Think tanks and ‘policy hybrids’ in the Western Balkans and post-soviet space

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ABSTRACT

In response to changing geopolitical circumstances and the fiscal austerity in the aftermath of the 2008 financial crisis, many think tank donors have considered expanding their funding options to include new policy actors in order to achieve the same (or greater) policy impact on a more limited budget. This article reviews one case of donor assistance to support policy hybrid organizations in the Western Balkans and the former Soviet Union. While generally successful in helping a number of local organizations to become policy relevant, the experience provides a series of lessons for foreign donors. It also seeks to marry these insights with a new funding reality, which combines less money available for supporting policy research with greater pressure for that research to be responsive and influential.

KEYWORDS

Policy research; think tanks; Western Balkans; Ukraine; Georgia; Moldova

Highlights

- Donor support for hybrid think tank organizations is one of the possible ways to address the constraints of austerity on funding policy relevant research.
- Case studies from the Western Balkans and the post-Soviet space demonstrate great variance in the capacity of hybrid organizations to learn how to develop their new function.
- Although no model of integrating policy research appears dominant for hybrids, their capacity for reflection, ability to identify a research niche, and mid-term focus are key to success.

1. Introduction

A quarter century ago, the collapse of the Soviet Union and the dissolution of Yugoslavia ushered a new era for the states that emerged in these territories. Their transition from authoritarian rule required a level of expertise and internal policy capacity that nascent national governments had not yet built. Local think tanks gradually stepped-in in response to this challenge. Funded by international donors in an environment where local philanthropy was almost non-existent, these think tanks became centres of knowledge production and policy advice. When donors shifted their attention to new regions in the second half of the 2000s (Koncz, 2005), supporting policy hybrid organizations that combine policy research with other functions came to be seen as a viable option for...
nurturing their domestic policy advisory fields on a limited budget. To this date, little research has been done to assess this type of support and its implications on the local policy research environment. This article seeks to address this gap.

This article examines the effects of the Open Society Foundations’ (OSF) Think Tank Fund (TTF) support to policy hybrids (see section 3 for definition). It argues that donors might benefit from expanding their support for independent policy research by engaging with new actors that combine policy research with other functions. Doing so may work especially well in times of austerity, as donors are forced to advance their goals with decreasing budgets and greater demand for immediate results.

To buttress its analysis, this article relies on case studies of TTF support for hybrid groups in seven Western Balkan (Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia) and three post-Soviet states (Georgia, Moldova, and Ukraine). While cognizant that 'hybridization' of policy research actors is not unique to these regions (Lah, 2017), the article focuses on the Balkans and the post-Soviet space because of the original grant-making TTF has done in these areas. Given the dearth of academic literature on the subject, these case studies can enrich our understanding of the policy hybrid phenomenon. First, the article outlines the policy research scene in the Western Balkans and three post-Soviet states. Second, the article assesses TTF’s approach to funding policy research actors and its engagement with several hybrids in the countries under analysis. The article concludes by linking lessons learned from this line of work with their implications on donor support for policy actors in times of financial austerity.

2. Policy research scene in the Western Balkans, Ukraine, Georgia, and Moldova

A number of characteristics make the policy research scene in the Western Balkans, Ukraine, Georgia, and Moldova distinct from similar fields elsewhere in the world.

First, though the nature of the authoritarian regimes of Yugoslavia and the Soviet Union was different (Krastev, 2000; Sandle, 2004; Struyk, 1999), its legacy exerts profound influence on the social and political development of both regions. Policy and decision-making remains insulated from the public. Wider consultation is either perfunctory or ad hoc. Most of the newly emerged governments view citizens as a silent passive mass. They see local civil society (and think tanks) as a nuisance that hinder government plans to shape these countries to their liking.

Second, lacking finances and ideological cohesion, these states lost their previous capacity to produce policy research through the ruling party apparatus and government-affiliated institutes. Under these circumstances, foreign donors stepped in to fill the vacuum and undertook policy research to help these governments with political and economic reform. In theory, donors engaged at the request of these states. In practice, the national governments and foreign funders have long differed in how they see the post-authoritarian transformation of these societies (Carothers, 1999; Howard, 2011; Kimbell, 2000; Quigley, 1996; Sandle, 2004; Scott, 1999; Steiner-Khamsi, 2008). As a result, governments can be quick to disregard policy advice that does not fit their framework, which is often grounded in personalized politics rather than empirical evidence.

Third, the Soviet Union and Yugoslavia developed highly centralized internal governance systems, which concentrated research resources and institutional capacity in
few locations – Belgrade and Zagreb in the former Yugoslavia, and Moscow, Leningrad (now St. Petersburg), and Kyiv in the former Soviet Union. When these countries collapsed, most of the newly independent states had considerably less research capacity because of their previous peripheral status (Struyk, 1999). The situation worsened as some of these countries plunged into civil war, leading to economic free-fall and a mass exodus of human capital. The conflicts in Bosnia and Herzegovina (Kostić, 2014), Georgia, Kosovo, and Moldova pushed policy research to the backburner.

Once the policy research scene finally began to develop in the Balkans and the post-Soviet space, it has gone through three generational waves. The first started in the 1990s (excepting the later development of Kosovo following conflict with Serbia; Kostić, 2014) when many local analysts grew tired of working as consultants or shadow researchers to their foreign counterparts and decided to set up their own policy analysis shop. Most of them started their careers in now defunct state-funded research institutions and were involved in donor projects thanks to English language and research skills acquired during the political transition. They saw no need to change their research and advocacy models that involved producing thick manuscripts targeting only state bodies. Foreign donors’ support was presumed to be permanent and they often unquestionably followed donor agendas.

Having entered the scene in the mid-late 2000s, the second generation of policy researchers had only childhood memories of the former Soviet Union and Yugoslavia. Most of its members spent significant time abroad on academic programs. A few started at first-generation independent think tanks. Having been exposed to foreign practices and spared Soviet and Yugoslav analytical experiences, they developed a greater variety of policy products (from books and reports to briefs and one-pagers) and, given the unresponsiveness of national governments, recognized the need to reach other educated audiences. Although continuing to rely on foreign donors for funding, they insisted on formulating their research agenda independently.

The third generation of think tankers emerged only after 2012. While not yet present in every country under analysis, this generation is challenging the policy research scene. Its members have deepened the existing practice of developing multiple policy outputs to deliver the same analysis to different audiences. They are also not afraid of cooperating with a variety of non-policy actors. They see their input as complementary to wider social change. At ease with social media, this cohort uses its potential to force the government to pay attention through the sheer power of ‘clicks and tags’. Because they conceive their research agenda independently, and in many cases prior to dealing with donors, they stick to their research priorities even if they do not match those of funders.

Over the last quarter of a century, the foreign donor scene in the former Yugoslavia and the post-Soviet space has also evolved. In the early to mid 1990s, the United States, international multilateral institutions (such as United Nations agencies and the World Bank), and Western embassies were the first responders on the ground. By the early 2000s, as these regions became less conflict prone and international attention shifted elsewhere after 11 September 2001, other bilateral donors entered the scene – such as the National Endowment for Democracy, Deutsche Gesellschaft für Internationale Zusammenarbeit, the Swedish International Development Cooperation Agency, the Swiss Development Corporation, and German political foundations. The biggest change came after the EU admitted a number of countries in Central and Eastern Europe in 2004 and gradually turned attention to its new neighborhood (Aliyev, 2016; Balkan Civil Society Development
Network, 2016, 2014, 2009; Buldioski, 2008; Howard, 2011; Kimbell, 2000; Steiner-Khamsi, 2008). A decade later, the EU has become one of the leading – and in many countries the main – donor in supporting policy research. Its large-scale research projects seek to partner local civic and research actors with counterparts in Western Europe.

When the first generation of think tankers emerged, donors were glad to support them because bringing foreign consultants with little local knowledge proved ineffective and costly. Short-term research contracts would go to locals instead. As the second wave of analysts made its way and showed greater independence from funders, most donors recognized changes in the policy research environment but had few instruments to accommodate the organizational needs of research. At the time, TTF was the only funder in the region that provided core and institutional support, as opposed to short-term contracts, to enable think tanks to focus on their internal development.

The situation becomes more complicated with the latest, third cohort. Most policy research institutions want to escape the current funding paradigm that makes them highly dependent on foreign support. In the near absence of local public funding for policy research, some third-generation think tanks have experimented with crowdfunding and outreach to local businesses, as it will be decades before local philanthropy can compete with foreign assistance. Several foreign donors have tried providing some form of core funding and acknowledged that they often work with the same set of actors, whose success is imperilled by chronic internal organizational problems. Finally, some donors decreased or discontinued their support in these regions, anticipating the EU to step in after its 2007 enlargement to Romania and Bulgaria, which coincided with the 2008 financial crisis.

3. TTF and its organizational development support

The OSF is a philanthropic organization founded by George Soros that works globally to build vibrant and tolerant societies, strengthen the respect for the rule of law and human rights, and shape public policies to ensure fair political, economic, and social systems (see Soros, 2011; Stone, 2008). Run as a separate program at the OSF from 2007–2015, the TTF focused on think tanks as a target of philanthropic support because of their unique combination of independence, commitment to quality research, mission to serve the public good, local ownership of issues, and, consequently, greater potential to contribute to an open society (Buldioski, 2013). Accordingly, the groups that TTF supported shared its core values, which are: (a) ideas have the power to change policy; (b) policy research should use fully disclosed and scientifically rigorous methodology and target multiple audiences; (c) political actors should rely on evidence-informed research in their decision-making; and (d) participatory decision-making yields meaningful results only when it includes high-quality policy alternatives.

From 2007 until 2012, TTF provided core and institutional grants in the Western Balkans and several post-Soviet states for three reasons. First, these regions were the priority for OSF engagement since its founding. Second, the relatively uncrowded policy space in these countries allowed a well-targeted intervention to have more policy resonance than a similar undertaking in a Western context. Finally, funding from other donors was tilted toward thematic grants, which forced think tanks to concentrate on externally guided short-term projects. The disadvantages of a standard project grant versus long-term support are its focus on immediate policy outputs and their short-term advocacy, a rigid
budget that does not support any non-project costs (which are essential for a think tank’s continuous operation), and a high degree of a donor’s control over its implementation.

TTF core grants sought to combine the best of two worlds. On the one hand, funding was not rigidly tied to a specific thematic project with little flexibility to use the money for organizational needs. On the other hand, these grants were not unrestricted, meaning grantees would have complete freedom to allocate spending. TTF offered think tanks an opportunity to use its grants as they saw fit provided that they had done prior planning to identify a strategy suitable to their particular stage of organizational development. Instead of imposing its priorities on the grantees, TTF provided a funding framework to reflect on their needs for sustainability and deploy OSF investment accordingly.

By 2013, responding to the maturing policy research field and tighter internal OSF budgets (Buldioski, 2013), TTF narrowed its support from core grants to organizational development funding. The former supported three interdependent elements – sustainability, seed funding, and development. The first component, sustainability, partially underwrote grantees’ payroll, administrative, technical, and other core expenses. The second component, seed funding, was often used for drafting analytical products or carrying out activities that others were not ready to support. Finally, the development component was provided to enhance staff capacity and improve think tanks’ research and communications infrastructure. At the time, this assistance was needed because functioning from project to project, think tanks had a hard time securing basic expenditures to run their organizations beyond project-specific costs, could not pilot new and interesting research ideas (if those did not fit a donor’s agenda), and had no support for developing their organizations internally. TTF grantees chose how to mix and match these components.

Organizational development grants, on the other hand, supported only the development component. Prior to receiving a TTF grant, applicants analysed the strengths and weaknesses of their organization and presented a detailed plan that indicated specific improvements in research quality, communications and advocacy, and internal governance and management their organizations wanted to make and how they would go about such changes.

4. Building on the unique niche by expanding to new actors

In parallel to providing support to think tanks, TTF started to provide support to organizations of a hybrid nature. The Fund defined hybrids as non-government/non-profit organizations that combine policy research with other functions, such as monitoring and watchdog activities, consulting, service delivery, or grassroots advocacy. In most cases, these activities predate the organization’s decision to develop a policy function.

TTF has provided funding to hybrid groups for four reasons. First, foreign donors remain the main source of funding for local civil societies in the Western Balkans and the post-Soviet space. Their priorities are often fickle, swinging from policy research to direct advocacy (Balkan Civil Society Development Network, 2016, 2014, 2009; Howard, 2011). Under these circumstances, local groups have no choice but to become multi-functional. Second, except for Ukraine, TTF operates mostly in small countries of both regions that have a natural cap on the number of pure think tanks that can be sustainable. Therefore, looking beyond these purely analytical centres became the next logical step for a grant-making organization. Third, hybrid groups were seen to have
potential for policy impact because of their connections with grassroots communities and strong communications and mobilization capacities. Finally, in rare cases TTF intervened where hybrids’ work on a specific issue could be translated into policy proposals, particularly where contributions from think tanks were absent due to a lack of sustained demand for research.

In 2015, TTF carried out an internal analysis that looked back at its decisions to support these groups and addressed two questions. The first inquired to what extent its funding has so far helped the hybrids in its sample develop policy functions. The second question asked whether hybrids are a viable means for supporting policy research in parallel to think tanks.

The sample of 15 hybrid organizations (see Table 1) was drawn from the list of all organizations that received TTF’s core and institutional grants between 2007 and 2013. The total funding in this sample amounted to $3.26 million and included multi-year grants. In the interest of comparison, between 2007 and 2013 the TTF spent a total of $11.2 million on core and institutional grants to 84 organizations (hybrids and think tanks).

The majority of groups in the sample come from the Western Balkans where the policy field exhibits greater maturity and the cost of entry for new civil society organizations has been much lower than in the post-Soviet space. In terms of type of

| Table 1. List of 15 hybrid organizations in the sample. |
|--------------------------------------------------------|
| Organization name | Country | Year of establishment |
|-------------------|---------|-----------------------|
| 1 CoPLAN Institute for Habitat Development [http://www.co-plan.org/en/](http://www.co-plan.org/en/) | Albania | 1997 |
| 2 European Movement Albania (EMA) [http://www.em-al.org/index.php/en/](http://www.em-al.org/index.php/en/) | Albania | 2007 |
| 3 GEA – Center for Research and Studies [http://www.gea.ba/en/](http://www.gea.ba/en/) | Bosnia and Herzegovina | 2006 |
| 4 Initiative for Better and Humane Inclusion (IBHI) [http://www.ibhi.ba/eng](http://www.ibhi.ba/eng) | Bosnia and Herzegovina | 1996 |
| 5 GONG [http://gong.hr/en/](http://gong.hr/en/) | Croatia | 1997 |
| 6 Macedonian Centre for European Training (MCET) [http://www.mcet.org.mk/](http://www.mcet.org.mk/) | Macedonia | 2002 |
| 7 Resource Center of Moldovan NGOs for Human Rights (CReDO) [http://www.credo.md/?&lang=en](http://www.credo.md/?&lang=en) | Moldova | 1999 |
| 8 Center for Democratic Transition (CDT) [http://www.cdtmn.org/EN/](http://www.cdtmn.org/EN/) | Montenegro | 2000 |
| 9 Center for Democracy and Human Rights (CEDEM) [http://www.cedem.me/en/](http://www.cedem.me/en/) | Montenegro | 1997 |
| 10 Center for Monitoring and Research (CEMI) [http://www.cemi.org.me/index.php/en](http://www.cemi.org.me/index.php/en) | Montenegro | 2000 |
| 11 Network for the Affirmation of NGO Sector (MANS) [http://www.mans.co.me/en/](http://www.mans.co.me/en/) | Montenegro | 2000 |
| 12 European Movement in Serbia (EMinS) [http://www.emins.org/english](http://www.emins.org/english) | Serbia | 1992 |
| 13 Group 484 [http://www.grupa484.org.rs/en](http://www.grupa484.org.rs/en) | Serbia | 1996 |
| 14 National Alliance for Local Economic Development (NALED) [http://www.naled-serbia.org/en](http://www.naled-serbia.org/en) | Serbia | 2006 |
| 15 Center for Social and Economic Research – CASE Ukraine [http://www.case-ukraine.com.ua/en](http://www.case-ukraine.com.ua/en) | Ukraine | 1999 |

1Cost of entry is defined as the ease with which individuals can set up an organization, start research activities, enter a public discussion space, and gain access to donor funding as the major source of support in these states.
hybridity, the organizations under review fall into two categories, development/consultancy hybrids and advocacy NGOs. Development/consultancy hybrids are organizations that combine a consultancy function that focuses on purely technical and developmental projects with think tanking. Advocacy hybrids include a mixture of watchdog, advocacy, information-sharing, specialized training services, and monitoring roles along with policy analysis.

The analysis considered four variables: (a) research capacity - to what extent hybrids have moved toward producing policy publications (as opposed to monitoring reports); (b) internal management - how these groups established the policy function and integrated it with other components of the organization; (c) seed funding - how they took advantage of TTF support to establish research expertise on specific issues; (d) communications - how the hybrids communicate their policy findings. TTF hypothesized that the hybrid grantees that (a) came with a clear vision about building a policy component; (b) invested seriously in research capacity; and (c) integrated the policy arm with the rest of their organization were on average more successful than those who failed on one of these counts. To arrive at the findings below, TTF relied on grantees’ initial proposals and subsequent progress/final reports to OSF, our internal notes from field visits, an external evaluation (which TTF commissioned), and observations from peers and other donors. A combination of our continuous monitoring with grantees’ reflections and third-party insights provided a wealth of evidence and counterbalanced possible biases.

The analysis below classifies the 15 organizations into three categories based on their performance - successes, learners in their own way, and weak learners. This classification was initially developed by the authors for an internal review and later endorsed by TTF. Although necessary for analytical purposes, it ultimately assigns labels that may at times appear static or mono-dimensional. Developing policy capacity is an evolving process, so the position of a grantee is a snapshot of where they were at the moment of the analysis. It does not mean that they cannot improve or regress. This paper also wants to avoid giving the impression that those groups that are not fully successful according to our standard have wasted their time and TTF’s money. For many, this undertaking spurred a host of other positive developments. Finally, to allow candid reflections on their performance, this paper has not identified specific grantees to sustain anonymity.

4.1. Successes

The ‘successful learners’ group includes four development organizations and one advocacy hybrid. These organizations have managed to establish their research credentials and carve out a unique thematic niche. The successful learners focused on producing policy research with a defined set of products in their established area(s) of thematic interest, promoting themselves as capable policy research actors by showcasing those few products in local public debates. As a result of their consistent investment, the successful learners established strong and publicly recognized expertise on a range of issues that includes community development and planning, housing, integration of minority groups in local development, and fiscal decentralization in a national context.

Communications with wider audiences was not a priority for the hybrids at the beginning of TTF support, because TTF believed many advocacy groups had a much
stronger outreach capacity by virtue of being closer to grassroots civil society than a typical think tank. However, after the initial period of developing thematic expertise, the successful cases turned their focus toward communications and began to learn how to promote their findings through a combination of traditional and new tools.

The group of ‘successful learners’ had no problem integrating the research function with the rest of the organization. None followed a rigid separation between policy research and other activities. However, all organizations in this group were clear about who on their staff carried out policy research and how their role was distinct. At the same time, researchers were in constant communication with the rest of the team and built upon other, non-policy activities to ensure that any learning from the field was integrated with research and advocacy from the very beginning. For instance, researchers on migration in one hybrid used the insights from their colleagues who provided services to asylum-seekers and migrants to deepen and improve their research methodologies. At another organization, the senior leadership does both research and service provision.

A few successful grantees have shrunk over the years of TTF support, having failed to secure sufficient funding. However, organizations retained their research functions, and most research staff later formed the backbone of new, streamlined organizations. Their programmatic agendas shifted more decisively in the policy direction. Only one case grew in staff and budget. Another organization in this group kept the same number of core staff, while expanding its pool of external research associates. In fact, this last is the only case in the TTF portfolio that clearly transformed itself from a small policy centre into a hybrid organization for financial sustainability purposes.

To sum up, in these cases the grantees’ thematic expertise went hand-in-hand with highly competent use of research methodologies and rigorous analytical capacities. These organizations have become successful in large part because they saw investing in both thematic expertise and research capacity as critical to their aspirations. Having added a policy component, the organizations of the ‘successes group’ in the sample have become not only more robust as hybrid entities, but also more relevant and influential as providers of independent policy advice.

4.2. **Learners in their own way**

With the exception of one development hybrid, the rest of the cases in this category are advocacy organizations working on EU integration, transparency, accountability, and civil society participation in policy-making. Many of these groups used TTF grants to the fullest possible extent, but nonetheless have not managed to build a robust policy function. That does not mean they failed, as all have learned something valuable from this organizational development process. One organization introduced an internal monitoring and evaluation system for policy impact and reworked its organizational structure. Another learned how to develop policy studies in addition to its previous experiences with writing monitoring reports and advocacy statements. A third integrated different aspects of their corruption research and recommendations into its annual report and expanded its analysis to corruption in healthcare and education. A fourth has improved its internal research capacities by hiring young researchers and by building rigorous quality standards and procedures for contributions from external experts.
While these hybrids showcase evident achievements in building policy functions, they remain weak in designing medium-term research agendas with clear thematic priorities and rarely take a bird’s-eye view of policy and social development, instead of the usual ‘monitoring-analysis-recommendations’ sequence. As a result, they lack a stable programmatic agenda and work on many ad hoc issues simultaneously. Many prioritize the need to educate local audiences over deeper policy research. These organizations are also more prone to follow immediate opportunities – and to be influenced by the priorities of donors and their constituencies – than to work long-term on a few large thematic pillars.

On a positive note, many of these groups have developed more comprehensive methodological approaches to monitoring. The variety of their written products suggests a mixture of monitoring, information sharing, and policy research. One typical organization in this cohort has greatly improved its monitoring methodology for what it labels as research papers, developed a highly disciplined way for choosing topics, and made the structure of its monitoring reports similar to policy briefs, with emphasis on providing constructive solutions. Nonetheless, this organization’s analysis does not go deep enough into public governance phenomena, only scratching the surface of the strategic plans of different state ministries.

The groups in this category also vary in communications capacities. Some rely on internal communications staff and have excellent practices that are subject to frequent improvement and innovation. Others lag behind. For example, one group has difficulties distinguishing information sharing about the EU for broader domestic audiences from policy recommendations in its own policy products.

Integrating the research function in most cases has been reasonably successful. One group has placed a strong emphasis on establishing an internal flow of tasks and feedback from one function to another, reworked its organizational structure, and retained all staff members after the internal re-structuring. Two other cases show mixed results in functional integration. In one instance, the senior staffs have fully embraced the policy research function, while the rank-and-file remain sceptical of giving it the primary role for fear of losing their training capacity on EU integration. In another case, the group’s leaders were fully behind the policy research function, but needed to strategically coordinate this component with their other forums and activities.

Although the organizations in this category have made achievements in developing policy research capacities, they have failed to consolidate them with more structural and long-term reforms that would deepen expertise and create a strategic policy framework on key thematic issues. In communications, these groups have struggled to conceive a holistic approach that would incorporate policy research and reinforce their other functions. Most remain better recognized for their monitoring and information sharing than for policy analysis. Their record on integrating the research function also appears mixed, with some having successfully revised and upgraded their internal operations and others struggling to get the unanimous support of their staff and members for their policy research efforts.

### 4.3. Weak learners

Two cases in the sample can be qualified as ‘weak learners’. While both these organizations are quite different, they share several broad characteristics in their failure to
establish a robust policy component. First, their research agendas shifted too rapidly in an attempt to accommodate daily policy discourses. Like some civic groups, they are often frustrated that change may take years and often give up in their policy research efforts.

Second, these organizations did not have the patience for developing the policy skills of their staff. As a result, they ended up doing everything (policy work and non-policy activities such as traditional monitoring). Notwithstanding their attempts to understand how policy research could contribute to their monitoring and advocacy work, and at times investing in staff research and writing capacities, they have failed so far to create a realistic internal division of tasks.

Third, communications at these groups remain at the non-strategic level. The focus is still on the message of the hour, not even the day or the week. They campaign year-round. Because of this, some within their audience believe self-promotion, not purposeful knowledge production, is the real reason behind one group’s proclaimed interest in policy analysis. They are also too focused on attacking or supporting particular actors than on specific policies or policy-making principles. This approach makes them vigilant and responsive to fast-developing government scandals, but less capable of engaging in solid research that goes beyond immediate reactions and criticisms of a ruling party.

These shortcomings raise two questions: where did TTF’s support leave these organizations? And are they better off than they were before receiving these grants? The answer is they are perhaps in a better place, if not where TTF wants them to be. They continue to be visible actors in their domestic political scenes. Although their policy contributions are weak, they play an important role in pushing the civic discourse toward democratization and open society values. Instead of a classic think tank policy function, they are content with having the kind of policy analysis for which they would not need substantial staff research capacity.

5. Lessons learned and ways forward

Working with hybrids has had impact on the Fund’s support to think tanks. However, there are also lessons for other donors and academic researchers regarding the adaptive capacities of think tanks and policy research hybrid organizations.

First, when TTF began working with policy hybrids, it assumed that grantees that (a) had a clear vision of their policy component; (b) made a serious investment in their research capacity; and (c) coordinated this component with the rest of the organization would move further in establishing a robust policy research component. In practice, the record on the first point has been mixed. Those that succeeded did not necessarily have a clear vision with specific interventions. Instead, they were reflective about the direction of their internal reforms and could adjust mid-course.

In terms of investing in research capacities, TTF experience strongly confirmed this part of its hypothesis. Those who put more funding and effort in their research skills advanced further as policy organizations. At the same time, it turned out that some hybrids need less investment in research, but more attention to communications, because they have already been doing policy analysis through consulting projects but not necessarily communicating them to broader audiences.

On the last count of TTF’s hypothesis, no model for integrating policy research appears dominant. In all successful cases, the grantee did develop a shared understanding that a group
of people inside the organization was performing a distinct function and helped integrate their output with other activities. In the end, the right ‘model’ may not be structural integration with clearly delineated job functions and separate organizational pillars (e.g. policy research distinct from monitoring), but functional and content complementarity.

Other organizations could draw a lesson that hybridity may positively impact their sustainability by diversifying their functions in environments with limited support for the non-profit sector. However, they should be prepared for the possibility that their non-policy portfolios might suffer in times of a financial crisis. For several TTF grantees in the sample, the policy component stayed the same level or prospered while their watchdog portfolio shrank. To speculate here, researchers might have a more diverse set of skills that enables them to do policy analysis as well as watchdog monitoring and training. It is much harder for trainers or activists to do research because developing policy expertise and skill takes time.

Second, working with hybrids has influenced TTF’s engagement with think tanks. It helped the Fund visualize a continuum of research production that stretches from investigative reporting, monitoring to policy analysis and academic research. Figuring out unique aspects for each type of policy research, its strengths, weaknesses, and relationship with theory, was essential for understanding what differentiates monitoring reports and watchdog summaries from policy papers and analytical briefs. While TTF’s approach was by no means perfect and in many ways intuitive, the Fund could place grantees on the research continuum and diagnose potential challenges in supporting them.

In the past, TTF provided core grants with a broad mandate for hybrids that did not prescribe any interventions to improve research. Now its organizational development grants are much more structured in requiring grantees to develop specific interventions on their research capacity. However, TTF grantees now have to fundraise elsewhere to cover the costs of their analytical products. In essence, having provided the tools to learn, the Fund has taken away the opportunity to test that learning. Many donors who were not willing to provide those opportunities in the 1990s and 2000s are much less inclined to do so now under a tighter funding mandate. TTF’s grantees have to make a tough case to budget for long-term communications, advocacy, and peer reviewing costs. The Fund is concerned that if they fail to secure them consistently, the skills they gained through TTF’s support may atrophy without regular application.

Third, there are several lessons for other donors who fund think tanks and policy hybrids (Lah, 2017). Because TTF’s most successful grantees were those that took time to assess their progress and adjust midcourse, other donors might also consider opportunities for grantee self-reflection in their funding schemes. This may include regular staff retreats, debriefing sessions, evaluation and learning plans, external organizational evaluations. Rather than treating such activities as a luxury, donors could acknowledge that without them, grantees are doomed to repeat their mistakes and wasting donor funding.

When it comes to monitoring progress, funders should hold themselves to the same standard they do their grantees. They need to develop tools to better track grantees’ (hybrids and think tanks alike) trajectories and think of remedial action when things go off track. Because hybrids are developing a new function inside their organization, small mistakes at the initial phase of this process may dramatically alter the course of the final destination. TTF took a cautious hands-on approach, sounding an alarm when, for instance, a grantee’s products were still monitoring reports in disguise rather than
undertaking genuine policy research. However, this came with a price: some of the least successful transformations into a policy hybrid might have been averted with more intrusive monitoring mechanisms, such as a mid-term external evaluation or a peer review of policy research products by a fellow hybrid group.

With many donors prioritizing research, communications and advocacy often get short-changed. Donors often assume that watchdog hybrids speak to the populations that are not addressed by think tanks because of the latter’s focus on policy-makers and high-level audiences. However, many hybrids in capital cities suffer from the same problem of detachment from wider society. This does not mean that donors should not be funding them, but that supporting those groups doubles the challenge, as they would need to develop research capacity and significantly strengthen their communications with specific constituencies. Hybridity may also affect the public image of a grantee. A previously critical watchdog may grapple with how to frame its criticism of government actions if it wants the authorities to engage with its policy researchers. In countries where a semi-authoritarian government takes any negative comment personally and pursues its critics with vengeance, this is not an easy balancing act.

Additionally, donors should be aware of the tensions their decisions can create in local policy scenes when they empower a new type of policy research actors. Nurturing multiple sources for policy advice may clash with the interests of existing policy research institutions that seek to keep the market limited to a few players. For instance, the success of one policy hybrid in our sample in becoming ‘everyone’s’ economic think tank stirred resentment from several established players that viewed economic research as their historic niche. They did not welcome a novice which did not aspire to meet their standards of producing dense policy treatises and instead opted for light and easily digestible publications.

Finally, TTF engagement with hybrids suggests there are many avenues for academics to explore and enrich our understanding of hybrid policy research actors in contemporary policy processes. The first of these points to a need to expand our unit of analysis to include hybrid actors. The Fund’s definition of a policy research hybrid needs further refinement because it was originally developed for purely practical purposes – weeding out ineligible applicants claiming to pursue policy research or to expand their pool of available funding, or both. Additionally, donors continue grappling with whether their funding helps recipients not only to strengthen their organizational model, but also to become more policy relevant. This is especially challenging in a context where their domestic policy environment remains stuck in a semi-authoritarian cycle with little impetus for policy change from key decision-makers. In these situations, many donors have resorted to purely technical indicators of impact that amount to little more than keeping tallies and miss the bigger picture. Comparative analysis with other regions concerning trends towards the growth of, or funding support to, hybrid organizations provides another academic research agenda, including how TTF terminological use of ‘hybrid’ concords or conflicts with the idea of ‘think and do’ tank. Many other low and middle-income countries have a limit on how many think tanks can be supported, so the potential of hybrids beyond the sample here merits further attention.

An additional area of inquiry would explore issues of organizational maturity for policy research actors and their impact on their organizational development and capacity to affect policy change. TTF has been highly selective in choosing which hybrid groups to fund for pursuing their policy ambition. The Fund believes such organizations should have a
medium-term attention span and patience for investing in policy research. The successes in
the sample were patient in building staff capacity, focusing on a limited range of issues, and
waiting for their standing in the policy community to increase (usually within a couple of
years). The organizations that failed expected an almost immediate outcome in both
improved staff capacity and advocacy impact. The key dilemma is how to gauge organiz-
amional maturity prior to donor engagement. TTF, for instance, looked at how long the group
has worked with other functions and how it has approached their development. However,
these are by no means perfect or exhaustive proxies for this variable.

A third line of inquiry may look at how the entry of hybrid actors influences the
credibility of policy research in general. TTF’s decision to fund these groups was highly
contextual. Coming out from decades of authoritarian rule, the Western Balkans and
the post-Soviet countries lacked research capacity on a wide range of public policy
issues. Looking at other regions raises the question over whether more voices in the
policy research arena would necessarily lead to better policy options or, conversely, if
they would create a cacophony of opinions and enable populist forces to cherry-pick
their research analysis and present it as scientific proof of their dogmas. Researching the
role of hybrids in strengthening the quality of domestic policy dialogue in other regions
would be a valuable contribution to this body of work.

6. Conclusion: financial austerity and donor support to policy research actors

Financial austerity, ushered in by many governments in the wake of the 2008 financial
crisis, and the subsequent attacks on foreign aid budgets, make supporting new types of
policy research actors a more attractive proposition for donors for a number of reasons.
One of them has to do with the existing organizational capacity of these actors, which
means that donors would not have to build from scratch. Another concerns their ability
to deliver quick advocacy impact when such groups are connected to grassroots or
policy relevant target audiences. Finally, support to hybrids is a cost-saving measure
that requires funding for only one component (i.e. policy research) instead of main-
taining the whole policy research infrastructure of a full-featured think tank.

With the temptation to re-focus on these actors being so great, donors should remember
three points if they want to engage with hybrids. First, these organizations require the
medium-term attention span and patience necessary for investing in policy research and
waiting for the return on that investment. Second, potential hybrid grantees must correctly
identify their niche, finding where the environment lacks a strong think tank on a thematic
issue or where they can complement analysis from existing policy research institutions.
Finally, they should have access to new audiences that are not accessible to think tanks
working on similar issues.

Foreign donors also need to look at the existing grant-making toolbox and adjust
their instruments to the current austerity period. The first step in this direction would
make multi-purpose grants a reality (Lucas, 2017). Thematic or project funding must
include a robust organizational development component that would strengthen think
tanks as non-profit actors and prepare them for sudden donor withdrawals as a result of
changing priorities in foreign aid provision (Carothers, 2014; Koncz, 2005). Too often,
grantees are taken by surprise when large funding schemes are abruptly cut off, instead
of embracing a ‘take-nothing-for-granted’ approach to these cuts and patiently building resilience mechanisms (e.g. reserve funds, donor diversification) to withstand them.

The second step would provide more multi-actor grants. Under this scenario, advocacy groups would help think tanks communicate their analysis to new audiences, while think tanks would supply watchdogs with research to support their claims. While difficult to strike in practice because of the highly competitive and fragmented nature of civil society – which is not only the case in the countries under consideration in this paper – these agreements are not impossible to imagine, especially if local donors were to actually encourage cooperation between different types of civic actors as much as they advocate it (Lutsevych, 2013). Multi-actor grants would also enable funders to cover more ground in local civil societies with the same amount of money and tap into particular strengths of each civic actor, instead of pushing them to develop the functions that are not part of their mandate (e.g. grassroots outreach for think tanks, and policy analysis for civic activists).

Finally, financial austerity may prove to be a blessing in disguise by forcing donors to shift their focus from output to impact. In practice, this would entail providing long-term thematic research projects that cover fewer topics and demand fewer policy products with better policy advocacy. Think tanks and policy hybrids would have to shift focus to how they are communicating their research. Instead of producing many papers on many different policy areas, think tanks would specialize and develop a number of policy and outreach formats with the goal to reach specific audiences. Potentially, it would increase the lifespan of their policy research and allow both donors and think tanks to extend the impact of their limited budgets. This change in donor approaches would require a lot of self-reflection and significant trust in their grantees. Without it, there is a risk that austerity would only exacerbate the already existing trend of giving highly restrictive short-term funding.

To conclude, financial austerity presents severe challenges for every donor organization. Supporting policy research in leaner times is perceived as a luxury that foreign governments cannot afford or justify when their populations at home endure reduced public services and benefits. TTF has undergone its own version of this situation when the programmatic budget was capped by OSF in 2013. The biggest lesson it took away from this experience is the importance of identifying the core of its activities – what it would be willing to support in one form or another even during the most financially difficult times. Once it settled on those parameters, it should ensure that its funding goes directly to those elements in the most consistent and predictable way possible. This may be easier said than done, but after three years of implementing the new strategy, the result for TTF is more targeted support for building policy capacity and research in challenging political environments.

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