From think tank to think net

The virtues of virtuality

Changing realities are causing some think tanks to consider reshaping themselves as 'think nets', which may be cheaper to run and more conducive to open innovation. But do they have the same ability as think tanks to adapt and evolve?

Think tanks have been under severe pressure to secure new forms of funding, produce 'results' and handle technological change since the 1990s, as have the media and NGOs. Many think tanks are exploring different paths to surmount these difficulties. Some are recreating themselves as 'think nets'. The question is, are think nets sufficiently viable to become the future model for think tanks?

A think net is an organizational model where the network's human capital (individual researchers and their supporting resources) is hosted by others (preferably academic research centres) and managed by a policy-focused and management-light secretariat. The functions of the think net, however, are the same as those of think tanks. They seek to promote research-based policies, create spaces for political debate, train future cadres of policy makers, legitimize policy narratives and regimes, and mobilize resources for political and economic actors.

One distinct advantage that think nets may have over think tanks is that they are cheaper to run, despite potentially high initial investments. They also promote open innovation (learning from others), are more flexible than traditional structures and can therefore adapt more quickly to new policy demands and changes in the market.

A comparison with what has happened in the media helps to understand the changing shape of think tanks and the emergence of think nets. Think tanks and the media have more in common than we realize. Not only do they face similar challenges, but both are being 'disintermediated' by the web – although the process is further advanced and moving faster in the media. So we can learn something about the future of think tanks by looking at how the media has changed over the past decade.

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summary

- Since the 1990s, think tanks, the media and NGOs have been under pressure to reform due to funding constraints and technological changes.
- This has led to the emergence of new models, including 'think nets', which may be cheaper to run, despite potentially high initial investments.
- Think nets promote open innovation, are more flexible than traditional structures and can adapt more quickly to new policy demands.
- It remains to be seen, however, whether think nets can make inroads into the multidisciplinary policy research world. Web 2.0 may be able to help them do this – or not.

Caught in the web

The emergence of the web has presented a challenge to newspapers in particular. Our attitudes towards information and what we are prepared to pay for it have changed, and new ways of delivering this information have emerged. As a result, the business models on which newspapers have relied for many decades have collapsed.

Web phenomena such as Google have captured the market for classified and display advertising that were long dominated by newspapers and magazines. Newspapers have traditionally relied on these revenues to cross-subsidize their expensive newsgathering and investigative reporting operations. Without this advertising revenue, and facing a sharp cyclical downturn in the economy,

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newspapers and magazines have faced the collapse of their business model.

In the same way, the web has challenged think tanks by accelerating the pace of policy debates (shortening the 'policy cycle') and moving it online. The financial challenges facing both the media and think tanks are similar but have hit the media earlier and have had a sharper impact, since think tanks have (so far) been cushioned by their base of foundations and wealthy individual donors. As a result, the media have been forced to change more rapidly, and some of these changes point the way to the future for think tanks, and therefore think nets as well.

Pay for what you get?

Faced with pressures on their bottom line, newspapers have tried to boost revenues or cut costs. Think tanks, facing similar pressures, are likely to experiment with both strategies as well.

With advertising revenues collapsing, one obvious way of boosting revenues is to charge for access to content. However, persuading readers to pay for content is a tough proposition in a world where it is increasingly free, but some media have tried, by investing in the quality of their content in order to attract an elite audience. They have been willing to incur heavy losses in the short run in order to establish or protect their brand or niche in the online world.

This strategy only makes sense if there is an audience willing to pay for high-quality content, and eventually some publications will be able to attract these readers (and their cheque books). This is probably a reasonable bet for business and finance content, since even now *The Economist*, *The Wall Street Journal* and the *Financial Times* are able to charge for access to their online editions. For less specialist content, however, this strategy looks much less likely to succeed. And it requires significant long-term investments that many smaller organizations will not be able to sustain.

Many think tanks specializing in business, economics and finance have adopted this strategy as well, developing specialized services or information outputs. For instance, in Peru the APOYO Group, one of the country's most influential business and finance think tanks, has developed a successful mix of highly profitable consultancy, polling and information services, including a series of weekly and monthly publications that funds its research and advice.

Charging for content to raise income also includes paid-for events such as those frequently organized by Chatham House or the Royal United Services Institute in the United Kingdom. They may help fund some basic communication activities, but can they sustain all the costs of a think tank – in particular work on sectors traditionally believed to be of general interest?

If this does not work, what is left? Many newspapers, particularly in the United States, have started to look for philanthropists, foundations and wealthy individuals as an alternative to boosting revenues or cutting costs, either through closer collaboration with locally-based NGOs,

Think tanks: Simple models, complicated reality

Neutral, non-partisan experts, doing careful research to inform policy decisions, may have been a good description of some US and UK think tanks, particularly in the 1900s. Political corruption in the late 1800s led to disillusionment with partisan politics and a belief that policies should be based on scientific expertise, not vested interests or political ideology. Economic and social disruption in the 1930s had a similar effect. The Brookings Institution in Washington DC was one to respond to the need for research to inform social reforms.

Social reform may have provided the initial impetus for think tanks in the United States and the United Kingdom, but they received an even stronger boost from the Cold War. Think tanks such as the US-based RAND Corporation played an important role in defence and security policy, in particular after 1945. This is certainly not the only model for a think tank, however.

Think tanks have always been more heterogeneous than we realize. In Latin America, for example, think tanks were founded on the belief that political ideas (rather than scientific research) could change the future of new nations. Colombian think tanks owe their origins to partisan newspapers of the mid-1880s. In Spain, as in Peru, think tanks originated from academic societies concerned with the public interest, in the mid-1700s.

In East Asia, on the other hand, the nature of think tanks appears to reflect the notion of 'the developmental state', in which think tanks serve very specific purposes. They legitimize prevailing development narratives and governing regimes, and focus on critical regional and national policy concerns: economic development, security and regional integration.

Even think tanks in the United States and the United Kingdom began to change after 1970, as the post-war Keynesian policy consensus began to break down. Up until this point, think tanks wanted to be perceived as strictly neutral and focused their attention on academic research.

Big changes took place in the late 1960s in the United States. First, think tanks like the Hudson Institute in Washington DC were founded upon explicitly ideological values that underpinned their research. Then, new tax laws limited the support given to think tanks and their activities in policy advocacy or influence, and the US Department of Defense also reduced its funding.

As a result, think tanks in the United States had to find new sources of funding. They turned towards wealthy individuals and found willing donors, most of them conservatives eager to reverse the 'liberal' tendencies in American politics. Businesses and corporations, Christian groups and conservative economists joined the public debate en masse.

The change in the sources of funding and patronage of think tanks changed their structures and activities. New think tanks were formed, with a much stronger emphasis on political engagement and influence. The Heritage Foundation and the Cato Institute, two think tanks based in Washington DC, were set up by people experienced in politics and marketing. This quickly created pressure on established think tanks, such as the Brookings Institution and the American Enterprise Institute, to do the same, and the think tank emerged as a safe space for reflection geared towards action.

This bears strong similarities to the effects of new funding for think tanks in developing countries that have increased the pressure on think tanks to rapidly reform from often small-scale, rather informal research operations into professional project- and impact-driven organizations.

universities and colleges and foundations, or by adopting the not-for-profit model for their own operations. ProPublica is the clearest example of the latter – 'newspaper as NGO'.

That exhausts the strategies for boosting revenues. If those do not work, there is no option left except to cut costs (or go under). Newspapers have tried this as well, heavily cutting staff numbers, abandoning coverage of specialist topics and foreign news, and pooling resources with other newspapers to provide such coverage.

Think tanks see the advantages of cutting costs as well, and have already begun to go down the same route. Pooling resources with other think tanks has already been tried. The Overseas Development Institute and the Institute of Development Studies, two UK-based think tanks, engage in semi-permanent 'institutional' networks with other development think tanks in Europe in order to pool resources.

Individuals as well as institutions can be networked, of course. The media have gone down this route, recruiting 'citizen journalists' to provide content, and attracting bloggers from the web to provide 'expert' commentary. As competition and financial pressures intensify, think tanks have turned as well to outsiders for research and policy analysis, recreating themselves as 'think nets' of individual experts as a less costly alternative to the traditional 'in house' think tank model.

Networks

Think nets do have advantages over other models, but these depend on their context and focus. Like any other network, they require significant investments for the establishment and management of the community. Unless the members of the think net were already naturally inclined to work with one another and the think net simply provides a structure for them to do so more efficiently, then the investment required should not be underestimated.

Networks of researchers that span sectors or regions are likely to be more heterogeneous in their background and interests, and so the investment required would be much greater than for more homogeneous memberships. A think net would need to have very clear policy objectives (possibly time-bound) to bring together researchers working in different sectors or regions. Without them, think nets may not be able to sustain the flexibility and porosity of the model.

This argument is likely to be even stronger for think nets that span disciplines, since the barriers for collaborating across them are higher, in particular for academics. Academic careers depend largely on publications and citations in peer-reviewed journals. These are typically highly specialized and seldom allow for cross-disciplinary collaboration. As a result, there are few, if any, professional rewards for academics for collaborating with other disciplines. Disciplinary bonds do not play any role in the media, of course, and this means that think tanks may find it harder to cut costs by following the media down the 'networking' path.

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There is some evidence of this when one looks at the research network ‘landscape’. The longest established and most active are clearly those in economics: the Centre for Economic Policy Research (CEPR) and the National Bureau of Economic Research, as well as others, such as the African Economic Research Consortium, the Economic Research Forum and the Latin American and Caribbean Economic Association.

Building multi-disciplinary think nets is therefore much harder, and will likely require the involvement of researchers who already have tenure, or those who have chosen a more policy-focused career. Both options present their own challenges for think nets. The former would produce a fairly old and conservative cadre of researchers – which is not very supportive of the flexibility and dynamism needed to make a success of a think net – while the latter makes it difficult for the think net to achieve a strong reputation and credibility, which often depends on the involvement of prestigious scholars.

What else might replace the disciplinary bond in think nets? A think net could depend on the creation of time-bound task forces to carry out discrete projects, rather than acting as a more sustained community. This approach would resemble the ‘citizen journalist’ model, where the media depends on ad hoc contributions of content from willing, but not necessary expert or professional, sources of information. Another approach is the one taken by many small consultancies that maintain well-managed expert portfolios or contacts. The think net would have to pay a premium or retainer to attract experts over a sustained period of time and for a meaningful contribution to the organization’s mission.

But do think nets have the same ability as think tanks to adapt and evolve? Unlike the latter, think nets heavily rely on their loosely coupled members for the mandate to make significant changes. So, while they may be better suited than think tanks when the objectives relate to ‘framing’ policy debates, they are less able to track and respond to policy changes over the longer term. To be more responsive and strategic, the think net would need to have a cohesive membership (well defined and well connected), a clear and shared mission (that all members are interested in and able to work towards) and the right resources and resource mobilization capacity (to allocate funds or mobilize expertise for long-, medium- and short-term initiatives).

With only a loose network of experts, a think net may find it difficult to maintain the momentum that is often required to influence long-term policy processes. If it did not have a clear mission and policy focus, it may find it difficult to develop a comprehensive and convincing profile and would probably look more like a small ‘body shop’ consultancy responding to calls for proposals.

Can ‘Web 2.0’ help think nets?

Arguably, the web has contributed to the problem in the first place by making it easier for organizations and initiatives with less imposing research credentials to enter the space of ideas and compete with think tanks and university research centres. On the one hand, this democratizes policy discussions, which is welcome. On the other hand, it may oversimplify and coarsen the debate.

The web, however, could make it easier for think nets to break the natural boundaries of networks and facilitate the

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interaction of researchers from different backgrounds and disciplines. The tools available on the web can reduce the transaction cost of participating and collaborating, and can help build and sustain an organization's brand across different contexts.

The fact still remains, though, that successful think nets are essentially 'epistemic communities', drawn largely from a single discipline. They are also inherently elitist. Their members are carefully selected and the network's reputation for academic excellence is jealously guarded. And it is this specialization and reputation that has facilitated the mobilization of resources.

The web, on the other hand, is supposed to be democratic. This tension explains why many reputable think tanks do not allow comments on their blogs – or at least moderate them. They would risk lowering the standard of their debate, and this would reflect negatively on the high standards the organization is trying to represent – and with which it attempts to attract new funds.

Another tension is that while Web 2.0 is built around the idea that anyone, with only tangential relations with each other, can participate, think nets are built around deep, often long-standing professional relationships. In the web, reputation or credibility is based on the number of 'friends', 'thumbs up', 'likes' or clicks one has accumulated. Think nets like CEPR, however, draw their credibility from a long history of high-quality and peer-reviewed economic research.

The way forward

A number of conclusions can be drawn about the possibility of think nets as a viable model for think tanks to follow in the future. The media, think tanks and NGOs are facing similar pressures from funding and technological change. Their responses are more similar than is realized, and many of these changes are leading to convergence: a world in which the media, think tanks and NGOs play many of the same roles and where it is hard to determine whether an organization is a think tank, an NGO or a media operation.

Newspapers are responding to their difficulties in a variety of ways. One is by shedding permanent staff and depending on users to generate content. This is one of the strategies that some think tanks may have to follow. Others will 'go for broke' and continue to invest in their research capacity and outputs in the expectation that the pressures will ease and demand for quality will return.

Somewhere in the middle, organizational structures like research networks or think nets might provide a way of maintaining research quality and reducing costs. However, although think nets are relatively lightweight and inexpensive to run, they are not so lightweight that they can do without long-term core funding. They cannot be sustained on the basis of short-term projects and project overheads.

Think nets do have many advantages. When properly funded and managed, they are likely to be more agile and flexible and so be able to respond to opportunities that arise in the short term. However, they are less well suited to activities that must be sustained over longer periods as the members of these virtual groupings are often not strong enough to sustain long-term collaborative efforts, and the fact remains that their links to their host organizations are clearly stronger. ■