

# **Independent Public Policy Analysis in Latvia:**

## *Situational Overview and Conclusions*

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**RIGA, 1999**

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# I. INTRODUCTION

## 1.1 Background and Justification

In autumn 1999, the *Soros Foundation - Latvia* commissioned a research report on independent public policy analysis in Latvia. Their decision to do so was motivated by various assumptions about the state of policy analysis in Latvia that had arisen out of their own experience in this area, and which included the following:

- public policy development in Latvia is inaccessible to the majority of the population; it occurs within a closed circle of political party and state institution representatives and lacks a complementary process of broad and open public discussion;
- the public is rarely informed about anticipated reforms;
- it is difficult to identify spokespeople in society who, using well-informed arguments, can represent the opinions of public interest groups;
- the level of policy debate within society is relatively low;
- the media has difficulty identifying experts that can put forth alternative opinions regarding public policy.

These perceptions have led to the conclusion that there is an absence of structures or institutions whose goal would be to research economic, social and political policies, offering alternative policy solutions and providing objective analysis of political and social processes. If such institutions that theoretically could perform this role do exist, then they need to be strengthened in order to perform their role more effectively.

Thus the main objective of this research report was to find answers to the following questions: Do the above assumptions bear out in reality? To what extent do existing organizations and institutions already fulfil the role of an independent public policy institute? Only once answers to these questions have been articulated will it be possible to determine a further course of action (i.e. the creation of a new institute or the strengthening of already existing ones).

The second objective of this report is to determine the positive and negative aspects of the current public policy analysis situation in Latvia. This hopes not only to enable the identification of potential organizations that would benefit from further support, but also to discern the most appropriate forms that this support might take. In other words, it is not only necessary to ensure that independent public policy analysis exists - it is equally important to ensure that this analysis is of the highest possible quality, and that it responds to all of the needs of the current situation.

Given the fact that independent public policy institutes already have a history throughout the world, this report also examines the various models of this type of institute elsewhere, and looks at how these structures deal with the various problems facing public policy institutes and their development today. Thus another parallel objective of this report is to examine Latvia's situation in a global context, with specific attention paid to its neighbouring countries.

## 1.2. Methodology

This research report was produced using the following methodology:

***Theoretical research:*** Drawing on available literature, internet sources and discussions with policy analysis experts, the concepts of “public policy” and “independent policy analysis” were explored - what do these concepts mean, and why and for whom are they useful? The concept of an “independent public policy institute” was examined using this same methodology.

***Interviews with institutes and organizations:*** Over the span of 8 weeks approximately 35 representatives of various organizations were interviewed in order to discern:

- the goals, activities, structures, budgets, future plans, etc. of these organizations, with particular attention paid to issues of policy analysis;
- what concrete results (publications, seminars, conferences, etc.) have been produced by these organizations, and the quality of these products;
- what these organizations understand to be the future of independent public policy analysis in Latvia - whether or not this is necessary and how it should be supported.

***Evaluation of analysis, publications and other documentation:*** Publications and other documentation produced by the interviewed organizations were evaluated in order to discern the level of potential of these organizations. Unfortunately, due to the time constraints and the great volume of this documentation, only a selection could be evaluated.

***Interviews with “commissioners” and “end-users” of public policy analysis:***

Approximately 10 representatives of organizations that commission policy research and who make use of this research in their own work were also interviewed in order to discern:

- the strengths and weaknesses of the current policy research and analysis situation in Latvia;
- ideas and recommendations for enhancing the quality of policy analysis in the future;
- the extent to which the demand for such research will increase or decrease in the future.

***Regional research:*** In order to compare the situation in Latvia to that in neighbouring countries and to learn from the experience of other policy institutes, within the available time and means the operation of other policy institutes in Central and Eastern Europe was investigated. The author of this report had the opportunity to visit institutes in both Estonia and Hungary, while the situation in other countries was researched with the help of the internet, publications and discussions with experts.

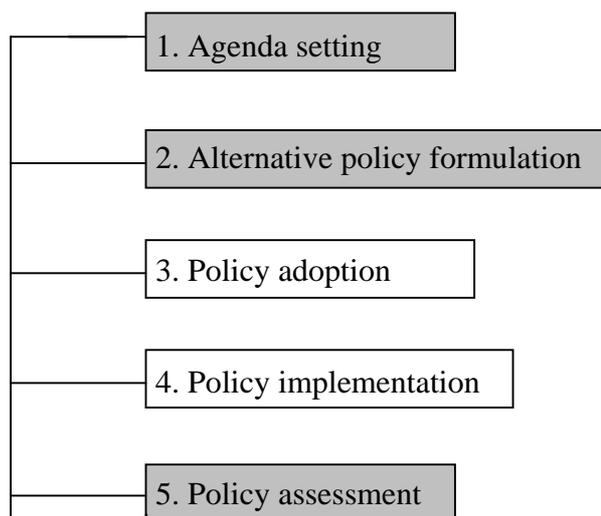
## II. CONDITIONS FOR PROMOTING EFFECTIVE INDEPENDENT POLICY ANALYSIS

### 2.1 What is independent policy analysis?

According to William Dunn, policy analysis can be defined as the generation of knowledge about the policy making process. In generating this knowledge, policy analysis examines both the effects and efficacy of public policy in the past, present and future.<sup>1</sup> Although policy makers (the Cabinet of Ministers, ministry employees, local governments, etc.) must be responsible for the policy making process overall, non-governmental institutions as well have a significant role to play in this process (not only not-for-profit organizations, but also representatives of the private sector and civil society in the broadest sense). As interest groups that will have to live with the consequences and effects of policy, and as those who have direct ties to society (or as the groups that comprise society itself), non-governmental institutions are well situated to draw attention to pressing problems and to offer alternative solutions - thus enhancing public dialogue about policy issues and processes. The “institutionalization” of this non-governmental contribution to these processes could be called “independent policy analysis” - i.e., policy analysis that is generated outside of state institutions and which does not represent the interests of any political party or party group. Rather, it is meant to represent the interests of society in both the medium and long term. In order to guarantee a certain level of quality, this independent policy analysis must be based on objective and specific analysis of facts and processes.

To better illustrate the role of policy analysis in the policy making process, Dunn has divided this process into five stages, which in total comprise the policy making cycle:

Figure 1



While effective independent policy analysis will play a role in each of these five phases, the most important role for independent analysis emerges in the agenda setting stage (in drawing the attention of politicians, policy makers and society to the most pressing issues related to existing or emerging policy), the alternative policy formulation stage (in developing and presenting policy solutions based on sound

research), and the policy assessment stage (in analyzing the effectiveness of implemented policy in order to in turn influence the agenda setting phase). However, this does not necessarily imply that independent policy analysis does not have a role to play in the policy adoption and policy implementation stages: during the policy adoption phase independent policy analysts can defend their own proposed solutions (i.e. lobby) both within society at large as well as to decision makers, while in the implementation stage analysts can advise policy makers in terms of elaborating detailed implementation plans.

## 2.2 What is an “independent public policy institute”?

Experience from around the world (including Latvia) has shown that one of the most effective ways of promoting independent policy analysis as described above is to establish independent institutes with this precise type of mission and objectives. Specifically, this would be an institute that analyzes public policy and offers alternative policy solutions or other forms of recommendations. Nonetheless, it is impossible to definitively describe what such an institution must look like and what its primary activities and priorities must be. Several types of such institutions exist throughout the world, and the definition of “independent policy institute” and its necessary components vary from country to country, or even from institute to institute within a given country (the ideal model must be derived according to the specific context - see Part III). Nonetheless, in an overview of the development of policy institutes around the world, R. Struyk has noted three main types of policy institutes that have emerged during the 20<sup>th</sup> century<sup>2</sup>:

***University without students:*** These organizations raise funds from private sources (foundations, sponsors) in order to produce neutral, objective and high quality research. This type differs from a regular university in that research focuses on concrete policy analysis, rather than abstract policy theory. Ideally, results are presented in such a way that they are accessible not only to academics, but also to a wider audience, such as policy makers themselves. These “universities” are often staffed by full-time researchers.

***Contract research organizations:*** While these for the most part survive on commissions from state institutions, they nonetheless have to raise additional funds in order to do additional research and disseminate their results to a wider audience. These organizations are usually staffed by full-time administrative personnel and project managers, whereas research and professional staff are often contracted on an individual basis - this is not only to guarantee the highest possible level of quality and objectivity, but also takes into account a structure that might not ensure full time work for all necessary experts.

***Advocacy Tanks:*** These organizations often have their own ideological agenda which they then attempt to “sell” to policy makers. This type of institution is less likely to conduct its own primary research (data collection and such activities), and instead analyzes data collected by others and makes its own conclusions and recommendations based upon this. The strength of this type of organization is usually its ability to effectively lobby.

Which of the above-mentioned types is the best model? Unfortunately, no univocal answer to this question is possible. While there is no single definition of “independent policy institute” on which all experts and analysts agree, the majority nonetheless basically concur that these institutes must espouse the following:

**-Objectivity:** Recommendations and “generated knowledge” must be based solely on sound research and scientific analysis, rather than on existing presumptions or radical stand-points. In this sense independent policy institutes are on the one hand distinct from typical NGOs, which usually have a narrow sphere of interest and thus attempt to develop a very specific lobby position within political processes. Dunn has also written that “critical multiplism” (i.e. participation of researchers from a variety of academic disciplines, the participation of many different interest groups in the analysis process, the use of multiple research methodologies) will allow for more objective results. In this way independent policy institutes also differ from consultancy firms which are not generally interested in involving various stakeholders within a participatory process.

**- Independence:** The research and analysis process must not submit to pressure exerted by political parties or other interest groups (specific private sector interests, for example). Thus independent policy institutes are quite distinct from the strategy development departments within government ministries or political advisory bureaux or individuals.

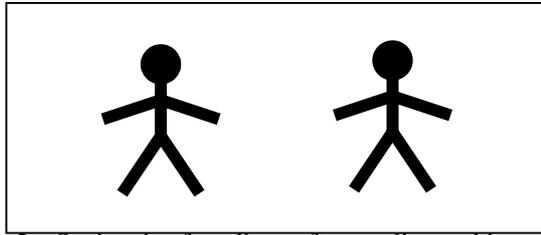
**- A goal to strengthen the policy making process as a whole:** Although independent policy institutes play an important role in developing and promoting alternative policy solutions, this is only one aspect of the policy making cycle, which also includes agenda setting, policy assessment, promotion of a policy dialogue, etc. (see above). In this sense policy institutes differ from consultancy firms that fulfil the terms of their contract but in most cases, nothing more.

**- Ability to influence policy making processes:** “Knowledge generation” cannot be isolated or even distant from policy making processes - policy analysis is pointless if not taken into consideration by policy makers. Here independent policy institutes differ most from academic institutions, which may not feel it necessary to establish contacts within the political environment.

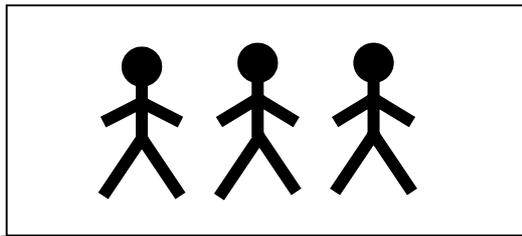
As is evident, none of the three models presented adheres seamlessly to all of the above-mentioned criteria: if an institute is as independent as possible, then its influence within the policy-making environment will be less prominent. If an institute is financed by commissions, then its sustainability will to a certain extent depend upon sponsors - which may not only problematize the maintenance of objectivity (if not *de facto*, then perhaps in society’s eyes, which in turn could jeopardize the trust the public places in the institute’s recommendations), but may also inhibit the institute’s capacity to influence policy making at all stages of the cycle (for example, commissions will probably not finance “the creation of dialogue”). Thus the management of any given institute must find a strategic balance between all of these demands - but most importantly, it must build a bridge between society and policy makers. As this “middle ground,” these institutes again differ both from typical NGOs and from policy makers. Ideally, such an institute can fill a very

important niche which is left vacant by other types of organizations, i.e. that of a “facilitator”, or “convenor”. This means that the organization would strengthen and promote contact between policy makers and civil society groups (see Figure 2).

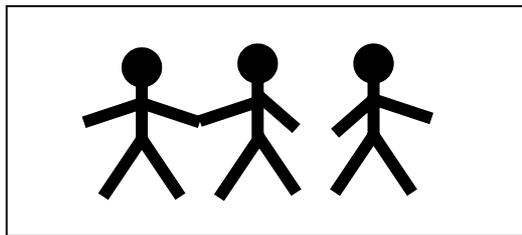
Figure 2



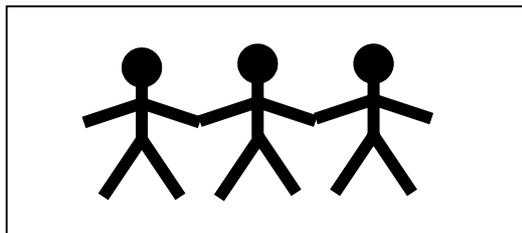
2a: Society is often distant from policy making processes.



2b: If an independent policy institute exists only for its own sake, then it provides added value neither to society, nor to policy making processes.



2c: If an independent policy institute only focuses on strengthening policy debate in society, or on the other hand, only cooperates with and advises policy makers, then it will be fulfilling only half of its mandate.



2d: An effective independent policy institute must build a bridge between civil society and policy making processes. The key role of such an institute is as a facilitator, or convenor.

### **2.3 External Factors: Political Culture and Traditions; the Policy Environment**

It would be extremely naïve to assume that the development of independent policy institutes (and their influence) is dependent solely upon the strategic goals of their founders and the structures that they choose. Regardless of an institute's capacity, it must nonetheless take various external factors into account, which will undoubtedly affect the direction of the institute's activities and the effectiveness of any results. The most important of these factors is the political culture in the country - i.e. the type of political system, methods and mechanisms employed to develop and accept normative documents and policies, and so forth. If the political culture of a country is particularly closed or if the government is unstable, then an independent policy institute may not have great opportunity to offer its recommendations. Similarly, if there exists no tradition of commissioning independent analysis due to policy makers' unwillingness to listen to alternative opinions, an independent institute will have difficulty influencing the policy making process. Even if there may exist individuals within state institutions who are interested in independent and alternative analysis, if there is no systematic mechanism for allowing this analysis access to the debate, then the institute will have to not only concern itself with providing quality analysis, but also with enhancing the dialogue between the institute and policy makers. In this case the institute's practical opportunities to influence policy making processes will thus depend on policy makers' response to these efforts. In short, when considering the enhancement of independent policy analysis in general, it is necessary to consider the end-users of the analysis, as well as the processes which enable dialogue between the various stakeholders, in parallel.

Another relevant external factor concerns culture and traditions of civil society. For example, the legislative and policy environments in which NGOs function must be considered, as well as NGO ties to the public sector and what type of support is provided for the strengthening of the NGO sector. Thus it is necessary to examine the following questions: does legislation promote private sector investment in NGO development, with tax breaks, for example? Are NGOs able to effectively function as non-profit organizations while nonetheless being able to charge fees for services and products, to be re-invested in the organization's development? Do NGOs have a positive, authoritative image in the eyes of society in general? Does the public trust NGOs? These issues will also significantly affect the profile of a policy institute and its effectiveness.

### **III. THE DEVELOPMENT OF POLICY ANALYSIS: A GLOBAL PERSPECTIVE**

Perhaps the most important conclusion to be drawn from an examination of the development of policy institutes throughout the world is that there is no single formula that might dictate along which path such an institute should develop: every situation is unique and thus demands an individual approach to strategic planning. In order to better understand what model might be most appropriate in the Latvian context, it is worth taking a look at how and why policy institutes function (or do not function) elsewhere in the world. As mentioned above, these models are not solely contingent upon the capacity for independent policy analysis within a given country, but also upon important “external factors” as well: the political culture and system within a country, and the way in which these have developed, as well as the policy environment in which NGOs function (legislation, policies, traditions and history).

#### **3.1 Independent Policy Institutes in a Global Context:**

Experience in countries as diverse as Canada, Singapore, Germany, the US and Japan shows that the more a state develops and stabilizes, the greater the role of independent policy institutes.<sup>3</sup> As democratic processes within a country mature, the development of policy becomes more complex, more specific and much more nuanced. No longer is it sufficient just to institute changes - these changes must also be the most effective, economical and satisfactory to the population. This is precisely why one can find some type of independent policy institute in practically every part of the “industrialized” world.

Nonetheless, a certain myth persists that policy institutes, or “think tanks” as they are often called, is an invention of the Americans. While it is true that the available literature most often focuses on American think tanks as the most prominent examples, this does not mean that policy institutes do not exist elsewhere in the world. Such institutes also exist in European countries, for example, even though they might not enjoy the same profile within society as their American counterparts. But a question nonetheless arises - why are American think tanks greater in number, and why are they the best known? Does their higher profile mean that policy analysis is most effective in the US? Should any institute in Latvia thus develop along the lines of the US model? In order to answer these questions, it is worth comparing US policy institutes to those elsewhere in the world.

Craig Kennedy of the US German Marshall Fund has concluded that the US and Western European models of policy institutes have developed along quite diverse lines. In his opinion, the main differences that persist include the following<sup>4</sup>:

- While the American think tank environment is large, diverse and specialized, European institutes are few in number and tend to be smaller;
- The American think tank community tends to be ideologically rather than politically oriented. European institutes either have close ties to political parties, or they focus on a very specific field of research.
- While US think tanks mobilize funds from a diverse and largely private base of sponsors, European institutes mobilize resources from government sources for the most part.

- American think tanks consider themselves to be sources of alternative policies and critical ideas. European institutes see their role more as a partner of the state in improving the implementation of policies.
- American institutes are strongly independent from government institutions and aggressively protect this freedom. European institutes are an integral part of the policy making establishment.
- American think tanks have a diverse support base within society. European institutes view politicians and policy makers as their principal audience.

The above-mentioned differences stem from a variety of objective factors. Kennedy, for example, believes that in Europe, the main political parties are for the most part committed to a social welfare model and thus government is viewed as a positive implementing power of this, while the role of government in America is perhaps less univocal. Furthermore, it should be noted that the very large number of think tanks in the US is partially explained by the US Congress system, which creates circumstances in which independent policy analysis is needed and where mechanisms are in place to offer it. Because politicians cannot necessarily depend on their party to generate policy ideas, they must seek them elsewhere (i.e. from think tanks). In other countries, however, such as France and Germany, political parties usually already have established policy platforms in advance - at least to a large extent. While this does not mean that independent policy analysis is not then necessary, it does mean that the presenting of alternative ideas is not “built in” to the political game as it might perhaps be in the US.<sup>5</sup> The above thus leads to the conclusion that the profile of US think tanks is at least partially due to external, locally determined factors, that may not apply to Latvia.

Furthermore, the development (and maintenance) of US think tanks is also promoted by the philanthropic culture in America. The private sector and private individuals have for some time now been cultivating a tradition of donating money and other resources to such institutes, while still maintaining some sort of “distance” from them - thus not compromising the objectivity of the institute (although it should also be noted that there do of course exist US think tanks that despite claims of objectivity still push a rather biased agenda). There is no question that this tradition of philanthropy is supported by an enabling taxation system, whereby donors can receive tax breaks.

Again, these conclusions underline the role that external factors may play in promoting independent policy analysis. While the US is not the only country with a history of effective think tanks, their development in the US has been enhanced by a variety of factors - the political culture as well as the not-for-profit policy environment. If the goal is to strengthen policy analysis in Latvia taking the US model into account, then these external factors must of course be considered - it is necessary to determine what is practically possible in Latvia, and what is not.

### **3.2. The Central and Eastern European Context**

When analyzing the Central and Eastern European context, the dynamics of transition must, of course, be considered. While every country throughout the world has its own political system, traditions and culture which dictate the conditions under which policy analysis will function and what its role within policy making processes might be, in the case of Latvia, another critical factor to consider is the transition

period - i.e. the necessary transition from one political and economic system to another within a very short time-span, and furthermore, without a “tried and true” road map. Moreover (and perhaps even more critical), these major changes have also demanded parallel shifts in the values and ways of thinking espoused by the population.

In terms of developing and supporting independent policy analysis, it is also necessary to consider several factors related to this transition: first, it must be noted that policy must often be developed from scratch. Whereas other countries may only need to refine or amend policies, transition countries are often required to develop policies where none existed before. While examples of other countries’ policy may be at their disposal, experience has quickly shown that these examples are many and varied, and that they must nonetheless be tailored to the specific country context. Second, the transition process in these countries is moving at an incredibly swift pace, which means that sometimes reforms are instituted in an accelerated manner - new legislation and policy must be developed as quickly as possible, and time is not always allotted for necessary analysis, contemplation and public debate. It is unlikely that the transition process will slow down any time soon (in fact, in the context of European integration the exact opposite is more likely) - and thus policy analysis must adopt to this circumstance. Third, civil society including the NGO sector has been forced to develop at this same accelerated rate.

Another problem which is difficult to avoid emerges in terms of research traditions inherited from the Soviet era. Although in some disciplines (maths and physics, for example) scientists trained under the Soviet system are amongst the best in the world, in other disciplines necessary for effective policy analysis (like social sciences), necessary skills are at times lacking. Thus it is not uncommon to find situational analyses, summaries of existing literature or something similar in place of what should instead be policy analysis. In short, a tradition of in-depth policy analysis does not exist. Although there are some high quality researchers and analysts, these more often emerge as the exception rather than the norm. This means that there is a lack of competitiveness in the upper echelons of research, which in turn does not promote improvements in policy analysis. For these reasons a certain “vicious circle” has emerged in Central and Eastern Europe: there is no (or little) demand for high quality policy analysis, which means there is also a lack of motivation to improve the quality of policy analysis; independent policy analysis (in the forms that it most often takes at present) is neither sufficiently specific, professional, nor applicable, which in turn does not generate demand for policy analysis, or for the development of processes and mechanisms in which this type of analysis would play a starring role.

Kennedy has also identified other factors that determine the development of policy institutes in Central and Eastern Europe<sup>6</sup>. The first is the European integration process as the main priority for countries in this region. In this context the role of creative and innovative policy recommendations is less significant, which thus means a more narrow role for independent policy institutes as well. Furthermore, funds and other support is more likely to come from the European Union and its member states, as the result of which institutes are more likely to follow the European model. Another important factor is the scarceness of local funds. Well-to-do private individuals and businesses have up until now shown little interest in becoming involved in policy-making except in situations where it might affect their immediate sphere of interest. This means that the private sector has so far not been interested in supporting democracy-enhancing processes including the development of

independent policy analysis processes. The lack of a tradition of philanthropy is of course a factor here, as is the lack of enabling taxation systems in these countries.

Societal attitudes towards policy-making also need to be considered.

Unfortunately a certain lack of trust in government persists in these countries, which is only further ingrained by corruption scandals, increasingly polarized stratification of society, and a lack of experience amongst policy makers. While this serves to underline the need for an effective policy institute, at the same time the sceptical attitude of society about policy-making in general must be factored in as a possible barrier as well.

Although the above-mentioned trends may be common throughout the entire region, this does not mean that the situation is hopeless, or that nothing is developing or improving. Policy institutes which provide specific and high-quality policy analysis inputs have been established in various countries. One expert feels that the *Lithuanian Free Market Institute* is in fact on par with some of the better institutes in Western Europe in terms of quality. Another expert has noted that Bulgaria is home to several institutes of relatively high quality.<sup>7</sup> Various objective factors also play a significant role in the development of these institutes: according to experts, the most effective institutes usually have a very competent and vibrant personality at the helm, as is the case, for example, with the above-mentioned Lithuanian institute. This is also a common trend in Russia, where the most influential institutes are usually headed up by a well-known figure - often a former politician.<sup>8</sup> External factors can also be significant: for example, a tradition of philanthropy is already developing within the private sector in Poland, and local funds are also being mobilized in Hungary. In Armenia, Armenians from the Diaspora who have returned to their homeland following the restoration of independence have also played an important role in the development of policy institutes. On the other hand, however, success cannot always be attributable to completely objective factors - for example, neither the political culture nor the policy environment in Bulgaria is significantly more conducive than those in other countries, yet its think tank environment is (comparatively) thriving. Conditions for effective and professional policy institutes include conducive external factors and competent management - but also the interplay of many factors that simply emerge at the right place and the right time.

## **IV. THE CURRENT SITUATION IN LATVIA**

### **4.1 Policy Analysis in Latvia - An Overview**

Various experts have commented that the level of policy analysis in Latvia is relatively low. As policy makers themselves have admitted, one of the most significant factors here is the fact that specific objectives for policy making are not identified in advance - i.e. sufficient attention is not devoted to the problem or issue identification stage. At the same time, neither the Saeima (Parliament) nor the Government express much interest in exploring and examining alternative policy ideas. This not only means that independent policy analysts have difficulty capturing the ear of their intended audience, but also that the actual analysis becomes more difficult - if policy makers do not formulate specific policy questions, then researchers are not necessarily able to provide them with usable solutions.

Other problems persist as well. First, there is a lack of high-quality policy analysis. As one policy maker pointed out, one major problem here lies with

underdeveloped decision-making mechanisms in Latvia: only very rarely and in specific instances is there a demand for high-quality policy analysis and research (and, since this is the case within policy making structures themselves, the demand for independent analysis is unsurprisingly even less). Furthermore, only in rare instances is applied research which is commissioned by the Government actually directly linked to policies, their development or evaluation. This means that ministry budgets for applied research are often spent either on commissioning a “situational overview”, or hiring outside experts to actually develop the policies. For example, no analytic research has been commissioned on the division of responsibilities at various administrative levels in the context of territorial reform in Latvia - these lines of responsibility remain obfuscated. Not only has there been no evaluation of the current situation, but the optimum division of responsibility for the promotion of human development has yet to be analyzed.<sup>9</sup> In other instances the accelerated pace of policy development and adoption has prevented comprehensive and detailed analysis, even if this were desirable to the policy drafters themselves (who are most often senior desk officers within ministries or less commonly, department directors). One interview revealed that this had been the case in drafting amendments to the Law on Pensions in the summer of 1999.

Second, society rarely has access to objective information about anticipated changes or reforms. For example, if we accept that European integration is one of the most important policy issues at the present time, it becomes clear “that Latvia’s society’s understanding of the way in which EU integration will affect the economy is not univocal, as [its] influence will not be the same on all sectors of the economy. Groups within society usually focus their attention on the one aspect of integration that specifically pertains to their area of activity or interests. Thus society’s opinion about the EU often emerges as subjective and fragmentary understanding of the situation - perceived risks and losses are often imagined, and there is an absence of necessary information to objectively analyze the situation.”<sup>10</sup> Assuming that there will be a referendum before joining the EU, it is difficult to imagine that members of society will be able to make informed decisions without a well-argued basis of understanding. Unfortunately, society is just as uninformed about many other very critical issues: for example, although the referendum that preceded amendments to the Law on Pensions (November 1999) is an important example of the way in which society has potential to influence policy making processes, it is a genuine shame that society had such a paucity of objective information available to it. The population was thus asked to vote on issues critical to its future, but was not offered refined arguments on which individuals might base their vote. In place of a high level of public debate, political manoeuvring, sensational appeals to the least protected groups in society (i.e. pensioners) and apathy amongst other groups emerged instead. These examples only serve to highlight the need for an independent policy institute, and the role it could play as a facilitator between policy making processes and civil society more generally.

## **4.2 Existing Institutes and Organizations**

So which are the institutes and organizations that could potentially produce independent policy analysis and promote this dialogue between society and policy makers? Interviews with around 35 research organizations in Latvia which could potentially fill this role pointed to the existence of 3 main types of organization:

academic institutes, non-governmental organizations with a specific focus, and sociological and market research companies. Each group has certain defining characteristics in terms of the quality of the work they produce, in terms of their influence in policy making processes and in terms of their links with civil society. What follows is based on information which the organizations themselves provided during the interviews, as well as on an evaluation of the work produced by these organizations conducted by the researchers of this report, representatives of other organizations and the public sector.

***Academic Institutes*** - There are several academically-oriented institutes and organizations in Latvia that produce policy analysis. These include faculties and departments of the University of Latvia, affiliated institutes, and institutes of the Latvian Academy of Sciences. Many of these institutes fulfil commissions related to existing or planned policies on a regular basis. However, there are two typical problems that afflict these organizations: the first is the fact that allocated state funds are not sufficient to make use of high quality research methodologies; the second is that product quality greatly varies. These institutes employ both very high quality experts and professionals, as well as individuals whose professional skills can be rated as only mediocre. This means that commissioning organizations are almost forced to contract research experts on an individual basis, as they are unable to entrust the commission to the institute as such. In terms of quality, it is rare to come across well founded and good quality conclusions and recommendations, although situational overviews are often very well done. (This can be explained by the fact that state commissions do not always specify well formulated research questions, and if the commissioning body does not know exactly what it needs to know, than the researchers will find it difficult to produce the required information.) Influence in policy making processes is also very much dependent upon the individual - some academic researchers have very good contacts with government representatives for whom they act as both official and unofficial advisors. Some researchers also serve on state committees and participate in working groups. At the same time it must be added that these relationships are developed on the basis of the individual researcher's reputation rather than on any notion on the governments' behalf that a certain institute should be represented in the policy making process. Establishing ties with civil society is generally not a priority for these institutes, although in specific cases they have organized seminars or conferences with the precise objective of promoting dialogue about policy making processes within society. Typical institutes in this category include: institutes of the University of Latvia (Human Rights Institute, Philosophy and Sociology Institute, Economics Institute), as well as other academic institutions (University of Latvia Faculty of Pedagogy and Psychology, Latvian Academy of Culture, private colleges and universities, and so on).

***Non-governmental organizations with a specific focus*** - These are NGOs that produce independent research and analysis on policy issues, either from their own budgets or by donor or state commission. The strong point of these organizations is their link with society. Common activities of these organizations include training, seminars, conferences and other activities geared towards society, often with the goal of helping society (and more specific target groups therein) to adapt to new processes and systems in the country, and preparing them for upcoming reforms and changes. It should be noted that such activities are only rarely directly connected to specific state

policies. When representatives of these organizations were asked whether influencing public policy was a specific strategic objective of their's, the virtually unanimous answer was "yes" - but more often than not methods of achieving this goal were connected to "indirect" ways of exerting influence (by educating society, for example). Other organizations found it difficult to explain how they might go about achieving this goal.

While some of these organizations do produce high quality policy analysis, three common problems nonetheless emerge: first, the expertise and area of focus within these organizations is generally quite narrow. Second, NGO research and analysis is often based upon data gleaned from the organization's own experience and conclusions drawn from their own activities. NGOs often lack various resources necessary (time, people, money) in order to conduct broad sociological research with scientifically sound research methodologies. Third, policy makers are not always interested in their analysis, nor do they necessarily take note of it, since NGOs are perceived as "lobbies" that do not espouse an objective standpoint (even though this may not be the case, it nonetheless hinders effective cooperation with policy makers). Typical organizations in this category include: The Adult Education Association of Latvia, The Youth Environmental School, The School Support Centre, Latvia's Centre for Human Rights and Ethnic Studies, Delna, the New Theatre Institute, Latvia for Europe Movement, The Women's Rights Institute, and so on.

***Sociological and Market Research Firms*** - There are several private firms (for profit companies) that fulfil sociological and other types of research commissions, including on policy issues. Their clients include state institutions, international organizations and some NGOs or non-profit limited liability companies (albeit ones with relatively significant resources at their disposal). The quality of the research (from a methodological point of view) is for the most part very high. It nonetheless should be noted that many of their research reports are merely descriptive - they provide an overview of the given situation, and in the best case, point to significant emerging trends. Analysis, recommendations, conclusions and alternative policy solutions do not usually figure prominently in the work of these firms. Another negative point is the fact that dissemination of research results is dependent upon the wishes of the client - thus society is rarely informed and may not be drawn into the dialogue. The best-known firms in this category include: Baltic Data House, "Latvia Facts", Social Correlative Data Systems, and the agency LETA.

There are of course organizations that do not neatly fit into any one of these categories (for example research centres that are established in affiliation to governmental ministries), as well as organizations whose objectives and activities overlap with two or even all three of these categories. For example there are NGOs who produce their own research using scientifically sound research methodology for state-sponsored commissions. There also exist commercial enterprises that explicitly seek to disseminate their research results to a wider audience, with the objective of strengthening the role of society in policy dialogue. However, the overall conclusion to be drawn is that there is no institute or organization in Latvia that at the highest professional level fulfils the role of the independent policy institute as described in Part II of this report. In terms of analysis, the greatest strides have been made by a small number of NGOs with their own specific focus (see Part V), but in terms of

methodologically sound and reliable data collection and collation, sociological research firms and some academic institutes have made the most significant progress.

### **4.3 Publications, Documentation and Other Products**

Although there are many publications, reports and other documents that are apparently considered to be “policy analysis tools”, as mentioned above, for the most part these are more descriptive than analytical. At the same time there are various types of publications that do present independent policy analysis: research reports, special publication series, books, newsletters and articles prepared for newspapers and journals. While research reports (usually) present facts and observations based upon scientifically gathered data, articles in newspapers and periodicals (usually) present the most in-depth analysis, conclusions and recommendations. The authors of these articles include academics, NGO representatives and policy makers themselves. One could even say that the comments published in newspapers are one of the few “public fora” where pertinent policy-related issues are discussed - recent examples include discussions about minimum member numbers required for political parties, the strategy developed on social integration and raising teachers’ wages. While this is of course a very good way of promoting a dialogue both with society and policy makers, it should be noted that this dialogue nonetheless remains very *ad hoc*. Attention should also be paid to the development of systematic mechanisms that could promote this dialogue. (It is also interesting to note that sociological research firms rarely take part in these “press debates”, which again underlines the fact that supporting such a dialogue is not a priority for them).

As regards reports and specially produced publications, it is not surprising to note that the quality of such publications often depends on the allocated budget. For this reason, one has to admit that publications sponsored by international organizations are often of the best quality. A more substantial budget not only means that the best researchers and authors can be contracted, but that the best editors, translators and graphic designers can be contracted as well - which usually means that the end result will be more visually appealing. This, however, does not necessarily mean that major amounts of money are obligatory in order to produce high quality publications. It is also crucial that the objective and intended message of the publication is clearly understood and articulated in advance. For example, if public sector commissions to NGOs require them to simply describe the situation in a given field, then the result is most likely a foregone conclusion. Commissioning institutions need to be precise about the research questions they pose (and should cooperate with experts in the field in formulating these, if necessary). International organization commissions are also for this reason often of higher quality. A good example of this is the annual Latvia Human Development Report sponsored by the United Nations Development Programme.

## **The International Donor Perspective**

Although international organizations represented in Latvia feel that independent policy analysis is important for their activities and projects, for the most part representatives of international organizations do not feel that supporting such analysis should necessarily be their objective or priority. In other words, while international organizations wish to make use of high quality policy analysis (sometimes even commissioning it themselves), the establishment of a policy institute or the strengthening of existing efforts is not high on their current agenda. As one representative stated, this needs to be a local initiative.

At the same time, you can often hear international organizations commenting that it remains difficult to access quality situational analyses. The main problems articulated by these organizations are as follows:

***Identifying partners:*** In the words of a representative of one organization, the “brightest minds” in Latvia are scattered. While some research and analysis organizations and institutes do quality work, this is usually only thanks to specific individuals who work there, and not to the institute itself. In other words, it is not possible to rely on organizations or institutes themselves in order to produce high quality results, and instead individual researchers must be sought out. Some commissioning organizations circumvent this problem by contracting individuals directly, but this creates a whole new set of problems: this is both a time and effort consuming process for the commissioner (who then has to take care of many administrative details on his/her own), and also promotes a culture of “moonlighting” within the research organizations themselves - this moonlighting is neither positive in terms of the stability of the research organization (which receives no benefit, while the individual researcher continues to utilize space, computers, telecommunications, etc. for his or her own work), nor positive in terms of the individual researchers who are then unable to anticipate their own workloads. This tradition of moonlighting also does little to promote a positive image of the research organization either in the eyes of policy makers or in the eyes of the public.

***Quality of results:*** If it is nonetheless possible to identify partners and commission work from them, international organizations are not always satisfied with the quality of work that they receive. A common view was that there are consistent problems in terms of analysis and recommendations: while the cream of Latvia’s contracted research crop are able to describe a given situation very professionally and using scientifically sound methodology, they are not always as competent in terms of extrapolating such descriptions into the future. Questions such as “what might the long-term effects be?” or “what might specific and concrete alternative possibilities of action be?” often remain unanswered.

## V. POTENTIAL SUPPORT TO THE PROMOTION OF POLICY ANALYSIS IN LATVIA

In making a decision about how best to support the promotion of policy analysis in Latvia, the *Soros Foundation - Latvia* has three main choices: (1) strengthening one (or several) existing institutions or organizations that could potentially fulfil the role of an independent policy institute, as described in Part II of this report; (2) supporting other types of projects that might promote better quality policy analysis in Latvia; or (3) establishing a new independent policy institute in Latvia.

### 5.1 Strengthening an existing institution(s)

Without a doubt, Latvia is home to some good organizations that would greatly benefit from some additional support in order to produce better quality independent policy analysis:

**Education:** Policy analysis in the education sector is rather fragmented - i.e. there are various active organizations and institutes in this field, but no one that works both to promote social dialogue and also to conduct research (including commissions) about education policy. The School Support Centre and the Children's Environmental School both have excellent ties to the public, and attempt to influence policy making processes from the ground up. While representatives of both of these organizations have worked on state-sponsored research contracts, for the most part these have been more concerned with methodological issues in education and less with the governing policies of the education sector in general. Both organizations would be capable of implementing pilot projects in the context of new policy development. The Adult Education Association of Latvia also has a well-established network throughout the country that could be tapped into for the promotion of public debate.

**Culture:** There is one new and active NGO working in Latvia in the field of culture - the New Theatre Institute. Although the organization has yet to publish any literature, they do plan to put out materials on cultural politics in Latvia, to be based on the results of seminars hosted by the institute. There are also individuals at the Latvian Academy of Culture who feel that the analysis of cultural policy questions is critical, yet they have not been very active in the last little while. This is one potential area where support to individual projects and commissions would allow for a strengthening of capacity.

**Economics and Finance:** Two of the best organizations in this area in the Economics Institute at the Latvian Academy of Sciences, and the institute "Latvia." While the quality of the researchers at the Economics Institute varies, some have developed excellent relations and stable contacts with policy makers. The work of the institute "Latvia" is largely dependent on a single individual - the director - and for this reason their activities have been very limited recently, although they do offer great potential. There is also an organization in Latvia called "Economists 2010" but unfortunately during the interview process it was not possible to schedule an interview with this organization - which to a certain extent may underline the organization's capacity to forge cooperation partnerships. While the level of knowledge is perhaps higher in the

sphere of economics than in others, there is nonetheless no single institute or organization that could fulfil all of the functions associated with an independent policy institute.

***Social policy:*** There is no institute in Latvia that specifically focuses on social policy. The Philosophy and Sociology Institute of the University of Latvia has produced research on various social issues (poverty, for example), and Baltic Data House has also been commissioned to research various social-policy related issues (reproductive health of the population, for example). Baltic Data House is certainly the most widely recognized organization that does sociological research connected to public policy, but nonetheless reports on the quality of its work vary. There are also other organizations that do research in more specific fields of interest, for example the Women's Research and Information Centre of the Economics Institute. However, relatively large gaps in social policy research persist. For example, over the last year a number of draft laws, policies and strategies have been developed in the area of health policy, but unfortunately they are not generally based on comprehensive, independent analysis.

***European integration:*** There are several quite active organizations in this field. One of the them, which perhaps is the closest thing Latvia has to an independent policy institute, is the Foreign Policy Institute of Latvia. The NGO "The Latvia for Europe Movement" is also worth noting for its analytical potential, particularly in terms of educating society. As "European integration" is a rather broad term, it could be said that the large majority of research organizations in Latvia touch upon this area, at least to some extent.

***Social integration and Human Rights:*** The most active and professional organizations in this field are the Human Rights Institute at the University of Latvia and Latvia's Centre for Human Rights and Ethnic Studies (LCHRES). Each has its strong points - while the former is academically based and prepares a relatively large amount of publications, the second has very concrete objectives to bring about changes in policies and laws - already with some degree of success. LCHRES also has established relatively good contacts with policy makers, and has been a participant in important public debates concerning policy.

The advantage of supporting already existing organizations is that the risk to SFL (in terms of resource investment) is minimal. Support can be disseminated amongst many worthy organizations, while also avoiding "stealing" the best researchers from existing organizations in order to create a new one. However, there are also several disadvantages: every existing organization or institution already has an established profile - and there is no one that might fully confirm to all of the requirements of an independent policy institute, as described in Part II of this report. While it is possible for an organization to take on new activities, it is more difficult to change an established image or profile. A second problem is the fact that the "brightest minds" are still scattered about, and the problem commissioning organizations face in identifying research partners still persists. The third problem is perhaps the most significant - which is that there are necessary activities that are difficult to support with individual micro-projects. These include establishing regular contacts with policy makers, raising the profile of certain ideas and programmes via

mass media and other informal channels, the creation of a unified and appropriate institute profile, establishing higher standards for all activities associated with such an institution - from the way in which the telephone is answered to the way in which the president of the board addresses an audience of international donors.

## **5.2. Support to Other Projects that Promote Policy Analysis in Latvia**

Since effective independent policy analysis is dependent on decision making and policy making systems within the country in question, it is also necessary to work with policy makers in order to promote “demand” for quality policy analysis. Thus it may be advisable to support this type of project - with seminars, discussion series, and so on - in Latvia.

Another idea for consideration is the promotion of partnership projects between two or more organizations which have complementary strengths and roles in the “independent policy analysis” framework. This could include supporting policy analysis projects where NGOs with strong ties to civil society and strong lobby skills would team up with sociological research firms or institutes, so that together they could produce scientifically sound research on policy, professional and in-depth analysis thereof, while also educating society and attempting to access and influence policy makers.

## **5.3. Establishing a New Policy Institute**

The third possibility is to establish a completely new institute. Although this would demand a significant financial investment, if successful, the results would be more significant than those produced by the above-mentioned suggestions. In practice this would present the opportunity to create a “dream team” of professionals, establish a fresh image and profile and work according to a specifically designed strategic plan. However, if this decision is taken, it is absolutely crucial that an appropriate niche for this institute in Latvia is carved out. While competition is undeniably a healthy aspect of a market economy, the limited demand for policy analysis in Latvia must be taken into consideration. Other important issues to consider in establishing a new institute are as follows:

*a) Substantive focus* - In terms of substantive focus areas of the institute, it is necessary to carefully consider what is most topical in the Latvian policy environment, but also what sort of demand exists, and where competing organizations have already established a niche. Issues concerning European integration are without a doubt particularly topical, and their importance only stands to increase in the future. At the same time, it would seem appropriate to give some thought to social policy, which is at the moment gap-ridden in terms of policy analysis. Analysis of education and cultural policies could also use a boost, although it is possible to continue supporting these issues on a micro-project basis. However, it would perhaps be most advisable to pay attention to the international aspects and multisectoral overlap of all of these issues - as this is precisely what is lacking in current analyses.

*b) Activities* - As mentioned above, the most important role for a policy institute in Latvia would be as a facilitator of meaningful dialogue - to serve as a sort of bridge,

both “vertically” between civil society and policy making processes, as well as “laterally” between those who espouse different opinions about policies either amidst policy makers, or within civil society. Amongst other things, this means that in order to build this bridge, activities of the institute need to include a detailed and carefully planned communications and public relations strategy. Since a proactive approach to addressing existing and planned public policy is also a rarity in Latvia, this could be an important activity for a new institute. Filling this niche would again depend on an effective public relations mechanism, as well as on the intellectual and analytical resources of the institute staff. While policy research must comprise a large portion of the institute’s activities, it would also be economical to comment on research done by others and their proposed policy solutions, and to prepare recommendations based on already existing information. As the research for this report uncovered, it is a lack of in-depth analysis rather than a lack of data that is often the most critical problem at the moment in Latvia.

**c) *Legal status*** - It is worth looking into what sort of advantages and disadvantages various types of legal status can offer - not only practically, but also considering existing stereotypes and presumptions about certain types of organizations in Latvia. This is particularly the case since the institute’s image, as well as public opinion, will partially depend on these preconceived notions.

From a practical point of view, NGOs have an advantage in that it is easier for them to raise project funds from international donors and foundations. On the other hand, private enterprises (limited liability corporations, for example) have less difficulty in providing services for a fee or selling products. Only in extremely rare circumstances can those who make donations to NGOs get tax breaks, but tax break possibilities are even less likely to be received for making donations to private enterprises. At the same time, the image of the institute is important: while NGOs are seen as the defenders of the interests of civil society (as opposed to those of political parties or big business), at the same time there is a certain perception (in society and amongst governmental institutions) that these organizations are not “professional”, and that they have a very narrow sphere of interest (i.e. they may not see the “big picture” and may lack objectivity). Private enterprises may be able to present a more “objective” profile or image.

**d) *Staff*** - As mentioned above, one common problem found in policy institutes emerges when it becomes necessary for research professionals to fulfil all administrative tasks and functions - thus either partially or fully detracting from their research activities. It is therefore crucial to think through how responsibilities should be divided amongst staff. Most probably administrative and project management staff on the one hand, and professional research staff on the other, need to be kept separate. It is worth considering contracting researchers for larger projects on an individual and short-term basis. This would allow the institute to operate within its budget (i.e. researchers would not be paid regular salaries if there were no research to be conducted). This would also promote the highest quality of research and the development of new research potential. If it is nonetheless decided that an in-house research staff should be retained, they should cover a wide range of substantive focus areas and come with a variety of experience.

A newly established institute should also have a board of directors that would be responsible for the institute's strategic planning and development, and for the development and maintenance of the institute's image.

*Administrative/Programme Management Personnel* - Regardless of how the institute's organogram ends up looking (i.e. how many staff are hired and in which capacities), there is nonetheless a minimum number of functions that must be filled in order for the institute to operate effectively. Most likely limited resources would mean that several of these functions would need to be consolidated, i.e. that one staff person would fill two or more of the mentioned roles. Whatever the case, it is necessary that all of the below-mentioned roles and responsibilities be considered when staff are recruited:

*The "Face" of the Institute:* The research for this report revealed that successes of policy institutes (both in the region and further afield) are at least partially attributable to an influential, respected and popular figure who can represent the institute and constitute its "face." This figurehead does not necessarily have to be involved in the everyday work of the institute, but should be prepared to represent the institute in mass media and at other events, to establish and maintain good contacts with policy makers and encourage civil society to become more involved in policy making processes. This person could be either the institute's symbolic director (as the chairperson of the board, for example), or could also consolidate this role with that of the executive director, (but only, of course, if there is a suitable candidate).

*Executive Director:* The executive director must be a person with two strong qualities - first, excellent organizational skills, and second, a conceptual appreciation for the role of independent policy analysis. While the executive director need not be one of the country's leading researchers, he or she must nonetheless be very well informed about topical policy issues.

*Programme Manager:* One staff person needs to be responsible for project management - i.e. for coordinating contracts and commissions, for identifying appropriate researchers for different jobs (either from in-house research staff or on a short-term contractual basis). This person must take responsibility for the quality of the work produced and that it is completed on time - which means he or she must work closely with researchers to ensure that the quality of work is compatible with the profile of the institution. It is likely that the terms of reference of this individual would include substantive editing of work produced by researchers. The programme manager also needs to be able to conduct analysis and prepare comments, conclusions and recommendations on the basis of completed research and collated data.

*Finance Coordinator:* This must be an individual who is concerned with the institute's sustainability (i.e. resource mobilization) on a daily basis. Terms of reference would include the development and implementation of a resource mobilization strategy, as well as establishing and sustaining contacts with donors, monitoring budgets, developing budgets for individual projects, and so forth.

*Public Relations Coordinator:* The success and influence of the institute will depend on its image - and this image will be determined not only by the quality of the work produced, but also by the profile that the institute and its products manage to establish. In order to fulfil all of the responsibilities that would be necessary to realize all that is connected to the maintenance of the institute's image and the strengthening of its "facilitator" role, public relations and communications should be viewed as a priority. The person who fills this role must be a good communicator who can think strategically. Terms of reference would include the above mentioned responsibilities, as well as organizing conferences, seminars and other events.

*Other functions:* In all likelihood, the following functions would be consolidated with other jobs mentioned above. Another option is training staff in the following skills as part of their professional skills development. In any case, management should foresee the need for the following functions from the outset:

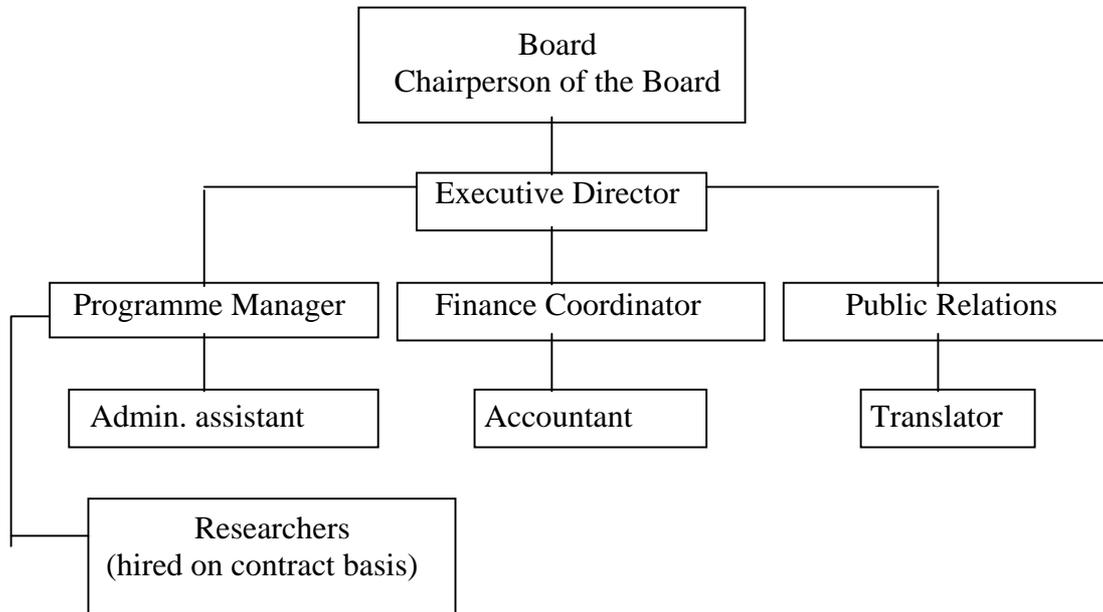
*Information technology specialist:* When fulfilling commissions, the institute will find that collecting its own data is very expensive - particularly considering that valuable and vast sources of data are already available on the internet (in so-called "data banks"). Someone without the necessary IT skills and experience will find it difficult to take advantage of these resources, but a specialist would have all the necessary data at his or her fingertips. Means of information dissemination and public outreach that use information technology will also require the skills of a proficient specialist.

*English language Translator/Editor:* Many institutes in Latvia and elsewhere in the region mentioned one common element they viewed as a shortcoming: that is, English versions of their publications and other relevant information were not available. Although generated analysis is most significant at the local level, access to this analysis abroad is also without a doubt important as one means of public relations (and resource mobilization). The perpetual doling out of money to pay for translation services is perhaps not the best way to deal with this issue. If this need is anticipated from the outset, it might be possible to find someone to be part of the staff who is fully competent to fulfil this role as well.

It would also of course be necessary to recruit people (or consolidate posts) to fulfil accountant and administrative assistant functions.

Figure 3 shows how an institute’s organogram might potentially appear if each role were assumed by a separate individual (but most likely there would be fewer staffpeople and each person would assume more than one role).

Figure 3



#### 5.4 Initiatives-in-Progress

The *Soros Foundation - Latvia* is not the only organization or interested body concerned with the need for an independent policy institute in Latvia. Therefore in weighing up various options of how to best support policy analysis processes in Latvia, it would be worth considering three “initiatives-in-progress”:

*i) Eurofaculty initiative:* Eurofaculty (an educational programme in the Baltic States sponsored by the European Union) has begun discussions with several well-known researchers in Latvia about the possibility of establishing a new institute - an independent public policy institute. Two parallel projects are at the moment being developed. The first plans to establish the *Institute of European Studies and Transition*, which would be an institute of the University of Latvia and which would research Latvian policy in the context of European integration and transition. This project has been developed by Inna Ģteinbuka, Tatjana Muravska, Alfs Vanags and Morten Hansen. It has not yet secured any funding. The second project is known by the acronym *BICEPS (Baltic International Centre for Economic Policy Studies)*, which is a joint initiative of interested academics from Sweden, the UK and Latvia. This project was submitted to a European Union call for projects, but the outcome is not yet known. (Contact person: Alfs Vanags, Programme Development Coordinator, Eurofaculty).

**ii) “Latvia for Europe Movement” (NGO) and the Latvian Institute of Foreign Affairs:** These two organizations have discussed the possibility of joining forces to establish a policy institute with a specific focus - European integration. A joint initiative would be a good way to capitalize on the strengths of both organizations (“Latvia for Europe’s” very specific knowledge of integration issues, contacts with policy makers and links to civil society, plus the Institute of Foreign Affairs’ research base and ties to other policy institutes abroad).

**iii) Baltic Institute for Social Sciences:** By the beginning of 2000, a new organization will be established, which will be a daughter enterprise of *Baltic Data House* called the *Baltic Institute of Social Sciences*. This will be an NGO that will split off from Baltic Data House (a market research firm) in order to concentrate specifically on commissions concerning political and public policy analysis in Latvia. Its founders are B. Zepa, R. Kārklīda, J. Ikstens and E. Vebers. Although the founders themselves admit that they do not have an incredibly broad experience base in “policy analysis”, the objective of the new institute is to develop and enhance this aspect of their activities.

## VI. CONCLUSION

In summary, it can be said that the presumptions upon which the commissioning of this research report were based have proven themselves for the most part to be true: the level of policy debate in Latvia is relatively low, and there is an absence of widespread and open debate about policy making processes in Latvia. In other words, there is indeed a need for an independent public policy institute in Latvia that could serve as a “facilitator” or a “convenor” (and thus as a bridge between policy makers and civil society). The research conducted for this report revealed that this specific niche in Latvia remains empty. At the same time, various significant external factors were noted that are partially responsible for the existence of the current situation (commissioning parties’ attitudes and preparedness, for example), and the conclusion was drawn that while potential for effective policy analysis exists, initiatives and activities are still very scattered - in other words, there is a lack of cooperation and a consolidation of complementary initiatives. While there is some good analysis out there, just as there are some good activities aimed at involving civil society, there is an absence of initiatives that would bring these two sides together - there is no one organization that “facilitates” or “convenes” the meeting of these two aspects. Another important problem remains the paucity of in-depth analysis and alternative policy solutions within public policy making processes. A similar situation can be found elsewhere in Central and Eastern Europe.

At the same time, an analysis of the different possibilities for promoting and enhancing independent policy analysis in Latvia did not reveal a single “correct” way of going about this. There are various options, with variations and different models within each of these options. Providing support to various approaches simultaneously is another option still. Based upon the analysis and conclusions that emerge from this research, it would seem appropriate for SFL to carefully consider several key questions in coming to any decision:

- Taking into consideration the unpreparedness of the public sector to commission and make use of professional policy analysis, how can the demand for high quality policy analysis within the governmental sector be strengthened?
- What can be done to reduce the impact of other external factors that limit the effectiveness, development and quality of independent policy analysis in Latvia?
- To what extent would it be desirable to cooperate with governmental sector structures (in establishing a new institute, enhancing existing one/s, or implementing policy analysis micro-projects), given that Latvia is moving towards European integration (see Part III)?
- What would be the best means by which to link professional, scientifically sound research with the promotion of public debate on policy issues?
- By what means can not only research itself be supported, but the quality thereof also improved?
- How can the sustainability of any investment by SFL be guaranteed?
- Who would be the most significant cooperation partners for SFL in supporting projects associated with independent policy analysis?

Only once answers to these questions are considered will SFL be in a position to develop a strategic plan for promoting independent policy analysis in Latvia.

## **ANNEX I: Practical Strategies for Promoting Policy Analysis in Latvia**

Over the course of the interviews conducted for this report, many ideas emerged - all worth considering and some quite innovative indeed - which could be used, regardless of which approach is chosen for strengthening policy analysis in Latvia. Alongside suggestions concerning the establishment of a new institute, other suggestions were also articulated which could be used in other types of policy analysis projects.

### **1.1. Effective, Topical and Independent Analysis:**

The most crucial consideration is of course ensuring that any financed activities related to policy analysis are of the highest possible quality. This can be accomplished not only by always hiring the best researchers, but also by taking other important factors into consideration. These include:

***Efficient division of responsibilities:*** A common problem in Central and Eastern European policy institutes is the fact that researchers and analysts often have to manage the given institute as well, mobilize resources, be responsible for public relations, and so on. It is no secret that a good researcher is not necessarily a good director, administrator, public relations figure. While it may demand additional investments, quality results cannot necessarily be expected if in establishing a new institute (or enhancing an existing one), one person is asked to be responsible for so many diverse roles.

***The need for “new blood”:*** During the interviews, some end-users and commissioners of policy analysis mentioned their dissatisfaction with the present situation whereby the circle of policy analysts in Latvia is too closed. There are several experts who serve as the “authorities” in certain subject areas, and it is rare to see new talent come onto the scene - with new ideas, new methods, new approaches to the problem. Perhaps the group of well-known researchers is not at fault here - a more likely explanation is the fact that opportunities for new talent to prove themselves are scarce: commissions are few, internships and other opportunities to gain experience and develop a professional career as a policy analysis expert are limited. Unfortunately, this often means that potential intellectual resources go elsewhere - either abroad or to different types of work. It is necessary to consciously carve out space for new talent - both to ensure better quality products and to ensure the sustainability of activities.

***Cooperation with educational institutions:*** Another way to ensure quality is to promote the development of new talent and internships through cooperation with educational institutions. Students would have opportunities to gain work experience (which is of course also a relatively economical way to train new experts), while policy institutes would have access to the newest methodological techniques and latest information. Students in Latvia - and particularly those who are studying in the various newly established, high quality private universities - represent a massive intellectual resource, which should most definitely be tapped into.

***The selection of researchers through submission of tender*** - some of the commissioning organizations interviewed expressed concern about the fact that if the same, already well-known research experts are consolidated into one new institute, then their guaranteed employment might not promote improvements in the quality of work produced. In order to provide opportunities for new talent and to ensure the highest quality of work, it may be advisable to advertise tenders in order to contract researchers for larger research projects.

## **1.2. Ensuring Influence in Policy Making Processes**

The best way to ensure that a policy institute has influence in policy making processes is to produce only the highest quality products and services, as quality is the best advertisement. However, parallel strategies should also be developed in order to capture the attention of policy makers.

***Contacts*** - It is an undeniable fact that those people with contacts among policy makers will have less distance to travel in terms of capturing their attention. Informal, collegial contacts which can be established at conferences, receptions and other events are just as important and those which are established during official meetings.

***Image and Profile*** - While personal/professional contacts are very important, it is also necessary to foster trust not only in individuals, but in the institute as a whole. The institute must be just as recognizable as the individuals who work there. This can be achieved by strengthening the image of the institute with help from a public relations strategy. This also means that staff of the institute have to be prepared to give up certain customs of “moonlighting” and begin espousing the principles of team work.

***Timely events and advice*** - As R. Struyk highlights in his book on policy institutes in Central and Eastern Europe, it is crucial that policy makers are presented with advice in a timely manner. Because of the fast pace of policy making, good ideas and alternative policy solutions will not bring about the intended results if they are not put forward at the appropriate time. This of course also applies to lobbying tactics and the organization of seminars and other events.

***Round table discussions*** - As the experience of Hungary and Bulgaria has shown,<sup>11</sup> round table discussions in which both policy makers and independent policy experts participate are very effective. Each discussion examines a specific topic connected to a policy issue, and various experts prepare and present alternative policy solutions or recommendations, after which policy makers have the opportunity to ask questions. Another similar format involves putting a specific question to policy makers in advance. Various experts would also present prepared responses, followed by a discussion. The effectiveness of this mechanism is of course dependent on policy makers’ preparedness to listen to alternative opinions.

## **1.3. Ensuring Reciprocal Ties with Society**

In order to guarantee a reciprocal link with society, any institute must consider two different but interconnected issues: the first concerns the image of the institute, the second - activities and events aimed at a civil society audience. The image will depend of course on the quality of work produced, but also to a large extent on professional public relations. This means that excellent contacts with media representatives must be fostered, and that the institute's profile and image must be consciously developed.

As concerns the latter, it is clear that there must be a creative approach to engendering public debate. During interviews, it was often mentioned that people are no longer interested in seminars, that there is no point in organizing conferences, that people are bored sitting in seminars all day, and so on. This does not necessarily mean that such events can no longer be organized, but rather this points to the fact that active individuals have very busy schedules and may not have the time or interest in devoting a half or entire day listening to information which they may not find important or relevant. Events which are organized with the objective of building bridges with civil society, of informing the population of policy changes and the anticipated effects thereof, or which hope to promote the participation of civil society in the policy making and policy evaluation processes, must ensure that good use is made of the time available. These events need to be professionally administered with respect to the reality of people's everyday lives and schedules. No longer is it sufficient to invite an expert along to read a prepared text on some issue, followed by a few polite questions from the audience. One often gets the feeling that the only purpose served here is for the lector to listen to his or her own voice.

Modern realities demand modern approaches to information dissemination and an exchange of experiences. Several ideas for fulfilling these criteria include:

***Brown bag discussion series:*** If individuals cannot devote a half or whole day to a seminar or conference, everyone nonetheless has to eat lunch. The idea is to organize a seminar or discussion series, where a guest lector or panel could present information on a topical issue - on a monthly basis, perhaps. In order to economize, people could also buy a simple lunch on the spot.

***Interactive discussions using new information technology:*** Although life's everyday realities often prevent interested people (who are often very busy people as well) from participating in many conferences and seminars, internet technology offers the opportunity to participate in "virtual discussions." These events can be organized either as on-going list-serves or as virtual conferences.

#### **1.4. Ensuring Sustainability**

Without a doubt, producing high quality analysis and building effective links with civil society are not possible without substantial investments - in terms of time, human and financial resources. However, any institute (or project) will only be able to survive if these resources are expended rationally. In order to guarantee sustainability - and financial sustainability in particular - the following ideas and suggestions could be considered:

***Resource mobilization strategy:*** Regardless of the legal status that an institute might choose (see above), the management of the institute must be

approached as any business enterprise would be - in other words, a well thought out business plan must be developed, which would include a resource mobilization strategy. Only with a proactive (as opposed to reactive) approach to resource mobilization will any institute be able to ensure its sustainability. There must also be one staff person whose terms of reference include monitoring and implementing this strategy as part of his or her everyday responsibilities.

***Administrative charge for commissions*** - This means of acquiring funds is becoming increasingly popular amongst NGOs, and involves charging a certain percentage of the total budget of a commission or project (usually 5 to 10%) for the purpose of covering necessary administrative costs involved in fulfilling such commissions.

***Membership fees*** - If registered as a membership organization, the institute would be able to ask members to pay a joining fee and/or an annual membership fee. The amount could be determined by the status of the member (for example differentiating between domestic and foreign members, organizations and individuals, students, pensioner, unemployed people, etc.). Members could receive discounts on institute publications and services, or other privileges (free-of-charge newsletter, free entrance to conferences and seminars, and so on). This would not only guarantee some income for the institute, but would also promote the participation of civil society in developing policy solutions, while also strengthening the “critical multiplism” of the debate.

***Donor or Sponsor Consortium*** - One idea put forward was to attempt to guarantee commissions for the first year of a new institute’s operations by creating a donor/sponsor consortium. This consortium would then sponsor/commission a series of policy analysis publications in advance of the institution’s official “debut”. This would not only give a new institute the opportunity to prove its capabilities, but would also give donors and supporters the opportunity to participate in agenda setting processes.

***Sale of publications and services*** - A common practice of policy institutes is to sell at least a portion of the publications they produce and services they provide. In this way the institute can generate income that is not tied to concrete commissions and which can therefore be used for other important purposes - for example, institutional development (staff learning, training, exchanges abroad). Untied resources would also allow the institute to produce topical research and analysis which may not be commissioned by sponsors, but is in line with the institute’s own strategic priorities,

***Prioritizing large-scale projects:*** Various organizations interviewed mentioned that one principal strategy included in their resource mobilization plans is to work on several larger projects (commissions), as opposed to getting involved in many small projects. This is because administrative tasks associated with projects (donor identification, project development and writing, budget monitoring, reporting) are very effort-consuming and demand large investments of the institute’s staff.

***Attracting international interest - and money:*** Experience shows that substantial domestic resources to support an independent policy institute will not be forthcoming, at least for the time being. Although this may not be an optimal situation, resources need to be sought from sources abroad. As one expert concluded, policy institutes will need to attract sponsorship from foreign donors and foundations for about the next ten years, if they want to effectively fulfil their mandates. This means that institutes will need to devote resources to attracting foreign clients and donor interest - both through providing services that appeal to them, and also by making their successes and strengths known (public relations).

***Mobilization of the domestic private sector as a potential source of support:*** Despite the fact that a culture of philanthropy (as in the US) has yet to take root in Central and Eastern Europe, progress in this area can nonetheless be noted - in Poland and Hungary, for example. An attempt must be made to activate these resources in Latvia as well. In order to accomplish this, the private sector must be educated and made aware of what they stand to gain from such partnerships. In Canada, for example, a “Public Policy Forum” has been created - this is an NGO whose members include representatives of the private sector, the not-for-profit sector and the public sector as well. Major resources, however, are contributed by private sector members, and are used to commission policy research.

In order to maximize the institute’s sustainability potential, a broad donor base should be sought - both at national and international levels (see Figures 4 and 5).

Figure 4

<b>Domestic Sources of Support:</b>
<ul style="list-style-type: none"> <li>• Political parties and factions</li> <li>• Parliamentary committees</li> <li>• Cabinet of Ministers</li> <li>• Ministry departments</li> <li>• Local governments</li> <li>• Trade Unions and professional organizations</li> <li>• Chambers of commerce and employer organizations</li> <li>• Private individuals</li> <li>• Private business</li> <li>• Local foundations, non-governmental organizations</li> </ul>

Figure 5

<b>Foreign Sources of Support:</b>		
<b>International Organizations and Donors*</b>	<b>Foreign Foundations **</b>	<b>International enterprise***</b>
<ul style="list-style-type: none"> <li>• Foreign embassies</li> <li>• British Know-How Fund</li> <li>• Council of Europe</li> <li>• European Union (PHARE)</li> <li>• UNDP</li> <li>• Unicef</li> <li>• USAID</li> <li>• World Bank</li> </ul>	<ul style="list-style-type: none"> <li>• ABA/CEELI</li> <li>• American Enterprise Institute</li> <li>• Bertelsmann Foundation (Germany)</li> <li>• Centre for International Private Enterprise (USA)</li> <li>• Ford Foundation (USA)</li> <li>• Freedom House (USA)</li> <li>• Friedrich Ebert Stiftung</li> <li>• Friedrich Naumann Stiftung</li> <li>• German Marshall Fund (USA)</li> <li>• Institute for Human Sciences (Austria)</li> <li>• International Renaissance Foundation</li> <li>• James McGann Foundation (USA)</li> <li>• Konrad Adenauer Foundation</li> <li>• Kronenberg Foundation Westminster Foundation for Democracy</li> <li>• MacArthur Foundation (USA)</li> <li>• National Endowment for Democracy (USA)</li> <li>• NIRA (Japan)</li> <li>• Open Society Institute</li> <li>• Rockefeller Brothers Fund</li> <li>• Sabre Foundation (USA)</li> <li>• The Charles Stuart Mott Foundation</li> <li>• Transparency International</li> <li>• Woodrow Wilson Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Citibank/Citicorp</li> <li>• Coca-cola</li> <li>• Philip Morris</li> <li>• Siemens</li> <li>• Societe Generale</li> </ul>

\* International organizations that have financed policy analysis in Central and Eastern Europe.

\*\*Foundations and organizations that have sponsored projects connected with independent policy analysis (commissions and institutional support projects) in the past few years in the region. This does not necessarily mean that they will sponsor activities in Latvia, but they are nonetheless worth investigating.

\*\*\* Multinational corporations that have sponsored policy institute projects in Central and Eastern Europe.

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<sup>2</sup> R. Struyk. Reconstructive Critics: Think Tanks in Post-Soviet Bloc Countries. The Urban Institute Press. Washington, 1999. p. 18-19.

<sup>3</sup> D. Stone et. al. Think Tanks Across Nations: A Comparative Approach. Manchester University Press: Manchester, 1998.

<sup>4</sup> Craig Kennedy. US German Marshall Fund. "Two Futures for Think Tanks in Central and Eastern Europe." Speech, November 1999.

<sup>5</sup> Stone et al, pg. 1

<sup>6</sup> Craig Kennedy. US German Marshall Fund. "Two Futures for Think Tanks in Central and Eastern Europe." Speech, November 1999.

<sup>7</sup> Craig Kennedy. US German Marshall Fund. "Two Futures for Think Tanks in Central and Eastern Europe." Speech, November 1999.

<sup>8</sup> R. Struyk, pg. 53

<sup>9</sup> Latvia Human Development Report 1999. Draft version of Chapter 2. Authors - Maris Sprindzuks and Dace Jansone.

<sup>10</sup> Latvia Human Development Report 1999. Draft version of Chapter 2. Authors - Maris Sprindzuks and Dace Jansone.

<sup>11</sup> R. Struyk, pp. 117-118.