



Funding for public research into foreign policy issues

Submission by Fergus Hanson, Director & Danielle Cave, Deputy Director, International Cyber Policy Centre, ASPI. This submission is made in our personal capacities. The authors would be happy to speak in more detail about the points raised.

This submission draws on our experience working in a combined five think tanks (the Lowy Institute, the Brookings Institution, CSIS Pacific Forum, ASPI and Harvard University's Digital Asia Hub in Hong Kong), as well as in government (DFAT, ONA/now ONI, AusAID) and the private sector. This included conducting a root-and-branch review for Brookings, one of the world's top ranked think tanks, on its digital strategy. And working in government roles that involved funding and managing think-tank and university relationships.

ASPI's International Cyber Policy Centre includes around 30 analysts and project managers working across cyber, technology, foreign interference, disinformation and human rights issues. The centre's research, dialogues, training and other project work aims to be policy-relevant, and its key area of focus is the Indo-Pacific region. The centre is 100% externally funded and is sustained year-to-year without any core funding.

There are very few foundations in Australia that provide funding to foreign policy focused research institutes. And the large US and Europe based foundations which provide significant funding to think-tanks rarely if ever provide funding for policy research outside of those regions. Foreign governments do provide funding to research institutes in Australia, predominantly to universities, but also on occasion to think tanks.¹

However, the Australian government and the business community remain the primary sources of potential funding for think-tanks in Australia. The funding base we have built up for ASPI's International Cyber Policy Centre over the past few years is broad and involves a mix of Australian Government² and foreign government (US, UK, Canada, Netherlands) research and capacity-building grants, as well as annual corporate or government sponsorship.³ Fundraising is a key part of our roles and seniors within our centre also participate in fundraising so they can support the projects they want to work on. Funding is raised year to year and most grants are 6-12 months, which limits planning time horizons.

The following views focus largely on the think tank landscape in Australia and we take a broad view of foreign policy issues. Increasingly, it is counter to good policymaking to look at global issues in narrow silos. For example, issues like foreign interference involve multiple departments and agencies, touch multiple sectors and are achieved via multiple vectors. Foreign interference also has both domestic and international dimensions. So, while highly specialised research expertise (like that found in universities) is essential to a well-balanced foreign policy ecosystem, for think tanks conducting empirical research and providing policy suggestions, it is important that a big-picture and strategic perspective is taken and that collaboration across disciplines is encouraged.

¹ For example, the US Air Force funds 60+ projects at 19 Australian universities worth millions in grants each year <https://computation.curtin.edu.au/wp-content/uploads/sites/25/2019/04/friedland-afosr-talk.pdf>

² Current: DFAT, PM&C, Defence. Previous grants have come from Home Affairs, Department of Human Services.

³ Please see: <https://www.aspi.org.au/program/international-cyber-policy-centre>



While Australia has a rich pool of foreign policy talent, spread across government and non-government sectors, it currently lacks a think tank sector of sufficient size and breadth to provide the diversity and depth of perspective and analysis which is critical to robust policy making. The 2020 Global Go To Think Tank Index Report recorded 2,203 think tanks in the United States, 515 in the United Kingdom and 45 in Australia. On a per capita basis that is approximately one think tank per 149,000 people in the United States, 129,000 people in the United Kingdom and over half a million people in Australia.⁴

The relatively small size of the sector is a product of several likely factors, which include the different Australian tax treatments of philanthropy, and lack of philanthropic tradition that characterises the US think tank sector, in which some of the oldest and most respected institutions were established with large endowments from industrialists early in the 20th century.

This is not just a case of funnelling in more government money, although, if done well, that would help and would allow organisations to sustain multi-year programs of work (instead of scraping together dozens of small grants to make it through the year). But additional resources would not, in and of themselves, generate better public policy outcomes, nor a stronger public policy discourse.

Below are a few suggested principles for optimising the potential for high quality think tank output.

1. Tie funding to empirical, data-driven, policy-relevant research

There has been a widespread trend across think tanks globally to focus on opinion and analysis rather than original, empirical, data-driven and policy-focused research. Academic foreign policy-focused research brings a different set of challenges because globally, the sector is incentivised to publish in formats (journal articles, academic books) that aren't timely, easily accessible or read by policymakers. Neither option – commentary focused analysis or academic publications – provide ideal formats to inform policymaking.

Original empirical research that is policy-relevant is much harder and more costly to conduct but is infinitely more useful to policy makers as it is grounded in facts and new datasets that help inform policy recommendations, rather than abstract analysis.

2. Encourage interdisciplinary policy-focused research teams

Many foreign policy challenges now cut across so many different areas (security, technology, economics, human rights etc.) and are so complex, it can be impossible for any one individual to grapple with them alone. Teams comprising a wide range of expertise allow for a much richer range of approaches to empirical research and allow for a more holistic perspective in understanding policy problems. We have built our research output at ASPI's International Cyber Policy Centre around the development of agile teams, that constantly change and evolve to suit the research topic. This enables us to weave diverse expertise into each research product such as multiple languages or deep country/thematic knowledge, in addition to, unique open source intelligence skills like geospatial, big data skills or information operation investigative techniques. Government could consider incentivising grant recipients to conduct research in teams to achieve a more rounded and holistic approach to policy research.

⁴ https://repository.upenn.edu/cgi/viewcontent.cgi?article=1019&context=think_tanks



3. Pool grants and increase grant amounts

At present government departments tend to fund research using very small buckets of ad-hoc money (exceptions to this include Defence's annual Strategic Policy Grants program and long-term funding arrangements that some departments have, for example DFAT, with some Australian universities). This ad-hoc and small budget approach inevitably encourages the production of reports that are the result of short-term, and by definition shallower, research efforts. These reports are cheaper to produce, prioritise analysis and opinion over original data-driven work, and the result is research that is a less considered and robust input for policy making. To overcome this, government departments could pool their multiple small grants into a smaller number of bigger grants and/or increase the grant sizes.

4. Offer research grants with less restrictive bidding parameters

The most common way we secure grants in our centre is by identifying empirical research gaps and then pitching projects to likely funders to address these. This approach is atypical in the industry where government departments most commonly request project proposals that fit within very narrow bands and that meet very short-term objectives. This approach often results in reports of little value. This is not to deny that governments may have genuine questions they need help answering. There is clearly a legitimate market for grants aimed at helping answer these questions. However, research grant parameters are often written in such restrictive ways that it limits opportunities for innovative solutions. Allocating all grants in this way also leads to a focus on yesterday's problems.

The best think tank research is empirical research that grapples with policy questions just ahead of public servants' current horizon of immediate concerns. On issues of immediate concern departments have built up internal capability and/or brought in experts to help. Issues just beyond these immediate priorities are where think tanks can best serve policy makers by conducting deep empirical research to understand the issues and distilling findings. In this way they can help create a framework for public servants to grapple with policy challenges that are about to land on their desks. For departments and agencies that fund research, the challenge is the natural tendency to focus on the current issues of concern, not those about to be encountered. With the lead times involved in bidding for grants, awarding them and then actually delivering the research, policy makers are often setting themselves up for research product that addresses yesterday's issues and fails to help them with the challenges they face.

5. Ensure independence

All research funders naturally would like to have a say over any research they are funding. And without funders no research would ever take place at universities, think tanks or elsewhere. However, to deliver high quality, independent research, giving funders influence over research product is untenable. Having worked in multiple think tanks that zealously protect their independence while taking funding from multiple sources, it has become clear to us that true research independence is certainly achievable. However, there are risks, especially when creating new entities. A think tank funded by a government department, for example, without the sort of charter that guarantees independence (like ASPI's) would quickly become captured by the department and would never deliver anything of value. Similarly, placing think-tanks inside existing institutions (like universities) can also be tricky, because it can easily lead to the new think tank being captured by the priorities and views of the host.

6. Provide a pool of grants for untied research

The best research that think tanks produce is often research no one will fund. If it is breaking new ground it is often difficult to convince potential funders of its merit and if it's on topics that



government departments may see as sensitive (many topics associated with China or foreign interference, for example) policymakers will actively avoid funding it, no matter how much they need it. Pathbreaking work can also often be perceived as too controversial. Research of this sort, once published, can lead to sudden shifts in funders' perceptions, who are often then willing to fund follow-up research. However, ensuring this first wave of research can occur, requires a more flexible approach to funding. Providing a small pool of untied funding grants for think tanks to use for original research they cannot finance from elsewhere would enable this innovative research to be produced.

7. Consider awarding some large grants to enable breakthrough research initiatives

The university and think-tank models have not innovated much over the last one hundred years. But advances in technology and changes to the information ecosystem have made the policy-relevant research space ripe for new approaches. This would require substantial funding to build the infrastructure that could enable this but given the likely rewards for policy makers this should be considered.

8. Provide a pool of grants for quick and timely research

From time-to-time ad hoc opportunities arise for timely research that current funding models do not accommodate. For example, social media companies periodically make available large datasets of state actor disinformation operations. The window for timely analysis of these datasets is anywhere from a few days to a week. Other empirical research opportunities arise in times of crisis, such as during the Covid-19 outbreak. To enable research that seizes on these opportunities, consideration could be given to making small and medium, rapid release grants for timely projects.

9. Grow the pool of non-government research funding

It is possible to raise new funding and grow the pool for public policy research, but it is not easy. With a few exceptions (such as the Lowy family that seeded and continues to fund the Lowy Institute) there is not a tradition of non-government funding, including business, foundation and civil society funding, for public policy research in Australia. The government could look at new ways to incentivise this through greater public recognition, public-private partnerships and tax concessions.

10. We need more high quality, policy-relevant research from both universities & think-tanks

The underlying message from the G8 universities' submission to this inquiry appears to point to a concern that high quality, highly relevant think tank research threatens to take attention and funding from university research. It would be unfortunate to view research in this field in such zero-sum terms. Universities and think-tanks rarely compete for the same funding and they are also not competing for the same audiences for their work. Think tanks, for example, do not have access to the publicly funded Australian Research Council grants.

It would be better for Australia if there was more high-quality empirical research across the board, coming from both universities and think tanks. In our centre we frequently commission research from university academics, seek their input during our peer review process, consult them in our research and use academic research findings. In turn, staff in our centre often contribute their time to supporting universities, including peer reviewing academic research and speaking at university conferences and training courses, all of which is encouraged.



11. Encourage a flow of people across the community including think tank secondments

Australia's foreign policy community - unlike in the United States or Europe - suffers from a lack of movement between government, think-tanks and the business community. This is partially a reflection of both the small size and relative immaturity of the Australian think tank sector in comparison with that in other western jurisdictions. But it's also deeply cultural. Most public servants working in this sector have never worked outside government, and sometimes never outside their department or agency. This is partially because the public service makes this movement difficult, and culturally, many departments and agencies have not previously valued outside experience and expertise.

We are aware of many examples where high-performing think-tankers and others in the business community have sought to return to the government department they started their career in (and spent significant time in) only to be told they would have to return to the APS level they left the department at. Giving no recognition to the 5-10 years of non-government experience they've built up, including new skills, perspectives and networks they've acquired, makes the transition back to government untenable.

This narrow and culturally entrenched outlook is slowly changing. But change would be helped by encouraging a flow of people between foreign policy focused government and non-government roles. Mixed backgrounds need to be valued more in government recruitment and promotion processes. Departments need more SES who have spent significant time working outside their home department and who can bring a more three-dimensional view of Australia's place in the world, including looking at our foreign policy challenges from different angles (rather than only having experienced a view from one department). APS staff should be guaranteed unpaid leave when they seek to take up certain foreign policy-relevant roles outside of government. And the numbers of secondments from government into think-tanks should be significantly increased (these are currently very minimal).