

# Think Tanks in the UK 2017:

## Transparency, Lobbying and Fake News in Brexit Britain



Bristol, UK and Tbilisi, Georgia  
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# Transparency, Lobbying and Fake News in Brexit Britain

“Only weeks from now, Britain is expected to trigger Article 50 and begin the process of leaving the European Union. Over the next two years, British politicians and civil servants will need to take thousands of policy decisions large and small that collectively will shape the future of the country for decades to come.

While many of the questions raised by Brexit are highly technical in nature, complex and seemingly arcane, they will nevertheless impact the lives of millions of citizens. For example, the details of how clinical trials are regulated will directly affect the safety of medicines and the amount the NHS spends on them, and the ins and outs of farm support policies will influence what we eat and what landscapes our grandchildren will walk through. These issues may not capture the headlines in the same way that migration or the common market do, but they are of vital importance nonetheless.

Some observers have already warned that Brexit is likely to become a bonanza for lobbyists. With politicians and civil servants under so much strain, and public bandwidth limited, Brexit presents vested interests of all stripes with a golden opportunity to write new laws, rules and regulations and get them passed with little or no public debate.

In this context, Brexit could and should usher in a golden age for independent British think tanks. At the grassroots level, think tanks can help the public to identify the most important issues, learn about the pros and cons of possible courses of action, and ensure that a multitude of voices are heard in the corridors of power. In Westminster, think tanks can help ministers, MPs and civil servants to analyse thousands of intricate policy options and make wise choices that serve the best interests of the country.

However, think tanks' value depends on audiences being able to distinguish between genuine think tanks committed to rigorous research and intellectual independence on the one hand, and undercover lobbyists masquerading as think tanks on the other. On at least one occasion, “fabricated evidence” presented by an opaque organization in London has already caused British media into reporting fake news (see further below), and only recently [British media](#) (together with news outlets as far away as [India](#) and [Japan](#)) have regurgitated fake news generated by a [financially opaque French 'fake tank'](#) that [appears to](#) receive [funding from Russian sources](#).

In this context, Transparify's report seeks to bolster the credibility of serious think tanks while flagging a minority of players whose behaviour indicates that they may have something to hide.

During the Brexit year 2017, there are so many issues on the policy agenda and so much at stake that we need to be very careful whose advice to heed. Do we want to listen to opaque outfits that refuse to come clean about who their paymasters are, or do we prefer to place our trust in transparent think tanks that adhere to democratic norms?

The choice is ours to make. //



Till Bruckner  
Advocacy Manager  
Transparify

# What We Measure

**T**ransparify rates the extent to which think tanks publicly disclose through their websites where their funding comes from. We visited think tanks' websites and looked at the funding and donor information disclosed online, including in online annual reports.

**Institutions rated with the maximum of five stars are highly transparent about who funds them.** Think tanks with four stars are broadly transparent; typically, they do not disclose the precise amounts given, but instead group their donors into several funding brackets. On the opposite end of the spectrum, the funding of think tanks with zero stars or one star is highly opaque as they fail to disclose even the names of some or all of their donors.

Transparify used the same rating criteria as in previous years' assessments. This year, we added an additional category, "deceptive", which is applied to think tanks whose disclosure of funding sources appears to be transparent but conceals one or more key donors. Please see Annex I for more details.

Multiple steps reinforce the reliability of Transparify's rating results:

- Ratings by two separate raters
- Adjudication process
- Respondent validation
- Full replicability of results by third parties

The ratings for the think tanks in this report capture the status quo as of November 30, 2016.

	<b>Five Stars</b>	<b>Highly transparent:</b> all donors listed, clearly identifying funding amounts for, and sources of, particular projects
	<b>Four Stars</b>	<b>Broadly transparent:</b> all donors above USD 5,000 listed in 4+ precise funding brackets, with anonymous donors no more than 15%
	<b>Three Stars</b>	all or most donors listed in 2 or 3 broad contribution brackets, [e.g. "USD 5,000 to 15,000, the following donors"] *
	<b>Two Stars</b>	all or many donors listed, but little or no financial information
	<b>One Star</b>	<b>Highly opaque:</b> some donors listed, but not exhaustive or systematic
	<b>Zero Stars</b>	<b>Highly opaque:</b> no relevant or up-to-date information**
	<b>Deceptive</b>	disclosure appears comprehensive but conceals key donor information

\* Transparify also awarded three stars to institutions that were fairly transparent yet did not fully meet four star criteria.

\*\* Out-of-date information (from 2013 or older) was rated with 0 stars. Information from 2014 resulted in a one-star deduction from an institution's overall score.

**Note:** Organizations may exceptionally list privacy-minded donors as "anonymous" but in order to qualify as transparent (4-5 stars), an organization needs to disclose the sources of over 85% of its funding volume.

# Transparency Trends 2016-2017

The number of transparent think tanks in the UK remained unchanged during the past year. The field seems to be becoming increasingly polarized between those who disclose a substantial amount of funding information, and those who choose to conceal their financial backers.

Only three of the think tanks we assessed - Centre for Economic Policy Research, Centre for European Reform, and LSE IDEAS – still occupy the middle ground characterized by partial disclosure.

The following think tanks embarked on a journey towards greater transparency during the past year:

- The **Royal United Services Institute (RUSI)** was the only British think tank we assessed that improved its disclosure during the past year. It now [groups all of its donors into funding brackets](#), allowing outsiders to gain a clear picture of who supports its work. RUSI is now a broadly transparent 4-star institution.
- **LSE IDEAS** has put plans into place to disclose additional funding information in the near future.

The number of think tanks at the bottom end of the scale has increased. We found seven highly opaque and deceptive think tanks in our assessment, up from just four such institutions last year. The following think tanks became less transparent during the past year:

- The **Fabian Society** continued to disclose its funding sources in great detail on its website. However, it stated an income of £431,528 for specific projects in 2015/2016, while the items on the corresponding funding list added up to just £346,487, leaving unclear where some of that funding came from. Following adjudication, we decided to subtract one point from the Fabian Society's rating, downgrading them from "highly transparent" to "broadly transparent".
- The **New Economics Foundation** and **Policy Network** did not update their funding information. When we assessed them, the most recent data available was from 2014 and hence somewhat out of date. In line with our rating criteria, we deducted one star from their scores.
- **Civitas** also did not update its funding data. When we visited their website, the most recent data available was from 2013 and hence completely outdated. In line with our rating criteria, we gave them a 0-star rating.
- Last year, **Adam Smith Institute** did not list any of its main donors, but it did list the donors to a scholarship fund it managed, so we rated it 1-star. This year, Adam Smith Institute did not disclose any donors whatsoever, so we rated it 0-star.
- In December 2016, leaked documents revealed that the **International Institute for Strategic Studies** had secretly taken at least £25 million from Bahrain over the course of several years (please see below for more details). We saw ourselves compelled to create a new rating category – "deceptive" – for think tanks whose disclosure appears comprehensive but conceals key donor information, as this undermines the public's and policy makers' trust in policy research institutions' intellectual independence and integrity even more than blanket non-disclosure does.

Looking forward, Transparify strongly encourages all think tanks to put processes in place that ensure that their funding information is updated at least once a year. In the future, we plan to include additional UK institutions in our rating sample. We may not notify think tanks of forthcoming ratings in advance.

# Transparency Ratings 2017

Out of the 27 British think tanks we assessed, the majority are transparent, indicating that most major policy research institutions in the UK have confidence in their intellectual independence and research integrity.

Ten think tanks are highly transparent, typically disclosing the precise amount given by each donor and the purpose of each donation. These transparency leaders received the maximum 5-star rating for modeling the gold standard for the sector. A further seven think tanks are broadly transparent. They received a 4-star rating for disclosing their donors and grouping them into broad funding brackets so that external stakeholders can identify their main sources of financial support.

At the bottom of the table are six highly opaque think tanks that fail to disclose the identities of their donors, and one deceptive think tank whose disclosure of funding sources appears to be transparent but conceals at least one key donor.

THINK TANK	SCORE	CHANGE	COMMENT
Transparency International UK	★★★★★		<b>HIGHLY TRANSPARENT</b>
Tax Justice Network	★★★★★		
Overseas Development Institute	★★★★★		
Institute of Development Studies	★★★★★		
Institute for Government	★★★★★		
Institute for Fiscal Studies	★★★★★		
GODAN	★★★★★		
European Council on Foreign Relations	★★★★★		
Development Initiatives	★★★★★		
Amnesty International	★★★★★		
Royal United Services Institute	★★★★	+1	<b>BROADLY TRANSPARENT</b>
ResPublica	★★★★		
New Economics Foundation	★★★★	-1	
Institute for Public Policy Research	★★★★		
Fabian Society	★★★★	-1	
Demos	★★★★		
Chatham House	★★★★		
LSE IDEAS*	★★★		
Centre for European Reform	★★★		
Centre for Economic Policy Research	★★		
Policy Network	★	-1	<b>HIGHLY OPAQUE</b>
Policy Exchange	0		
Institute of Economic Affairs	0		
Civitas	0	-2	
Centre for Policy Studies	0		
Adam Smith Institute	0	-1	
International Institute for Strategic Studies	X	-4	

Note: Within rating levels, organizations are listed in reverse alphabetical order.

\* LSE IDEAS plans to disclose additional funding information in the near future.



# Highly Opaque and Deceptive Players

## Seven dark money groups spend £22 million to influence UK politics

**W**e identified seven highly opaque and deceptive ‘think tanks’ in Britain that take money from hidden hands behind closed doors. Fuelled by over £22 million of dark money, these organisations collectively employ over 200 people in their quest to shape public debates and influence politics and policies in the country.

Four of them are registered charities, and one (the Adam Smith Institute) solicits funds via a registered charity. In contrast to private sector lobbyists, they enjoy tax breaks and thereby are effectively subsidized with public money.

THINK TANK	SCORE	STATUS	EXPENDITURE	STAFF
Policy Network	★	Company	Unknown	9
Policy Exchange	0	Charity	2,633,000	31
Institute of Economic Affairs	0	Charity	2,132,000	19
Civitas	0	Charity	1,117,000	29
Centre for Policy Studies	0	Company	Unknown	6
Adam Smith Institute	0	Opaque	Unknown	8
International Institute for Strategic Studies	X	Charity	16,806,000	110
<b>TOTAL</b>			<b>&gt;22,688,000</b>	<b>212</b>

Below is some background on the highly opaque and deceptive organisations in our cohort.

In this context, Transparify would like to emphasize that we take no position regarding the appropriateness of taking money from any given funding source. Every funder – whether public, corporate, private or from the third sector, whether domestic or foreign – has interests, and maintaining intellectual independence in the face of these funder interests is a challenge that every grantee and subcontractor has to navigate.

Also, Transparify has no objections to think tanks registering as charities, companies, or both. Equally, Transparify has no objections to think tanks setting up entities abroad for fundraising or other purposes. As long as external stakeholders can easily trace the flow of resources from funders to think tanks, organisational complexity poses no barrier to transparency.

Most think tanks disclose who funds them because they have confidence in their ability to maintain intellectual independence and research integrity despite possible countervailing pressures, and are committed to playing by democratic rules – no matter who funds them in any given year. In contrast, the organisations discussed below seem to lack such confidence, in many cases apparently for good reason.

## Adam Smith Institute: Transnational dark money trail

### Secret donors, secret recipients, and hidden foreign influence

The organisational structure of the Adam Smith Institute is opaque. The Charity Commission website does not list any “Adam Smith Institute” among UK charities. We emailed the current Executive Director of the Adam Smith Institute to enquire whether the think tank is currently registered as a charity, a company, or something else, but did not receive a reply.

According to the 2012 book *Think Tank: A History of the Adam Smith Institute*, authored by a co-founder of the ASI, its organisational structure is “a very messy patchwork” comprised of a company and a charity registered in the UK, and a non-profit registered in the US. “We used the term ‘Adam Smith Institute’ loosely to cover all our activities, no matter which heading they occurred under,” he wrote.

As the Adam Smith Institute appears not to be formally registered as a charity or as a company under its own name, its organisational structure is opaque, and it has a tradition of publishing material by other parties under its own name (described in the book cited above), it is not only unclear who gives the money that funds its lobbying efforts, but also who takes it. Our research suggests that most Adam Smith Institute outputs and activities may be financed from abroad, raising concerns that foreign interests may be using opaque think tanks to secretly influence British voters and politicians.

### Charity, cash conduit, consulting company

Researching the ASI’s structure ourselves, we found three related entities: the UK-registered Adam Smith Research Trust, a private foundation called the Adam Smith Institute registered in the US, and Adam Smith International LTD, a commercial consulting company.

**Adam Smith Research Trust (UK).** The Charity Commission website does not list the Adam Smith Institute as a charity. However, it does list the Adam Smith Research Trust, a charity ([number 802750](#)) founded in 1989 whose trustees are also the co-founders of the Adam Smith Institute. On an [ASI donations page](#), the Adam Smith Research Trust is named as the recipient for donor funds. The Trust’s 2015 expenditures were £224,176. [Nearly all of that money](#) was spent on research grants and “researcher payments”. ASI disclosed neither the sources nor the destinations of these funds. The available data on foreign contributions to ASI’s American offshoot (see below) suggests that the money actually being spent to produce ASI-branded outputs and activities banner may by far exceed the sums reported to the Charity Commission by the Adam Smith Research Trust.

**Adam Smith Institute (US).** In the United States, there is a private foundation called the Adam Smith Institute which lists the London ASI’s co-founders among its trustees. It is registered as a tax-exempt 501(c)(3) non-profit. The foundation’s [most recent available tax filing](#) shows that it received over \$1.2 million in funds over the course of 2015 alone. Its donors included the JP Humphreys Foundation, [which has reportedly also bankrolled the US-based Heartland Institute](#), notorious for [launching a campaign](#) that claimed that “the most prominent advocates of global warming aren’t scientists. They are murderers, tyrants, and madmen.”

The tax filing also reports that against an income of \$1.2 million, the American offshoot of ASI only spent \$5,118 inside the US during the whole year. It lists nothing under the heading “charitable activities”:

#### Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1		
2		
3		
4		

Source: Screenshot of 990 form filed with the US Internal Revenue Service, acc. via Foundation Center



Thus, the main purpose of the US entity seems to be to collect tax-deductible contributions from American donors and then use that money to finance policy advocacy in the UK. Details on who donated how much to the US foundation in 2016 are not yet publicly available.

Just as Brexit Britain is getting ready to negotiate the terms of its EU exit and multiple international trade deals, organisations in London may be spending around one million pounds received from foreign donors to influence policy and politics in the UK under the Adam Smith Institute brand name.

**Adam Smith International LTD (UK).** Finally, there is Adam Smith International LTD, a private limited company incorporated in 1992 ([company number 02732176](#)) that again features the co-founders of the Adam Smith Institute among its past directors; former cabinet minister Malcolm Rifkind [is listed as a current director](#). The company's [most recent accounts](#), filed in December 2016, note that “the principal activity of the company is the provision of advisory services to governments and international organisations”. The report lists subsidiaries in India, Kenya, Australia, Mongolia, Nigeria, Uganda, and Turkey. In 2015, the group's ownership was transferred to its employees. Also in 2015, Adam Smith International reported a turnover of over £130 million, with an operating profit of nearly £17 million. Over the years, Adam Smith International LTD has received [millions of pounds in UK government funding](#). According to Powerbase, the consulting company and the Adam Smith Institute remain [“affiliated”](#). Such close relationships between “think tanks” and commercial consulting companies can give rise to conflicts of interest if not properly managed.

### History of stealth lobbying

According to TobaccoTactics, ASI has [repeatedly lobbied](#) against anti-smoking policies while receiving funding from the tobacco industry. In one case, the employee of a tobacco industry front group [reportedly ghostwrote the smoking-related section](#) of an ASI report. (Note that any media coverage citing such fake “research” outputs falls into the category of fake news.) In another instance, ASI [reportedly entered discussions with Philip Morris](#) about setting up a journalism centre to “conduct training for print and electronic journalists on free market principles that would be ideologically consistent with PM's [Philip Morris'] issues and interests.”

In 2016, [ASI published a study](#) arguing that “To protect their influence on health policy, boosters of more government control need to advance the fiction that industry, driven only by the profit motive, must always be reined in by government regulations. Yet the private sector, rightfully driven by the profit motive, tempered by tolerance for risk, rewards innovation.” The report calls Phillip Morris International, British American Tobacco, and Japan Tobacco International “true public health heroes” for investing in the development of e-cigarettes and similar products.

### Free BBC airtime

While it is unclear who pays for the Adam Smith Institute's activities, and despite ASI's chequered track record to date, journalists keep providing it with free advertising space. For example, the ASI earlier this year went on a media offensive “debunking” an Oxfam report according to which the world's eight richest people have the same wealth as the poorer half of the globe's population. On one single day in January 2017, according to the [organisation's website](#), a spokesperson for the Adam Smith Institute got airtime on BBC World News, BBC Radio 4, BBC Radio 2, BBC Radio Scotland, BBC Wales, BBC World Service Radio, “appearing in the hourly news bulletins across every BBC regional station”.

## Centre for Policy Studies: Transparency begins elsewhere

According to TobaccoTactics, the Centre for Policy Studies (CPS) has in the past [repeatedly received money from tobacco companies](#), and may continue to do so. In 2011, it co-signed a [public letter](#) calling on the government to “call a halt to the relentless campaign to ‘denormalise’ smoking through an endless barrage of new controls, directives and diktats”.

In 2006, [the Royal Society’s president accused](#) then CPS director Ruth Lea of a “combination of denial and complacency” in her writings on climate change. In 2013, the CPS published a report on fracking whose authors [appeared to have substantial conflicts of interest](#). A 2015 report by CPS calling renewable energy the “most expensive policy disaster in modern British history” was [dismissed by experts](#) as biased and analytically flawed. The CPS did not disclose who funded these outputs, [or its other work](#).

In 2015, CPS [published a report](#) titled “Transparency Begins at Home: Why Charities Must State Who Funds Them”. The report notes that “Charities are subjects of legitimate public interest. They enjoy privileged exemption from taxes on the grounds that they confer some form of public benefit to the community as a whole.”

## Civitas: Temporary lapse in transparency?

Civitas received a 2-star rating in 2016, but dropped into the “highly opaque” category this year because the (limited) donor information its website contains has by now become completely outdated. Its Director of Communications informed Transparify by email that this was due to oversight rather than design, but declined to specify when the think tank would place more recent funding information online. Future Transparify ratings will track Civitas’ performance on disclosing up-to-date data on who finances its work.

## Institute of Economic Affairs: Experts in distorting public debate

According to TobaccoTactics, the Institute of Economic Affairs (IEA) has in the past [regularly received substantial amounts of money](#) from tobacco companies, and may continue to do so. Over the years, the IEA has [consistently spoken out](#) against tighter tobacco regulations, including in a 2010 publication that [claimed that](#) introducing tobacco display bans could lead to “a deterioration in public health.” In 2014, the IEA [submitted evidence](#) to a UK government policy review that according to TobaccoTactics “re-iterated common tobacco industry arguments”.

In early 2016, [The Independent reported](#) that the IEA had “secured [a] change in government policy” on the back of a £15,000 donation from a “mystery donor” whose identity the IEA refused to reveal. The IEA told the newspaper that it had met with ministers or officials “as often as we were able” to discuss the proposal with them. [A subsequent report](#) claimed that the chairman of the Institute of Economic Affairs had given the responsible minister £22,000 in donations.

Cigarette manufacturer JTI [explained in 2013](#) that “We work with the Institute of Economic Affairs and the Adam Smith Institute as their economic and behavioural expertise help us better understand which tobacco regulation measures will work and which will not. We believe the contributions of organisations like the ASI and the IEA are very valuable in an open and free society.” The IEA has [accused the UK government](#) of “pumping billions of pounds into tens of thousands of putatively ‘voluntary’ organisations thereby distorting public debate”.

## Policy Exchange: Using “fabricated evidence” to generate fake news

Policy Exchange’s website [informs prospective donors](#) that “our ideas have impact and that our research consistently makes headlines, influences the national debate and has its recommendations adopted into policy... We have seen our proposals on education, policing and prisons, the health service and community cohesion adopted by the major political parties and there can be no doubt we are framing the debate of the new politics. We know that the commitment of our supporters stems from the strength of their ideas and we strive to keep all our donors as involved as possible.”

Under the heading “Corporate Engagement”, [the organization’s website](#) informs prospective corporate donors that “Policy Exchange appreciates the intellectual and practical input business can make to the wider policy debate.” Corporate donors can “partner” with Policy Exchange by funding research programmes, events, or its Business Forum which “allows participants to comment on key policy areas, contribute ideas and give advice to Policy Exchange’s research programme.” It then cautions readers that “we always retain full editorial control over all of our research... donors have no say over the outcome of the research.”

Transparify’s 2016 think tank ratings sparked some heated discussions in the [blogosphere](#) and Twittersphere about Policy Exchange’s influence on education policy in the UK, including through a [regular column](#) one of its staff was writing in the [TES](#), a publication widely read within the sector. In a [lively Twitter exchange](#), the Head of Content for TES refused to disclose the financial aspects of this arrangement.

The [Policy Exchange website](#) claims that “the authority and credibility of our research is our greatest asset.” [According to Powerbase](#), Policy Exchange in one instance published a [report](#) that claimed to be “the most comprehensive academic survey of such literature ever produced in this country” and attracted wide media coverage. Later, the report was found to be based in part on “[fabricated evidence](#)”, and Policy Exchange eventually [retracted some of its claims](#) and removed the report from its website. However, by then the damage had been done, as several newspapers had already churned Policy Exchange’s faux evidence into fake news. The Times later acknowledged that its coverage had been inaccurate and publicly [apologised for the “distress”](#) its fake news had caused. It is unclear who funded the original Policy Exchange report.

## International Institute for Strategic Studies: Secret cash from Bahrain

In December 2016, [leaked documents revealed](#) that the International Institute for Strategic Studies (IISS) had secretly taken at least £25 million from the oil-rich Gulf monarchy Bahrain over the course of several years. In response, [the IISS issued a statement](#) affirming “its absolute intellectual and operational independence as an international organisation that does not participate in any manner of advocacy”.

At the time, [the IISS funding disclosure webpage](#) seemed to list all major donors in contribution brackets, making the organisation appear broadly transparent. [Even today](#), the IISS website fails to disclose Bahrain’s central role in its overall funding portfolio:

The IISS receives conference support from host governments in the Middle East, Latin America and Asia for major international inter-governmental Dialogues that we have held in Bahrain, Colombia and Singapore.

Below is a list of other governments, corporations, foundations and individuals from whom the IISS drew its principal income in the last two fiscal years ended on 30 September 2015 & 2016. Income brackets are amounts received per annum.

**Over £500,000**  
EU Non Proliferation Consortium  
Foreign and Commonwealth Office, UK  
Taylor & Francis Group  
Individual Membership Subscriptions (from nearly 1,700 members worldwide as at 30 September 2016)

**£100,000 to £499,999**  
Airbus Group

Source: Screenshot of IISS website taken on 17 January 2017



A 2011 [Memorandum of Understanding](#) outlining the financial arrangement, which was signed by the Chief Executive of IISS and two Bahraini government ministers, explicitly stated that:

*"The Kingdom of Bahrain and the IISS shall not disclose the contents of this MOU or any related information to any third party unless the written consent of the other party has been obtained and both parties shall take all necessary steps to keep confidential all classified information which is disclosed or obtained in relation to this MOU, and neither shall divulge such information to any third party."*

In a [separate 2013 Memorandum of Understanding](#), Bahrain guaranteed to fund a local IISS branch office for the next ten years. Exactly how much money the IISS has received from Bahrain remains unclear. [The Guardian reported](#) a figure of £25 million, noting that this would account for "more than a quarter of IISS's income". Compiling data from multiple sources, pro-democracy group Bahrain Watch [arrived at a figure of £30 million](#), corresponding to just over a third of IISS' overall income. The Middle East Eye published calculations according to which Bahraini funds may add up to [nearly half of total IISS income](#). According to some observers, the IISS Chief Executive's "remarkable remuneration" and commercial activities in the region also raise questions about [possible conflicts of interest](#).

Bahrain Watch [claims that](#) "the Bahraini government is willing to spend so much on the IISS and the Manama Dialogues because they allow the government to portray itself as modern, liberal and business-friendly... Almost 30% of the Bahraini delegates at the 2015 Manama Dialogue were members of the Al Khalifa royal family." Bahrain may also be hoping to influence UK foreign and security policy. In a [document submitted to the Charity Commission in 2015](#), the IISS reported that "the Manama Dialogue is now sufficiently established to serve as an instrument of regional security. There was a powerful demonstration of this when on the sidelines of the Manama Dialogue 2014 the United Kingdom signed a landmark agreement with the Kingdom of Bahrain to expand and reinforce its naval presence in the Gulf. The deal will establish the first permanent British base 'east of Suez' for nearly half a century."

During the 2015 Manama Dialogue, the Chief Executive of IISS [told the assembled dignitaries](#) that "we thank him [the Crown Prince of the Kingdom of Bahrain] and His Majesty King Hamad bin Isa al Khalifa for the splendid partnership between the IISS and the Kingdom of Bahrain that has allowed the IISS to grow in this region and for the region to become a more important part of IISS work." One year later, during the 2016 event, [he announced](#) that "when we conclude this summit, we intend, within the week, to sign an agreement to continue the Manama Dialogue for a new five-year term."

## **Policy Network: Countering declining public trust with opacity**

According to the Sunday Times, Policy Network was [initially bankrolled by Sir Evelyn de Rothschild](#), a banker who by 2002 had reportedly donated £250,000 to the organisation. At the time, de Rothschild was estimated to be worth around £500 million. The newspaper reported that "The name of the donor is missing from the think tank's accounts, but its directors have been privately concerned that they will look secretive if they continue to hide his identity. One tipped off The Sunday Times last week."

[Policy Network's website currently lists its 2014 donors](#), but provides no information on who has bankrolled the organisation over the past two years. The website explains that Policy Network also offers consultancy services.

Meanwhile, the highly opaque organisation notes with alarm that "politics is no longer seen as a force for good, particularly among younger generations." In response, [its website explains](#), Policy Network "seeks to promote solutions to declining political trust. We research how technology, individual empowerment and new forms of political organisation can help counter populism and ease democratic fatigue," including through "new forms of representative democracy".

# UK Think Tanks by the Numbers

**B**ritish think tanks collectively have over 1,200 employees and spend over £123 million per year. Excluding three large players that focus predominantly on international development, UK think tanks have 789 employees and annually spend over £75 million.

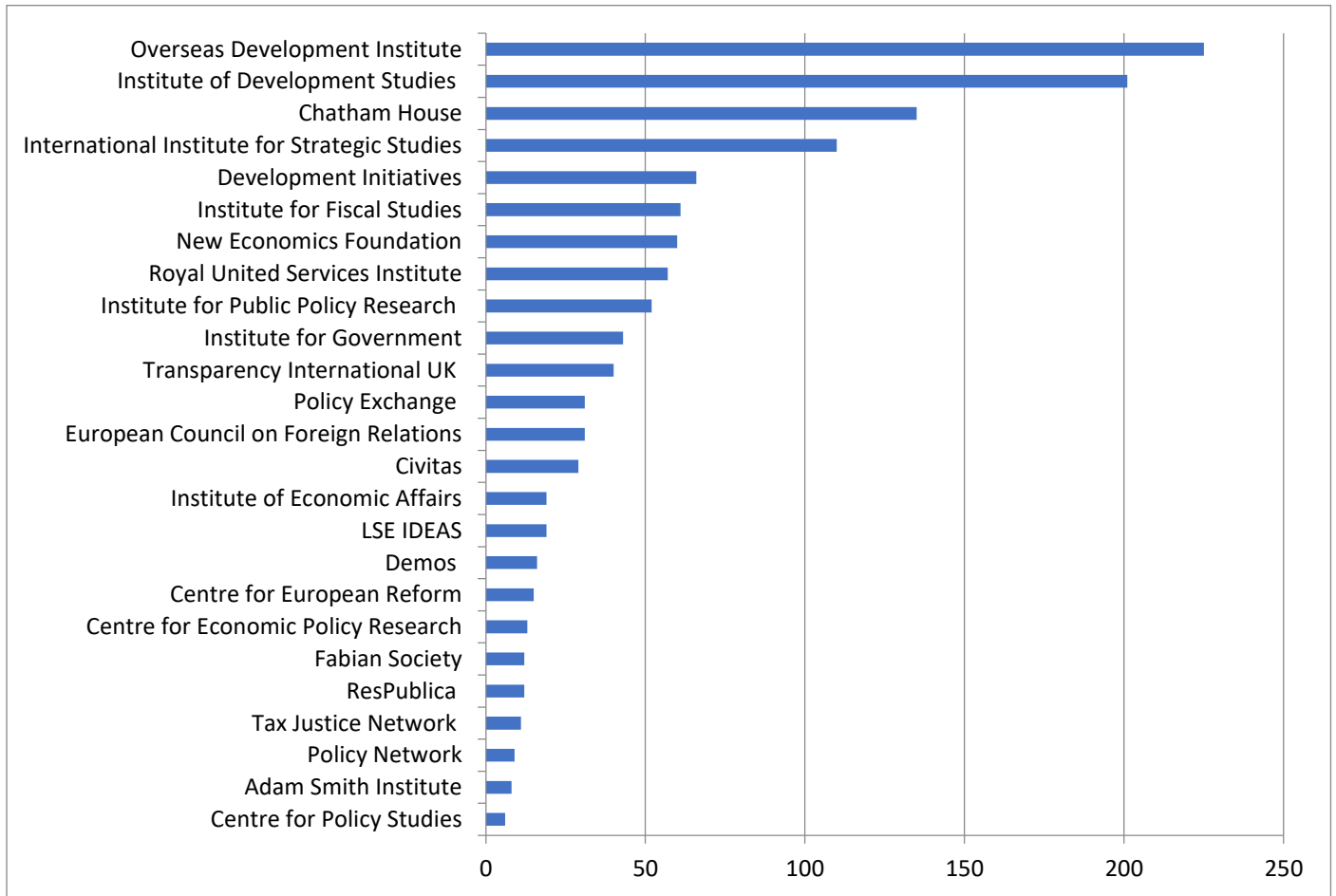
ORGANIZATION	SCORE	STATUS	EXPENDITURE	STAFF
Transparency International UK	★★★★★	Charity	2,387,000	40
Tax Justice Network	★★★★★	Company	Unknown	11
Overseas Development Institute	★★★★★	Charity	28,922,000	225
Institute of Development Studies	★★★★★	Charity	19,687,000	201
Institute for Government	★★★★★	Charity	4,369,000	43
Institute for Fiscal Studies	★★★★★	Charity	7,518,000	61
European Council on Foreign Relations	★★★★★	Charity	5,066,000	31
Development Initiatives	★★★★★	Company	Unknown	66
Royal United Services Institute	★★★★	Charity	5,711,000	57
ResPublica	★★★★	Company	Unknown	12
New Economics Foundation	★★★★	Charity	4,040,000	60
Institute for Public Policy Research	★★★★	Charity	4,049,000	52
Fabian Society	★★★★	Other	Unknown	12
Demos	★★★★	Charity	1,065,000	16
Chatham House	★★★★	Charity	13,682,000	135
LSE IDEAS	★★★	Other	Unknown	19
Centre for European Reform	★★★	Company	Unknown	15
Centre for Economic Policy Research	★★	Charity	4,447,000	13
Policy Network	★	Company	Unknown	9
Policy Exchange	0	Charity	2,633,000	31
Institute of Economic Affairs	0	Charity	2,132,000	19
Civitas	0	Charity	1,117,000	29
Centre for Policy Studies	0	Company	Unknown	6
Adam Smith Institute	0	Opaque*	Unknown	8
International Institute for Strategic Studies	X	Charity	16,806,000	110
<b>TOTAL</b>			<b>&gt;123,631,000</b>	<b>1,281</b>

*Note: All figures in this table and related charts should be treated as approximate. For example, charities file data at different points in time, and tallying up employee numbers from websites can involve making judgement calls. The data set excludes Amnesty International and GODAN, neither of which is a conventional think tank. Annex II explains how the data was collected.*

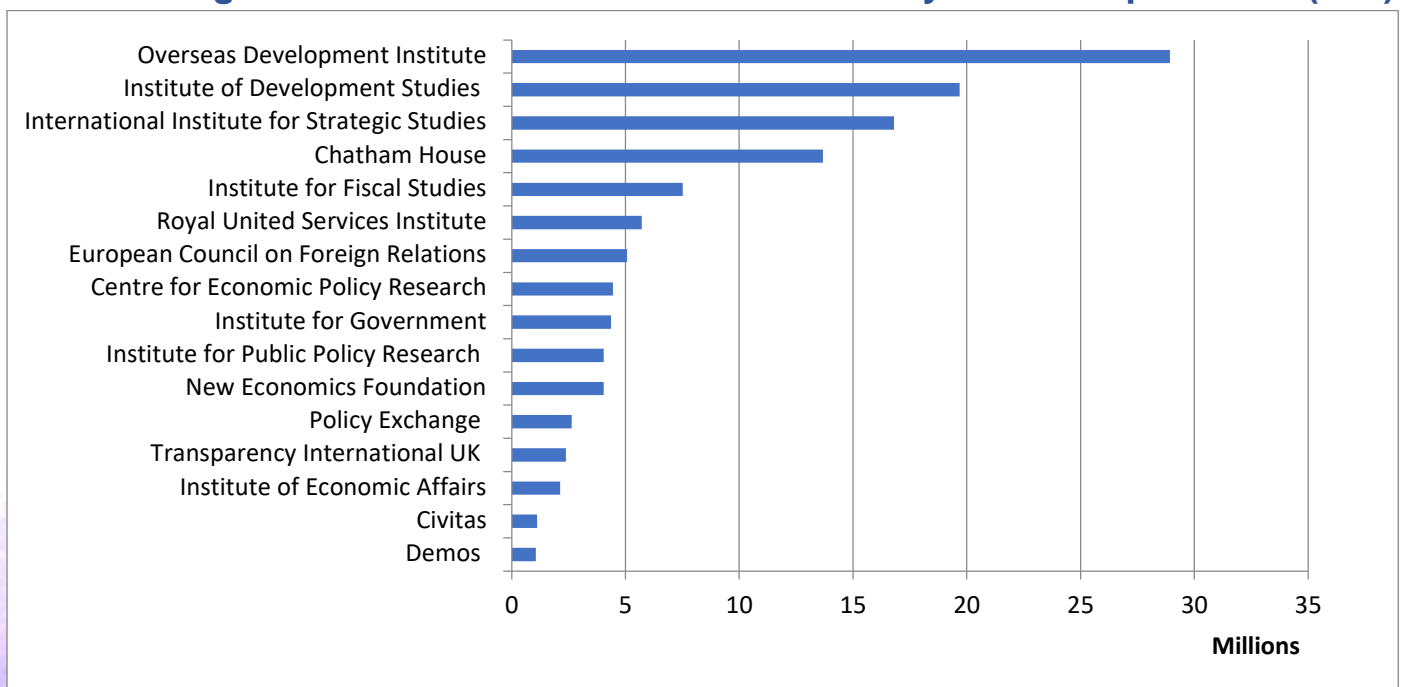


# Largest UK Think Tanks 2017

## Britain's largest think tanks by number of employees



## Britain's largest think tanks with charitable status by annual expenditure (in £)



# Annex 1: Ratings Methodology

## What we measure

Transparify rates the extent to which think tanks publicly disclose through their websites where their funding comes from.

We visited think tanks' websites and looked at the funding and donor information disclosed online, including in online annual reports. Institutions rated with the maximum of five stars are highly transparent about who funds them. Think tanks with four stars are broadly transparent; typically, they do not disclose the precise amounts given, but instead group their donors into several funding brackets. On the opposite end of the spectrum, the funding of think tanks with zero stars or one star is highly opaque as they fail to disclose even the names of some or all of their donors.

## Rating criteria

Transparify used the same rating criteria as in previous years' assessments. This year, we added an additional category, "deceptive", which is applied to think tanks whose disclosure of funding sources appears to be transparent but conceals one or more key donors.

The rating criteria for the number of stars to award are defined as follows:

	<b>Five Stars</b>	<b>Highly transparent:</b> all donors listed, clearly identifying funding amounts for, and sources of, particular projects
	<b>Four Stars</b>	<b>Broadly transparent:</b> all donors above USD 5,000 listed in 4+ precise funding brackets, with anonymous donors no more than 15%
	<b>Three Stars</b>	all or most donors listed in 2 or 3 broad contribution brackets, [e.g. "USD 5,000 to 15,000, the following donors"] *
	<b>Two Stars</b>	all or many donors listed, but little or no financial information
	<b>One Star</b>	<b>Highly opaque:</b> some donors listed, but not exhaustive or systematic
	<b>Zero Stars</b>	<b>Highly opaque:</b> no relevant or up-to-date information**
	<b>Deceptive</b>	disclosure appears comprehensive but conceals key donor information

\* Transparify also awarded three stars to institutions that were fairly transparent yet did not fully meet four star criteria.

\*\* Out-of-date information (from 2013 or older) was rated with 0 stars. Information from 2014 resulted in a one-star deduction from an institution's overall score.

**Note:** Organizations may exceptionally list privacy-minded donors as "anonymous" but in order to qualify as transparent (4-5 stars), an organization needs to disclose the sources of over 85% of its funding volume.

## Data quality

Multiple steps reinforce the reliability of Transparify's rating results:

- Systematic and transparent approach with clear categories
- Ratings by two separate raters
- Adjudication process
- Respondent validation
- Full replicability of results by third parties

To date, more than 400 data points across four reports stand unchallenged, highlighting the strength of the methodology and the quality control process.

## Cohort selection

Transparify re-rated the same cohort of think tanks it had already rated one year earlier. The cohort includes all UK institutions that had been ranked among the top twenty in the "Global Go To Think Tank Index" for Western Europe. For more details on cohort selection, please see our [2016 report](#).

## Timeline

We visited all think tanks' websites and rated them in early November 2016. We sent out respondent validation emails in early December 2016 to inform think tanks of their rating result and inviting them to contact us in case we had rated them incorrectly.

## Rating think tanks

Transparify's rating team consisted of two core members of the Transparify team, Till Bruckner and Dustin Gilbreath. Both had already assessed numerous think tanks in the UK and worldwide during previous Transparify rating rounds, and were thus familiar with the rating criteria and methodology. Tinatin Ambroladze, who has overseen hundreds of ratings as Transparify's Ratings Manager in the past, acted as the adjudicator.

In total, we assessed 27 think tanks. The two raters assessed each institution independently from each other. They visited think tank websites and searched for financial data following a standard protocol, and then awarded between zero and five stars according to the type and extent of information available on how the think tank was funded. The criteria for the number of stars to award were clearly defined (see above). Each rater separately entered a rating score of 0-5 stars, links to the webpages assessed, and comments into a Google spreadsheet.

The adjudicator then reviewed the two rating results for each institutions. In cases where the raters returned different results, or where at least one rater flagged a think tank as being difficult to rate in the comments section, the adjudicator revisited the think tank's website and determined the final score, using Transparify's rating methodology. In total, ratings for seven out of the total of 27 think tanks were adjudicated. Adjudication of results was completed by the end of November 2016.

## Respondent validation

In early December 2016, we sent emails to all institutions. We sent the emails to Transparify's interlocutors from previous years' engagements to ensure that they reached a relevant member of staff.<sup>1</sup> The emails informed think tanks of their rating result and invited them to contact us in case we had rated them incorrectly. No think tank challenged the accuracy of its rating result.

One think tank whose funding information had become out-dated contacted us to explain that this was due to staff changes and announced that it would update the relevant webpage within a few days. The two raters subsequently revisited the website in question and re-rated the institution based on its updated webpage.

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<sup>1</sup> Single exception: We did not have a contact person or email address for one think tank that had declined to engage with us in past years. In that case, we sent a Tweet to the think tank's Executive Director to inform him of the rating result.)

## Opening our findings to public scrutiny

Anyone can visit the website of any think tank rated by Transparify and compare the information provided there against our rating criteria. Thus, the results can be verified and replicated by any interested third parties, keeping in mind that Transparify's ratings period covered web content available during the assessment time periods outlined above.

If Transparify gets notified of a rating result that was incorrect at the time of rating, we will follow up and, if applicable, correct that result and announce the corrected result as quickly as possible on our blog and Twitter account.

# Annex II: Sources of Data

## Scope and limitations

The data provided in the report is limited to UK think tanks previously assessed by Transparify (see Annex I). In addition, the data excludes figures for Amnesty International and GODAN, neither of which are conventional think tanks. All figures on think tanks' expenditures and staff numbers should be treated as approximate. For example, charities file data at different points in time, and tallying up employee numbers from websites can involve making judgement calls.

## Data on annual expenditure and staff numbers

Charities' expenditures and staff numbers are based on information extracted from the UK Charity Commission website on 10 January 2017; expenditures are rounded to the closest '000.

For non-charities, expenditures are marked as "unknown" due to the difficulty of compiling this data. Non-charities' employee numbers are based on visits to think tank websites on 11 January 2017 and counting the staff members (excluding non-executive directors and interns) listed there.

## Details on the legal status of selected think tanks

- Tax Justice Network Limited is a private company limited by guarantee ([company number 05327824](#)).
- GODAN is a network that is not registered as a stand-alone organisation in the UK.
- Development Initiatives is a group of companies led by Development Initiatives Poverty Research (DIPR), a not-for-profit company established in England ([company number 06368740](#)). DIPR has a trading subsidiary called DI International ([company number 05802543](#)).
- The ResPublica Trust is a private limited company ([company number 07081565](#)).
- LSE IDEAS acts as the London School of Economics' foreign policy think tank. It is not registered as an independent charity or company.
- The Fabian Society is a democratically-constituted membership organisation with almost 7,000 members. The Fabian Society explained by email that it is an Unincorporated Association affiliated to the Labour Party; as such, it is not eligible to be a charity under UK law.
- On its website, the Centre for European Reform describes itself as "an independent, private not-for-profit organisation". Companies House lists the Centre for European Reform as a private limited company ([company number 03484649](#)).
- Policy Network and Communications is a private limited company ([company number 03918992](#)).
- Centre for Policy Studies Limited is a private company limited by guarantee ([company number 01174651](#)).



# About Transparify

## Who we are

**Transparify promotes transparency and integrity in policy research and advocacy worldwide.**

Our team members have combined experience in think tanking, grant making, academia, journalism, advocacy and fundraising. Thus, we understand both the constraints that think tanks face and the opportunities for positive change. Transparify is part of the [On Think Tanks Labs](#), a collection of innovative ventures in policy research.

## The Transparify team

Dr Hans Gutbrod	Executive Director
Dr Till Bruckner	Advocacy Manager
Dustin Gilbreath	Communications Manager
Tiko Ambroladze	Ratings Coordinator
Ian Goodrich	Project Developer

Brief bios of our team members can be found [on our website](#).

## Our Funding

This report was compiled by the Transparify team without any external financial support. The contents of this report are the sole responsibility of Transparify. In the past, Transparify's work has received the support of the Think Tank Fund of the Open Society Foundations. We disclosed all details of this funding, including the original project proposal, [on our website](#).

## A big thank you to...

Next to all think tanks who engaged with us in detailed and constructive discussions from which we have learnt much, we want to thank Enrique Mendizabal and his team at [On Think Tanks](#) for their support and providing a forum for think tank debates, Francesc Ponsa and Jaime Gonzalez of the [Spanish Think Tank Observatory](#) for many stimulating debates and for [independently rating dozens of think tanks in Spain](#), and all our colleagues at the [Caucasus Research Resource Centers \(CRRC\) Georgia](#) who have been a huge help in the logistics and the operations for Transparify.

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