

How Think-Tanks can Contribute to Effective Policy-Making: A Korean Perspective

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Let me briefly explain the role of think-tanks in Korea and discuss how they can contribute to an effective policy-making process in a changing economic environment.

The first think-tank to be established in Korea in the area of economic and social sciences was the Korea Development Institute or, KDI, which was established in 1971 by the President of Korea. The major objectives of KDI were to provide policy analyses and advice to top decision-makers in government. Unlike other countries, in Korea, government think-tanks play dominant roles in policy research. Although there are private research institutions, their policy research activities are rather limited. Right now, there are twenty-three government think-tanks in social, economic, political, and humanity areas of research. In addition, we also have about twenty government research institutes in the areas of science and technology.

In Korea, ministries often depend heavily on their think-tanks for research and policy advice. In my opinion, this reflects the lack of a research capacity within the ministries and also in academia. Most government officials are trained as “generalists” and few ministries have specialist

groups in their organizations. They therefore have to rely on outsiders for policy research and advice. On the other hand, policy research in universities is not active. I believe this is partly because much of the nation's finances and human resources are allocated to government think tanks. Government think-tanks are thus playing an important role in this regard by compensating for the lack of a research capacity both within ministries and in academic institutions.

Nowadays, government policies are growing in their impact on society and in their overall sophistication. In a globalized world, immobile factors such as the environment, social infrastructure, and government services play a greater role in shaping a country's competitiveness, as they influence the flows of mobile production factors including capital and highly-skilled labor that move freely from one country to another. Policies to promote their inflow require a higher degree of sophistication than in the past.

I believe that in these changing circumstances, think-tanks can contribute to effective policy making by reshaping their roles in the following manner.

First, think-tanks should strengthen their research capacity in order to be able to conduct multi-disciplinary analyses. In an environment where globalization and informatization trends proceed at a rapid pace, existing social and economic institutions may be inadequate in responding to the needs of the changing environment. A comprehensive multi-disciplinary analysis is essential for effective policy making in a global age. Second,

think-tanks should endeavor to establish national agendas, by increasing their efforts to identify economic and social problems that lie ahead and presenting effective solutions.

Third, think-tanks should play an important role as a window to the world. Through comprehensive research on foreign systems, culture and history, they may act as a catalyst to transform the existing economy into a globalized one, with “global standards” firmly embedded in the economy and society. Fourth, government think-tanks are also in a position to provide a critical link in the knowledge network that connects the government, private think-tanks, universities, NGOs, and international organizations. The accumulated knowledge in individual institutions will be given a greater chance to exert multiple impacts on society through this network. In addition, the network can be utilized to reach those in the private sector who are interested in policy research but have not been given the chance to participate. This will help with the formation of a wider and deeper policy circle in any society.

Fifth, in a similar vein, government think-tanks can offer a forum for policy dialogue. They can provide a meeting place for government officials, researchers, and private sector experts to share their knowledge and learn lessons from one other. In this way, think-tanks would become a place where the past meets the present and where theory meets practice, all in an effort to build a better future.

Finally, think-tanks can also contribute to the prevention of social conflicts by identifying problems in government policy proposals that may lead to conflicts. They can engage government officials, journalists, NGOs, trade unions, and other activist groups in policy dialogues on an *ad hoc* as well as a continuing basis, facilitating the consensus-building practice among them.

To make all these efforts effective, it is important that the research activities of the think tanks be trustworthy. Policy expertise built through impartial and careful research is essential to gain credibility with both the government and the public, and to sell the policy recommendations to concerned parties.

The challenges facing government think-tanks are multi-faceted and daunting. But they are not insurmountable. A systematic and concerted effort by think-tanks would promise a still brighter future for them.

This concludes my presentation. Thank you.

How the think-tanks can contribute to an effective policy making ?

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Presentation in the international Think-tank Forum
arranged by the Economic and Social Research Institute (ESRI)
Capbinet Office (CAO), Government of Japan
at Nagoya University, Japan, May 28, 2005

1. WHY DO WE NEED THINK-TANKS?

Think-tanks can bring out or reveal important policy issues and discuss their relative importance. Think-tanks can also help to open out the discussion of various policy alternatives. They can analyse and clarify complex problems in a way that these problems can more easily be solved by means of policy. To succeed think-tank institutes must, however, base their work on sound analytical and scientific basis.

There is a continuous need to examine and follow up long-term developments in the society and the world. These are often considered under the heading of sustainable development. Sustainable development consists of economic, ecological and social dimension. In these areas think tanks can be of help for decision makers.

Economic sustainability covers issues like the conditions for future economic growth. Global economic growth scenario is rapidly changing. Mature economies grow with a modest pace. But there are countries with about 3 billion people which are now experiencing a very rapid growth and at the same time countries with about 1-1.5 billion inhabitants, which are not growing or are even stagnating.

World population prospects have also changed dramatically during the past 10-15 years. From population explosion we have moved towards a prospect of stable population after the population transition.

Ecological concerns revolve around the prospect of climate change. If IPCC (International Panel for Climate Change) forecasts are true the world will change more than ever in history during the 21st century.

The distribution of world income and resources remains a major issue. This is important not only from the individual human point of view, but for the stability of the world. For example, Plato was already of the opinion that in order to achieve socially stable (in a sense sustainable) development the difference between the incomes of poor and rich can only be in proportion of one to four. We know that the world income distribution is much more unequal than this and the income differences are growing even in the very egalitarian countries like Finland.

These are only some important examples of the questions and issue which a think-tank can and should analyze.

- MATURITY OF DECISION MAKING

The role and need of a think-tank institution depends on the maturity of both societal discussion culture and decision making habits. By maturity I mean the effort of decision makers to utilize seriously scientific information and knowledge as a basis of their acts. Countries may differ in this respect.

For example in Finland the tradition in the past was often to use state committees in preparation of decisions. In these committees different policy making and interest groups were represented together with government officials and perhaps also people from research community. This type of committee work has to large extent been replaced by the more efficient use of research institutes. It seems that the role of independent research is now better understood and also more effectively utilized than in the past. The role of research as an independent creator of knowledge is now more readily acknowledged. However, we have not reached the maturity level of the policy preparation of the Netherlands. In the Netherlands CPB (Central Planning Bureau) even calculates the economic effects of the programs of various parties. This opens up policy discussion on policy alternatives. This, in a way, represents the most highly developed utilisation of scientific knowledge in the societal policy making.

The role of decision makers is, of course, to make final choices based on their value judgements. Between decision makers and research institutes there is the machinery of government officials. It is quite important that government officials consider the research and knowledge creation valuable. Often researchers feel dissatisfied with the actual use of research. The situation would be improved if there were more people in government offices who understand the possibilities and limitations of research in the decision making. Therefore people who commission research should preferably have scientific background themselves.

- BASIC ORIENTATION: DO WE HAVE A CLEAR MISSION IN MIND ? IS A THINK TANK SAME AS A POLICY RESEARCH INSTITUTE?

It is important to think clearly about the definition and basic orientation of the think-tank institute. Is the think-tank institute same as a policy research institute? Not necessarily. The purpose of the think-tank institute may very well be to raise important policy issues independently from the formal policy-making process. It may also raise to the awareness of the general public discussion of different alternatives available for economic and social policy. Here it may well become in conflict with the decision making process if the decision maker tries to convince the public about the chosen policy. In this process discussions of alternatives are not always well received, because they may complicate the decision making and its implementation.

A policy research institute may orient more towards evaluation of efficiency and effectiveness of different policies. This role implies that the activities of the institute are concentrated primarily on e.g. applied economics research. In this work the contacts and connections towards the academic world becomes essential for the scientific quality of the work. This role may also be somewhat in conflict with the role of public discussion of policy alternatives. At least these roles have to be carefully thought in advance.

Ideally, the roles of think-tanks and policy research institutes should be combined, and policy issues brought out by think-tanks should be based on solid analytical work.

- THE WORK PROGRAM OF THE INSTITUTE

There are several aspects also in the selection of the topics for a think-tank institute. One aspect was already taken in the beginning: what are the important issues in sustainable development in the 21st century? In practice the topics to be covered fruitfully depend both on the national needs and on the capacity of the institute and its expertise.

The institute may select its program closely following the program of the current government. It may in this sense be close to the government. This role will allow perhaps the most useful contribution to the current decision making. This type of institute is close to the operational decisions and this kind of work is certainly needed.

On the other hand, some distance from the present government programs opens the road to more alternative thinking and more long term issues. The problem may be that the actual social impact of the institute may remain relatively modest if the institute is not powerful enough to be able to lead social debate.

- ANALYSIS OR FORECASTS?

In decision making the need for forecasts of the future are obvious. Since the scientific basis for long-term forecasts of societal phenomena is often weak, scenarios techniques and the methodology of future studies have been developed. The usefulness of different techniques is still, however, very much an open question.

In principle, forecasting should be based on analytical models of the economy. There is a long and extensive tradition of economic modelling and econometric techniques available. The institute has to decide the appropriate balance between various analytical techniques, modelling and forecasting. For example in my institute general equilibrium modelling and econometric techniques are extensively used.

- **COMPLEXITY OF WORLD**

It is often argued that the complexity of the world is growing, and therefore it is more and more difficult to make discussions without a good analytical basis. One may, of course, argue in what sense the world has become more complex. In any case the complexity emphasises the need to create or strengthen the think-tanks or policy research institutes. Important role of these institutes can be to analyse the complexity and try to clarify and understand it in a way which makes it easier to tackle the problems with the means of policy.

2. WHAT CHARACTERISTICS ARE NEEDED TO ENHANCE THE CAPACITY OF THINK-TANKS?

Quality of work, independence and objectivity are important characteristics, which enhance the capacity of think-tanks.

- **CAPACITY; THE QUALITY OF RESEARCH**

The quality of research is essential for the capacity of the think-tank. It is clear that without this precondition the vulnerability of the institute is increased in the social and academic debate. Also in the applied policy fields scientific criteria should be used in order to improve the quality of research.

- **CAPACITY; THE QUALITY OF RESEARCHERS**

The quality of research obviously depends on the quality of researchers. In order to attract motivated and good quality people the institute should be able to create high level reputation of its role and work. In this the competition with the academic world is relevant.

- **INDEPENDENCE**

In order to carry out effectively its role as a think-tank the institute should have independent status. What this means in practice needs, however, some consideration. Independence can be secured even if the government decides the basic mission of the institute or the basic area of its operations. It is important that the institute can carry out its tasks independently without interference or that the reached results are based on the independent and uninterrupted research. It is also important to carry out commissioned work independently. It is clear that the credibility of the research is easily lost in the case there are doubts about the independence of the research.

- **OBJECTIVITY OF RESEARCH**

Objectivity of the research is also very important in order the institute to achieve influence and credibility. This means that the research should be carried out using the best practices in the field, and should also be available for open scientific discussion.

It is of course more difficult to achieve objectivity in topics or areas where there is a lot of scientific disagreement or where the interpretation of the results is not clear enough to settle down the differences of the opinion. This concerns also forecasts of the future, where opinions easily differ. Different values are also often involved, even though the aim is the objectivity. But this should be seen as a necessary consequence of the matters to be studied, and in these cases one should be only careful in pinpointing the thoughts which are based mainly or solely on personal judgements and where there is no way to guarantee scientific objectivity.

3. HOW SHOULD THEY INTERACT WITH OTHER PLAYERS IN THE SOCIETY?

- **EXAMPLES OF IMPORTANT ROLES PLAYED BY THINK TANKS**

Keynes once said that all the relevant ideas of the policy makers are products of some previous scientific thinking. There is much truth in this. Since the enlightenment the world has gradually developed in one way or another on the basis of scientific knowledge and innovations based on it. The most well known driving force of economic growth is the technological progress which cannot go further without new scientific inventions.

Even though there may be rather large consensus of the role of science in the modern world development, it is not easy to pinpoint the effects of either science in general or think tanks and policy research institutes specifically in the development of the world. The effects are felt through the scientific community, decision making and media.

The Club of Rome is an interesting example. It was able to frighten large number of people with scenarios which did not become reality. On the other hand it succeeded in raising public awareness of some very important issues which were largely neglected earlier.

- **INTERACTION WITH THE SOCIETY AND MEDIA**

Interaction with the social partners is an important issue. The role of think-tank institutes is enhanced by its impartiality. It is also enhanced if the institute is able to raise new issues and topic on the policy agenda. Media is important because the opinions and attitudes of the citizens towards think tanks and their products depend very much about the information spread through media. This rather pessimistic statement does not mean that there should not be efforts to evaluate the effects of various types of institutes. This should be tried and debated.

- **ROUTES OF COMMUNICATION AND THE ROLE OF MEDIA**

There are several channels to communicate the results of the think-tank institutes. Perhaps the most important are own publications. But a lot of communication also comes through the personnel of the institute when they utilize their expertise in various contexts like public lectures, members of the working groups and committees etc.

Media is the channel to raise general discussion. There is, however, intensive competition of space in the media in the information society.

4. THE FUTURE OF THE WORLD AND THINK-TANKS

With increasing globalisation the question of future system of global governance is becoming more acute. The role of nation states has been challenged, but they are still the basic entities able to implement laws effectively. There is already a number of world level "think-tanks" like OECD, World Bank and research departments of various other international organisations. These institutes are the substantial body of the current intellectual basis for global governance. European integration has raised European issues on the common platform. It is still uncertain how these institutions will develop in the future. Many of the important institutes were created for the reconstruction of the world from the war damages. Then world politics has recently moved from bipolar world to multipolar situation, perhaps with one superpower. This multipolarity may develop to even more complex system with many polarities with different strengths and weaknesses and new problems.

Also the substance of the world development is perhaps going towards more intricate structure than earlier. One can see the very complex interaction with the population development, economic growth, environmental problems and problems of other world level public goods. But many of these problems seem very different from what they were, let's say twenty years ago. The world seems to be in need for a new and fresh think-tank.

I am now coming to the role of Japan in the 21st century. The country will have, in my opinion, still a major role to play both in the Asian and world level economy and politics. The Asian map is, however, currently changing in an unprecedented pace. Therefore the mutual trade and deepening of economic relations of major partners is an extremely important in order to secure better and peaceful vision for the whole continent in general and for Japan in particular. The 21st century will be a time for new ideas and new economic integration in the Asian dimension.

In my opinion national think-tanks have and will maintain an important role to play in this process. National institutes remain important as long as the nation state is relevant decision making unit (at it seem to remain like that in the future, even though the role may change). It is clear that international cooperation is necessary and useful also between different national bodies, but this will and should happen on the basis of the mutual interest.

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1. Why do we need think-tanks?

A think-tank can

- introduce important new policy issues
- initiate discussion of various policy alternatives
- analyse and clarify complex problems in a way that these can be tackled by means of policy

A think-tank is not identical to a policy research institute

- policy research institute evaluates the efficiency and effectiveness of policy actions
- some think-tanks have an ideological basis
- the roles of think-tanks and policy research institutes might, however, be combined

Needs for policy analysis in the 21st century

- there is an obvious need to examine the preconditions for long-term sustainable development both in the nation state and in the world
- sustainable development consists of economic, ecological and social dimension

[Maturity of decision making]

- the role and need of a think-tank institution depends on the maturity decision making
- by maturity I mean the attitude of decision makers to utilize seriously scientific knowledge as a basis of policy together with open public debate
- since the enlightenment the world has gradually learned to increase the use scientific knowledge for innovations which drive productivity growth and development
- Keynes once said that all the relevant ideas of the policy makers are products of some previous scientific thinking

[Culture of open discussion]

- think-tanks operate through open public debate
- is there a culture of open public discussion on policy?
- if not, that should be promoted

Examples of mature policy preparation

- in the Netherlands CPB calculates the economic effects of the programs of various political parties
- this promotes open public discussion on policy alternatives
- this represents a highly developed utilisation of scientific knowledge in the societal policy making
- there are a host of other influential think-tanks (Brookings, Hoover, AEI, RAND...) especially in the USA

An important question for the future role of think-tanks

- do policy makers believe that the role of science in policy making increases in the 21st century?
- are we really going towards a knowledge-based society?
- between decision makers and research institutes there is the machinery of government officials
- **important:** do government officials consider research and knowledge creation valuable?

Closeness to government

- closeness to government will allow perhaps the most useful contribution to the current decision making
- on the other hand, distance from government opens the road to more alternative thinking
- this distance requires a capable institute in order it to have influence in social debate

2. What characteristics are needed to enhance the capacity of think-tanks?

Important characteristics are: quality, independence and objectivity

Quality

- the quality of research has primary importance
- scientific criteria should be used
- the quality of researchers is essential

Independence

- the institute should be able to carry out its research without external interference
- this concerns also the externally commissioned work

Objectivity of research

- research should be carried out using the best practices in the field, and be available for open scientific discussion.

3. How should think-tanks interact with other players in the society?

Interaction with the society, media and scientific community

- **publications** are important
- researchers can have strong influence as experts
- the role of the institute is enhanced by its **impartiality**
- **media** important: opinions and attitudes of the citizens depend on the information spread through media
- **quality** has to be discussed with scientific community

4. The future of the world and think-tanks

- need for global governance
- current world development results from complex interaction of the population development, economic growth, environmental problems and problems of other world level public goods
- current multipolarity – with perhaps one super power – may develop to an even more complex system with many polarities with different strengths, new threats and problems
- both national institutes and institutions for the global governance (OECD, World Bank, WTO etc.) have to be able to tackle these new issues and reform their work

[The case of Japan]

- Japan wants to be "an open, culturally creative nation with healthy old age of 80 years enjoyed by people with the luxury of discretionary time"
- Japan in the 21st century will still have a major role to play both in the Asian and world level economy and politics.

[Japanese challenges]

- Asian continent is currently changing with an unprecedented pace
- securing the mutually beneficial trade and deepening of economic relations with major partners is an extremely important for Japan and to the whole Asia
- building up stability and security through economic interrelationships is a key
- EU as an example: European integration has been able to raise European issues on a common platform
- Union has succeeded well in its basic mission

Summary of the role of think-tanks

- the 21st century will be a time for new ideas and new economic integration in the Asian dimension
- precondition for this is open society with open public debate
- good quality national think-tanks have an important role to play in this process
- international cooperation is necessary and useful when based on the mutual interest

THINK TANKS'S EFFECTIVENESS

Hernán Cortés Douglas

A. Experience in Chile – Five Cases

B. Some Lessons

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A. Experience in Chile - Types of Think Tanks

I. Ascribed to Political Parties

Cieplan (Economics and Planning)

Liberty and Development (LYD)

Democracy Studies (CED)

II. Independent from Political Parties

Center for Policy Studies (CEP)

Center for Economic Research (CIEUC)

1. Ascribed to Political Parties

Case 1: Cieplan (Research Center for Economics and Planning)

Christian Democracy Party

Very critical of market reforms in the 1970s and 1980s

Members appointed to ministerial and high office posts in the 1990s.

Once in government, they maintained market reforms (The reforms had worked)

In 1990 Cieplan faded away because

- a) members went to government posts
- b) foreign financing stopped

Case 2: Liberty and Development Institute

Ascribed to Independent Democratic Union Party (UD1): in the opposition to present government. LyD is a ten-year old Institute.

It publishes studies and policy briefs on economic and social policies, and the effects of legislation.

Most Interesting Features

1. It analyzes projects of law to be discussed in the parliament, and distributes this analysis in policy briefs to congressmen of all parties.
2. They have set awards for best undergraduate and graduate thesis on liberty and development issues.

Case 3: Center for Democracy Studies

Headed by Edgardo Boenninger (Christian Democracy), prepared in the late 1990's the way for a transition to democracy.

It invited a wide spectrum of professionals: from socialists to conservatives, to constitute working groups and organized open seminars on issues in the forthcoming democracy.

CED disappeared, when democracy arrived and foreign financing dried up. Boenninger became Minister and is now senator.

II. Independent from Political Parties

Case 4: Center for Policy Studies (CEP)

Financed by private sector.

Publishes studies on prospective policy reforms and its effects. Recognized expertise in education and social security reforms.

It undertakes political surveys.

Most Interesting Features

President Lagos is the first socialist President after President Allende's administration. Initially the private sector mistrusted the Lagos administration.

CEP served an important role as a bridge between the President and the private sector, organizing seminars and gatherings.

This could be done because of CEP's reputation as a non-partisan think tank since the 1980s.

CEP has a deep interaction with university students. Students are invited to lectures by distinguished visitors and to seminars especially designed for them.

CEP has a continuous interaction with academicians, businessmen and government official through seminars.

The general public knows CEP through the publication of the results of political surveys and polls.

Case 5: Center for Economic Research at Catholic University (CIEUC)

Chile's economic transformation was prepared by a team of university professors at this center, known now as "The Chicago Boys", as they had done doctoral or graduate studies at the University of Chicago.

The Chilean economy in the early 1970 was closed to world trade and investment, inefficient, with 3,500 controlled prices. Inefficient policies had gradually converted Chile - starting in the 1930s - in a stagnant economy, and in 1973 inflation had reached 1,000% per year.

"The Chicago Boys"'s team prepared a complete economic reform package in the form of a book.

Its size and weight nicknamed the book: "The Brick". They presented it to candidate Jorge Alessandri in 1970. But he lost to President Allende.

The team continued updating its research and it produced "The Brick II" in early 1973. In 1975 the military government convinced itself of The Brick's set of policies and appointed the team in ministerial posts: The economic transformation of Chile began.

In the 1960s and 1970s, these university professors recommended dozens of their best students to study in the U.S. When they became the government economic team, there were 200 former students ready to work in the government and the privatized economy.

II Lessons

1. “The Chicago Boys’s experience shows that a vision of where the country should go, and how to get there is a crucial task for think tanks.

Because, no matter how unattainable the vision appears from where we stand::

- a) The vision tells us how far from the present situation the ideal stands.
- b) If something happens that allows the vision to be implemented, you better be ready.

In Chile the opportunity came because of the debacle of the Allende administration and the lack of preparation in economic policy by the military. The Chicago boys were ready.

2. The Vision’s implementation requires a critical mass of human capital with a common purpose and adequate skills.

3. Continuity of Effort is Crucial

Today there is no think tank in Chile working on an overall vision for a future Chile. Complacency is very dangerous.

4. In none of the five examples, the think tanks originated with government.

The think tanks adscribed to political parties originated in the opposition.

5. Financing is an important issue and it explains the short life of several of these think tanks.

6. The 25-year old CEP (Center for Policy Studies) owes its reputation largely to being a serious, non-partisan think tank.

7. A vision for the country’s future is the most important role for a think tank; to prepare to make it happen is another.

This seminar is an excellent example of vision and preparation for implementation.

PATHFINDER OR CHEERLEADER? THINKTANKS AND THE CREATION OF SOCIAL VISION

By
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From my varied experience with think-tanks, universities, and the U.S. federal government in Washington, D.C., I can see the enormous potential of think-tanks to broaden public policy debates and to promote more intelligent and democratic policy formation. Yet I can also see the problems that frequently prevent think tanks from filling their lofty potential. Put succinctly, think tanks can have two potential social functions: either as pathfinders or as cheerleaders. It is in society's interest that they perform mainly in the former role, although they frequently lapse back into the latter. Since they have this tendency, diversity of viewpoints among think tanks is also important—as well as within them.

It is useful to conceptualize the potential role of think tanks in relation to the three basic stages of policy processes: agenda setting, decision making, and implementation. The second stage, decision making, is of course uniquely the province of government, so the role of extra-governmental actors such as think tanks is necessarily limited. But think tanks can be enormously important in agenda setting—particularly in broadening the range of options considered by policymakers, and deepening the knowledge base with which they are evaluated. Think tanks can also be important at the implementation stage, by serving as watchdogs who monitor whether declared and legislated policies are actually translated into reality, and in assessing the costs and benefits thereof.

In these important tasks of agenda setting, and of monitoring implementation, it is crucial that think tanks collectively serve preeminently as *pathfinders*, blazing the way to the future, rather than just as *cheerleaders*, who simply praise, often in simplistic fashion, pre-existing notions, or options of special utility to particular interest groups, or bureaucratic entities. Ideally, individual think tanks should have a high concentration of technical expertise, adequate funding, and diverse recruitment practices. Such qualities help them to serve in this path-finding role.

Yet it is not easy for think tanks to avoid the temptations of cheerleading. After all, they need political influence and credibility. In Washington, D.C., at least, they feel the strong need to recruit leaders and key staff at least partly on the basis of political connections—a tendency in tension with their “path-finder” function. While this is to some extent inevitable, the need for independence and expertise always needs to be emphasized. And there needs to be a diversity of viewpoints among the think-tank community as a whole.

American experience suggests six concrete ways in which the path-finding role of think tanks can be strengthened elsewhere in the world, as well as within the United States itself:

- (1) **Diversity in recruitment.** This prevents a think tank from being controlled by single viewpoints, and increases broader social credibility.
- (2) **Independent funding.** To the extent that think tanks have autonomous sources of funds, as large universities do, their ability to think to the long-term future, as pathfinders, is enhanced.
- (3) **Institutional autonomy.** Close supervision by a single outside entity can skew the think tank’s conclusions.
- (4) **Inter-relationships with universities.** This helps to deepen

the long-term vision so indispensable to a path-finding role.

- (5) **Inter-action with think tanks elsewhere.** Trans-national ties can be important.
- (6) **Developing a critical mass of independent think tanks in a given area.** “Competitive clusters” help to produce creative outcomes, as is clear in settings from Silicon Valley to Madison Avenue.

In the final analysis, think tanks can either help to blaze the way to the future or contribute to an intellectual charade. I have seen both patterns clearly in operation. The tendency in human society always tends to be toward conformity, which is why conscious efforts to promote diversity are so important. As Japan moves into an increasingly important global role in the Twenty First Century, thinking carefully about how to structure the Japanese think-tank community so as to promote creativity, and to nurture real long-term oriented insights based on diversity of perspectives should be a high-priority national task.

THE ROLE OF THINK TANKS IN POLICY MAKING

May 28, 2005

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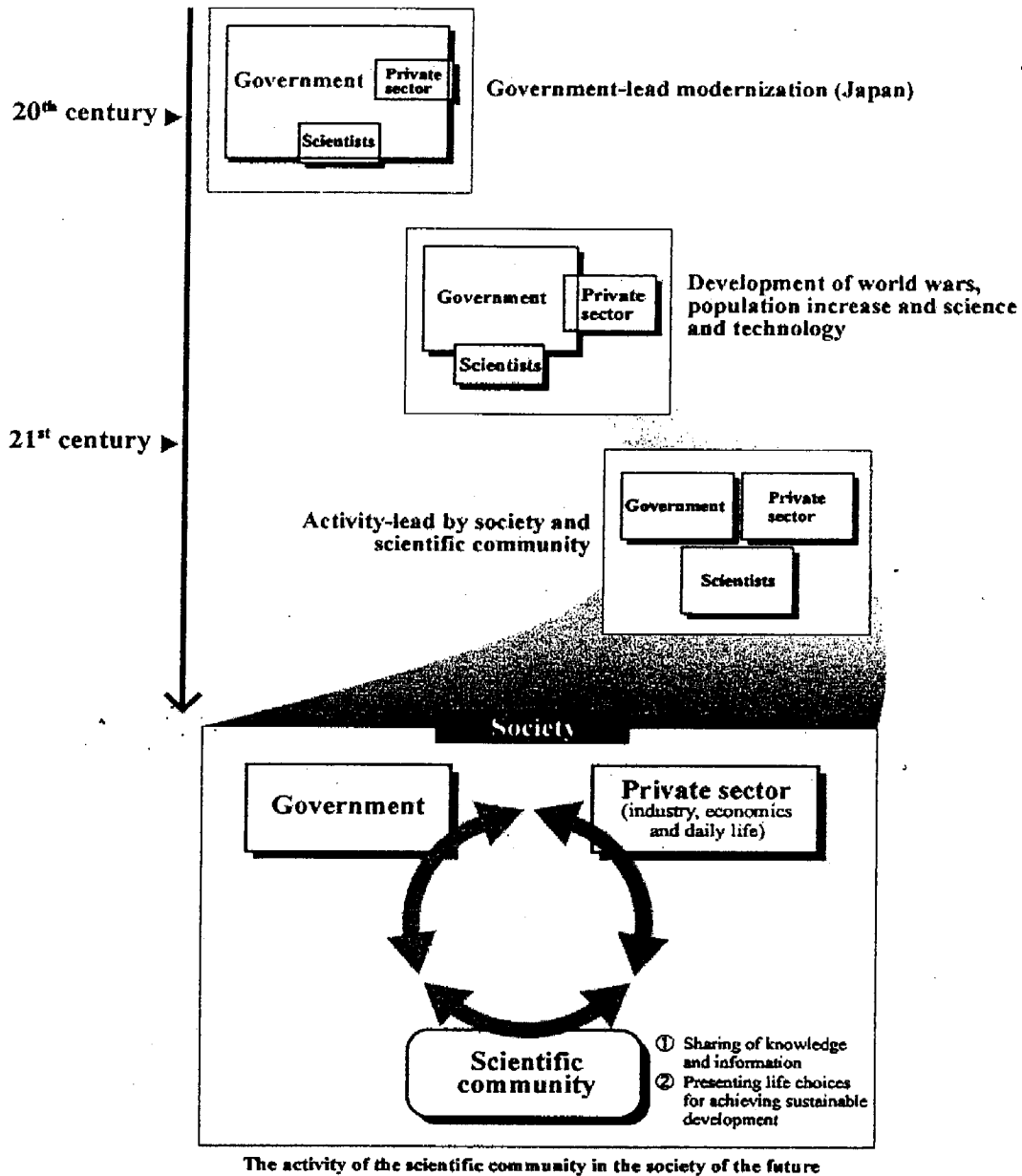


Figure 4. Development of the idea of the scientific community contributing to society

Japan in the 19th century achieved government-led modernization through the Meiji Restoration. Industry and technology were also broadly stimulated in the beginning by government contributions to state-run factors and national universities. As Japan entered the 20th century, the development of technology contributed to population increase and economic development, while the country also became embroiled in international conflicts. In the latter half of the 20th century, industrial development was striking in the private sector and economic activity expanded with Japan occupying a significant place in the global economy. The main activities of the Japanese scientific community were also conducted in the international arena. The scientific community in the 21st century is also being pressed to contribute to human society in the two areas of ① sharing of knowledge and information and ② presenting choices for achieving sustainable development.

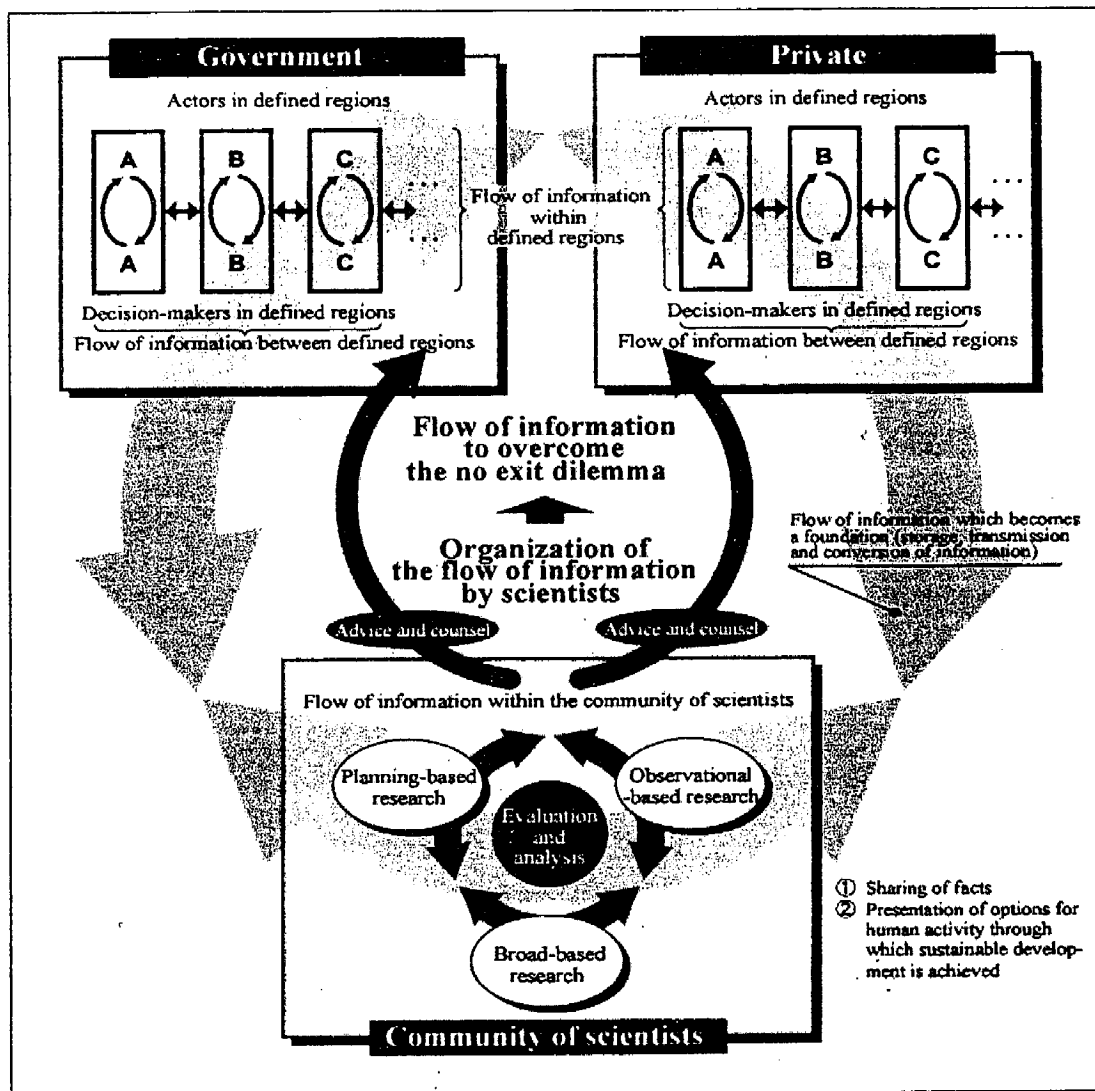


Figure 5. Model of information flow driven by science

The establishment of organization in the flow of information by scientists and the achievement of a free flow of information model driven by science which can overcome the no exit dilemma as a driving force is required in order to achieve evolution for sustainability. Scientists within the community of scientists engage observational research and broad-based research which encompass research across separate fields. An information flow has formed in planning research through which scientists offer advice to society based on the information which is embodied in the observation research and broad-based research. In addition, actors and decision-makers exist in their own defined unique areas of government and the private sector within society and information flows within and between these fields. It is anticipated that once the information flow is organized in this way by scientists and functioning smoothly, the community of scientists can respond to the demands of society and conversely, society can respond to the advice offered by the scientific community, then an information flow will emerge that will overcome the no exit dilemma.