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Pecunia olet: The Funding Dilemma for Think Tanks in Poland

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Think tanks are a special type of civil society organization engaged in research and advocacy. Sometimes called policy advice institutions, they are elite organizations producing and delivering social analysis to policy-makers and the wider public. Their aim is to influence policy in a given direction. Think tanks are “boundary organizations,” or intermediaries between different social spheres such as politics, the market, the media, academia (Medvetz, 2012), and civil society (Jezierska, 2018). They use their access to each of these spheres to reach their goal of influencing policymakers. Think tanks declare themselves detached from any vested interest, and they do not aspire to represent the broader society. Their “assertion of a voice in the policy-making process is based on their claim to expertise rather than as a vox populi” (Weaver & McGann, 2000, p. 17). Unlike lobby organizations, think tanks claim to base their analyses and policy recommendations on independent expertise without representing commercial interests. Hence, the image of independence is crucial for think tanks (Jezierska, 2018; Jezierska & Sörbom, 2021).

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This chapter focuses on how the image of independence rhymes with economic resources in think tanks. Economic resources are think tanks' most immediate and arguably most important resource type. Although other resources, such as human (staff), symbolic (brand), and social (connections) are also very significant to the work of think tanks, in most cases, these are strongly linked to the economic resources that a given institution holds. A think tank cannot employ and retain competent staff, sustain networks with various crucial actors, or gain media visibility unless it can finance these endeavors. Think tanks' main activities are concentrated on social analysis. Relying on existing and in-house research, they produce various types of reports and books which are then submitted as policy recommendations to decision makers. This requires costly and highly specialized personnel, many of whom have university degrees. In this sense, think tanks differ from other civil society organizations described in this volume whose main domains of action might not require the same extent of economic resources.

Shortage, or "the debilitating effects of limited funding," is frequently mentioned as the main obstacle to the development of a thriving think tank community in a given country (James, 1993; Struyk, 1999; 't Hart & Vromen, 2008). Diane Stone (2005) observed that the best-known think tanks in the world generally cherish stable sources of funding that help them secure at least 20 researchers among their employees. This does not, however, mean that a "richer" think tank is always more influential than a "poorer" one. The argument is not crudely materialist, suggesting that money simply trumps all other forms of resources. We know from empirical studies that well-funded institutions might choose poor strategies for promoting their policy recommendations or be so tightly linked to a single political actor that their access to policymakers from other parties is blocked, thus blunting their potential influence. It is also known (e.g., Stone, 2005; Thunert, 2008) that the vast majority of think tanks across the globe operate with relatively small staffs and budgets.

Regardless of the centrality of economic resources for any given institution, funding creates a dilemma for think tanks. The source of funding is as important, and can even be more important, than its amount. In other words, more funding is not always a desirable solution if it comes from compromising sources. This may be the case with politically tainted

sponsors or simply when a think tank receives too much funding from one source, creating unwanted dependencies. In truth, this often applies to other civil society organizations as well; they need to finance their activities and also want to remain independent. Nevertheless, think tanks are especially illustrative of this dilemma as they require more funding while the appearance of independence is so crucial to what they do. Think tanks' access to policymakers and the broader public is based on the image of independent expertise that they manage to uphold (Jeziarska & Sörbom, 2021), and suspicions of economic dependence immediately compromise that image. To be clear, independence for think tanks lies more in the realm of constructed perceptions than actual autonomy.

This chapter aims to investigate how think tanks navigate the funding dilemma. How do they negotiate the image of independence with the need for funding and the demands of their donors (be they private or public)? The empirical illustration of this dilemma is taken from a document analysis of annual reports and interviews with Polish think tankers.¹ The concrete research questions are: (1) What is the structure of funding of Polish think tanks? and (2) How do think tanks reason with regard to funding and independence? This chapter is structured as follows: a short introduction of previous literature on think tanks' economic resources is followed by the details of the methods applied in this study. The analysis of the structure of funding of think tanks and dilemmas connected to funding is preceded by a background section about the historical development of think tanks in Poland.

Economic Resources and Think Tanks

Existing research on advocacy organizations, think tanks included, focuses on various factors that shape funding schemes in a given context, different combinations of sources used by civil society organizations, and the effects of funding for organizations in terms of their missions and internal structures. Neumayr et al. (2015), in a solid review of existing research on funding in nonprofit advocacy organizations, claimed that this literature is highly inconclusive. On one hand, several studies draw on resource dependence theory, arguing that funding (mostly public)

creates dependencies that lead to limitations in or even blocking of organizations' advocacy activities for fear of losing their funding in the future (see, for example, Arvidson et al., 2018; Skokova & Fröhlich, Chap. 3 in this volume). On the other hand, reverse effects are observed by those applying the notion of organizational capacity building, who claim that civil society organizations with public funding actually increase their engagement in advocacy (see Neumayr et al., 2015). This outcome is explained by publicly sponsored civil society organizations' pursuit of more resources in general and also by their gaining access to government through the very process of obtaining funding. That access can later be used for advocacy purposes. The concrete direction of the impact of (public) funding—whether it increases or decreases advocacy activity—is of less consequence for the purposes of this chapter; the important lesson is that funding sources clearly affect these institutions' activities.

The issue of how think tanks, a specific type of civil society organization, are funded and how that funding influences their actions has been at the center of think tank scholarship. Think tanks in the anglophone world have been the dominant focus in the literature, with a prevalence of studies on U.S. think tanks; existing knowledge of think tanks is therefore mostly limited to these. Think tanks in other parts of the world have been investigated much less frequently, and they sometimes differ greatly from their American counterparts; not only funding schemes, but also organizational structure, functions, and sociopolitical position are different. The firmest conclusion that we can draw from the existing research is that there are stark divergences in patterns of think tank funding across contexts. While U.S. think tanks usually rely on private donations (Abelson, 2019; Medvetz, 2012), German think tanks are mostly sponsored by various levels of the state (Thunert, 2008), and at least in the early years of transformation, Central and Eastern European think tanks typically depended on foreign funding (Struyk, 1999). A study of the economic resources of Canadian think tanks (McLevey, 2014) revealed that some interesting differences in funding patterns depend on the ideological profile of the think tank. Apparently, conservative think tanks are predominantly funded by private donors, while centrist think tanks are funded by the state. Furthermore, in Canada, private and public funding are only seldom combined in a single organization. This dispersed picture

makes it hard to draw any general conclusions about the dominant sources of think tank funding. Rather, it indicates that existing scholarship should be applied to any given empirical context with caution.

Regardless of think tanks' funding sources, research from the U.S. and Canada has established a strong correlation between their budgets and their media visibility. In lieu of other easily accessible measures, media visibility is commonly used as an indicator of think tanks' impact, hence the conclusion that levels of financing are crucial to impact (e.g., Abelson, 2009). This finding, obviously, is not observed as a straightforward causal relationship. Abelson (2009) posited that external factors, such as political opportunity structure, as well as internal ones, including think tank leadership and chosen strategies, might be more important for creating impact than budget size.

When the effects of funding on think tank activities are studied, we can expect to encounter the main tenets of dependence theory. Oftentimes, observations about difficulties attracting generic or core funding for statutory activities and reliance on grants and contracts for specific work are interpreted as immediately implying "a demand-led policy agenda" (James, 1993, p. 500), thus revealing assumptions from dependence theory. In the Central and Eastern European context, Ivan Krastev has argued that funding reflects on the agenda of the think tanks to the extent that "key words of the donors are easily traced in the conference titles and research projects" (Krastev, 2001, p. 21). One such formulation, allegedly traced to U.S. funding, is "promotion of civil society development" as a mission statement in think tanks; another, after a shift from U.S. to EU funding, is a "more intense engagement with EU priorities" (Stark et al., 2006, p. 330; see also Císař & Navrátil, 2015). Some commentators go so far as to question the possibility of independent think tank analysis at all:

[T]he growing influence of funding institutions such as governments, foundations, international lending organizations and others leads to questions as to whether think tanks can produce independent policy analysis that does not, in some way, reflect the perspectives and interests of their donors. (McGann & Johnson, 2005, p. 13)

Although available funding sources and amounts vary greatly across contexts, the dilemma created by the need for funding in order to fulfil their missions and the concomitant risk of creating dependencies seems to be a universal concern for think tanks. Following resource dependence theory, the recipe across the literature for mitigating the risk of “external ownership” appears to be diversification of the funding base (e.g., Stone, 2005; see also Froelich, 1999 on civil society organizations more generally). According to resource dependency theory, the more important the resources from a given source, the more dependent the organization becomes on that source. However, dependency decreases as the number of alternative resource providers increases (Pfeffer & Salancik, 2003). While diversification is usually seen as a desirable solution, in some cases, particular forms or sources of funding (e.g., state funding) are rejected altogether in order to preserve perceived independence (Gonzalez Hernando & Williams, 2018, p. 197; Jezierska & Sörbom, 2021).

In sum, studies of think tanks rely broadly on resource dependence theory when discussing economic resources. Admittedly, the more general research on nonprofit advocacy organizations also highlights the contrasting effects of resources as boosting these organizations’ capacity-building potential. The less developed and less geographically diversified literature on economic resources in think tanks appears to embrace resource dependency theory uncritically; it focuses on strategies to alleviate the perception of dependence. In its current shape, the literature gives us very limited knowledge about think tank financing beyond the anglophone world. With its focus on economic resources in Polish think tanks, this chapter endeavors to fill the gap. Thus, its contribution is both empirical and theoretical, aiming also at a partial revision of some tenets of resource dependency theory.

Think Tanks in Poland

The numbers of think tanks in different countries vary greatly. Due to definitional problems (see, for example, Stone & Denham, 2004), there is no fully reliable directory of think tanks, but the one most often referred to is the Go To Think Tank Index, based on peer and expert assessments

and released yearly. The index for 2018 (McGann, 2019) reports 1871 think tanks in the United States, which tops the list, and 321 for the UK, the think tank-richest European country. Poland, with its 60 think tanks, appears second on the list for Central and Eastern Europe after Russia, for which the report indicates 215 think tanks. Sweden, according to the report, has 90 think tanks. When corrected for the population of the three countries of interest in this book, Sweden takes the lead, with nine think tanks per 1 million inhabitants, while Russia and Poland rank significantly lower with Russia's 1.9 think tanks per 1 million inhabitants and Poland's 1.6.

Think tanks are a relatively new institution in Poland and Central Europe. One might identify proto-think tanks among organizations from the state-socialist period (1945–1989); however, given the conditions of policymaking under communist rule, these institutions were heavily controlled by the party and did not aspire to even the appearance of independence. Since 1989 and the shift to liberal democracy, the pluralist model has been adopted in Poland (Czaputowicz & Stasiak, 2012), opening the way for non-governmental actors' engagement in policymaking. In line with what Struyk (1999) reported in a study of Bulgaria, Armenia, Russia, and Hungary, it was also the case in Poland that Western governments' and foundations' support for think tanks (and civil society organizations more broadly) was apparent from the first months of the transition, that is, after 1989. As a result of the steady flow of foreign funding combined with the regained right to associate freely, the early 1990s were a time of blooming for the non-governmental sector, including expert organizations. After the first wave of think tanks was launched in the early to mid-1990s, their number oscillated around 40, which was among the most of any country in the region. Among the more active think tanks during that time were CASE—Center for Social and Economic Research (*CASE—Centrum Analiz Społeczno-Ekonomicznych*), founded in Warsaw in 1991, and the Institute for Market Economy Research (*Instytut Badań nad Gospodarką Rynkową*), founded in Gdańsk in 1989. Both specialize in economic analysis and have been rather active in promoting the neo-liberal orientation of reforms in Poland as well as in other Eastern European countries. Their successes were clearly shown by the hegemonic discourse of the no-alternative approach to the shock therapy style of

transition (e.g., Ost, 2000; Woś, 2014). Another important institution from that early period is the Batory Foundation (*Fundacja Batorego*), launched in Warsaw in 1988. Batory quickly became the go-to foundation supporting a variety of newly created NGOs in Poland and beyond. It also developed its own in-house social analysis unit and, in line with the will of its funder, George Soros, assisted in the transition to an open, liberal society. Yet another institution, the Institute of Public Affairs (*Instytut Spraw Publicznych*), founded in 1995, has managed to establish itself as a think tank producing analysis and advising policymakers on a variety of issues linked to EU integration and the centrist–liberal agenda in Poland.

A second wave of new think tanks appeared around 2015, when the nationalist right-wing party Law and Justice (*Prawo i Sprawiedliwość*) came to power, initiating a shift to the so-called illiberal democracy in Poland. At the time of this writing in 2020, there are approximately 70 think tanks in the country. Many of the new organizations share the ruling party's ideological orientation and push for the promotion of conservative and Catholic policy solutions. The Institute for Legal Culture Ordo Iuris (*Instytut na rzecz Kultury Prawnej Ordo Iuris*) is the prime example of this. The organization was founded in 2013 and has been very active both in Poland and internationally (e.g., at UN fora), advocating, for instance, anti-abortion and anti-LGBTQI+ regulations.

In comparison to better-known cases from the anglophone world, however, the actual involvement of Polish think tanks in policymaking is rather limited (Biskup & Schöll-Mazurek, 2018; Cadier & Sus, 2017). There are surely some spectacular cases of successes in promoting given policy solutions, also by the abovementioned think tanks, but on the whole, think tanks lack the systematic channels needed to influence policymaking in Poland (Jezierska, 2021). Those who succeed must be resourceful and find original paths to the ears of powerholders. Think tankers usually blame their relatively meager impact on the “immaturity” of the Polish political class (Jezierska, 2021), which results in a lack of such systemic routes for expert organizations and only sporadic use of policy advice. Nevertheless, think tanks have arrived as a given part of the Polish political scene, and some manage to gain considerable media attention.

In addition to their main activities, that is, attempts at influencing policymakers based on the social analysis they produce, think tanks sometimes take on an explicit leadership role vis-à-vis Polish civil society. They often indicate the “promotion of civil society” or “development of the public sphere” as part of their mission (cf. Jezierska, 2017), and they provide training, distribute funding, and offer other types of support for smaller civil society organizations. However, think tanks’ positions with respect to the broader civil society are somewhat ambiguous (Jezierska, 2020). Although they usually take the legal form of either foundations or associations, as do other non-governmental organizations in Poland, some think tanks distance themselves from civil society, stressing the distinctive functions that think tanks perform as knowledge producers and experts. A few think tanks embrace the civil society identity, underscoring it with their use of the label “think-and-do tanks.” In this way, they stress the activist component of what they do, combining advocacy and expert functions with community engagement (Jezierska, 2021).

To study the funding dilemma of think tanks and thus arrive at an understanding of how these institutions construct their image of independence, this chapter is based on two types of data: think tanks’ annual reports and interviews with think tank leaders. The document analysis of a purposive sample of Polish think tanks’ annual reports focuses on budgets and sources of funding. The reports were extracted from the webpages of think tanks and, if these were not available on the webpages, through email contact with think tanks. The newest available annual reports (whenever possible, from 2017) were collected. Fifteen think tanks with varied budget sizes were selected, including small, medium, and large institutions (see Table 2.1). All of these think tanks are recognizable in the Polish public sphere. Additionally, in order to answer the research question regarding think tanks’ reasoning around economic resources and independence, interview data were collected. Fourteen interviews with think tankers representing nine think tanks (varying with respect to size of staff, budget, ideology, and issue area) were conducted.

The financial data was rather difficult to obtain. While some Polish think tanks are very open about their sponsors and list the names of public, corporate, and private donors, sometimes even linking these to concrete projects that they conduct with the help of funds from particular

Table 2.1 Think tanks selected for the study: an overview

				Size		
Foundation year	Legal form	Location	Main field of activity	Ideological leaning	Number of employees 2017 ^a	Size of budget 2017 (in euros)
Allerhand Institute	Foundation	Cracow	Legal and economic policy	Liberal, free market	7	>500,000 (2016)
Civic Institute	No legal form ^b	Warsaw	Various policies	Centrist, liberal	4	>500,000 ^c
Sobieski Institute	Foundation	Warsaw	Various policies	Conservative	4	<500,000
Center for Social and Economic Research	Foundation	Warsaw	Economic and social policy	Liberal, free market	22	500,000–1M
Civil Development Forum	Foundation	Warsaw	Economic policy	Liberal, free market	22	500,000–1M
Institute for Legal Culture Ordo Iuris	Foundation	Warsaw	Legal policy	Conservative, Catholic	21	500,000–1M
Jagiellonian Club's Centre for Analysis ^d	Association/ Foundation	Cracow	Civil society & public debate	Conservative, republican	3/4	500,000–1M
Institute for Market Economy Research	Foundation	Gdańsk	Economic policy	Liberal, free market	26	1M > 2M
Institute of Public Affairs	Foundation	Warsaw	Various policies	Centrist, liberal	25	1M–2M

Stanislaw Brzozowski Association/The Institute for Advanced Study ^e	2005/2012	Association	Warsaw	Cultural policy	Progressive	33	1M–2M
Shipyard—Centre for Social Innovation and Research	2009	Foundation	Warsaw	Civil society and public debate	Centrist, liberal	31	1M–2M
The Polish Institute of International Affairs	1996	State institute	Warsaw	Foreign policy	Government-affiliated	83	1M–2M
WiseEuropa	2016 ^f	Foundation	Warsaw	Economic and foreign policy	Liberal	12	1M–2M
Centre for Eastern Studies	1991 ^g	State institute	Warsaw	Foreign policy	Government-affiliated	60	2M–3M
Batory Foundation	1988	Foundation	Warsaw	Civil society and public debate	Centrist, liberal	34	>3M

^aIn some cases, even this basic information was difficult to obtain. On their websites, the organizations do not always clearly distinguish between employees and collaborators or external experts. In their financial reports, they sometimes state only the number of in-house experts, excluding the remaining staff. An additional problem is associated with the complex employment structure of some think tanks; some organizations mention number of employees and others list number of full-time equivalents (taking into account the rather common circumstance of part-time employment).

(continued)

Table 2.1 (continued)

- ^bThere is no legal regulation of party think tanks in Poland, which is why the Civic Institute has no distinguishable legal form and exists in a legal vacuum.
- ^cThe law on political parties stipulates, without further specifications, that at least 5% of yearly party subsidies must be dedicated to an expert fund. The total budget of the Institute comes from donations from the Civic Platform Party. However, the Civic Platform Party's financial report reveals that even though they donated only 5% of their subsidies to the expert fund (i.e., 774,000 PLN) in 2017, they actually spent 5,826,000 PLN on expertise. It is impossible to say how large a share of this amount was invested in expertise from Civic Platform.
- ^dWithin the Jagiellonian Club, there is also a subunit called the Center of Urban Studies (Ośrodek Studiów o Mieście) that performs think-and-do tank activities and provides analyses on urban issues.
- ^eThis is the umbrella legal structure for the better-recognized organization Political Critique.
- ^fWiseEuropa is a merger between two previously existing think tanks: WISE Institute and demosEUROPA.
- ^gThe Centre for Eastern Studies changed its legal status in 2011 based on a special law. It is now a state institute reporting directly to the prime minister.

donors, many organizations refuse to reveal their sources of financing, giving very general or no information about them. Moreover, among those that publish funding data, there is no unified blueprint for annual reports; each think tank designs its own way of reporting, which may also change over time. It is for this reason that, in a few cases, earlier reports were consulted to obtain more elaborate data about funding and independence. Think tanks' clandestineness about funding is not a uniquely Polish phenomenon (see a reference to similar problems in the case of the UK in Gonzalez Hernando & Williams, 2018), but it does contrast starkly with the Canadian and U.S. systems, under which think tanks publish yearly financial reports with specifications about different types of funding and donors in the interest of retaining tax exemptions and charity status.

Based on the original data described above, the next sections analyze first the structure of Polish think tanks' funding and then their more in-depth reasoning about how they balance funding and independence. This allows us to reach conclusions about how the studied think tanks solve the funding dilemma and how they relate to economic resources.

Structure of Think Tank Funding

Apart from “deaf ears” on the receiving, political end, think tankers point to economic instability as the biggest hurdle to their work. One of the think tankers interviewed asked with irony: “What would we even talk about if we didn't talk about the money?” (Interview, Shipyard). Only a few Polish think tanks boast endowments that secure their economic situations. In most cases, think tanks resort to various forms of external funding. They must be resourceful as they maneuver in an environment that is relatively unfavorable to their activities. Furthermore, as previous research has observed, reliance on external funding increases competition. Think tanks compete for funding with other think tanks and with for-profit private sector organizations conducting analytical work—as well as with research units within ministries, which policymakers might perceive as less expensive than outside contractors (Struyk, 1999). As such, “[a]s a rule of thumb, think tanks are competing with the same

institutes with whom they also cooperate” (Thunert, 2008, p. 49), preventing them from building a strong sense of think tank community.

Financial weakness in general and income instability over time were repeatedly mentioned in the interviews. Foreign democracy assistance, mostly from the U.S., receded in the mid-2000s due to Western donors’ assessment of Poland as a consolidated democracy; this forced think tanks to find alternative sources of capital. The other most important source of funding in the transition period, EU funding (first pre-accession, then structural and project funding), also gradually diminished. Think tanks have thus become increasingly reliant on government funding. This trend mirrors changes in the funding structure of the entire third sector in Poland:

Back in 2014 almost every fourth Polish zloty in the budget of the sector came from EU sources. In 2017, the portion of foreign public sources significantly diminished. [...] At the same time, the share of funding from national and local administration increased. (Klon/Jawor, 2019, p. 44)

There are obviously some exceptions, and several think tanks continue to obtain a large portion of their funding from the EU. The Center for Social and Economic Research stands out in this regard, declaring: “In 2017, the European Union continued to provide the greatest portion of CASE’s revenue. Its share represented 87.2% of project funding” (Annual Report 2017, Center for Social and Economic Research). For most think tanks, however, governmental funding is more important. Since the need for external expertise is not widely recognized by local and national administrations, resourcefulness is required to secure funding. A Batory Foundation representative expressed frustration: “Here [in Poland], it’s a kind of limbo because EU funding can’t be applied for, and philanthropy is either weak or oriented in other directions” (Interview, Batory Foundation). The way out of this limbo, it seems, is to constantly strive for new sources of funding (e.g., commercial activity) as well as diversification of those sources.

With regard to budget size, as indicated in Fig. 2.1, Polish think tanks present huge variation. Some operate with rather small budgets of less than 500,000 EUR (two million PLN) per year, while others have

budgets exceeding 2,000,000 EUR per year (eight million PLN). Such budgets place even the “poorest” think tanks among the “richest” civil society organizations in Poland.² This is not surprising, given that policy analysis and advice are expensive. Both require highly qualified staff and, in some cases, a long-term commitment to conducting the analysis on which policy recommendations are based.

A note of caution needs to be added here. Figure 2.1 presents optimistic figures as, for some of the organizations studied, performing social analysis and policy advice represent only a part of their activities; they

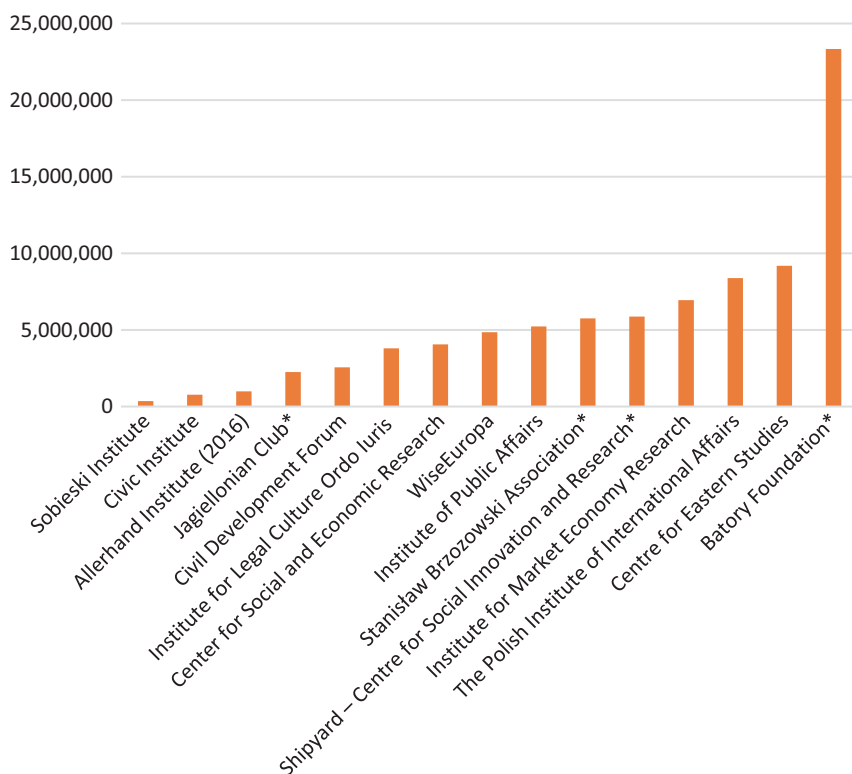


Fig. 2.1 Budgets of selected Polish think tanks in 2017 (PLN). (Source: original research. The asterisks indicate institutions which have think tank activities (research and policy advice) integrated with other types of activities in their budgets)

thus dedicate only a part of their budgets to these ends. While there is no such thing as a “pure” think tank, and all think tanks engage on a more or less regular basis with other types of projects, this hybridity mostly affects the overall budgets of the institutions indicated above (see asterisks in Fig. 2.1). For instance, the Batory Foundation, with the largest budget in the sample, acts principally as a foundation distributing funding to other civil society organizations. It receives significant resources from, for example, Norway Grants, which it later distributes through grant calls. Another complex example is the Stanisław Brzozowski Association, which is the legal unit encompassing such organizations as Political Critique and the Institute for Advanced Study. Only the Institute qualifies as a think tank; the other units engage primarily in cultural and publishing activities. The numbers presented here, however, are the only ones available, as subunits do not figure as independent legal structures and do not file separate financial reports. Thus, in the cases of some organizations, actual funds gathered for and dedicated to policy advice activities alone may be significantly smaller than indicated.

Figure 2.2 illustrates the budget structures of selected Polish think tanks. As is clear, the individual think tanks have chosen different palettes of revenue. Four sources of funding were distinguished in the reports: grants (public and private), donations (corporate and individual), commercial activity, and financial revenue. Three of the studied think tanks receive funding from all four types of sources, while two of them rely exclusively on one type. Given the small sample of think tanks and their different organizational solutions (The Polish Institute of International Affairs, for example, is a government-affiliated institute), it is difficult to discern any trends. However, there seems to be no correlation between number of funding sources and budget size. For a majority of the think tanks in the sample, public and private grants are the dominant source of funding, and for five think tanks in the sample, grants amount to more than 90% of their revenue. Two think tanks rely predominantly on corporate and individual donations, including those from foreign donors. Three of the studied institutions report yet another source of funding—membership fees—but the amounts obtained from this source are so insignificant in their total budgets that they have been removed from Fig. 2.2.

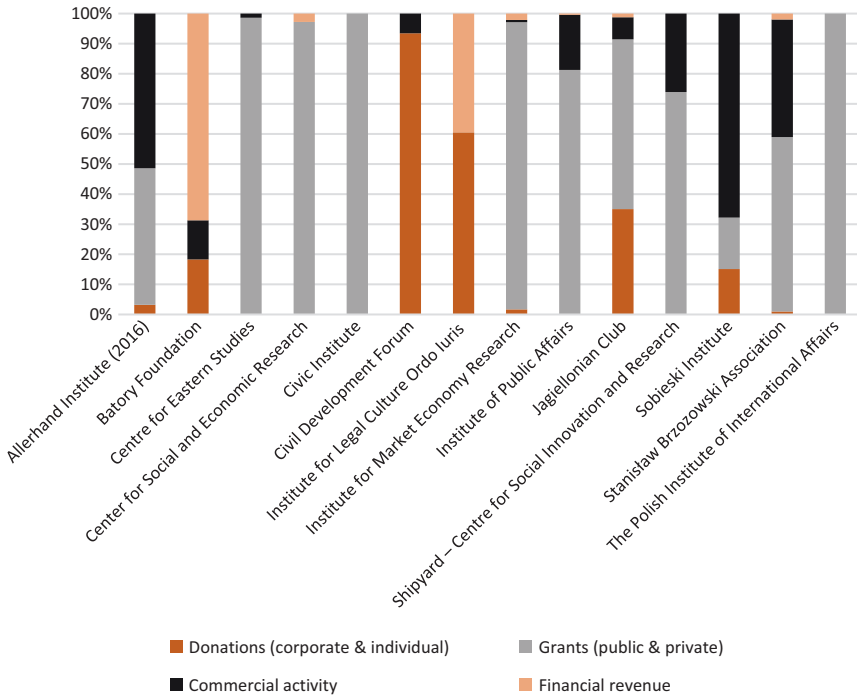


Fig. 2.2 Budget structures of selected Polish think tanks in 2017 (%). (Source: original research)

In order to provide a more easily accessible picture of the structure of funding, Figure 2.3 presents an aggregated budget structure of the organizations selected for this study. Such a presentation obviously contains a bias in the sense that organizations with larger budgets influence the summative results to a greater degree than do those with smaller ones. The disproportionately large budget of the Batory Foundation, and its rather unusual budget structure (with the majority of its funding coming from financial revenue from the endowment), explains the relatively large share of financial revenue in the summative budget of think tanks. It is worth noting that, despite this fact, and even though the Batory Foundation's budget includes no grants, public and private grants constitute the largest share of the summative budget.

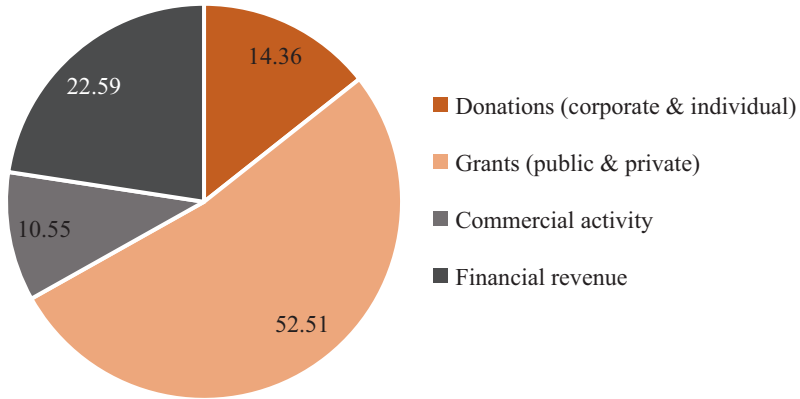


Fig. 2.3 Cumulative sources of funding of selected think tanks (2017) (%). (Source: original research)

In the 2017 summative budget, more than half (52%) of the studied think tanks' economic resources were obtained from project funding through public and private grants. A similar pattern was identified in the UK (Gonzalez Hernando & Williams, 2018). Think tanks, in particular those with relatively large budgets, may be able to source additional funding in the form of financial revenue from bank investments, etc., which constitute the second-largest part of the aggregate budget (23%). Only 14% of the total budget came from corporate and individual donations. This is consistent with common knowledge that philanthropy is rather weak in Poland. In the World Giving Index for 2018, the country ranked 78th in monetary donations to charities, placing it in the middle of the list of countries around the globe. According to the same report, 24% of people in Poland donated money, which is unimpressive when compared to the European average of 37% and given that Poland ranks rather high, twenty-first out of 205 countries, with regard to GDP (World Bank, 2019). When it comes to policy advice organizations, alongside watchdogs, attracting donors is especially difficult for these civil society organizations (Batko-Tołuć & Izdebski, 2012) as they are perceived as rather abstract. Most people have trouble recognizing what think tanks do and would not support activities without very concrete outcomes; donors are more responsive to personalized messages and images of the needy. Yet

another source of funding contributed to the diversification of think tank funding: commercial activity, which amounted to 11% of the summative budget. Commercial activity refers to tasks (such as market analysis for private companies) undertaken in order to secure core functions and staff not currently being financed by other sources.

As we have seen, with regard to budget size, the studied think tanks place ahead of other civil society organizations in Poland. Given that what these organizations do is resource-thirsty, they nevertheless struggle to secure long-term financing of their core activities. The summative budget reveals that the structure of financing is somewhat unbalanced. The majority of funding comes from a multiplicity of smaller and larger project grants, both private and public, and only a few organizations diversify their sources to all four sources of funding. Even those that do are not guaranteed a larger budget than other Polish think tanks. As noted above, although larger budgets can easily be correlated to organizational capacity, budget size is not the whole story; in order to capture the funding dilemma of think tanks, a qualitative analysis of their reasoning about funding and independence is needed.

Funding and Independence

While finding stable sources of funding over time was a common problem identified by the interviewed think tankers, they also pointed to the importance of maintaining independence in the pursuit of necessary funds. Think tanks are keen to uphold an image as free thinkers whose activities are not steered by their funders. They strategically choose to select *adequate* funding that will not compromise their perceived independence. Admittedly, signaling think tank independence requires a broader spectrum of tools, including symbolic resources utilized to maintain academic independence (mimicking academic institutions and ways of conducting analysis) and relational resources to secure political independence (keeping the right distance from the political sphere, which helps them to maintain that their advice qualifies as apolitical expertise) (Jezińska & Sörbom, 2021). However, a crucial component of think tanks' expert image is economic independence, which means that think

tanks also hold funders at a distance, thereby demonstrating that they are at liberty to state their positions without considering the approval or interests of funders. Thus, funding is seen as ambiguous in character and as needing safeguarding in order to avoid diminishing the legitimacy and authority of the think tank.

All think tanks, no matter the sources of their funding, stress that funders do not control their work and that their analyses are independently conducted thanks to a de-coupling of financiers from the actual work of the think tank. Interviewees acknowledged that, at times, this de-coupling is not easy to achieve. One CEO cited some disagreements with founder and original funder George Soros over the focus of the think tank's activities:

Our foundation, just like tens of others in the world, was launched by George Soros. [...] In the beginning, he was the only source of our funding. [...] We have had many conflicts. These were not caused by his ill will but rather by his missionary conviction that he knows better. And often, we fiercely opposed that; we had our own ideas. Let's say that he is an interesting and a difficult man, but he does recognize differences in opinion and does not seek confrontation. However, he did show his dissatisfaction by granting us relatively less money with respect to other foundations. We can say that he did not reward us. (Interview, Batory Foundation)

In general, the studied organizations pointed to two main strategies that they employ to mitigate their dependence on funders. The first strategy is to avoid a specific type of funder that the think tank considers capable of compromising its stated goals. For a centrist liberal think tank, economic resources coming from the state can be the most problematic, as voiced by the CEO of the Batory Foundation: "This was our distinguishing characteristic, that we were very careful to avoid any funding from the state, not to become dependent" (Interview, Batory Foundation). Similarly, the annual report from a market liberal think tank declares that all of its funding comes from individual and corporate donors and that the think tank "does not use government funding, neither does it realize analyses on demand, in order to keep full independence" (Annual Report 2017, Civil Development Forum). The fear expressed here is that taking

money from the state will inhibit the think tank from freely criticizing the government.

And this is a tragedy, that these organizations [who resort to state funding] become part of the establishment. You often see it—it's impossible to take the money from the local government with one hand and criticize its actions with the other. (Interview, Institute of Public Affairs)

For conservative think tanks, by contrast, the same strategy of avoidance might be directed elsewhere. For instance, the CEO of the conservative think tank The Sobieski Institute was keen to discuss historical examples of fatal dependence on foreign powers, stressing the importance of national sovereignty in various forms. “We programmatically avoid foreign funding. That is, we only use it if these funds don't endanger our sovereignty. The political–intellectual sovereignty” (Interview, Sobieski Institute).

A second strategy, and by far the most common one for claiming independence and keeping funders at bay, is diversification of funding sources. In line with positions from resource dependence theory (Pfeffer & Salancik, 2003), the think tanks studied stressed that diversification permitted their organizations more independent stances. A typical formulation states that “[f]or the activities of the Association, full independence and diversification of sources of funding is crucial” (Annual Report 2017, Stanisław Brzozowski Association). Another think tank reflects on the need to diversify, which leads it to seek commercial activities as additional sources of income:

A challenge for the coming years is even bigger diversification of sources of funding through private sources (fundraising). It is important not only with respect to the instability of grant funding, but also our ambition to realize our own projects and the need to secure our own financial contribution for many projects [a requirement in some grant calls]. Commercial activity is important for securing the organization's stability, both the employment and administration, but it is important to make sure that it is not the only pillar of the statutory activities of the Foundation. (Annual Report 2014, Shipyard)

Diversification of funding is the easiest way to prevent funders from taking control of a think tank and to secure some financial stability over time (being less vulnerable if one of the sources disappears), but it also comes at a cost. As shown in Fig. 2.2, lacking developed philanthropy, most Polish think tanks resort to short-term project funding and collect a number of such grants in their budget portfolios. Most of these short-term projects are obtained through national and local government grants announced in public calls, but some also come from international project calls, for example, from the EU. Think tanks view these grants as somewhat problematic from the point of view of independence. First of all, these are “analyses on demand” (Annual Report 2017, Civil Development Forum); that is, the think tank must deliver analyses currently needed by the unit issuing the call, which might not align with what the think tank would itself prioritize. Grants also reduce an organization’s long-term planning opportunities.

This phenomenon is not unique to think tanks; in fact, it is shared by other civil society organizations and has been described as “grant fever” or “grantosis” (e.g., Jezierska, 2018; Socha, 2011; Załęski, 2012). The interviewees tended to argue that they were not suffering from grantosis, but some pointed to others or gave historic examples. One of them, the CEO of the Batory Foundation, told of his visit in the early 1990s to Moscow, where he encountered many organizations engaging in very similar programs, all centered on two themes: ecology and decentralization. He came to realize that this focus was simply due to the availability of foreign funding in those issue areas.

They adjusted. This is a case of what I call imperialism, at least cognitive—i.e., they defined these as the most important problems. There is no reason why funders would know what should really be a [local] priority. (Interview, Batory Foundation)

One interviewee admitted that “because there is no structural funding to get hold of, we are forced to conduct projects.” Because these projects mostly come from national and local government calls, he added, “necessarily, we become dependent on the public sector” (Interview, Institute of Public Affairs). The goals and standards are set by the public

administration, and think tanks must “hunt” for projects, sometimes disregarding their organizations’ long-term objectives.

As revealed by the analysis, there is an expectation from resource dependence theory that the best way to curb dependence on any given funder is to diversify the sources of funding, but this has not been fully corroborated in the cases of the organizations studied. While diversification is regarded as a desirable solution in some cases, other organizations seem to follow a different logic. In order to remain true to their images as independent experts and maintain their distinct ideological profiles, they may opt out of the attempt to maximize diversification by avoiding some types of funding. Hence, the avoidance strategy may, at times, trump the diversification strategy proposed by resource dependence theory.

Conclusions

This chapter focuses on economic resources in Polish think tanks. In so doing, it offers a significant contribution to the think tank literature, which habitually omits non-anglophone contexts. The United States, which is usually the empirical base for think tank studies, has a strong tradition of philanthropy, rendering it rather different from Poland, where philanthropic funding sources are largely unavailable. While think tanks in most areas of the world must maneuver around the funding dilemma, trying to maintain an image of independence despite the need to secure quite significant levels of funding, their strategies take different forms according to context. As we have seen, there is also variation between institutions in one given polity.

Think tanks in former state-socialist countries played a crucial role in the transformation process after 1989. They almost uniformly assisted their governments in the (neo-)liberal direction of reforms. During that time, they were backed (financially and organizationally) by foreign donors, both private and public. After the 1990s, as a recent special issue on think tanks in Central and Eastern Europe makes clear (Bigday, 2021; Jezierska, 2021; Jezierska & Giusti 2021; Keudel & Carbou, 2021; Klásková & Císař, 2021), think tanks became a given in the civil society landscape in Poland and throughout the region. While the scope of this

chapter does not extend to the changed role of think tanks after the so-called illiberal turn in 2015, there has been a remarkable increase in terms of both the number of think tanks and their activity since the right-wing Law and Justice Party came to power.

In the context of the present volume, this chapter provides insights regarding a specific type of civil society organization in Poland. Think tanks consider themselves elite members of civil society (Jezierska, 2020); with respect to both budget and the type of activities they perform (service functions for smaller organizations), they indeed occupy an elevated position. They are also detached from civil society in the sense that they do not claim to represent the larger community or any specific group thereof. Think tanks serve ideas, not members or followers. At the same time, they provide a compact example of processes pertinent to Poland's broader civil society. Professionalization, marketization, grantosis—these can be found in other civil society organizations as well. Arguably, such processes are especially visible in think tanks, which by definition are highly specialized and more in need of relatively substantial funding. Furthermore, like other civil society organizations with limited resources, think tanks exhibit resourcefulness rather than passively adapting to their circumstances. Due to a lack of systematic access routes, they are compelled to find a variety of ways to circulate their analyses and reach policymakers. Think tanks exhibit resourcefulness in their securing of funding as well; they engage in different projects and juggle various activities daily. How far they can take these endeavors and still retain their think tank identity is another question (see Jezierska, 2020, 2021).

Both budget sizes and sources of funding in Polish think tanks have been discussed in this chapter. Corroborating observations from previous scholarship, the study found that funding of think tanks in Poland is largely dependent on local opportunity structure. As philanthropy in Poland is relatively undeveloped, its institutions cannot rely on substantial support from wealthy donors as can their counterparts operating in the U.S. Moreover, Struyk's (1999) comment that Central European think tanks are largely dependent on foreign funding no longer holds, at least in the case of Poland. Formerly central, foreign funding has yielded

to national and local governments as the main sources of economic resources for think tanks, following the trend for other civil society organizations in the country. This aligns with the discussion in the introduction to this volume, which stresses the potential perils of the state as the “center of gravity” (Meyer et al., 2019) largely defining the landscape of civil society.

This chapter has also elaborated on the funding dilemma, which involves think tanks’ need for relatively large budgets to be successful and their simultaneous need to present themselves as detached from funders in order to maintain appearances as independent experts. As the analysis indicates, there is no easy way out of this dilemma. Think tankers appear to share the conviction that money comes with strings attached. Two main strategies were identified among the studied institutions, both employed in an attempt to resolve the funding dilemma. The first strategy, very much in line with propositions from resource dependence theory, entails diversification of funding sources. This seems to be the preferred strategy of Polish think tanks, which hope to thus decrease dependence on individual funders. However, we might argue that diversification merely increases the complexity of dependencies and, at least in some cases, forces think tanks to engage in a pathological game of fundraising otherwise known as grantosis. The second strategy is to avoid certain types of funding outright; the concrete sources that an individual think tank eschews turn out to be linked to its ideological profile. Conservative institutions highlighted foreign funding as most problematic, while market liberal and centrist liberal institutions shunned state funding. Indeed, avoiding funding from a given source identified as undesirable for a given think tank might decrease the appearance of dependence on the most compromising funds and help uphold the organization’s identity and credibility (as a promoter of nationalist–conservative values or market liberal ones). At the same time, this avoidance only diminishes think tanks’ chances of obtaining much-needed funding. Especially in the case of liberal think tanks that deliberately avoid state funding, such a tactic precludes availing themselves of the most generous source of economic resources available in Poland.

Notes

1. This work was financed by the Swedish National Research Council, Grant 2014-1557.
2. According to a recent report (Klon/Jawor, 2019), only 6% of all Polish civil society organizations operated with budgets larger than 230,000 EUR (one million PLN) in 2018.

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