support they enjoy.

While no other country is home to as many think tanks as the US, quality is more important than quantity. In other parts of the world, the impact of think tanks has been monumental. Examples include:

- ◆ The Institute of State and Law, which is a part of the Russian Academy of Sciences, was a key player in pushing for a decree that was recently signed by President Yeltsin to allow private ownership of agricultural holdings. This bold move overturned collectivized agriculture dating back to the Stalinist era.

- ◆ The Institute for Economic Studies on Argentine and Latin American Reality has established itself as a major force in legislative debate. It was primarily responsible for the Cavallo Plan, which brought economic stability to Argentina in the early 1990s.

- ◆ Hernando de Soto, founder and president of the Institute for Liberty and Democracy, not only initiated the

macroeconomic reform programs that Peru embraced in 1990, but his arguments for property rights as a necessary condition to economic growth have also gained wide recognition in the international community.

While a virtually endless list of examples could be compiled, other illustrations of think tank success can be found throughout this issue of *Economic Reform Today*.

Despite their impressive track record, the diligent work of think tanks is relatively unknown to the general public. The explanation for this is that their efforts are primarily directed toward the policy elite. This includes not only legislators but high-level bureaucrats and the media voices that shape public opinion.

Nonetheless, citizens of a democratic society all benefit from the contribution think tanks make to improving public policy. Think tanks make policymaking less political. By providing policymakers with information backed up by legitimate research, think tanks allow leaders to make enlightened decisions. Using empirical studies, opinion surveys, cost-benefit analysis and various forecasting techniques, think tanks

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develop objective proposals for the improvement of public policy. This is a service not only to policymakers but to society as a whole.

Above all, think tanks are predicated on the notion that *ideas count*. To maximize the effectiveness of any government that is directly accountable to its citizens, ideas must emerge from all sectors of society, whether private or public. Without this type of input, policymakers must bear the full burden of designing policies that make the best use of existing conditions and meet the needs of all relevant parties.

In countries where democracy is a new phenomenon, the role of think tanks in stimulating the flow of ideas is even more important. In the case of Central and Eastern Europe, a plethora of institutions continues to emerge from the shadows of communism, and similar trends have been noted in Latin America.

The Many Faces of a Think Tank

Think tanks use a broad range of approaches to the improvement of policymaking, some direct, others more indirect. *Advocacy-oriented* groups represent one distinctive approach. These think tanks make recommendations or offer criticism of existing policies. Once proposals are made, they are typically pursued by think tank staff members until a decision is reached. At the other end of the spectrum are the *education-oriented groups*. Their approach to influencing public policy uses means such as conferences and workshops,

books and articles, and interaction with the media. These activities do not aim to affect specific policy decisions, but rather guide scholarly debate and shape the perceptions of future leaders.

One of the main considerations for think tanks is their relationship



Think tank director confers with Lithuania's President Algirdas Brazauskas.

Photo: Lithuanian Free Market Institute

completely independent groups.

◆ *Political Party Research.* To enhance their capacity to develop well-informed policies, large political parties will often create their own research institutes—as the major parties in Germany have done. In other countries, parties may simply call on the assistance of think tanks when required. Depending on the extent of a think tank's reliance on the financial support of a political party, it may or may not have the ability to set its research agenda independently. The relevance of its research to the policy debate will also vary depending on the decision-making power of its

political party affiliate.

◆ *Government Research and Policy Planning.* A variety of institutions with some of the functions of think tanks exists within the structures of government ministries and agencies. Some of these groups have independent governing mechanisms, but all are ultimately at the beck and call of policymakers. Still other groups lie outside of the bounds of government but are hired on a contract or advisory basis. Though these groups can make a real contribution, they have little room to develop their own policy agenda.

◆ *Corporate Consultancy.* Think tank research and analytical functions can be used in profit-making ventures such as market studies and research projects relating directly to business operations. Freedom from government influence helps this sort of work, but it usually does not offer information of use to policymakers. Numerous

with government. Strong connections might limit the intellectual independence of researchers by politicizing their research priorities while too much distance between a think tank and government may result in research irrelevant to policymaking.

The following categories suggest a number of different functional areas in which think tanks are active:

◆ *Advocacy.* As a result of their financial independence, some organizations are able to freely advance their recommendations without the conflict of interest that accompanies the receipt of government funding. Research priorities can be set depending on the preferences of the organization's leadership rather than the ruling party's political agenda. Pure advocacy groups are rare outside of the US, mainly due to limited funding sources willing to support

examples of groups that operate occasionally on a for-profit basis exist in the areas of trade and investment.

◆ *Education.* These groups primarily produce academic studies. Their research is used to further scholarly debate, and thus offers little of ready use to policymakers. The ability to prioritize research without government intervention is potentially an asset with respect to developing innovative approaches to policy problems, but this advantage is infrequently exploited. Examples of these groups include research institutes within universities and institutions such as the Academies of Science in Central and Eastern Europe.

While these categories suggest a number of areas in which think tanks might operate, most organizations defy categorization. Think tanks commonly utilize a “strategic combination” of all of these functions to create a diversified portfolio of projects. This mix of approaches allows organizations to protect their independence by not relying too strongly on government support while retaining the discretion to focus on burning policy issues as they arise. Finally, this eclectic approach creates greater financial stability by avoiding reliance on a single source of income which might, at some point, become unavailable.

Who Do Think Tanks Work For?

With their intermediary role between “power” and “knowledge,” think tanks come into contact with a number of different constituencies. Some of these groups offer payment for services rendered, while others benefit indirectly from think tank work.

The principal customer of think tanks is government. Since their agenda focuses on the improvement of public policy, think tanks must strive for close relations with government. Even though some think tanks are careful to protect the independence of their research from govern-

ment influence, they must still be capable of determining the priorities of policymakers. Otherwise, they risk producing policy recommendations that are either unpopular or irrelevant. Furthermore, a think tank must establish a level of credibility with policymakers that will allow its recommendations to be taken seriously.

Think tank contributions not only broaden the scope of policy alternatives available to decision-makers, they also offer two additional benefits. First, they are usually highly innovative in their approach to problems. Such creativity can also help

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policymakers to think about old problems in new ways. Second, their recommendations are “deniable.” In other words, policymakers can ask for advice on sensitive political issues with the confidence that unpopular policy recommendations can always be attributed to the think tank.

Other specific services that think tanks can offer government include:

➤ *Education and Training.* Through conferences, workshops and seminars, think tanks can offer policymakers the opportunity to build their knowledge in key issue areas. In countries that have recently experienced economic and political transition, think tanks are often called upon to educate policymakers about new concepts and technical issues.

➤ *Draft Legislation.* When think

tanks have demonstrated extraordinary competence with a given issue as well as the capacity to prepare documents in appropriate legal format, they are sometimes asked to draft legislation. This service is especially useful in countries where budget constraints do not allow governments to employ an adequate supply of legal experts.

➤ *Human Resources.* Think tanks offer governments a unique opportunity to recruit individuals who are already skilled in policy research, analysis and formulation. In many cases, newly-elected leaders draw heavily on think tanks to fill key positions. Also, given their close proximity to the policy process, think tanks provide comfortable homes for former policymakers who wish to continue their policy work from outside of the government bureaucracy.

Another main customer of think tanks is the public. Think tanks not only communicate the desires of citizens to policymakers, but they also inform the people about the activities of government. In this role, they have been referred to as one of the “building blocks of civil society.” Think tanks directly contribute to the development of a well-informed electorate. By reaching out to television, radio, newsprint, academia and elsewhere, think tanks are able to educate people on important contemporary issues. With this information, citizens are better equipped to lobby for—or against—policies under debate.

The public benefits significantly from the objectivity of information produced by think tanks. Government messages are often too tarnished by politics to ascertain their true nature. In countries where governments were previously not open to criticism, the function of think tanks as an “alternative voice” to that of government is all the more significant.

Another way in which think tanks work for the people is through assistance to other nongovernmental

Applying Lessons Learned: A Guide to Effective Marketing of Policies

The following guide was developed by CIPE senior program officer Howard A. Wallack and CIPE consultant Robert Mashek to help think tanks achieve maximum impact when communicating their findings to policymakers. Central to this process is the principle that think tanks must constantly consider how best to market their research products if they are to accomplish their goal of improving public policy.

Decision-making

Think tank leaders must be sensitive to the needs of policymakers and align their research priorities accordingly. To ensure that their choice of research topics is consistently “policy relevant,” these leaders could adopt the following practices:

- ❑ Choose legislative and regulatory issues the think tank will analyze by using criteria specified in advance. Linking these criteria to its mission statement will also reinforce organizational identity.
- ❑ Establish procedures and criteria for research and dissemination, including specific provisions for executing in-house or contracting of specific studies.
- ❑ Establish a clear advocacy plan prior to undertaking research.
- ❑ Tie the pace of research and advocacy efforts to a realistic time schedule which corresponds to key debate, parliamentary votes or presidential action.

Focus

Policy research must be focused on finding solutions to concrete problems, rather than simply describing them as academic studies tend to do. To ensure that their studies produce findings that are genuinely useful to policymakers, think tank researchers should:

- ❑ Avoid discussion of theoretical concepts, concentrating research instead on topical, timely and locally-specific issues.
- ❑ Clearly identify the bill or topic under consideration (including a brief history of the issue), thus allowing various audiences to assess for themselves the pros and cons of legal enactment.
- ❑ Provide specific guidance to the end-users of the think tank’s “products” on what action they should

take. Utilize clear, specific language such as “enact,” “amend,” “repeal” and other action words.

- ❑ Create feedback mechanisms to identify areas for staff follow-up.

Design and Production

In this age of high-speed video and voice telecommunications, Internet access and electronic imaging, it has become increasingly important that think tanks package their research products in appealing ways. A few suggestions for making research products more marketable include:

- ❑ Use language that is understandable to a non-specialized but educated readership. Define economic terms clearly, and apply them consistently in all the publications.
- ❑ Create graphs, charts and diagrams that visually explain concepts and can later be easily reproduced by print and modern-age media.
- ❑ Lay out publications to guide the reader’s eye using “bullets,” arrows, colors and others devices to make the message easy to read.

Distribution

Regardless of a research product’s design quality, it cannot be assumed that its message will speak loudly enough to influence the outcome of policy debate. The following suggestions represent ways in which think tanks can disseminate their products in order to achieve maximum impact:

- ❑ Direct results and solutions toward strategically-selected audiences, prioritizing groups according to their ability to make or shape policy.
- ❑ Strategically identify media targets to reach the largest possible audience and supply print media with ready-to-print opinion editorial articles.
- ❑ Reinforce each printed report or message with personal contact.
- ❑ Track and monitor the success or failure of recommendations in order to identify future opportunities for increased effectiveness.

organizations (NGOs). Although they have played a pivotal role in US society for many years, NGOs have only recently assumed prominence in shaping public policy in other parts of the world. In situations where the interests of think tanks and other NGOs coincide, think tanks will frequently assume a leadership role in advocating policy recommendations.

Many think tanks—especially in countries where NGOs are just beginning to establish themselves—have taken on even greater responsibilities in the area of strengthening civil society. Two areas in which they have been active are training NGO staff members in activities such as advocacy and financial management and conducting advocacy efforts to improve the legal environment for the NGO sector as a whole.

A third important customer of think tanks is the media. In providing news and analysis for the people, media representatives often ask think tanks for clear and concise explanations of major policy issues. In radio and television, journalists often require brief “sound bites,” and think tank staff members are usually quite skilled in providing them. Indeed, their job demands it. In many cases, think tanks are more capable of communicating in this way than academics and even government officials.

In their analysis of government policies, the media also benefit greatly from think tank commentary and criticism. Journalists gather a great deal of their information from official government sources, but they are better able to analyze this information once they have listened to the alternative voice of think tanks.

A final key customer for think tanks is the business community. Most think tanks outside the industrialized countries tend to focus on economic issues. In countries undergoing the transition to free market economic systems, the advice of such groups is in great demand. Indeed,

the basis of a healthy market economy is an environment conducive to private enterprise. Thus it is not surprising that many think tanks consider the private sector their most important constituency.

Regardless of the level of funding support think tanks receive from the business community, they act on its behalf in a number of ways. First, after determining the concerns of business representatives, think tanks conduct research and design recommendations which will address these interests. They then leverage their credibility and political connections to improve the chances that policies

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avored by business will be adopted.

Many think tanks provide business representatives a regular service by convening briefings on current policy issues. Such meetings allow business leaders to keep abreast of upcoming legislation so that they can either prepare themselves for the effects of a new law or argue against its passage. Finally, some think tanks offer their services to corporations on a consulting basis.

Challenges Ahead

The reality of policy work is that it does not always bear fruit. Weeks, months, and even years of research, analysis and advocacy can be lost in an afternoon’s parliamentary debate. This is the nature of their work, but it

is nonetheless discouraging at times. While there are a variety of different problems facing think tanks, there are a few major issues which are of universal concern. These include:

Changes in Political Leadership. When changes in government personnel occur—whether due to elections or ministerial reshuffling—think tanks may suffer. Forging relationships with newly appointed officials inevitably takes time. As they nurture new relations, it is more difficult for think tanks to assess the interests and priorities of a new government. In the end, they can at times lose influence.

Changes in the Policy Agenda. While think tanks may benefit from the arrival of policymakers sympathetic to their views, it is also possible that they may be shut out of the policy process. This is a two-edged sword. If the priorities of a given government are too close to those of a think tank, the work of that organization could become redundant. On the other hand, while a government with conflicting views is more difficult to influence, it might also give the think tank a new cause to fight for.

Financial Instability. A lack of secure funding can be extremely damaging to a think tank. As in any other NGO, this situation forces the organization to spend a greater amount of time in search of the funds necessary to insure its survival. With the availability of private funds limited, financial crisis could lead think tanks in a number of different directions. They might move closer to government and sacrifice their independence, adapt their operations to the commercial setting, or simply dissolve.

In spite of the obstacles facing think tanks from day to day, they continue to enjoy considerable success in improving public policy across the globe. The regional and organizational case studies appearing in this issue of *Economic Reform Today* clearly illustrate this point. 🌐🌐