

Think Tanks in China: Evolution and Challenges

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Abstract

The author perceives that the emergence of think tanks is a response to the social development demands, and expounds in the first part of this presentation the four major features of a think tank, namely organizational, independent, non-profit and professional in the public policy research.

The second part is a brief introduction of the development of think tanks in China. Challenges to be addressed include how to maintain the independent status of research and consultation, the construction of a competitive mechanism among policy consulting institutes, and the development of a modern policy consulting industry with more engagement of non-governmental think tanks, so that the goal of establishing an institutionalized, market-oriented and independent policy consulting mechanism could be attained.

The third part outlines the role DRC has been playing in China, as an independent think tank in the process of decision making of central government, its contribution to the reform and opening up of China, and its international exchange activities.

¹ DRC is the short form of Development Research Center of the State Council, People's Republic of China. It is a comprehensive policy research and consulting institution directly under the state council, the central government of the People's Republic of China.

Think Tanks in China: Evolution and Challenges

First of all, I would like to appreciate IDSC for inviting me to attend this conference and giving me this opportunity to exchange views with such a distinguished audience. Thanks to the efforts of IDSC, *The International Conference on the Role of Think Tanks in Developing Countries: Challenges and Solutions* is convened in Cairo. It provides a grand platform for the exchanges and collaborations among think tanks from the developing countries. In spite of the differences in the developmental phases of each country that represent, we are privileged, in this platform, to share our development experiences, models, and policies in tackling the various challenges that we are facing. I believe this conference will help promote a greater understanding of the role think tanks play in the policy making process in each country.

The topic of my presentation is *Think Tanks in China: Evolution and Challenges*.

1. The Emergence and Evolution of Think Tank is a Response to the Social Development Demands

The notion of Think Tank came into being in the modern era. After the World War II, as the spectrum of state administration expanded rapidly, the legislation and policies of government have an evident impact on the rights and interests of different social groups. A mechanism was demanded to help and obligate the government to forge the laws and policies in a rational manner and in the interest of the public. Think tanks emerge in response to this demand.

The term Think Tank appeared in the speech made by former US president Harry Truman, at the occasion of the celebration on his 80th birthday. After the World War II, particularly following the 1970s and 1980s, Think tanks have enjoyed a notable development as a group of specialized independent organizations and even seen as an industry.

Since 1970s, the global development of think tanks has been flourishing and think tanks in the developing countries have witnessed a particularly high growth since 1980s. It is estimated that there are over 3000 think tanks in the world nowadays. Although difficult to measure, it is for sure that think tanks play an important role in

promoting globalization, global marketization, government and public awareness on environmental protection, and civil society construction in each country.

Think tanks are undoubtedly research institutions, but they are more than merely devoting themselves to the theoretical studies. They are guided by philosophies and values, based on professional academic research, and they intend to bring about pragmatic ideas and agendas on legislation and policy making, so as to exert certain impact on the government. With regard to the means and extent of their impacts on policy makers, it varies in different regimes and national systems.

Generally speaking, there are four major features for a think tank:

- a. Organizational. A think tank is an independent and specialized organization, with policy-oriented research as its organizational doctrine and objective;
- b. Independent. Independence is the essence of a think tank by nature. The vitality of a think tank and the role it could play in a society is rooted in its status of independence, which is embedded in the organizational establishment, financing channels, research orientations and etc;
- c. Non-profit. The profitable private consulting agencies are not considered as think tanks. It is a further emphasis on the independent status of think tanks;
- d. Professional in public policy research. Think tanks emerge and grow in response to the social transformations. A think tank primarily conducts concrete and empirical researches on public policies, rather than academic researches on philosophies and humanities.

2. The Development and Challenges of Think Tanks in China

As government administration in modern times has been increasingly complex and specialized, specific research departments and organizations are established inside the government agencies or monitoring organs. For instance, each ministry of the central government of China has an affiliated research institute, which employs a large number of professional research fellows for studies on the laws and policy agendas. Besides, there are research institutes affiliated with universities and civilian research bodies.

From the perspective of promoting good governance and democratic decision making of the government, the boom of policy consultancy is a natural development. As a non-profit research organization, a think tank is aimed to influence the policy decisions with its public policy oriented research. The role a think tank plays and the

impact it has is determined, to a great extent, by the political and economic circumstance it belongs to. In this regard, a think tank is destined to maintain a sound interaction with government agencies, enterprises, universities and the media.

A key determinant for a better decision making is whether or not there is an independent consultative system, in other words, think tanks independent from the authority. In China, the research institutes affiliated to the ministries are more or less connected to the administration. Influenced by sector interests, they tend to be selective in face of the diversified public opinions. They might even filter or exclude some different voices or claims, and reinforce the thinking and policy orientations rooted in the administration. Such policies will reflect more sector preference than public common views. Although public hearings are arranged by some government think tanks from time to time at the dawn of promulgating public policies, the influence from the sector interests are still there. Therefore, the largest challenge for this type of think tanks remains how to maintain the status of independence for their research and consultancy.

Whereas, in a society where think tanks function soundly, the role of think tanks is to break the loop which permits information to circulate only within the administrative system, and to integrate the ideas of the elites and the masses into the legislative and decision making process. Trying to get support and financial assistance from the business circle or the public, think tanks will actively exploit the political preferences and claims of the public and articulate them into concise mandates as well as legislative and policy designs to realize the mandates. Consequently, the mandates and designs represent the common views of a certain group of people. In order to avoid serious control of one value or a few values, competition among think tanks on values and policy designs are necessary so as to reach a balance in the end. This balance is, to some extent, a balance point of the national will. Think tanks placed in a competitive environment will help generate consensus of the public, which will better ensure the justness of legislation and policy making. Significant laws and policies should be supported by a strong policy consulting system, whereas the government acts like a buyer, who assesses, analyzes and sums up the advices and recommendations provided by different think tanks and makes the final decision. This mechanism will surely improve the quality of policy making. While best agendas come out through competition, the disqualified think tanks will gradually be washed out and the genuine and competent ones will survive and flourish. Therefore, the second challenge we are facing is how to set up a mechanism of competition to promote the healthy development of policy consultancy.

In the modern era, decision making and policy consultation are independent from each other, and at the same time, they are complementary to each other. This structure is one of the backbones that secure sound decision making. For the time being, most of the Chinese think tanks, as in our Chinese phrase, are “inside the system”, namely governmental or semi-governmental. These governmental and semi-governmental think tanks in China are playing an imperative role in policy consultation, influencing the overall thinking and reform designs at the macro dimension. However, they are not sufficient and more non-governmental think tanks from universities and civil society, which are “outside the system”, are expected to play their roles. Thus, the third challenge in China is how to develop and fulfill the role of non-governmental think tanks.

In brief, the emergence and evolution of think tanks in China could be understood as the economic and social development of China has advanced to a new phase and a better coordination and interaction between different players are demanded. In the era of information explosion, more factors should be incorporated into the decision making process, including theoretical study, meticulous research and wide participation of peoples from all groups. China is devoted to building a responsible government, rule of law, scientific development, and a harmonious society. With more attention from the government been paid to promote scientific and democratic policy making, think tanks connected or unconnected to the government face new opportunities of development. How to develop policy consultancy industry in the modern sense and how to construct an independent, market oriented and institutionalized consultancy mechanism are the challenges we are facing.

3 . Role of DRC

The Development Research Center of the State Council of the People’s Republic of China (DRC) has been well known as a top think tank of China, which is dedicated to the research on overall, comprehensive, strategic and long-term issues in the national economic and social development. DRC was established in the wake of China’s reform and opening up and serves for the sound and democratic decision making of the central government. DRC has a high-profile research team, with strategic and overall thinking, global visions and profound understanding about the national

situation of China. It has made remarkable contributions to China's reform and opening up in terms of policy consultation.

Independence is the lifeline of policy consultation. DRC enjoys a unique advantage, thanks to its independent status outside the executive power. On one hand, it is beyond sector interests, objective and unbiased in the research to study and present common views of all citizens. On the other hand, DRC is directly under the State Council, the central government of China, and this close connection with the central government grants it the opportunity to participate in the whole process of decision making, providing recommendations before an issue is putting on the agenda and giving advice at every step it goes. In this regard, DRC plays a special role in the policy making, providing different and realistic thinking and policy options.

On a wide range of issues, DRC has provided important thoughts and concrete policy recommendations, such as analysis and assessment of China's macroeconomic performance, long and medium-term economic and social development strategies, industrial policies, enterprise reform, market economy, opening of financial market, urban and rural development, harmonious social development, foreign economic and trade relations, innovation system and IPR protection, environmental protection and energy conservation, etc. Most of the advice and recommendations have been adopted by the decision makers of the central government.

The interactions between DRC and its domestic peers and international partners are frequently conducted to facilitate its consultation for decision making. In China, DRC maintains a cooperative relationship with government think tanks at different levels, universities and civil research units and makes full use of the domestic intellectual resources and networks. At the same time, DRC is proactively engaged in the exchanges with overseas think tanks, by conducting communication and cooperation in economic and social policy research, studying their research experiences and methods, holding workshops on the issues of common interests.

So far, DRC has established connections with 234 overseas organizations from 73 countries and regions.

Since DRC and IDSC established a long-term partnership, more activities have been witnessed including exchange visits and exchanges of research findings. Many government officials and researchers of thinks tanks from developing countries participated in the Economic and Social Policy Consulting Program for Developing Countries (ESPCP) program organized by DRC in the last 3 years. In this program,

research fellows from DRC discussed issues like economic globalization, poverty, and other economic and social development issues with their counterparts from developing countries.

In this world, every country is keen for development no matter it is a developing or developed country. They may be in the different development phases with different challenges, however, there is a common goal—a peaceful, friendly, prosperous and beautiful world! Let's work, with joint efforts, for a healthy economy and harmonious society of all nations. Thank you!