

**LOWY INSTITUTE**  
FOR INTERNATIONAL POLICY

**PERSPECTIVES**

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**THINK TANKS AND FOREIGN POLICY**

**ALLAN GYNGELL**

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**The Lowy Institute for International Policy** is an independent international policy think tank based in Sydney, Australia. Its mandate ranges across all the dimensions of international policy debate in Australia – economic, political and strategic – and it is not limited to a particular geographic region. Its two core tasks are to:

- produce distinctive research and fresh policy options for Australia’s international policy and to contribute to the wider international debate.
- promote discussion of Australia’s role in the world by providing an accessible and high quality forum for discussion of Australian international relations through debates, seminars, lectures, dialogues and conferences.

Lowy Institute Perspectives are occasional papers and speeches on international events and policy.

The views expressed in this paper are the author’s own and not those of the Lowy Institute for International Policy.

## **Think tanks and foreign policy**

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Most of my time these days is spent thinking not about Australian foreign policy or the global strategic environment or the future of world energy supplies, but about how think tanks in general – and this one in particular – can best contribute to the mission we set ourselves. In our case, that is to inform and deepen the debate in Australia about the world and to strengthen Australia’s voice in the world. How do we know whether we are doing it well?

Unsurprisingly, because the subject is not exactly what John Howard would have called a ‘barbeque stopper’, no-one ever asks me to talk about these things. But there have to be some advantages to being the boss, so I thought that in honour of the Lowy Institute’s fifth birthday yesterday I would invite myself to do so. And I was particularly keen to do it in front of this important audience, those of you who support us by attending our Wednesday lunches, one of the most regular ways in which we contribute to the Australian policy debate. Not just to let you know how we approach our job, but to hear from you how we should be doing it.

Five years ago I was asked to become the inaugural Executive Director of a new, privately funded international policy think tank. I knew instantly that this was the best job in Australia, so I pretended to the man who made me the offer – Frank Lowy, whose idea it was and whose generosity made it possible – that I knew precisely what a think tank was and how you would go about building one. I knew nothing of the sort, but I really wanted the job. And after a long career working on Australian foreign policy I felt absolutely confident that Australia needed something along the lines Frank was proposing, and reasonably sure, one way or another, that with a lot of help from others I could make it work.

As it happens, at about the same time I was having this conversation with Frank Lowy, the first edition of a book I had written with Professor Michael Wesley called *Making Australian Foreign Policy* was published by Cambridge University Press. It was an attempt by two of us, one an academic and the other a practitioner, to examine the question of how foreign policy is made in Australia. In retrospect, it's interesting that we didn't think it necessary in that first edition to include any reference to the role of think tanks in the process. The Australian Strategic Policy Institute (ASPI) had only just been established and outside the universities there were no other research institutes committed to international policy questions. (Although there were, of course, important forums like the Australian Institute of International Affairs, which had done a wonderful educational job over the years and to which I owed my own first exposure to the world of international relations).

Three years later, when Michael and I were asked to prepare the second edition of the book, the situation had changed remarkably. ASPI and the Lowy Institute were up and running. Older think tanks like the Centre for Independent Studies and the Institute of Public Affairs had become more active in the international area and newer players on specific areas like the Climate Institute had joined the fray. The US Studies Centre and the Centre for Defence and Strategic Studies had been created at Sydney University. Think tanks were popping up all over the place. And they continue to proliferate. The Victorian Government and the University of Melbourne have just announced the establishment of the Australian Institute of Public Policy, with funding of \$50 million, including from the Victorian and Commonwealth governments and the University of Melbourne.

But is public policy in Australia actually better as a result of all this activity? What differences have think tanks made?

Any talk about think tanks has to begin with a discussion about what a think tank is. Think tanks are one of the largely overlooked gifts of American thinking to the world of public policy and to the consolidation of effective democracy. They began life in the United States in the early twentieth century when in 1916 Robert S. Brookings and others formed the Institute for Government Research, the first private institute devoted to a scientific analysis of public policy issues. Eleven years later this became the Brookings Institution, the father of think tanks. Especially after the Second World War the idea of think tanks blossomed and their forms multiplied. You now hear the expression used to describe everything from the majesty of the RAND Corporation with its 1600 staff and budget of \$260 million to a couple of part-time bloggers with some strong views.

According to one careful estimate, there are now an estimated 5000 think tanks internationally<sup>1</sup>. Perhaps 1200 of them operate in Think Tank Central, Washington DC, where it all began. We estimate that there are 35 think tanks in Australia.

And that doesn't go near covering the full range of NGOs, advocacy groups, industry associations, on-line communities and university research centres which all contribute to the public debate in important ways. But as I talk to you today, I will be using a narrow rather than a wide definition. I will be talking about think tanks in their classic form, which have these characteristics:

- They exist for the primary purpose of undertaking applied research in public policy and shaping policy outcomes
- They are not-for-profit institutions
- They have a breadth of focus which can be broader or narrower, but which extends beyond a single narrow cause
- They contribute to the public debate; that is, they conduct their principal work in the public realm.

What unites them is a commitment to shape outcomes in the world of policy.

You can divide think tanks further. First is the issue of scope. Some, like Brookings, look broadly at all dimensions of public policy. Others, like Singapore's Institute for Southeast Asian Studies, look much more narrowly at a particular issue. The Lowy Institute fits somewhere in the middle. Our mission is limited: to look at Australia in the world rather than at domestic policy issues. But we look at all the dimensions of that external environment – political, strategic, economic, environmental.

A second large division between think tanks relates to philosophy. Some bring to the job of shaping public policy the conviction of a particular philosophy. Internationally, think tanks like Heritage, Cato or the Center for American Progress in Washington or Demos in the UK fit that bill. Here in Australia, the Centre for Independent Studies which describes itself as 'engaged in support of a free enterprise economy and a free society under limited government where individuals can prosper and fully develop their talents' whilst, on another side of politics, groups like the Australia Institute or the new Per Capita are committed to what they term a progressive agenda.

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<sup>1</sup> McGann, J., 2007 *Survey of think tanks: A summary report*, Foreign Policy Research Institute publication, August 2007.

The Lowy Institute pursues a different goal. We set out to be independent, non-partisan and empirically driven. There is no Lowy Institute view of the world – apart, I guess, from a general disposition to support an open Australia which is engaged internationally.

Our research staff and contributors write in their own names. They have quite different views about issues and politics from each other and, as I frequently discover, from me. But all of them are committed to shaping more effective policy for Australia, better solutions to the problems facing the international community. On the broad think tank spectrum ours is closer to the practical than the theoretical end. The form of our Policy Briefs epitomises our general approach. On a single cover page they address two simple questions: ‘What is the problem?’ and ‘What should be done?’. Not all issues worth talking about can be reduced to such a simple formulation, of course, but in one way or another, all our research has to answer one basic question: ‘So what?’.

One of our big achievements over the past five years, I think, is that I no longer hear people suggest that the Institute is a hotbed of leftists or a cauldron of right-wing reaction or a plaything of the Jewish lobby or of corporate interests or anything else. People seem convinced, as those of you who attend these lunches already know, that Lowy Institute’s world is a broad one and that we know that insights and solutions will come from many different directions.

A third big and growing division between think tanks these days is how much they focus on the local and how far they globalise. The world, as we all know, is full of policy challenges from climate change to terrorism to energy security to global credit which cannot be resolved within national borders. A number of the biggest think tanks have responded by internationalising themselves. Brookings, the Carnegie Endowment, RAND and the International Institute for Strategic Studies now all have offices in several countries and try to shape their work for an international audience. A very fine newer think tank – Crisis Group – began its life globally and has offices or representatives in more than 30 locations.

This isn’t an option for most of us. The costs alone are beyond us. The Lowy Institute’s response has to be to use our national resources to help bring to the broader international debate a distinctly Australian angle of view. One way of doing this is to work effectively with others and we have developed close relations with other think tanks around the world. Some of those we have partnered with include the Japan Centre for International Exchange, Canada’s Centre for International Government Innovation, the Chicago Council on Foreign

Relations, Brookings, the Centre for Strategic and International Studies in Jakarta, the Rajaratnam School of International Studies in Singapore and the International Peace Institute in New York. .

I wrestle every day with the existential thought that – as a think tanker at least – I am not strictly necessary. The business of government and the development of public policy went on for centuries before think tanks existed and it would go on without us. What use are we?

Here are four ways in which I believe think tanks make our government better and our societies more vibrant:

First, they help structure the public debate. They shape the way we think about the world by providing an alternative source of well-considered views about how we should understand the world. The view from think tanks is typically different from those drawn from other parts of the public debate, from government, media or the universities.

Secondly, they improve the quality of that public debate by anchoring it in evidence. The research undertaken by think tanks is often different from that produced by scholarly institutions; it is shaped more heavily by the parameters of public policy.

Thirdly, think tanks produce specific new ideas. They are nimble and responsive to developments in the world and at their best they can act quickly to develop ideas and sell them. Those of you who read our blog, *The Interpreter*, might have seen Sam's reference last week to the impact that the Washington-based Center for Global Development had with its suggestion that Japan export some of its rice stockpile to the Philippines to meet food shortages there. It's worth checking on as a good and unusually direct example of a think tank's influence. We have seen others here.

Finally, think tanks can do useful things that are impossible for governments. They can float ideas that are too risky for governments; they can more easily bring together groups with different interests to work through problems and they can facilitate 'second-track' diplomacy – more informal and indirect channels of communication between countries.

Those are general contributions that any think tank in any part of the world might make. But let me turn specifically to Australia. What is the particular role of think tanks in this society at this time?

Let me first say that these are good times for Australian think tanks. After 12 years in office any government has thought many of the thoughts it is going to have, or has backed itself into so many policy cul de sacs from which it is impossible politically to escape that policy tends to become more and more rigid over time. With a new government in Canberra which seems genuinely interested in other people's ideas and an opposition which is re-examining its policy stance on a whole range of issues we are finding greater interest than ever in what we have to say.

One of our principal jobs is to *complicate* the policy debate in Australia.

I worked for one of Australia's great Prime Ministers and communicators, Paul Keating. So I understand and appreciate that one of the most important roles of political leaders is to *simplify* difficult policy problems, to pare back complex issues to their essence so that the voting public can understand them and weigh up the issues. That is an important job. It is the only way that democracies can operate effectively. But the job of a think tank is different. It is to keep the simplification in check; to add complexity and ambiguity to the policy debate.

I am a child of the Australian public service. It is my original professional home, and I worked with great satisfaction in many of the parts of it that deal with Australia and its role in the world – the Department of Foreign Affairs, the Office of National Assessments, the Department of the Prime Minister and Cabinet. The Australian public service is as talented and effective as any in the world. However, it is also small, highly collegial, prone to unnecessary secrecy and, if left to its own devices, as opaque as the windscreen of a Ute on a dusty road in February.

Think tanks challenge that. In our system which, unlike that of the United States, has no in-built contestability within it, they can make policy more contestable – and therefore more robust.

Take the Lowy Institute poll, for example. So long as no-one really knew what the Australian people thought about the important international issues facing the country it was possible for politicians to get away with any claim they liked about how much in tune they were with the views of the Australian people. Our first poll was widely attacked for delivering a message, unpalatable to some, that the Australian people had little confidence in the current United States Administration. It also found that the Australian people thought that climate change was a first-order international security issue. With that sort of evidence in the public domain it isn't possible to conduct the international debate in the same way any more.

Our audience at the Institute is, of course, much broader than politicians and the public service. We have three other audiences, and each of them needs to be addressed in a different way and is interested in different aspects of the work we do.

The first of these is the internationally-focussed business community, the Australia-based companies and individuals who see their own and the nation's economic future in the engagement with the world outside, and who need to understand that world.

The other domestic audience is the interested public, the small but politically influential group, like many of you, who are interested in the broad international environment, who believe like us that understanding the world is an essential precondition for succeeding in it and for making it better. This is the group – the readers of newspaper opinion pieces, the listeners to radio and television news and current affairs programs – which shapes the political atmosphere in which governments make their decisions.

A final audience lies beyond these shores. One of the main reasons Frank Lowy established the Institute was because he believed like all of us who work here that Australia has something important to contribute to the wider international debates as it struggles with so many complex issues.

If you are to serve these audiences, the absolute prerequisite for success is having the right people, the right scholars, the right organisers and events managers, the right administrators and business development staff.

Successful think tank researches need a combination of attributes which are often very different from those required in the fields from which many of them come, like the public service or academia. Above all, of course, they need to be expert in their own fields. They are very easily exposed if it turns out that they don't know what they are talking about. They need to be good researchers, committed to truth and accuracy. But knowledge is not enough. They also need a practical cast of mind, to know how governments and businesses operate in the real world, to understand and to be able to use the link between knowledge and power.

They need to be open to new ideas and to be able to work cooperatively with others. We are a relatively small think tank and one of the few advantages of being small is that it is easier to work at the margins between different areas and disciplines. This is one of the areas where our richest work is done. Think of Alan Dupont, then the Director of our international

security program, and the distinguished climate scientist, Dr Graeme Pearman, with their work on climate change and international security, or the Director of our West Asia Program, Anthony Bubalo, an Arabist, working with the Indonesian scholar, Greg Fealy, on Middle East influences on Islamism in Indonesia.

Finally, they have to be more than backroom policy wonks. They must be able to contribute to the public debate. That means being willing and able to state their case and defend their views in the media and with public audiences.

It's wonderful that we have been able to find such people, but as those of you who have heard my colleagues speak already know, we have one of the great concentrations of expertise in international policy in Australia in this Institute.

One of our core responsibilities as a think tank is to help develop the next generations of thinkers about Australian international policy, and our intern program is a very important element of that. At any given time we have around six young people – often graduate students – working with us. We try to give them an experience which they cannot replicate elsewhere. Lowy Institute interns have been accepted into the departments of Foreign Affairs and Trade, and Defence, Cambridge University, the Royal Military College, Duntroon. This year, thanks to a gift from one of our Board Members, Michael Thawley, who is a former Australian Ambassador in Washington, we have been able to give a bursary to a bright young strategic scholar to work for a short period for us and then at the Center for Strategic and International Studies in Washington. The inaugural Thawley Scholar, Raoul Heinrichs, from the ANU is in Washington now.

I began by saying that I think a lot about how we know whether what we are doing is working? How can I convince the Lowy Institute's corporate members and sponsors that their money is well spent? It's easy enough to fool yourself in this business. The world is awash with think tank reports. They arrive in my email in-box alone at the rate of several per day. None of us wants to find that we are wasting our time and thoughts, so measuring think tank performance is essential. Hard but essential.

One of my colleagues, Alex Duchon, has done a lot of work to develop a broadly-based system for doing just this. And I report to our Board against a series of performance measures.

First come the easiest part – a series of easily measurable numbers that tell us from month to month how we are going.

These, in turn, cover:

*Research output.* How much do our researchers publish, and how substantial is their work? We have five program directors covering the international economy, international security, East Asia, West Asia and Melanesia. They write themselves and commission work from others. We also have two stand-alone programs, on the Lowy Poll and on HIV/AIDS in Asia and the Pacific. Our global issues program has decamped to Washington for twelve months but will be back with us next year.

We know very well that not everyone reads a 25,000-word Lowy Institute Paper, but our view is that unless you have done that original research and analysis you have nothing new to say in an 800-word op-ed that is more than opinion. And if there is one commodity of which Australia has a surplus crop it is opinion. So we measure what our people publish each month.

*Events.* How many events have we held and how many people came. Some of these like our Wednesday lunches and Distinguished Speaker series are open to all. Others are directed at a specialist audience, where we try to bring together people with a particular background. Yesterday, for example, with the Beijing Olympics and the 2010 football world cup in South Africa in focus, we held a conference on the link between international policy objectives and major sporting events. Tomorrow in Canberra, with the government preparing its new White Paper on defence, we are holding a seminar on whether Australia needs a combat capability edge in Asia. In the next few weeks we have conferences on labour mobility in the South Pacific and on the relationship between South Korea and Australia.

*Media coverage.* How many times have our researchers been published in or cited by the media. This includes opinion pieces for newspapers, TV and radio appearances, and citations by others. This is not conclusive of course. You can get media coverage for all the wrong reasons. And appearing in the Cooma Bugle may not mean as much as appearing in the New York Times, but it is a beginning. On average Lowy staff publish one op-ed each week.

*Research usage.* How many people are visiting our website, and our blog The Interpreter? The principal statistic we look for is unique visits. In April these were both at record levels.

How many of our publications and podcasts are being downloaded? We are obviously looking most closely at trends.

*Finance.* Are people prepared to pay for what we do? This is an expensive business and we are enormously lucky to have had the generous philanthropic support of the Lowy family. But we want to do more and we need to raise the money. Another Australian family which has made a huge contribution to Australian philanthropy, the Myer family, has given us wonderful support to establish the Myer Foundation Melanesia Program at the Lowy Institute. We have other foundation funding and a corporate membership scheme which now brings in 24 members. All these are signs that we are meeting a need and serving a useful purpose.

From these relatively easy measurements we move onto harder, because more subjective, ground.

One very important feature of a successful think tank is its *'convening' or drawing power*, the quality that draws both the public and policy-makers to the Institute and introduces them to the Institute's ideas and research. Added to this is its networking power – the capacity to attract and maintain the interest and loyalty of a diverse group of high-calibre supporters and partners and its ability to recruit elite scholars and researchers to the Institute.

Finally, hardest but most important of all, is the questions of *influence*. Has what we have done made a difference? When people read our publications or listen to our speakers and ideas did we influence them? This is extremely difficult to measure. Ideas are intangible and fast-moving. How sure can you be that your work was the source of change. Sometimes ideas are specific but often what you are trying to do is to reframe the way in which an issue is seen. It is hard to chart the course between an idea and an outcome. But in our case we try to do it by noting reactions, tracing impacts and undertaking surveys to ask our audiences what they think of us.

When all this is done we benchmark ourselves against our Australian and international peers.

How have we done over these five years? This is not a place for special pleading on our own behalf, so let me just list some areas where I think the Lowy Institute has made a difference.

- Our poll has changed the foundations of debate in Australia
- A paper on how to save APEC helped shape the action leading up to the Summit in Australia last year

- The link between climate change and international security in our paper *Heating up the Planet* helped to change the debate about what climate change meant
- Our work on the Australian diaspora reshaped government attitudes
- Research on the environmental problems facing the Mekong has influenced the attitudes of the World Bank
- Our paper on Middle Eastern influences on Islamism in Indonesia has been translated into Bahasa Indonesia by an Indonesian publisher

What you can expect from us over the next few months is work on

- Nuclear arms control, one of the large emerging global issues
- Labour mobility in the Pacific
- Global warming and the politics of climate change in Asia
- Australia's relations with the Gulf region
- India's and China's roles as global security contributors
- Southeast Asia's future
- Democracy's impact on Islamism

What about the next five years and beyond? If there is one thing that unites the views of our chairman, our board and our staff, it is ambition. None of us is interested in a think tank which does not contribute, which does not influence. We want the quality of our work – and by that I mean the depth of our analysis, the originality of our ideas and the persuasiveness of our arguments – to shape a better world. Our aim is to be one of the world's leading international policy think tanks.

Thanks for your support over the past five years. Keep coming, keep reading, and keep telling us how we can do things better.

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