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Two British think tanks after the global financial crisis: intellectual and institutional transformations

Marcos Gonzalez Hernando

Department of Sociology, University of Cambridge, Cambridge, UK

ABSTRACT

The New Economics Foundation and the Adam Smith Institute are at opposite ends of the British think tank scene. As such, their policy proposals following the 2008 financial crisis could hardly be more different. Whereas NEF saw the crisis as an opportunity to advance substantial reforms to the British economic model, the ASI sought to combat surging criticisms of market deregulation and found the root of the crisis in state intervention. Given these contrasts, this article traces these organisations' intellectual and institutional transformations between 2007 and 2013. Based on interviews and documentary analysis, this paper compares their organisational structure, sponsors, output and perceived policy impact. Overall, the financial crisis had substantial effects on these think tanks' research and funding, but perhaps the most significant transformation relates to their efforts to reposition themselves to reach and construct new publics. By 2013, NEF promoted alternative narrative frames to the austerity discourse, while the ASI sought to reach those 'not already convinced' of the advantages of free markets.

KEYWORDS

Think tanks; British politics; financial crisis; intellectual change; narrative policy

Highlights

- A comparison of the intellectual and institutional effects of the 2008 financial crisis on two British think tanks
- These effects hinged on funding, links and position *vis-à-vis* free markets and austerity
- The most significant changes are linked to perceived barriers to reach new publics in a context of mistrust of experts.

1. Introduction

Scholarship on think tanks has struggled to do justice to the diversity of its object of study. The label itself encompasses organisations both large and small; nominally neutral and vocally political; primarily funded by public, private or charitable funds; and mainly oriented

CONTACT Marcos Gonzalez Hernando  mjg221@cam.ac.uk

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towards policy elites or larger publics. Inconclusive debates over the proper meaning of ‘think tank’ have ensued (McGann, Viden, & Rafferty, 2014). Much of the literature has also focused on gauging their policy impact, attempting to ascertain their place and import in the policy-making process, the public debate and networks of power (Tesseyman, 1999). Yet, given the often subtle and unclear imprint of ideas on policy, a conclusive assessment of their influence is hard to come by.

Recent efforts informed by field theory have rendered our understanding of think tanks more dynamic, multivariate and more closely focused on the object of study itself and its behaviour rather than on what it ‘achieves’. Placing think tanks at the intersection of the Bourdieusian ‘fields’ of politics, academia, the media and business interests, Medvetz (2012) claims they are not a definite ‘thing’ pertaining to a specific sphere but protean boundary organisations transforming the contours of the fields they enter into contact with. This paper complements Medvetz’s key insight – that think tanks should not be understood as being driven by only one objective, ‘playing only one game’, be it policy-making, knowledge production or any other – with a micro-level analysis of how changes in their environment can affect think tanks themselves. This will be sought through a case study approach which scrutinises two British institutes in a particularly tumultuous context: the aftermath of the 2008 Global Financial Crisis. By focusing on the intellectual and institutional changes these organisations underwent, the paper seeks to provide a more situated understanding of their functioning and of their place in their wider environment – in which governments are a crucial actor, but not the only one.

By necessity, this study is more granular than most previous scholarship, as it examines how particular organisations negotiated their work in an unstable context that affected many spheres of society. More distinctly, this paper focuses on a specific facet of the crisis, henceforth called ‘epistemic crisis’ (Natorski, 2015) – or, more precisely, ‘crisis of epistemic authority’. By this is meant that the 2008 crash weakened the authority of traditional experts to provide advice that could be responsibly heeded by decision-makers and their publics, as experts were seen to have failed to predict or prevent its occurrence. In that sense, epistemic crises facilitate the emergence of new actors seeking to position themselves as authorities, even if that happens in a context beset by a growing mistrust of expertise.

In order to observe broad changes in the think tank environment, the sampled institutions are at the ‘edges’ of the policy debate: neither closely linked to policy-makers or mainstream political parties nor outright marginal. Also, they are not generally thought of as part of the economic orthodoxy, which conceivably means that the crisis could favour how receptive their publics were to their message. To maximise the comparative potential of this study, two contrasting institutions were selected: the New Economics Foundation (NEF) and the Adam Smith Institute (ASI). These have little in common, barring that both: (a) define themselves as think tanks; (b) are based in London; (c) are ‘generalist’ organisations intervening in many policy areas; (d) are, while politically connected, not tightly linked to mainstream political parties; (e) are not often considered economically ‘orthodox’; and (f) had an interest in shaping the public understanding and policy response to the financial crisis. There are some conspicuous differences to note, however, some of which are listed in the table below and explained further throughout this paper (Table 1).

By comparing these organisations, this article aims to contribute in at least two ways to the broader think tank scholarship. First, to facilitate a better understanding of the effects of economic, political and epistemic crises on the work of two widely different think tanks – in

the process, providing insights into the broader British policy advisory landscape. Second, to explore how environmental pressures and opportunities arising from the crisis varied given these think tanks' differences or, conversely, how they were similar.

This paper focuses on the internal changes the economic crisis elicited in these institutions, which can be of two kinds. Firstly, they might be 'intellectual', meaning that they are visible in the arguments and research topics present in the output published by the think tank in question. One can speak of 'weak' and 'strong' forms of intellectual change. The former refers to differences in the research areas or questions an organisation works on. These tend to vary regardless, guided by a public debate and policy agenda, and not necessarily imply a transformation of a think tank's core tenets or mission. A 'strong' intellectual change is one where a think tank's arguments move beyond what a knowledgeable observer would find expectable – for instance, where they make a claim that contradicts their previous research. Secondly, changes can be 'institutional', meaning that they might face external pressures that affect their funding, staffing, organisational structure, legal status, outreach capacities, etc. In practice, this is mostly an analytical distinction, as institutional and intellectual aspects of a think tank are difficult to disentangle – for example, changes in available research funding often skew a think tank's output. Furthermore, as Scott (1995) has shown, the material sustenance of organisations – most especially, perhaps, for those that produce intellectual products – requires legitimacy in its broader social context. That is, prevalent ideas have a material force for think tanks, and their credibility is paramount for their prospects (Rich, 2004).

Methodologically, current and former employees of both organisations were interviewed, and documentary analysis was undertaken to cover their work between 2007 and 2013. Although any timeframe would risk neglecting important events, this period encompasses both the initial signs of the crisis and its policy response, along with some of the most significant institutional transformations these think tanks underwent. The anonymised interviews (eight in NEF's case and three in ASI's, conducted between July 2014 and February 2015) had a narrative focus, tracing the recent history of each think tank as recounted by interviewees themselves. In NEF's case, members of the economics research team, management and communications staff (given their work on their positioning *vis-à-vis* the 2008 crisis), which were employed between 2007 and 2013 were interviewed. For the ASI, given its reduced size, most senior permanent members were contacted. Meanwhile, document analysis of their publications was carried out in two phases. Firstly, all policy reports (of all policy areas) published within our timeframe were collected – 174 in NEF's case, 94 in ASI's – and categorised in variables such as funding sources (when explicit), author(s),

Table 1. NEF and ASI summary and comparison.

	NEF	ASI
Date of foundation	1986	1977
Legal status	Charity	Charity/Private limited company
Annual budget (estimated)	£3 m (Charity Commission)	£330,000 (Interview)
Permanent staff	50–60	5–10
Number of research teams	6–8	n/a
Main sponsors	Charitable trusts, public bodies	Individual and corporate donors
Number of reports (2007–2013)	174	94
Intellectual influences	J. M. Keynes, E. F. Schumacher	A. Smith, F. Hayek, M. Friedman
Key economic research areas	Banking reform, Local banking	Deregulation, free banking
Other research areas	Environment, well-being	Immigration, civil liberties

policy area, research team and policy recommendation. Secondly, guided by a grounded theory approach (Glaser & Strauss, 1967), 20 publications per organisation were selected to be more thoroughly examined, on account of their focus on economic policy, the financial crisis or wider ideological debates. These were reviewed to find common arguments while controlling for their date of publication, author(s) and research team, in order to detect internal variability and changes over time. The main reason to employ a grounded theory approach is to elucidate common discourses and themes arising, as much as possible, from data itself. Although policy reports were prioritised due to their institutional relevance – as they tend to require more resources to be produced – they were supplemented by blogs and media commentary where pertinent, which was commonly the case with the ASI. In addition, annual reviews and accounts retrieved from the UK Charity Commission and Companies House were consulted to measure institutional changes (Morgan, 2011).

This research is based on the concept of ‘public intervention’ (Eyal & Buchholz, 2010; Baert, 2012), studying think tanks’ changes through their interventions in the policy debate. These can include reports, media appearances, events and any other medium that provides the opportunity for a *prise de position*. In this sense, this paper is inspired on another set of Bourdieusian concepts – beyond those deployed by Medvetz (2012) – as understanding think tanks through their interventions chimes with Bourdieu’s idea of ‘space of position-taking’: ‘the structured system of practices and expressions of agents’ (Bourdieu & Wacquant, 1992:105). In Bourdieu’s theory, this ‘space of position-taking’ is conditioned by agents’ place in the ‘space of positions’ (the resources of various kinds that situate them among others). For our purposes, think tank interventions are treated as ‘position-takings’ that ‘position’ them – on account of their institutional resources – amidst public debates, which opens or closes the space for them to influence others and establish alliances. In those terms, ‘intellectual changes’ as measured by interventions imply a possible attempt at ‘repositioning’ a think tank among its publics. However, one important limitation of focusing on interventions is that ‘silences’ can be overlooked: often the topics avoided by a think tank’s research agenda can be as revealing as what they actually study.

Furthermore, the policy import of think tanks’ ‘public interventions’ is never settled. As Stone argues, think tanks as producers of proposals can function as ‘garbage cans’ that produce ‘solutions [...] waiting for their “window of opportunity”’ (Stone, 2007, p. 274). A rapidly shifting policy environment can offer think tanks the possibility of suddenly becoming central in the policy process. Thus understood, crises present opportunities to observe the behaviour of think tanks, as they offer the chance to reframe policy problems, what they consist of and what the response should be (Kingdon, 2003; Schmidt, 2008). In this vein, think tanks stand to gain the most at moments in which expertise and policy narratives are in greatest demand. Yet, in 2008, opportunities for policy relevance coincided with an epistemic crisis, and an environment in which, given the economic downturn after 2009 and the ensuing ‘austerity’, the policy and funding environment were in flux.

Although this article is limited to one context and two think tanks, a closer focus on specific cases can provide rich material to understand the micro-dynamics of those seeking to be seen as experts in a changing context. Hence, unlike Pautz (2018) article in this special issue, engaged with the question of whether British think tanks affected the policy response to the crisis, this paper is concerned with the impact of the crisis on think tanks themselves. Other important antecedents to this paper in the UK prior to 2008 include Denham and Garnett (1998) comparative case-study research of the history and development of several

organisations and McLennan's (2004) work on Demos' publications. However, the former concentrates in their emergence and role in British twentieth-century politics, and the latter – although employing a similar methodology to ours – studies a single organisation and does not focus on how changes in a think tank's publications are linked to their changing environment. More broadly, Frausen and Halpin's (2017) paper is also of relevance, as it highlights the importance of three factors for a think tanks' effectivity: high levels of research capacity, substantial organisational autonomy and a long-term policy horizon. Throughout this paper, attention is paid to the pressures think tanks face to uphold these features in view of external pressures (such as funding). To this literature, this article adds a closer focus to the 2008 financial crash and the recession that ensued, and on intellectual change following a crisis that was not only economic and political but also 'epistemic'. That is, this paper observes how organisations tasked with producing interventions on public policy behave during crises that call into question the certainty and knowledge necessary to offer 'policy advice' and for the latter to be perceived as authoritative.

The remainder of this paper is organised into the following sections: The next briefly describes these two think tanks, institutionally and intellectually. A third part traces how they 'experienced' the financial crisis and the recession between 2007 and 2013 through their public interventions on issues broadly concerning economic policy. The fourth considers some of these think tanks' 'strong' intellectual transformations. The final section draws parallels between the changes these two institutions underwent, gauging how shifts in their environment affected their fortunes.

At opposite ends of the spectrum: NEF and ASI

The NEF is a left-of-centre think tank founded in 1986, which advocates for a heterodox approach to policy, focused on well-being, the environment and alternatives to neoclassical economics. 'New economics' is understood as pursuing the satisfaction of basic human needs within sustainability constraints, based on E. F. Schumacher's thinking. Indeed, NEF's motto 'Economics as if people and the planet mattered' is a reference – with an environmentalist twist – to Schumacher's (1973) *Small is beautiful: Economics as if people mattered*. These ideas are opposed to what is considered 'old' economics: excessively formalistic, unconcerned with actual human beings or the environment and mostly fixated on GDP growth. As such, NEF's proposals have included a shorter working week, community currencies and strengthened local banking.

With over 50 employees, NEF produces research on several policy areas organised thematically in semi-independent teams, which enjoy relative autonomy regarding fundraising and outreach capacity. Over the years, many of NEF's teams have been restructured or shut down, mainly due to changes in available funding. The financial support for these teams comes mostly from short-term contracts from governmental bodies, charitable trusts, NGOs and grant-making institutions. Between 2007 and 2013, around half of NEF's budget was, according to its annual accounts, 'restricted' – with a specified purpose tied to a research contract. Given NEF's reliance on funding for tender, their finances can be unstable – which is, however, not unusual for British think tanks.

The above conditions put some pressure on the type of output NEF generates in terms of format – favouring commissioned policy reports – and research agenda – pressured by available funding. Interviewees described how contracts for researching systemic issues, rather

than narrow policy issues, are rarer than they would wish. Yet, their prevalence has grown after the crisis, as funders became interested in topics such as financial reform. NEF also enjoys some unrestricted funds, derived from donations, educational ventures and the sale of publications and professional services through its sister organisation, NEF-Consulting.

Conversely, the ASI was established in 1977 and is arguably one of the most emblematic think tanks in British history, without ever permanently employing more than ten people. The ASI is managed by two of its founders, writers and commentators Madsen Pirie and Eamonn Butler, both prominent members of the Mont Pèlerin Society – which some argue was central to the formation and ascent of neoliberalism (Mirowski & Plehwe, 2009). Pirie and Butler's work, which favours media visibility, is supplemented by a small team of mid-level staff and interns, plus a broad network of friends, sympathetic experts, fellows and collaborators across the media, politics, business and academia. And although ASI's main *raison d'être* is to influence policy, it often engages in educational ventures and in the popularisation of canonical free-market thinkers amongst the young, conspicuous in the composition of its staff, its production of primers and its student outreach initiatives.

ASI's history is indissociable from the rise of Thatcherism. Together with the Institute of Economic Affairs and the Centre for Policy Studies, the ASI is often considered part of the triad that lay the intellectual foundations of the 1980s neoliberal turn (Cockett, 1995; Heffernan, 1996). Their role was, by Pirie's own account, to operate as 'triangulators' – arguing for measures that others in their sector might be too timid to push forward, thus helping move the centre-ground – and 'policy engineers' – devising ready-made policy proposals that, albeit radical, could be used as a roadmap for a general 'direction of travel' (Pirie, 2012). In that line, although correlation does not mean causation, a testament to their import is their support for the privatisation of railways and national industries, the poll tax, voucher schemes and low tariffs the spirit of Monetarism, Public Choice theory and Austrian economics.

Unlike NEF, the ASI does not conduct commissioned work, nor is its staff organised in teams. Instead, most of its reports are written by independent 'fellows' and collaborators. Thus, as many of their publications are produced by individuals loosely connected to the organisation, interventions by the ASI depend on what is happening in their networks. Further, given the undersupply of in-house researchers, the ASI relies, more than solely on the production of policy reports, on a well-maintained blog and an aggressive communications strategy. As stated in its 2011 annual review, '[m]any think tanks have much bigger budgets, but few deliver as much 'bang for the buck' as the Adam Smith Institute' (ASI, 2011, p. 20).

But where does the 'buck' come from? Much of ASI's funding comes from corporate and individual contributions under a strict policy of donor anonymity. The secrecy over its patrons has given ammunition to its critics, but ASI members have not avoided the issue. In 2012, as a response to the think tank's low ranking in a transparency survey, an ASI fellow stated: '[w]e are delighted to be judged on the quality of our ideas and our arguments. And as a non-party political, independent and non-profit think tank that's all that we should be judged on' (Daily Telegraph, 2012). There is, however, a partial exception to the above, as the institute has reportedly received funding from tobacco companies (Smith, Kay, & Torres, 2013). However, interviewees claim this does not influence their policy agenda: '[t]he left gets it completely the wrong way round. It's because we advocate individual choice

that we come out against plain packaging [...]. It's because we're so robustly libertarian that these organisations come along and give us money' (ASI Interview).

ASI's budget is estimated to be about a tenth of NEF's (ASI interview). However, the institute was formerly associated to Adam Smith International – an international development organisation with much larger assets. This has elicited suspicions from critics and frequent clarifications by the two institutions that there is no outstanding formal link (see Adam Smith International, 2016; Hansard, 2004). Nevertheless, given ASI's reduced size and that its funding is mostly non-project specific, its research agenda is arguably less constrained than think tanks dependent on funding by commission.

The Global Financial Crisis as an opportunity to intervene

A recurrent trope in the policy studies literature is that crises demand narratives, both to provide explanations for past events and to justify policies to tackle them (Boin, t' Hart, & McConnell, 2009; Fischer, 2003). Given their hybrid character and their orientation towards producing and disseminating policy ideas, think tanks may be expected to be affected by events such as the Global Financial Crisis and Great Recession. In such junctures, they find opportunities for self-promotion, as uncertainty makes policy-makers more receptive to proposals from outside their 'normal' environment (Pautz, 2012a). Conversely, such moments often pose threats to those defending the status quo, and demand the explicit justification of past decisions and a delimitation of what precisely is 'in crisis'. This situation of uncertainty and the sense of opportunity it created was behind, in the words of an interviewee, a 'frenzy of activity' (NEF interview). This is evident in sheer publications numbers. NEF released 9 policy reports in 2007, 23 in 2008 and 30 in 2009, while ASI released 11, 5 and 18, respectively. Having published no books between 1998 and 2006, ASI Director Eamonn Butler authored within our timeframe (2007–2013) over twelve monographs and primers.

Given the opposing research agendas and intellectual convictions of ASI and NEF, expecting differing messages behind their public interventions is reasonable. In NEF's case, one would presumably find reports that blame financial deregulation and a focus on global finance at the expense of local economies. By contrast, in ASI's interventions one would expect to find critiques of the idea that the crisis exposed critical defects in free-market capitalism, followed by a condemnation of government overregulation and economic management. That would indeed be the case if only 'weak' forms of intellectual change are visible.

A cursory glance at their reports in 2008–2009 quickly confirms these suspicions. In them, 'opportunity' for NEF and 'danger' for ASI seemed to be the dominant narratives. NEF publications claim that unfettered free-markets are unsustainable and that this crisis provides an opportunity to enact positive change. NEF presumably had the possibility of disseminating its message in the policy debate after what was, at least initially, seen as an indictment of financial deregulation. For decades, NEF had campaigned against the dominance of finance – and some of its fellows can even claim to have warned of a looming credit-driven crisis (Pettifor, 2006). Furthermore, as NEF argued for years against economic orthodoxy, it was unreasonable to claim that the ideas they advocated caused the financial collapse. Hence, this juncture elicited a sustained effort to make NEF's case ever more forcefully across publics; it was an opportunity not to be missed.

NEF's policy proposals in the months following Northern Rock's bank run – and especially after Lehmann Brothers' – promoted ideas that later became popular amongst critics

of corporate finance: splitting retail and investment banking, stronger regulation of complex financial instruments, capital controls and closer oversight over the production of money (Potts, 2008; Simms, 2008). A number of other measures were argued across NEF's teams, which sought to link the financial and economic crash with crises in other areas, such as the environment, energy and social inequality (NEF, 2008). The tone in such publications was often denunciatory, condemning the mistakes that brought the global financial system to the brink of collapse while providing reasons for optimism, as policy pathways out of the unsustainability of the current arrangement could now be implemented.

At the time there was a resurgence, however brief, of Keynesian arguments for stimulating aggregate demand and growth through public action, and a 'window of opportunity' (Kingdon, 2003) seemed open in which politicians could be convinced to question the prevailing economic system. The Keynesian resurgence came to bolster the work of the 'Green New Deal Group', which released several reports around the outbreak of the crisis (see Green New Deal Group, 2008). This group, comprised of NEF members, politicians and other experts, was formed briefly before the fall of Lehmann Brothers, and argued for a confluence of Keynesianism and Environmentalism through a green stimulus package. Another significant report was *The Great Transition* (NEF, 2009), which proposed a societal move towards a 'new economy' in a concerted effort across the policy areas NEF teams cover.

However, by mid-2009, the discourse of austerity had become ubiquitous. NEF warned against it from early on (Green New Deal Group, 2009), as options besides fiscal consolidation were for a while deemed politically conceivable. For instance, Gordon Brown, then Prime Minister, advocated briefly for the need for a 'green new deal' (BBC, 2009), even if later Labour came to argue for some level of deficit reduction (Berry, 2016). The environment of uncertainty, some interviewees pointed out, produced hopefulness, but also restlessness. Around 2009–2010, some NEF researchers and fellows argued for the need to devise a new economic approach to replace that of endless growth in a world with finite resources (Chowla, Johnson, & Simms, 2010; Jackson, 2011). However, was a recession an opportune moment to argue for the need for less GDP growth? Such tensions evinced the conflict between Keynesian and Schumacherian de-growth perspectives, and between long-term goals and whether the political juncture was propitious to promote them.

ASI, on the other hand, while initially downplaying the magnitude of the economic crisis (The Guardian, 2008) constructed a narrative that defined differently what was in crisis. ASI members saw the brief resurgence of Keynesianism as a threat to free-market liberty; its executive director wrote that 'opposing the Keynesian revival is probably the key economic task for defenders of freedom in 2009' (Clougherty, 2009). To substantiate this position, ASI publications claimed governments and regulators were responsible for creating the conditions in which a bloated financial system was bound to collapse: the banning of redlining in the USA's housing market, low-interest rates, the implicit bailout guarantee for large financial institutions and mounting government debt.

Nevertheless, at least until the austerity discourse became dominant (Berry, *op. cit.*), advocates of market deregulation seemed to be on the defensive, which prompted some self-criticisms. As one interviewee put it: 'if people on the free-market side had been paying more attention to the financial system [...] monetary policy [and] the deficits, [...] then we would have been [...] more able to give a response faster' (ASI interview). Yet, this complaint applied to think tanks across the board: before 2008, British think tanks' strengths rarely resided in their expertise on the financial sector. Accordingly, both ASI and NEF saw in the

immediate years after the crisis – both because of available funding and research priorities – a growing interest in areas hitherto neglected, especially financial regulation and fiscal and monetary policy. This is arguably a form of ‘weak’ intellectual change.

At ASI, a renewed focus on such issues was accompanied by a broader free-market movement; noticeably in the USA, where several organisations with links to ASI are based. On both sides of the Atlantic, the causes of the crisis were understood to lie in deficient fiscal and macroeconomic policy, and the diagnosis moved away from reckless bankers to crony capitalism, low interest rates and unsustainable government debt. These ideas were not heralded by the ASI alone. As a small and well-connected think tank dependant on fellows, it often reflected the arguments coming from a wider free-market sphere (Fischer & Plehwe, 2013).

Throughout 2008–2010, ASI published reports diagnosing the causes of the financial meltdown and proposing reforms to avoid its repetition. Some authors advocated discrete recommendations, implying that the roots of the problem could be traced to circumscribed policy decisions (Ambler, 2008; Boyfield, 2009; Saltiel, 2009). Others were more radical, questioning the foundations of the international financial and monetary system (Redwood, 2009; Simpson, 2009). Especially after the publication of Schlichter’s (2011) *Paper-money collapse* – which explained the recession through Austrian business-cycle theory – ASI interventions argued for a far-reaching case against Britain’s monetary governance, even advocating for the abolition of central banks. This made conspicuous a rift in ASI’s work, between a traditional Monetarist-inspired response and a radically libertarian one that was unlikely to gain support in the political mainstream – especially in relation to monetary policy management.

Meanwhile, the 2010 election ended 13 years of Labour governments, as David Cameron’s Conservatives forged a coalition with the Liberal Democrats. The formation of this new government constituted a critical moment for ASI’s and NEF’s research agendas, as it settled the response to the crisis: fiscal consolidation through sharp government cuts, particularly on welfare spending (Stoker & Taylor-Gooby, 2011).

For NEF, the window for promoting their ‘new economics’ was quickly closing, and by June 2010, when then Chancellor Osborne announced an Emergency Budget, NEF found itself swimming against the political tide. The new government also had an institutional impact on NEF, as some research teams underwent funding shortages which forced restructuring or discontinuations. Instances of this between 2010 and 2013 include the dissolution of the ‘Democracy and Participation’ team and the restructuring of the ‘Local Economies’ team, as the latter received ‘funding from regional development agencies [which] the Tories scrapped [...] in their first week of government’ (NEF interview).

However, the crisis also meant some policy areas received more research funds. The ‘Finance and Business’ team was commissioned by the European Commission to research banking reform, while the ‘Social Policy’ team received support from charitable trusts to measure the local effects of austerity (Penny, 2012). To meet the demands stemming from these contracts, NEF hired several economists with experience in banking and the Treasury, who authored reports on banking regulation, tax havens and international financial reform (Greenham, Potts, Prieg, & Simms, 2011). However, NEF’s reliance on commissioned research, and its organisational model structured around semi-independent teams meant that it dedicated substantial resources to fundraising; its agenda being often swayed by available funding. One interviewee drew attention to the dearth of resources to research

climate change when compared to the period immediately preceding the crisis, being the opposite the case for research on financial issues.

Politically, as the Conservative-led coalition embarked upon a programme of public spending cuts, NEF's advice was often disregarded. Nevertheless, there were also efforts to render the Conservative's earlier focus on its 'Big Society' programme to strengthen civil society compatible with NEF's thought (Coote, 2010). More broadly, NEF's ideas did sometimes reach new audiences, bolstered by the crisis of credibility of orthodox economics. For instance, guided by the impression that policy-makers often ignored the actual mechanisms of the monetary system, NEF published a volume on how money is produced (Greenham, Jackson, Ryan-Collins, & Werner, 2012), which was cited favourably by the *Financial Times* editor (Wolf, 2014). In parallel, NEF researchers participated in wider intellectual initiatives that sought to expand the economics curriculum beyond the neoclassical paradigm, as it became part of a broader intellectual movement that contested some of the core tenets of the discipline alongside the Institute for New Economic Thinking and the student association *Rethinking Economics*.

Meanwhile, the prevailing policy agenda meant that the environment was more propitious for ASI's ideas. The Coalition's concern for deficit reduction created opportunities to advocate for privatisation and budget cuts, and ASI's reliance on corporate donors provided a level of core funding, and thus some room for manoeuvre. Around 2009–2010, ASI frequently used metaphors that implied 'excess' to criticise what they saw as unsustainable spending in the run-up to the crisis. For instance, in June 2010, Butler said the government needed to go on a 'diet' (in *The Guardian*, 2010) and Pirie argued for a 'blank slate' approach to fundamentally rethink policies (Pirie, 2009). Throughout the following years, the ASI sought to counter efforts to mitigate or undermine austerity, stating that in '2011 and beyond, the Adam Smith Institute will be working to ensure that there is no turning back' (ASI, 2011, p. 22). However, other think tanks such as Policy Exchange and the Centre for Social Justice enjoyed tighter links with the Conservative Party (Pautz, 2012b). According to one interviewee, the ASI enjoyed 'a good relationship but not a close relationship' (ASI interview) with Cameron's leadership.

'Strong' intellectual changes within NEF and ASI

Between 2007 and 2013, there were noteworthy 'strong' intellectual changes within ASI and NEF, which were often catalysed by the arrival of new staff, and were arguably a response to the limits of the perceived appeal of their ideas. In NEF's case, a particularly troubling aspect of the austerity narrative was the widespread impression that public deficits were behind the 2008 crisis. This contradicted what they had been campaigning for, and they were unconvinced of the expert-economic case for fiscal consolidation. Yet, that discourse was pervasive across politics and the media (Berry, 2016), which undermined the case for any 'green new deal'. Thus, a central task for NEF was to understand and overcome the austerity narrative.

A first tactic took the form of *Mythbusters*, a series of reports and blog posts aimed at debunking common justifications for austerity (Reid, 2013). These were presented in a technical fashion and used statistics to substantiate their claims, enjoying some coverage from centre-left outlets such as *The Guardian*. *Mythbusters* was soon followed by another publication pursuing the same objective, if through a different approach: *Framing the Economy*

(Afoko & Vockins, 2013), authored by two new NEF employees with an interest in narrative analysis. It examined the reasons behind the resilience of the 'austerity story' and provided an argumentative 'toolbox' against the 'debt and deficit' discourse. Based on the 'framing' literature (Lakoff, 2004), Afoko and Vockins claimed that simply counter-arguing austerity could sometimes reinforce its discursive frame. For instance, when politicians argue for milder deficit reductions – as Labour did in the run-up to the 2010 election – that presupposes public spending cuts are inevitable. Further, *Framing the Economy* maintains that some of the arguments made earlier by NEF were not only ineffective but sometimes counterproductive. NEF researchers had previously claimed that spending cuts cause societal damage, which could be framed as a necessary 'belt-tightening'.

After years of advocating ideas with little societal effect, and following a serious crisis that was interpreted in the opposite way they intended, a new strategy had to be taken. But to subvert the Coalition's austerity frame, NEF not only needed a rival story but messengers to carry it forward. Since then, Daniel Vockins, one of the authors of *Framing the Economy*, has helped organise the 'New Economics Organisers Network', a networking platform to put in contact people from academia, business and the charitable sector interested in campaigning for a new economy. Yet, organisational change often spreads slowly. As late as 2013, then NEF director Stephen Wallis (2013) gave a lecture evoking tropes more common to the era of the green new deal, while a year later he stressed the centrality of framing (Wallis, in *The Guardian*, 2014).

Meanwhile, ASI, thanks to more professionalised fundraising efforts which started around 2009, managed to expand its pool of permanent employees from around 5–10. Most of the new arrivals were under 30 and brought a new set of preoccupations and skills, reinvigorating the institute's output by covering issues such as Bitcoin, civil liberties, the sharing economy and drug policy. Amongst these new arrivals we find Sam Bowman, whose case is instructive.

Bowman is ASI's current Deputy Director and the most probable successor to Pirie and Butler. He is a libertarian of a persuasion, 'Bleeding-heart', hitherto not common at ASI, which posits that the case for free markets should be consequentialist: markets should be defended because they provide greater welfare to all, especially the poor, rather than for their own sake (Bowman, 2011). This has been complemented with a preoccupation with the appeal of free-market ideas amongst larger publics, some of which are distrustful of libertarians' disregard for poverty and social justice. In Bowman's words, '[i]f people in the backs of their minds are thinking [a libertarian] is basically Sarah Palin, or Glenn Beck, then we're in big trouble' (Bowman, in IBT, 2014).

Particularly after 2012, some 'strong' intellectual changes became noticeable within ASI. One example concerns the desirability of quantitative easing, which ASI members condemned in earlier publications but have gradually come to support (cf. Clougherty, 2010; Southwood, 2013). Furthermore, Bowman has collaborated with Bright Blue, a conservative think tank pushing for a more youthful political right that could appeal beyond its traditional niches (Brenton, Maltby, & Shorthouse, 2014). Instances like this are evidence of a push within the ASI to abandon an often pugnacious approach to the public debate. Even so, not unlike NEF, organisational change tends to happen in a layered and uneven fashion and is often marred by internal tensions. In 2012, the ASI hosted its first Annual Ayn Rand lecture, partly to strengthen its links with the financial sector. The namesake of the lecture, a controversial libertarian opposed to consequentialism, was due partly, in the words of an

interviewee, to make the case for free-markets ‘not only an economic argument but also a principled one’ (ASI interview).

Conclusion: changes in think tanks, changes in their environment

This conclusion reflects on the effects of the crisis upon these two organisations and proposes exploratory statements over how the fiscal and financial crises may have also affected other British think tanks. The first reflection concerns how much the concept of ‘think tank’ can encompass. Merely by selecting two organisations self-defined by that label in one given period, a vast range of intellectual and institutional tools and arrangements is already conspicuous. This certainly justifies Medvetz’s (2012) refusal to consider think tanks a circumscribed ‘thing’. Furthermore, not only are think tanks dissimilar when studied when viewed in a ‘snapshot’, but also in the pressures they face and how their transformations take shape. Differences in ASI’s and NEF’s intellectual inspirations, their positions on concrete policy, their funding sources and their organisational structures were shown to have had a profound effect on how they experienced the crisis and how they intervened in its wake. A conspicuous case of this concerns their finances: the fact that ASI enjoys core funding to a greater degree allows it to be more responsive to a changing public debate, even with a smaller size. Meanwhile, NEF, while larger, by their own account often struggled to find space for its researchers to set their own agenda and intervene in the daily political fray. This chimes with some of Frausen and Halpin (2017) the points: while NEF had a strong research capacity and an orientation towards the long term, it depended on contingent sources of funding; meanwhile the ASI enjoyed greater funding security, if lacking in-house research capacity.

The second reflection is that, in periods of crisis, pre-existing tensions within a think tank’s position become especially manifest, which make ‘strong’ forms of intellectual change more likely. As the crisis creates opportunities for policy experts to become central, at least three types of such tensions are prone to arise, in terms of (a) the substantive content of policy proposals; (b) the type of public engagement propitious to pushing their ideas; (c) the possibilities warranted by the political context.

In NEF’s case, these tensions are noticeable in (a) the strains between Keynesian-based responses to the crisis and arguments against infinite economic growth; (b) between taking an active role in the policy debate or becoming aloof experts in the style of ‘a green version of the IFS [Institute for Fiscal Studies]’ (NEF Interview); (c) between a policy debate that was shifting in a direction they opposed and a funding regime geared towards short-term narrow research. For ASI, these tensions are visible in (a) the discrepancy between mainstream free-market and radical Austrian explanations of the banking collapse; (b) between new generation of consequentialist and ‘principle-based’ arguments for free markets; and (c) between offering ideas outside the mainstream or finding a new role as ‘policy engineers’ among an ever larger number of experts around the Conservative Party.

The third reflection is that their efforts to reposition themselves are perhaps indications of greater cognisance of their place among amongst their publics following the crisis – which might explain the more probable unearthing of the tensions mentioned above. Both NEF and the ASI showcased remarkable transformations that signal a growing preoccupation with how their publics perceive their message. However, this does not necessarily imply that think tanks’ ideas are determined by what is thought to have the greatest public appeal;

innovation within these organisations is bound by earlier decisions and traditions (Weir, 1992). Nevertheless, possibilities for ‘strong’ intellectual change should not be underestimated. For instance, as NEF found itself outside of the tide of change, it sought to reform and develop a network of collaborators to push a different framing of the crisis. The ASI also had to confront its own challenges. In the absence of the resources of organisations closer to the Conservative leadership, and playing to their competitive advantage as a think tank aimed at the young, ASI sought to disseminate their ideas beyond those already convinced of the case for free markets.

These tendencies, this paper argues, are linked to the epistemic character of the crisis itself. The events of 2008 provoked a growing recognition of the contested character of who should be considered a policy expert, which are noticeable to this day. Thus, not only did the crisis become an incentive to produce further policy knowledge, but also to reflect on the role of such knowledge in the public debate, particularly in moments where appeals to expert authority are unlikely on their own to command credibility (Boswell, 2009).

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Notes on contributor

Marcos Gonzalez Hernando, PhD, is an affiliated researcher at the University of Cambridge and principal researcher at Think Tank for Action on Social Change (TASC). He has experience teaching research methods and social theory at the University of Cambridge, City, University of London, and Universidad de Chile, and his research interests lie in the sociology of knowledge, particularly in what concerns experts, political elites, and intellectual and policy change. His doctoral dissertation focused on the effects of the 2008 global financial crisis on British think tanks and his current research is on the composition, social attitudes, and conduits for political participation of the richest 10% across a sample of European countries.

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