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## **The Role of Think Tanks in China**

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## Executive Summary

- China's think tanks have become an important means for foreign observers to follow developments and gain insights into the Chinese policy-making system. Think tanks have unique knowledge of internal policy debates, in particular of dynamics occurring in the institutions which fund them.
- In China, there are no truly independent think tanks, although some do profess a certain degree of independence, in particular those that focus on economic issues. The majority of think tanks operate within administrative hierarchies under either a State Council ministry, a Central Committee department, or one of the general departments of the People's Liberation Army (PLA) which provide funding to the think tank/research institute under their authority. They often flesh out some guidelines on the research topics to be pursued, and grant access to classified material that would otherwise be impossible to consult.
- The role of think tanks in China is to (i) provide analysis and advice to government officials and Chinese Communist Party (CCP) central structures; (ii) act as channels for information and intelligence gathering as well as for policy testing and dissemination; (iii) organise meetings with foreign experts to provide Chinese policymakers with information and feedback on official positions; (iv) carry specific messages and indications for foreign experts and policymakers; (v) meet foreign experts and officials with whom they are familiar in order to influence the policies of their governments and/or institutions vis-à-vis China.
- Among the think tanks focusing on international relations and foreign policy, the most influential is the China Institute of Contemporary International Relations (CICIR), followed by the China Institute of International Studies (CIIS).
- Among the defence-related and military think tanks, the China Institute for International Strategic Studies (CISS) and the China Foundation for International Strategic Studies (CFISS) are the two top institutes;
- Among the economic and political-economy think tanks, the China Centre for International Economic Exchanges (CCIEE), the Institute of World Economics and Politics (IWEP) at the Chinese Academy of Social Sciences (CASS), and the National Economics Research Institute (NERI) are top;
- Research institutes at leading Chinese universities are increasingly becoming part of the think tank landscape. The main ones are: the School of International Studies (SIS) at Peking University; the Institute of International Studies (IIS) at Tsinghua University; and the Centre for American Studies (CAS) at Fudan University.

## Policy suggestions

- The EU has traditionally engaged with the more established CICIR and the CIIS. More attention should be paid to the Shanghai Institute of International Studies (SIIS) - headed by the brother of the current Chinese Foreign Minister - and to the China Centre for Contemporary World Studies (CCCWS), a small but increasingly influential think tank under the aegis of the International Department of the Central Committee of the CCP.

- The EEAS should engage further with the China Institute for International Strategic Studies and the China Foundation for International Strategic Studies on Track II policy dialogues to advance the defence and military dimensions of EU-China relations.
- The EU should make more strategic use of think tanks and expertise available across Europe to further track-two policy dialogues with Chinese think tanks. This will allow collection of useful information and insight perspectives on Chinese policies to enable better development of a strategic approach vis-à-vis Beijing. Moreover, EU policymakers could consider regular triangular dialogues, e.g. use expertise available in Europe to engage Chinese think tanks together with other research centres in the US and Asia in order to further discussion on issues of common interest.

## **Background Briefing: The Role of Think Tanks in China**

### **1. The role of think tanks in China**

Since their emergence in the early 1980s, China's think tanks have become an important means for foreign observers to follow developments and gain insights into the Chinese policy-making system. In 2007, the report of the 17<sup>th</sup> Chinese Communist Party (CCP) Congress explicitly mentioned 'the role of think tanks' for the first time. This recognition and support from the authorities was indicative of the rapid development of think tanks as well as their expanding influence.

Chinese think tanks have unique knowledge of internal policy debates, in particular of the dynamics of the institutions which fund them. In China, there are no truly independent think tanks, although some profess a certain degree of independence. All operate within administrative hierarchies under either a State Council ministry, a Central Committee department, or one of the general departments of the People's Liberation Army (PLA) which provide funding to the think tank/research institute under their authority. They often flesh out some guidelines on the research topics to be pursued, and grant access to classified material that would otherwise be impossible to consult. A few think tanks have more than one line of institutional authority. The most prominent of these exceptions is China Institutes of Contemporary International Relations (CICIR) which is under the authority of the Central Committee Foreign Affairs Office (FAO) and the State Council Ministry of State Security. In general, Chinese think tanks/research institutes remain firmly embedded within vertically hierarchical bureaucratic systems.

The role of think tanks in China can be summarised as follows:

- (i) They provide analysis to government officials and central structures of the Chinese Communist Party;
- (ii) They act as channels for information and intelligence gathering as well as for policy testing and dissemination;
- (iii) They organise meetings with foreign experts and officials to provide the Chinese policy-making system with a steady stream of information and feedback on official positions and/or new policy directions;

- (iv) They carry specific messages and indications for foreign experts and policymakers which often cannot be expressed through official channels and/or publicly;
- (v) They use meetings with foreign experts and officials/policymakers with whom they are familiar in order to influence the policies of their governments and/or institutions vis-à-vis China.

The last two points have become increasingly important of late, as the Chinese government has increased its participation in Track II policy dialogues. As such it has better understood the utility of such venues for airing policy ideas and new initiatives and assessing the potential reaction of foreigners.

Chinese think tanks can be divided into three broad categories, according to the focus of their research:

- international relations/foreign policy think tanks;
- defence-related and military think tanks; and
- economic and political-economy think tanks.

## **2. International relations and foreign policy think tanks**

- (i) The **China Institutes of Contemporary International Relations (CICIR)** is one of China's oldest – and possibly most influential – think tanks conducting research and providing expertise on international affairs. Since its creation in 1965, it has served senior-level CCP leadership and has always been bureaucratically subordinate to the Central Committee Foreign Affairs Leading Group (FALG). The CICIR lies under the auspices of the Central Committee while being administratively and fiscally under the authority of the Ministry of State Security. CICIR's comparative advantages are:
  - a. its size – it is China's largest think tank on international relations and foreign affairs with more than 600 staff;
  - b. its multiple sources of information and intelligence gathering; and
  - c. its bureaucratic proximity to the Foreign Affairs Office, the FALG, the Ministry of State Security and senior leadership.

CICIR receives its money mainly from the Ministry of State Security, while the FALG is CICIR's main customer. CICIR uses a number of internal and classified channels to reach government audiences, and it publishes the influential journal 'Contemporary International Relations' (*Xiandai guoji guanxi*). CICIR's expertise is wide-ranging, covering most international issues and regions of the world. CICIR is led by Cui Liru, a well-known expert on US-China relations and a member of the Expert Committee of the Chinese MFA Foreign Policy Advisory Group.

- (ii) The **China Institute of International Studies (CIIS)** is the oldest of China's foreign affairs think tanks. It is the Foreign Ministry's think tank and is smaller than CICIR. The staff at CIIS consists of nearly one hundred researchers and other professionals, including among them senior diplomats. The CIIS staff also includes rotational assignments from the Ministry of Foreign Affairs. The latter increasingly uses CIIS expertise and has made the think tank the key Track II organisation to carry out exchanges for China. The President of CIIS is traditionally a diplomat. It is currently led by Qu Xing who previously served as Minister in the Chinese Embassy in France. The CIIS publishes the journal 'International Relations Research' (*Guoji wenti yanjiu*).
- (iii) **The Chinese Academy of Social Sciences (CASS)** is a huge organisation with ministerial status. It consists of over 30 research institutes with more than 3,000 full-time researchers and over 4,000 total staff. CASS carries out research across the whole spectrum of the social sciences and humanities. CASS is funded by the State Council. CASS's eight regional studies institutes have substantial influence in China's policy-making debates. In particular, the Institute of European Studies (IES) – headed by Zhou Hong – and the Institute of American Studies (IAS) – headed by Huang Ping – are quite influential and able to provide policy advice to the top CCP leadership. However, CASS institutes lack the institutional channels to the top leadership that, for instance, CICIR enjoys. Instead, CASS researchers rely primarily on personal connections to transmit papers to senior policymakers.
- (iv) **The Shanghai Institute of International Studies (SIIS)** was established in 1960 and has maintained a strong research and analysis capability ever since. It is

smaller than CICIR or CIIS, but the quality of its output is generally higher. The distance from Beijing also means that it is intellectually more free and able to produce analyses and policy proposals that vary from the standard policy line. SIIS specialises mainly in US-China and Asian affairs. It has around 100 staff members and lies under the administration of the Shanghai municipal government, from where it gets most of its funding. The SIIS has close relations with the top Chinese leadership in Beijing that originates from Shanghai. As such, its influence can vary considerably, depending on the composition of the Politburo and other senior-level bodies. It is currently led by Yang Jiemian, the brother of Foreign Minister Yang Jiechi.

- (v) **The China Reform Forum (CRF)** is the think tank of the Party School of the Central Committee of the Chinese Communist Party from where it also gets its main funding. CRF research focuses on issues related to the development of China's reform and opening up policy as well as international affairs. CRF has around 100 staff made up of senior government officials, scholars, and business executives in China. CRF's current chairman is Li Jing Tian, the Executive Vice President of the Party School of the Central Committee of the CCP. The CRF is quite influential, being very close to the School that prepares the top leadership.
  
- (vi) **The China Centre for Contemporary World Studies (CCCWS)** is the think tank of the International Department of the Central Committee of the CCP, from where it also gets its funding. It is under the direct authority of the CCP Central Committee and as such has good access to debates at the most senior Party-level. The CCCWS was created a few years ago and today has approximately 25 staff of which 8 are full-time researchers with PhDs from top Chinese, American and British universities. The quality of research is very high and it is fast becoming one of China's best think tanks in the fields of international relations and foreign policy. It is headed by Yu Hongjun, Vice-Minister of the International Department of the Central Committee of the CCP.

### 3. Defence-related and military think tanks

- (vii) **The China Institute for International Strategic Studies (CISS)** is the foremost intelligence analysis think tank in the Chinese military. It is directly subordinate to the General Staff Second Department (intelligence) from where it receives its funding. Funded in 1979, the Chairman of CISS is usually also the Deputy Chief of Staff whose portfolio includes foreign intelligence. The staff at CISS consists of approximately 100 research personnel and includes both active-duty and senior retired intelligence officers, diplomats and scholars. It houses some of the best military analysts of the People's Liberation Army (PLA). CISS reports circulate to the General Staff Department and throughout the PLA senior leadership. The CISS also acts as an important interface between the military intelligence apparatus and foreign experts. The current chairman of CISS is Xiong Guangkai, formerly the PLA's deputy chief of staff.
  
- (viii) **The China Foundation for International Strategic Studies (CFISS)** is under the aegis of the Second Department (Intelligence) of the PLA General Staff. Many of its staff members are active duty PLA colonels or generals, but there are also a number of retired diplomats and civilians. The CFISS is mainly funded by the PLA though it is also allowed to raise funds from the private sector through contract research. In practice, it mainly carries out research for the PLA and the Ministry of Foreign Affairs. The CFISS specialises on non-proliferation and disarmament issues, as well as American security policy and US-China relations. Over the years, this think tank has become a critical interface for military and security-related exchanges between foreigners and the PLA. The CFISS is fairly involved in Track II policy dialogues and submits an annual year-end analytical report to the PLA. It is headed by General Pan Zhenqiang, a well-known strategist and military analyst.
  
- (ix) Founded in 1958, the **Academy of Military Sciences (AMS)** is the national centre for military studies and the premier military research organisation in the PLA. It is directly subordinate to the Central Military Commission (CMC), but also receives direct assignments from the General Staff Department. The AMS conducts academic research on national defence, armed forces development and military operations, and the future of warfare. It provides advice and

consults the Central Military Commission and the PLA General Departments, and co-ordinates academic work throughout the PLA. The AMS has over 500 full-time researchers who write reports for the military leadership, ghost-write speeches for top military leaders and serve as drafters of important documents like the *Defence White Paper*. It is headed by Lieutenant General Liu Chengjun.

#### 4. Economic and political-economy think tanks

- (x) **The Development Research Center (DRC) of the State Council** is a leading policy research and consulting institution directly under the State Council. Funded in 1981, its main functions are to undertake research on China's economic and social development, as well as reform and opening up. The DRC often serves informally as an independent check on the policy preferences of government departments. For instance, the DRC Research Department on Foreign Economic Relations provides feedback and analysis to the Ministry of Foreign Trade (MOFTEC). Being under the direct authority of the State Council (from where it gets its funding) allows DRC researchers – like the CICIR – to access inside information and channel their reports to China's senior level government bodies. It has more than 500 staff and is headed by Li Wei, former Vice Chairman of China Banking Regulatory Commission.
  
- (xi) **The China Centre for International Economic Exchanges (CCIEE)** was founded in 2009 as a comprehensive association with the mission of promoting economic research and exchanges and providing consulting services. It operates under the guidance and supervision of the National Development and Reform Commission – which is its main client - and is registered in the Ministry of Civil Affairs from where it also gets part of the funding. Its influence is very high within the National Development and Reform Commission. With around 500 staff, it is headed by Zeng Peiyan, former Vice-Premier of the State Council.
  
- (xii) **The Institute of World Economics and Politics (IWEP)** at CASS is one of the most respected economic and political-economy think tanks in China. IWEP is funded by the State Council and channels its reports, reference materials and publications to almost each department of the central government. IWEP has

around 100 staff, with approximately 80 full-time researchers. It is headed by Zhang Yujan. The Institute enjoys a very good reputation also outside China and publishes the influential journal *China & World Economy*.

- (xiii) **The National Economics Research Institute (NERI)**, part of the China Reform Foundation - calls itself a non-government, non-profit research organisation, although its clients include many departments of the central government and the CCP. NERI provides policy advice to senior-level government bodies and analyses to the business community. It has around 80 staff and is headed by Fan Gang, one of China's most respected and influential economists.

## 5. Research institutes at top Chinese universities

- (xiv) Research institutes at top Chinese universities are increasingly becoming part of the think tank landscape. This is due to the presence of some of the country's leading thinkers and strategists among their staff (most of them having gained previous experience in one or more of the think tanks listed above) and their growing reputation within senior-level policy circles. These research institutes are more and more committed to translating their academic findings into practical advice to policy-makers as they compete for funding and recognition with established think tanks. The most important of these research institutes are:

- a. **The School of International Studies (SIS) at Peking University**. SIS is headed by Wang Jisi, possibly China's best known expert on international affairs. SIS receives substantial funding from the government;
- b. **The Institute of International Studies (IIS) at Tsinghua University**. IIS is headed by Yan Xuetong, a well-known thinker and strategist;
- c. **The Centre for American Studies (CAS) at Fudan University**. CAS is one of the major research institutions for American studies in China. The Ministry of Education and Fudan University provide financial support to the CAS. It is quite influential on all matters related to US domestic and foreign policy and Sino-American relations. It is headed by Shen Dingli, possibly China's foremost expert on US-China relations.

## 6. Conclusion

China's think tanks have become an important element for foreign observers to follow developments and gain insights into Chinese policy-making system. Think tanks have unique knowledge of internal policy debates, in particular of the dynamics in the institutions which fund them. The EU – in particular the EEAS - should make more strategic use of think tanks and expertise available across Europe to further Track II policy dialogues with Chinese think tanks. This would enable the collection of useful information and insight perspectives on Chinese policies so as to be better able to adopt a strategic approach vis-à-vis Beijing. For instance, the EEAS could partner with one or more of the established think tanks in Europe - e.g. Chatham House, IISS, ECFR, SWP, IFRI, BICCS, Asia Centre, EUISS (the latter being overseen by the EEAS itself) - to further discussion with Chinese experts and officials on a certain topic of particular interest/concern ahead of important bilateral meetings (e.g. the yearly EU-China Summit, and so forth). Moreover, EU policymakers could consider regular triangular dialogues, e.g. use expertise available in Europe to engage Chinese think tanks together with other research centres in the US and Asia in order to further discussion on issues of common interest.