

AN EARLY REVIEW OF BRUEGEL'S PROGRESS
Report to BRUEGEL'S General Assembly

31 May 2007

BRUEGEL Review Task Force

Nick Butler

Adriana Cerretelli

Paul Champsaur

Kenneth Rogoff

Paweł Samecki (Chairman)

Norbert Walter

TABLE OF CONTENTS

1. INTRODUCTION	3
1.1. MANDATE OF THE REVIEW TASK FORCE	3
1.2. ORGANIZATION AND METHODS SET BY THE REVIEW TASK FORCE.....	4
2. ASSESSMENT.....	6
2.1. SCIENTIFIC QUALITY	6
2.2. SUMMARY OF WRITTEN RESPONSES FROM STATE AND CORPORATE MEMBERS ON BRUEGEL'S EARLY PERFORMANCE	10
2.2.1. <i>Recognition</i>	10
2.2.2. <i>Policy relevance</i>	11
2.2.3. <i>Impact on policy-making</i>	12
2.2.4. <i>Impact on public opinion</i>	13
2.2.5. <i>Quality of recruitment</i>	14
2.2.6. <i>Ability to achieve/maintain private contribution at the level of at least 1/3 of total commitments</i> 14	
3. REVIEW TASK FORCE'S SUMMARY ASSESSMENT AND RECOMMENDATIONS.....	15
APPENDIX: REPORT OF THE SCIENTIFIC COUNCIL	

1. INTRODUCTION

1.1. MANDATE OF THE REVIEW TASK FORCE

This Review of Bruegel's early performance is based on a provision of the initial agreement among Bruegel's founding State Members (*State Membership Agreement* of March 2004), which was worded as follows:

Two years after the election of the first Supervisory Board [...], an early review of the Centre's progress to that date shall take place. It shall be based on qualitative criteria (recognition, quality of recruitments, first outputs, taking into account the gradual phasing-in of resources) and of the Centre's ability to attract and maintain private contributions to a level corresponding to 1/3 of total commitments. This review will serve as a basis for decisions on the Centre's future, consistent with the principle that after the interim period, private contributions must equal at least 1/3 of total commitments.

On 19 May 2006, the Group of Bruegel's State Members unanimously decided to fix the dates and deadlines for this Review, as well as further explained its intentions related to the reviews:

The Group agreed to delay the Review planned under article 2 of the State Membership Agreement so that it takes place in the first half of 2007, instead of the second half of 2006. On the basis of the completed Review, and no later than 30 June 2007, the Group intends to discuss Bruegel's development prospects and to decide how to implement the State Membership Agreement as regards the evolution of membership subscriptions in 2008 and beyond.

Finally, on 15 June 2006 Bruegel's General Assembly approved the following process for conducting the Review:

The General Assembly unanimously decided the following process for the Review: The Review will be carried out by a Review Task Force of six individuals, to be appointed by an extraordinary meeting of the General Assembly later in 2006 on the basis of:

- *two individuals selected by the Group of States;*
- *two individuals selected by the Group of Corporate Members;*
- *two individuals selected by the Board.*

Further discussions shall be held on the precise processes for these multiple selections. Once appointed, the Review Task Force will elect its own chairperson among its members. It shall submit a report to the next ordinary meeting of the General Assembly. It shall rely on Bruegel's Scientific Council for its assessment of the scientific quality of Bruegel's work so far.

The date of 13 June 2007 was set for the next ordinary meeting of Bruegel's General Assembly, at which the Review Task Force's report shall be presented and discussed. The conclusions of the Review are supposed to orient discussions among State Members towards

the future evolution of their financial commitment to Bruegel. The review is also likely to have an impact on Corporate Members, most of which have initially committed to membership until end-2007 and will therefore make their first decision on membership renewal in late 2007 or early 2008.

1.2. ORGANIZATION AND METHODS SET BY THE REVIEW TASK FORCE

The Bruegel Review Task Force was elected on 14 December 2006 by Bruegel's General Assembly. The composition of the Task Force is the following:

Nick Butler (chosen by the Corporate Members)

Adriana Cerretelli (chosen by the Board)

Paul Champsaur (chosen by the State Members)

Kenneth Rogoff (chosen by the Board)

Paweł Samecki (chosen by the State Members)

Norbert Walter (chosen by the Corporate Members)

On 8 January 2007, the Review Task Force met for the first time by means of teleconference, discussed its future activities and agreed the date of its first meeting. On 5 February 2007, the Review Task Force met in Brussels, unanimously elected its chairman (Paweł Samecki) and agreed the following:

- i. the time schedule of its work to meet the deadline established by the General Assembly
- ii. the criteria to be used when assessing Bruegel's performance and activities
- iii. other procedural aspects.

The Review Task Force agreed to invite Bruegel's Members to provide feedback on Bruegel's early activities, performance to date, and discrepancy with the Member's prior expectations¹. In addition, the members of the Review Task Force agreed to conduct informal interviews with several senior policymakers, under guidelines sent by the Chairman of the Review Task Force². The scope of such interviews was also to include selected senior journalists and academics; the latter including prominent representatives of think tanks based in Washington DC.

¹ Letters were sent to Members by the Review Task Force's Chairman on 22 February 2007.

² This was done by e-mail on 20 February 2007.

It was agreed that both the overall assessment and the final report would be based on two major elements: the first one prepared by the Scientific Council and containing its assessment of the scientific quality of Bruegel's publications based on criteria established by the Scientific Council itself (see section 2.1); the second one prepared by the Review Task Force and addressing other (non-scientific) aspects of Bruegel's performance and activities (section 2.2).

For the second part of the assessment the Review Task Force decided to use two groups of criteria. The first group contained those mentioned in the mandate of the Review Task Force established by the State and Corporate Members, i.e.:

- i. Recognition – how do economic policy-makers, leading journalists and eminent academicians position Bruegel among other research institutes, think-tanks or university centres carrying out research and disseminating its results in the same domain? Is there any value added in Bruegel as compared to other institutes and, if so, what does it consist in?
- ii. Quality of recruitment – to what extent (in terms of quality and quantity) does the staff's capacity correspond to objectives set up for Bruegel? Does the quality of the employees as well as the terms on which they are contracted ensure that in the future Bruegel will be able to carry out its activities in line with the goals established at the moment it was created?
- iii. Ability to achieve/maintain private contribution at the level of at least $\frac{1}{3}$ of total commitments – has the required proportion been achieved and is it sustainable in the medium/long run?

The second group of criteria did not originate from the original mandate of the Review Task Force but was recognized as auxiliary:

- iv. Policy relevance – are research questions put forward by Bruegel, as well as findings/conclusions obtained from responses to those questions, relevant and important for the design of overall EU economic policy or sectoral European economic policies?
- v. Impact on policy-making – are findings and conclusions formulated by Bruegel considered and taken on board by policy-making bodies in the EU? To what extent are Bruegel's policy recommendations incorporated into the policies?

- vi. Impact on public opinion – do Bruegel’s activities and outputs influence views of leading journalists, academicians and other opinion-makers? Do Bruegel’s findings and recommendations have a good chance to be well-rooted in the public opinion?

The Review Task Force has met altogether three times in Brussels. It gratefully acknowledges assistance extended by Bruegel, especially by its Director, Jean Pisani-Ferry, and Nicolas Véron, as well as administrative support from Yvonne Hilario. The chairman is grateful to Łukasz Szymczyk of the National Bank of Poland for his assistance.

All members of the Review Task Force participated in their personal capacity.

2. ASSESSMENT

2.1. SCIENTIFIC QUALITY

This part of the report, prepared by the Scientific Council of Bruegel, assesses the quality of research produced at Bruegel from its beginning in 2005 until the end of 2006. These are early days for Bruegel, which makes it all the more important to take stock of progress to date but also makes it difficult to draw conclusions from a small sample of research.

The Scientific Council has worked with the papers sent by Bruegel, which consist of all those published or circulated by Bruegel during the period in question, plus nearly all relevant work by Bruegel researchers published elsewhere. These fall into four main categories:

- 1) Policy briefs
- 2) Working papers, book chapters and articles published in academic journals
- 3) Miscellaneous interventions (policy submissions, commentaries and so on)
- 4) Press articles

In assessing the quality of Bruegel’s research the Scientific Council has used criteria set out by the Board. These are not purely academic criteria, though they include an emphasis on the importance of scientific rigor and objectivity. The criteria are encapsulated in seven questions asked in relation to each piece of work:

- 1) whether the work has chosen an important question to answer, and has made that importance clear to the reader;
- 2) whether it is well focused on the key issues under examination;

- 3) whether the appropriate range of economic analysis and the available evidence has been effectively used;
- 4) whether the work's policy recommendations, if any, are grounded in an impartial assessment of the scientific arguments and evidence;
- 5) whether there is significant value added in relation to the existing literature; this need not consist of an original scientific contribution but can be met by a work of synthesis that brings out aspects of existing scientific findings that have not been previously been appreciated or disseminated;
- 6) whether the technical aspects of the analysis are sound and of a high standard;
- 7) whether the results are communicated clearly in a manner accessible to policy makers.

Each item of Bruegel's work was sent to a referee, sometimes to two referees. The Scientific Council summarizes the referee reports in its assessment provided in the Appendix. In addition, the members of the Scientific Council have used their own judgment and that of the external reviewers to score each paper (except the press articles) out of a maximum of 10 points according to each of the criteria, with 1 representing a very poor piece of work and 10 an outstanding one, and a score of 5 representing a threshold level of acceptability in their view for a think tank such as Bruegel. It would be inappropriate to attach undue significance to scores on individual papers, but a number of aggregate scores are summarized in Table 1:

Table 1: Scores of papers out of 10, averages by paper type and by criterion

		Average Score
Papers by Type, Overall Score	Policy Briefs	7.3
	Working Papers	6.3
	Miscellaneous Interventions	6.5
Papers by Criterion, All Types	Choice of Question	8.4
	Focus	7.4
	Analysis/Evidence	5.8
	Impartiality	6.9
	Value Added	5.6
	Technical Soundness	5.9
	Communication	6.9
	Overall	6.5

Overall the Scientific Council is impressed by the quantity and quality of the output that Bruegel has managed to produce in the short time since it was established. Bruegel is doing what a high-quality, effective think tank ought to be doing: presenting novel analyses of policy issues confronting EU decision-makers, in a manner that is accessible to a wide audience yet based on available research and sound reasoning. Bruegel has established itself as a respected voice in the European debate in very little time. The Scientific Council is struck in particular by the skill that Bruegel researchers have shown in identifying important questions, and the effectiveness with which clear and broadly sound messages have been disseminated to policymakers, through press interventions and in particular through the Policy Brief series. The initial research produced by Bruegel has comfortably met the standards of existing think tanks in Europe and the US.

Nevertheless, there are some areas of concern which will become more serious over time unless they are consciously addressed now. Furthermore, it is reasonable for Bruegel to aim higher than at existing standards. The main areas of concern are the following:

- One respect in which there is room for improvement is in clarifying the relation between publications that seek to inform and those that seek to persuade. It is quite reasonable for Policy Briefs to focus on persuasion, provided that readers are not misled by them. But it is also reasonable to expect other publications by Bruegel to focus more on informing than on persuading the reader, and to take more care than is possible in a Policy Brief to make the reader aware of pitfalls in the arguments and gaps in our understanding of the issues. In other words, there is a case for more explicit differentiation of Bruegel's written products. Information and persuasion are both legitimate goals of Bruegel's written output, but readers may appreciate knowing more clearly what they are getting. The fact that Policy Briefs should reasonably focus more on persuasion, and less on information, than other elements of Bruegel's output, does not mean that they can afford to dispense with academic rigor. In particular, Policy Briefs need to provide accurate links to the relevant academic literature and a guide to the relevant analysis. While most of the Policy Briefs have achieved this, the series is not uniform. However, Bruegel should resist allowing its Policy Brief series to become a regular outlet for opinions, even those of respected economists, rather than for the findings of policy-relevant research, whether that research is performed at Bruegel or elsewhere.

- While the Policy Brief series has a distinct identity and rationale, and is mostly of high quality, the working papers are disappointing not just in the variability of the quality of the papers, but also in that they lack a coherent rationale, too many of the papers being just looser drafts of the corresponding Policy Briefs, without drawing on significant additional academic research. It will be important also to consider the purpose and function of book-length publications. While it is not suggested that Bruegel should never publish conference volumes, these are notoriously difficult to get right, and it would be prudent to ensure that they do not become more than a small proportion of Bruegel's output. It is thus recommended to give fresh thought to the purpose and format of a distinct Working Paper series, and review the purpose and content of some other publications, including the book projects.
- There is also some ground for concern that the identification of interesting topics of research needs to be linked to an assessment of Bruegel's comparative advantage in addressing them. While reviewers were convinced that the papers tackled important questions, they did not always see that they added significant value to the reader's understanding of those questions. Bruegel cannot tackle all important policy questions and it needs to allocate its intellectual and other resources carefully to those areas where it can make a distinctive contribution. Bruegel has made an excellent start, but this challenge will grow in importance as Bruegel itself grows.
- The coverage in press articles is impressive in terms of their range, quality and quantity. However, it will be important for Bruegel to develop a pro-active press strategy and not simply to rely on the established profile and contacts of the current (and admittedly prolific) senior team.
- It may be useful to look to other outlets, such as the website, for regular dissemination of informed opinion pieces under a Bruegel imprint. There are some useful examples, such as La Voce in Italy and Telos in France, from which Bruegel might draw some inspiration.

2.2. SUMMARY OF WRITTEN RESPONSES FROM STATE AND CORPORATE MEMBERS ON BRUEGEL'S EARLY PERFORMANCE

2.2.1. Recognition

Assessment by State Members

In general, Bruegel seems to enjoy considerable reputation among State Members. As some of them indicated, Bruegel had managed to achieve a high standard, especially taking into account relatively short time that has passed since its foundation.

One State Member pointed out that Bruegel's research programme insufficiently reflected the current research being undertaken in Europe's universities and institutes. As a network organisation, Bruegel should engage more broadly in cooperation with other research institutes. There is much room for greater inter-linkage and inclusion of European research institutes and their findings in the research programme. Where possible, several universities and/or research institutes should be involved in each research sub-area or their research findings should be used.

Another challenge identified for Bruegel's future development is the need to deepen the academic quality of its analyses while keeping the vivid and attractive way in which they are presented. As one of the State Members put it, this "could further improve Bruegel's already high-quality performance".

Assessment by Corporate Members

According to CM, the high quality of Bruegel's studies and publications has led to a growing recognition of its work among Brussels circles and the specialized media. A further step would be needed to achieve the same visibility at the national level.

One of the respondents pointed out, however, that the workshops and conferences organised by Bruegel differed in terms of their quality, and the value-added these events offered was not always obvious. According to this Member, so far Bruegel has failed to fully exploit the potential of its special member structure since it should be able, using the combined expertise of representatives from academia, business and politics, to provide tailored answers to major

challenges of today's world. At the purely academic level, there are already quite a few competitors providing high-quality research on European policy issues.

2.2.2. Policy relevance

Assessment by State Members

The view that seems to prevail is that the range of research topics has been well chosen, Bruegel has addressed the right EU-wide topics, has been creative in its analyses and has guarded the independence of its work. Moreover, Bruegel has a comparative advantage in writing accessible policy papers in which advanced economic analysis is applied to policy relevant issues. Bruegel has also been credited for its work specifically for the Presidencies of Austria, Finland, Germany, which has contributed to better understanding of Presidency priorities and helped the Presidencies to have sound research-based policy advice. The draft program for 2007 is considered to be interesting and challenging since all topics proposed are relevant and deserve attention.

Some respondents suggested that Bruegel should nurture deeper relationships with Corporate Members as well as establish links with the productive sectors of the economy and/or their representatives. This would offer an access to a unique source of information and an ample and updated screening of the most relevant topics to be investigated while it would not necessarily imply loosening independence, a distinguished feature to be preserved. Closer ties with Corporate Members of Bruegel would be especially useful while investigating topics dealing with the internationalization of enterprises. This strengthened relationship would also provide Bruegel with the opportunity to prepare brief case studies and would offer access to data on an enterprise level.

Research topics suggested for the future include i.a.: energy, completion of the internal market, productivity in the European services sector, welfare theoretical implications of policy coordination in the EU and EMU, global economic imbalances, social impact of globalisation, role of the EU as a global rule setter, macroeconomic divergences in the euro area, demographic change, financing transport infrastructure, international trade including comparison of single market and NAFTA and climate change.

Assessment by Corporate Members

The research agenda of Bruegel attracted favourable comments. Bruegel has been credited for its analyses of the horizontal and macro policy issues in Europe such as the Lisbon Strategy, the single market or the impact of globalisation on European economy and society. Moreover, as one of the Corporate Members pointed out, Bruegel has managed to achieve a good balance between theory and relevance to the political debate.

Similarly to State Members, Corporate Members feel that value added could be created from the interaction with Corporate Members. At the same time Bruegel should be careful not to fall into a lobbying support function. Energy sector has been cited as an example of the area in which the interaction with Corporate Members, while existent, was not deep enough. On the other hand, one of the Corporate Members indicated that it had already been able to contribute to Bruegel's work, particularly in the areas of globally integrated enterprises and innovation in a knowledge-based global economy.

While one of the respondents emphasised that more effort should be allocated to issues that are sectoral in nature but have a global impact on the EU economy and perspectives for growth and jobs, it has been pointed out that there is no need for Bruegel to cover all sectors of its Corporate Members. Bruegel should rather focus on horizontal topics of relevance for the business sector and the economy in general. In this context the Information and Communication Technologies (ICT) sector has been cited as an area in which Bruegel could provide value added into the debates that are currently being held on both sides of the Atlantic. It has been suggested that regulatory approaches towards the development of the ICT and the adequacy of the current EU regulatory framework for electronic communications are potential research topics of particular relevance.

2.2.3. Impact on policy-making

Assessment by State Members

The majority of the respondents seem to share the view that in the short time of its existence, Bruegel has been able to provide significant input to the European policy debate, as well as to the work of the ECOFIN Council. Quite a few papers have become points of reference for policy advisors: the Sapir paper for the informal Ecofin on social models in Europe, the paper on national champions by Véron, the blue card proposal by Von Weizsacker.

The still limited impact of Bruegel on European policymaking came as no surprise, given the long-term nature of the returns on research activity. More tangible effects could be achieved through the strengthening of joint activities with Corporate and State Members.

Assessment by Corporate Members

Also Corporate Members feel that it would be premature to expect a strong and lasting impact of Bruegel on European policies, all the more that measuring the impact Bruegel has had on the design of these policies as well as on public opinion is difficult.

As one of the Corporate Members put it “the only example in which Bruegel has openly shaped European discussion was the issue of a European social model (paper by André Sapir). We considered the paper very helpful to add some substance to the highly emotional debate and to show the direction of the necessary reforms in the various member states.”

It has been suggested by one of the respondents that in order to be more influential, Bruegel could try to get EU mandate as an expert group or bring more clarity in political messages.

2.2.4. Impact on public opinion

Assessment by State Members

While there seems to be an agreement that Bruegel has established itself as an important voice to be heard on European economic policy matters, some respondents point out that there is an urgent need to increase its visibility at the national level (through conferences, media contributions, publications in national languages) and to enhance the network activities in the future. The need for better feedback of research findings to members has been signalled as well.

Assessment by Corporate Members

Also Corporate Members believe that Bruegel should strive to improve its presence and visibility in its members' home countries. Another area in need of further development is the cooperation between Bruegel and institutions from other countries, above all the USA.

Some of the respondents pointed out that effective outreach was the most important challenge and that dissemination of the Bruegel's work should be more effective. According to one of the Corporate Members, there is a number of audiences that would benefit from greater exposure to Bruegel's research work, namely the Cabinets of European Commissioners, Members of the European Parliament and European citizens in the widest concept. It has been suggested that the ways of reaching these audiences more effectively and more consistently could be discussed jointly by Corporate Members and Bruegel staff.

2.2.5. Quality of recruitment

Assessment by State Members

One State Member expressed the fear that the ambitious Bruegel agenda for 2007 might overstretch the rather limited personnel resources of Bruegel and suggested that it might be advisable to attach an estimate of personnel resources needed to each project.

The government of one large EU Member State emphasised that the failure to fill the post of deputy director was a structural problem which should be dealt with without delay. The government proposes to redesign the post of deputy director so that in future it is filled by two deputies. Both should have a certain academic background but should also hold a leading position in strategy/concept development and policy advice in the political-administrative sphere and in the corporate sector.

2.2.6. Ability to achieve/maintain private contribution at the level of at least 1/3 of total commitments

Assessment by State Members

The German government pointed out to the problem of permanent over-endowment of Bruegel with budget funds. The German Federal Court of Audit (*Bundesrechnungshof*) has scrupulously reviewed the funds transferred to Bruegel and has strongly criticised the accumulation of funds from member contributions, recommending the withdrawal of the German government from the funding of Bruegel. For the German government, this is a

reason for which a partial refund of member contributions and/or a reduction of future contributions should be encouraged.

3. REVIEW TASK FORCE'S SUMMARY ASSESSMENT AND RECOMMENDATIONS³

These conclusions and recommendations have been formulated on the basis of opinions and comments received from five State Members and five Corporate Members, as well as several tens of interviews carried out by the members of the Review Task Force. The interlocutors included high-level government officials and central bankers, top representatives of EU institutions and international organizations, prominent journalists and European and American academics.

The Review Task Force's overall assessment of Bruegel's early performance - versus the selected criteria - is positive. We say this acknowledging that it is very early in Bruegel's development to engage in the kind of serious review with which we have been charged. It should be possible to give a full-fledged assessment after five years, rather than two.

Bruegel enjoys generally good relationships with sponsors - public and private. Bruegel has also succeeded in developing a core staff, as well as a serious programme of work. Above all, the high scientific quality of the centre's major publications (in particular *Policy Brief* as Bruegel's flagship publication), as well as high policy relevance are its strongest points.

We do also have some concerns that need to be addressed over time. For example, the Scientific Council has noted the insufficient originality of ideas and proposals contained in some of the Institute's early papers. We also note that Bruegel's impact on policy making is still limited at this stage, although it seems to be on a trajectory to grow. One reason is that Bruegel's identity is still *in statu nascendi*. This makes it difficult to clearly distinguish between the centre as an "aliud" and other think tanks or institutes. Over time, Bruegel needs to reach out beyond its core Brussels audience, as for now its

³ The below judgment has been reached on the basis of the criteria selected in point 1.2, in accordance with the mandate given by the State Members. The Review Task Force has not analysed and therefore is unable to say whether the existence of Bruegel is justified in absolute terms, i.e. taking into account opportunity costs, or put it other way, considering alternative options for achieving goals set up by the founding State Members contrasted with Bruegel's actual early performance.

visibility is concentrated on “Brussels” and EU-related milieus; public opinion in most EU Member States seems not to be aware of its activities.

Overall, most of the question marks relate to whether Bruegel will succeed in expanding to critical mass, while retaining the overall quality that it has achieved to date. For these reasons, the Review Task Force believes that it should be possible to make a much more definitive judgment about Bruegel’s impact and achievements in another three years.

Scientific quality

Both the quantity and quality of the output that Bruegel has managed to produce in the short time since it was established seems impressive. The initial research produced by Bruegel has met the standards of the existing think tanks in Europe and the US. Bruegel has established itself as a respected voice in the European debate in very little time with clear and broadly sound messages being communicated to policymakers, through press interventions and, in particular, through the *Policy Brief* series. Nevertheless, there are some areas of concern:

- there is a case for a more explicit distinction between publications that seek to inform and those that seek to persuade.
- the working papers are disappointing not just in the variability of their quality, but also in that they lack a coherent rationale. It is thus recommended to give a fresh thought to the purpose and format of a distinct Working Paper series, and review the purpose and content of some other publications, including the book projects.
- Bruegel will not be able to tackle all important policy questions. It needs to be selective and allocate its intellectual and other resources carefully to those areas where it can make a distinctive contribution.

Recognition

Bruegel covers well the EU agenda and is considered a non-partisan, open-minded platform. Bruegel is known to those policy-makers who deal with European issues or policies, although only in general terms, not allowing for a detailed discussion about the centre’s characteristics or output. Decision-makers recognize Bruegel’s positive contribution to public debates on issues that are on top of the European agenda. The external dimension of EU policies is regarded as particularly well covered.

Policy relevance

Policy relevance is one of the strongest points of Bruegel. As one of the interviewees put it “Bruegel is able to put right issues on the agenda”. The research output is balanced in terms of theoretical foundations and applied orientation. There is, however, a number of Members that wish to extend the scope of research. Although individually such demands may be perceived as justified, as an aggregate they cannot be satisfied by a centre of that size and at this stage of development. Therefore, it is necessary to accept that to substantially widen the research area is beyond the current capacity of research resources and would put the quality of research at risk.

Impact on policy-making

Compared to very high expectations at the birth of the initiative, so far Bruegel’s impact on policy-making has been limited. From this point of view, Bruegel is assessed by many respondents negatively or neutrally at best. Despite the fact that it has pronounced itself on several occasions at key EU fora on issues that are central for Europe’s future, proposals and policy recommendations put forward have not yet been taken on board by decision-makers. There may be several explanations for this: it is not the irrelevance of Bruegel’s policy recommendations, but their slow absorption by policy-makers which is at the root of the problem. Bruegel’s proposals and recommendations are not original enough in terms of their substance to attract appropriate attention or to address ways and means to overcome political headwinds to otherwise meaningful proposals, so they are not used by politicians. The Review Task Force believes that none of these explanations can be excluded.

Impact on public opinion

Certainly, for now the Europeans associate the term “Bruegel” more easily with the name of the great Flemish painter of the 16th century than the Brussels European and Global Economic Laboratory. The knowledge of the latter is good in those circles in the EU Member States that are close to the EU agenda and European policies, especially among various Brussels-based milieus. Bruegel’s views are quite visible in the French-language press, also in the international English-language press, but not much in domestic English- or German-

language press. Seminars are considered to be of good quality, but participants from countries that are not adjacent to Belgium are under-represented. A clear message from various respondents is “the awareness of Bruegel decreases in proportion to the distance to Brussels”. It would be important to continue efforts to reach the public opinion in other EU Member States. One of options to be considered in this respect is a recourse to professional PR that may strengthen the outreach of Bruegel, be it in the form of additional regular staff or an outsourced service.

Quality of recruitment

Bruegel has succeeded in employing a few world-class researchers and a small team of young talented analysts/researchers. There is, nevertheless, a widespread concern that Bruegel has not yet reached critical mass in terms of scholars in residence which is needed to reach “escape velocity”. Bruegel urgently needs to grow a core of dedicated full-time researchers. It is true that the situation is difficult due to objective constraints, namely the availability of rather few high profile researchers ready to undertake a challenge of being affiliated on a full-time basis with a still new enterprise without prospects for tenure and other benefits stemming from university full-time affiliation. However, if Bruegel aspires to a status of a top-notch intellectual centre of excellence; attracting first-rate experts as resident scholars is a must. In addition, further options should be pursued. Bruegel should urgently approach top-level officials with very strong academic credentials/background that are about to retire from public administration, international financial institutions and multilateral organizations. Furthermore, research institutes/universities from new Members States should be approached with a view to seek candidates fit to fill in vacancies. Bruegel should also offer opportunities for part-time employment to guest scholars, academics on sabbatical leave, post Ph.D. stagiers from other research centres or NGOs etc.

Ability to achieve/maintain private contribution at the level of at least ⅓ of total commitments

The Review Task Force has found it difficult to arrive at a clear conclusion on this matter. Apparently, the requirement of ⅓ of revenues coming from private contributions was easily met already in 2005 (over 47 per cent). In 2006-2007 the Corporate Members provided over 50 per cent of revenues. Hence, the financial data confirm that this ability has been achieved.

The Review Task Force is not in a position, however, to assess the sustainability of this proportion, as it depends on future decisions of Bruegel's Members which are obviously impossible to anticipate.

A Review of BRUEGEL Publications 2005-6

Bruegel Scientific Council

Report to the Review Task Force

31 March 2007

Internal Version – Not for Quotation or External Circulation

Isher Ahluwalia

Peter Neary

Dani Rodrik

Lucrezia Reichlin

Paul Seabright

Nicholas Stern

Jaume Ventura

Luigi Zingales

A Review of BRUEGEL Publications 2005-6

Bruegel Scientific Council

Report to the Review Task Force

Contents:

1. Executive summary	p.3
2. Our approach and our summary findings	p.4
3. General issues	p.7
4. Concluding remarks	p.9

1. Executive summary

This report to the Review Task Force by the Scientific Council of Bruegel assesses, at the request of the General Assembly, the quality of research produced at Bruegel from its beginning in 2005 until the end of 2006. Overall we are impressed by the quantity and quality of Bruegel's output in the short time since it was established, and think it has comfortably met the standards of existing think tanks in Europe and the US. In particular the Policy Briefs, considered as a series, are highly impressive and have helped to establish Bruegel as a respected voice in the European debate. The visibility of Bruegel in the press is also impressive in both quantity and quality. Our detailed assessments of individual publications suggest that they are, on average, very highly rated for their identification of important questions. Nevertheless, there are some areas of concern which will become more serious over time unless they are consciously addressed now. We also think it is reasonable for Bruegel to aim higher than at existing standards. The main areas of concern are the following:

- There is insufficient distinction between publications that aim to persuade and those that aim to inform. While we believe that Bruegel output should do both things, it is important for readers to know to what extent the material they read is research-based as opposed to being mainly opinion, albeit informed opinion. We discuss ways in which the clarity of that distinction can be improved.
- While the Policy Brief series has a distinct identity and rationale, and is mostly of high quality, the working papers and book chapters are of more variable quality, and some lack a rationale, being in some cases just longer drafts of the associated Policy Briefs. We recommend giving fresh thought to the purpose and format of a distinct Working Paper series, and reviewing the purpose and content of some other publications, including the book projects.
- There is also some ground for concern that the identification of interesting topics of research needs to be linked to an assessment of Bruegel's comparative advantage in addressing them. While reviewers were convinced that the papers tackled important questions they did not always see that they added significant value to our understanding of those questions. Bruegel cannot tackle all important policy questions and it needs to allocate its intellectual and other resources carefully to those areas where it can make a distinctive contribution.

2. Our approach and our summary findings

This report by the Scientific Council of Bruegel assesses, at the request of the Board of Bruegel, the quality of research produced at Bruegel from its beginning in 2005 until the end of 2006. These are early days for Bruegel, which makes it all the more important to take stock of progress to date but also makes it difficult to draw conclusions from a small sample of research. Our procedure has been as follows. We have worked with the papers sent to us by Bruegel, which consist of all those published or circulated by Bruegel during the period in question, plus all relevant work by Bruegel researchers published elsewhere¹. These fall into four main categories:

- 1) Policy briefs
- 2) Working papers, book chapters and articles published in academic journals
- 3) Miscellaneous interventions (policy submissions, commentaries and so on)
- 4) Press articles

The documents used in our evaluation are individually listed in the Appendix, together with a report of the assessment of the referees assigned to each document.

In assessing the quality of this research we have used criteria set out by the Board. These are not purely academic criteria, though they include an emphasis on the importance of scientific rigor and objectivity. The criteria are encapsulated in seven questions we have asked of each piece of work:

- 1) whether the work has chosen an important question to answer, and has made that importance clear to the reader;
- 2) whether it is well focused on the key issues under examination;
- 3) whether the appropriate range of economic analysis and the available evidence has been effectively used;
- 4) whether the work's policy recommendations, if any, are grounded in an impartial assessment of the scientific arguments and evidence;
- 5) whether there is significant value added in relation to the existing literature; this need not consist of an original scientific contribution but can be met by a work of synthesis that brings out aspects of existing scientific findings that have not been previously been appreciated or disseminated;
- 6) whether the technical aspects of the analysis are sound and of a high standard;
- 7) whether the results are communicated clearly in a manner accessible to policy makers.

¹ We were unable to obtain copies of a small number of papers, and one paper was available only in German, which none of the members of the Council reads. We discovered these omissions too late for them to be remedied in time for the submission of this Report to the Review Group, but we are not aware of any reason why this would materially affect our conclusions.

Each item of Bruegel’s work was sent to a referee, sometimes to two referees. In about half the cases the referee in question was a member of the Scientific Council, but we have also made frequent use of anonymous external referees, to whom we are extremely grateful. The great majority of those we asked accepted immediately and provided prompt and detailed reports; as they are all respected economists with many claims on their time, we take this to be an encouraging expression of confidence in Bruegel and the importance of its mission. We did not use a precise rule for deciding which papers to send to external reviewers, but relied on our own judgment as well as the availability of suitable individuals who could provide advice on topics outside our personal areas of expertise and to provide a cross-check of our own reactions to the papers.

We summarize the referee reports in the assessments we provide of each paper in the Appendix below (to maintain the anonymity of the review process we have not indicated when the referee in question was internal and when (s)he was external). In addition we have used our own judgment and that of the external reviewers to score each paper (except the press articles) out of a maximum of 10 points according to each of the criteria, with 1 representing a very poor piece of work and 10 an outstanding one, and a score of 5 representing a threshold level of acceptability in our view for a think tank such as Bruegel. It would be inappropriate to attach undue significance to scores on individual papers, but a number of aggregate scores are summarized in Table 1:

Table 1: Scores of papers out of 10, averages by paper type and by criterion

		Average Score
Papers by Type, Overall Score	Policy Briefs	7.3
	Working Papers	6.3
	Miscellaneous Interventions	6.5
Papers by Criterion, All Types	Choice of Question	8.4
	Focus	7.4
	Analysis/Evidence	5.8
	Impartiality	6.9
	Value Added	5.6
	Technical Soundness	5.9
	Communication	6.9
	Overall	6.5

A number of features stand out from this table, and are corroborated by our qualitative impressions of the papers as set out in the Appendix:

- The Policy Briefs, which are Bruegel’s flagship publication, score highly, and significantly more so than the other papers. On average the other papers are above the threshold of acceptability but not by a very large margin.

- The papers score extremely well on the choice of question, which indicates that Bruegel has been highly effective at identifying important topics of research. However, the papers score lowest on value added, which suggests that these are not always topics in which Bruegel is able to make a distinctive contribution. We discuss this issue in more detail in section 3 below.
- The range of analysis and evidence on which the papers draw scores only a little above the threshold of acceptability. While it is arguable that some at least of Bruegel's publications should aim more at effective communication and less at comprehensiveness than, say, the output of an academic research institution, it is nevertheless a matter for concern that the Working Papers, which might be expected to be among the more comprehensive and rigorous of Bruegel's output, score even lower (5.8) by this criterion than do the other papers. As we discuss below, some working papers appear to be more like lengthy first drafts of Policy Briefs than genuine background papers in their own right.

We adopted a different procedure for the press articles. Since its launch Bruegel has managed to attract considerable press coverage, whose incidence has been rising so that by end-2006 there were over 30 press articles per month mentioning Bruegel. These fall into three main categories:

- Articles about recent Bruegel research, either by Bruegel fellows, or by journalists citing Bruegel publications or their authors.
- Op-ed articles by Bruegel fellows
- References to Bruegel, or quotes of Bruegel fellows, in the context of articles about other matters.

The first of these categories contains significantly fewer articles than the other two, though the proportion appears to have been rising over time.

We did not attribute scores to the press articles, nor would it have been appropriate for us to ask for referee reports on each individual article. We did, however, send the English-language press cuttings to two high-level economic journalists, both of whom have written extensively for a range of serious economic publications and both of whom have published a number of very successful books on economic topics. Their reports, which were very favorable, are reproduced in the Appendix. The generally favorable impression reported by these referees is one that the Scientific Council shares. Several points are worth noting, however:

- First, the authors of op-ed pieces are mostly respected economic commentators whose visibility may be somewhat enhanced by their Bruegel affiliation but who would doubtless be publishing op-ed pieces on a regular basis with or without that affiliation. This is an impressive symptom of the quality of fellow Bruegel has been able to attract, but it is worth asking what the value-added of Bruegel is to these activities.

- Secondly, it would be desirable to raise the proportion of pieces that report or discuss Bruegel research, both to avoid giving the impression that Bruegel merely gives a platform to people with strong opinions, and to create the right incentives for Bruegel fellows to base their press interventions on a solid analytical and empirical foundation. It was our (admittedly impressionistic) view that the pieces reporting Bruegel research were on average more objective and more interesting than those merely reporting the general economic opinions of the authors, persuasive as these often were.
- Thirdly, as the referees note, the generally low coverage in English-language publications is disappointing and should be a priority for future efforts. More generally, the press coverage to date has reflected the existing contacts and experiences of Bruegel fellows and will need to branch out into new publications and explore new media if it is to be adequate to Bruegel's future challenges.

The Appendix provides a commentary on each of the items of Bruegel's output in turn. However, since our purpose is not to evaluate individual researchers but to identify features and trends in the output of the institution as a whole, we discuss in the next section some general issues raised by our reading of the papers.

3. General issues

Our review of the material so far suggests the following issues will be important for the development of Bruegel's research in the future:

- It seems to us on the basis of our review that Bruegel is meeting existing standards of best practice among policy think tanks (such as the Institute for International Economics). However, Bruegel should be seeking significantly to raise the bar. It seems likely that best practice will evolve over time in any event, and Bruegel should seek to position itself ahead of the curve.
- One respect in which there is room for improvement is in clarifying the relation between publications that seek to inform and those that seek to persuade. It is quite reasonable for Policy Briefs to focus on persuasion, provided that readers are not misled by them. But it is also reasonable to expect other publications by Bruegel to focus more on informing than on persuading the reader, and to take more care than is possible in a Policy Brief to make the reader aware of pitfalls in the arguments and gaps in our understanding of the issues. In other words, there is a case for more explicit differentiation of Bruegel's written products. Information and persuasion are both legitimate goals of Bruegel's written output, but readers may appreciate knowing more clearly what they are getting.

- The Policy Briefs, considered as a series, are highly impressive by any reasonable standard. This is not just our opinion but was widely shared by our external referees. One external referee wrote *the policy briefs seem (to my knowledge) to have no close substitutes as of today: they provide short, clear and focused analysis of very relevant issues. I was surprised not just by the relevance of the questions addressed but also by the breadth of the topics covered. These policy briefs should be of great help in providing policy-makers with a general overview of a number of important issues, with the basic economic analysis that is necessary to think about them, and with some policy recommendations derived from the latter.*
- The fact that Policy Briefs should reasonably focus more on persuasion, and less on information, than other elements of Bruegel’s output, does not mean that they can afford to dispense with academic rigor. In particular, Policy Briefs need to provide accurate links to the relevant academic literature and a guide to the relevant analysis. While most of the Policy Briefs have achieved this, the series is not uniform. One Brief reports in-house research that in our view is too preliminary, and not connected enough to the substantial related academic literature, to have been made the basis for a Policy Brief. Another Brief strays closer to an op-ed piece, albeit a fairly weighty one, than do the rest in the series. We are in some disagreement as to whether this is desirable or not in some cases. However, we all agree that Bruegel should resist allowing its Policy Brief series to become a regular outlet for opinions, even those of respected economists, rather than for the findings of policy-relevant research, whether that research is performed at Bruegel or elsewhere.
- It may be useful to look to other outlets, such as the website, for regular dissemination of informed opinion pieces under a Bruegel imprint. There are some useful examples, such as La Voce in Italy and Telos in France, from which Bruegel might draw some inspiration.
- While the Council and its referees agree in holding a high opinion of the Policy Brief series, there is unfortunately also widespread agreement that the working papers and book chapters, considered once again as a whole, are disappointing. They are uneven in quality, but perhaps more importantly, they lack a clear focus and rationale. Rather than providing basic research upon which to build the policy briefs, they tend to be longer, less focused and more boring versions of them. The analysis is not necessarily any deeper. Sometimes the only difference is that the authors do not have the discipline of the short and focused format. In our view it is important for Bruegel to re-think the purpose and format of a distinct Working Paper series, and to develop an appropriate editorial process.
- Some of the weaknesses of the working papers may reflect issues that go to the heart of Bruegel’s choice of research topics and not just to the execution of its research. We noted above that Bruegel’s output scored highly on the importance of the questions chosen but much less favorably on value added. This suggests that it will be important for Bruegel in the future, when choosing its research program, to ask not just “is this

an important topic?” but “is this a topic to which Bruegel can make a distinctive contribution?”

- The press articles are impressive in their range, quality and quantity. However, as we have noted, it will be important for Bruegel to develop a pro-active press strategy and not simply to rely on the established profile and contacts of the current (and admittedly prolific) senior team.
- It will be important also to consider the purpose and function of book-length publications. The book “Proceedings of the Beijing Conference” seems to us a project of doubtful value: some good papers will have their effectiveness diminished by being published next to some poor quality material, and the title seems designed to ensure that as few people read the book as possible. While we would not suggest that Bruegel should never publish conference volumes, these are notoriously difficult to get right, and it would be prudent to ensure that they do not become more than a small proportion of Bruegel’s output. The draft of the book on the EU and the global economy, while in principle a more coherent project, nevertheless contains chapters of highly variable quality; we are aware that it is still in a provisional state but have had to use this version because of the timetable of the Review.
- Even in the Policy Briefs, whose standard of presentation is generally high, there are enough linguistic and proofreading errors to be noticeable, and standards of presentation in the Working Papers are substantially lower. We understand that Bruegel has appointed a staff editor, so we hope this will no longer be an issue in the future.

4. Concluding remarks

Overall we would like to stress that we are impressed by the quantity and quality of the output that Bruegel has managed to produce in the short time since its foundation. Bruegel is doing what a high-quality, effective think tank ought to be doing: presenting novel analyses of policy issues confronting EU decision-makers, in a manner that is accessible to a wide audience yet based on available research and sound reasoning. Bruegel has established itself as a respected voice in the European debate in very little time. We are struck in particular by the skill that Bruegel researchers have shown in identifying important questions, and the effectiveness with which clear and broadly sound messages have been disseminated to policymakers, through press interventions and in particular through the Policy Brief series. We agree that the initial research produced by Bruegel has comfortably met the standards of existing think tanks in Europe and the US.

Nevertheless, there are some areas of concern which will become more serious over time unless they are consciously addressed now, and we also think it is reasonable for Bruegel to

aim higher than at existing standards. In particular, the working papers are disappointing not just in the variability of the quality of the papers, but also in that they lack a coherent rationale, too many of the papers being just looser drafts of the corresponding Policy Briefs, without drawing on significant additional academic research. We recommend that both the working papers and the book projects associated with some of the papers be subjected to a critical re-assessment.

More generally, we think that Bruegel needs to keep as clear as possible the distinction between publications that aim to persuade and those that aim to inform.

As Bruegel grows, there is also some ground for concern that the identification of interesting topics of research needs to be linked to an assessment of Bruegel's comparative advantage in addressing them. Bruegel cannot tackle all important policy questions and it needs to allocate its intellectual and other resources carefully to those areas where it can make a distinctive contribution. Bruegel has made an excellent start, but this challenge will grow in importance as Bruegel itself grows.