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THINK TANKS IN CHINA: GROWING INFLUENCE AND
POLITICAL LIMITATIONS

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PROCEEDINGS

MR. BADER: Well, good afternoon everybody. I'm Jeffrey Bader, Director of the John L. Thornton China Center at the Brookings Institution. And I welcome you to this event, this program, on think tanks in China. All of us love talking about what we do for a living, so I can't imagine a topic that we enjoy talking about more than think tanks, and so this one is a particular pleasure for us. We are very pleased to have three distinguished speakers who will be presenting to you different aspects of China's think tanks, present and future. Our Senior Fellow, Cheng Li, will introduce the speakers. A week doesn't go by when those of us at Brookings, and probably most of you in this room, aren't visited by someone from some think tank in Beijing or Shanghai, trying to get information, thinking about public policy issues in China -- ah, in the United States -- and trying to persuade us of the wisdom of policy in China. This is a development that is relatively new. I think twenty years ago you didn't see this kind of thing in China. It's a reflection of the degree to which the public policy arena in China is becoming more public, that there are more and more players, more actors, who are affecting policy.

I'd like to get into the program as soon as possible, and so I'd just like to turn it over to Cheng Li right now to moderate our panel.

MR. LI: Thank you, Jeff. Well, I'm delighted to moderate this panel discussion. Before introducing the distinguished panelists, I would like to spend a few minutes providing some background information about the rapid rise of Chinese think tanks during the past two decades, especially in the recent years.

Now think tanks, or in Chinese *zhiku* or *sixiangku*, are, of course, not new in China. We may argue that think tanks played an important role as early as the time of Confucius. But in contemporary China, the role of think tanks has been quite limited and by no means institutionalized. The influence of think tanks has largely depended on the top leadership. Mao Zedong disregarded rationality in government policy and openly looked down on intellectuals. Mao made all major decisions during his reign. Mao alone was responsible for the launch of the Cultural Revolution; the move of China's national defense industry to the so-called interior "third front", a sort of front; and the reconciliation with the United States in the 1970s. According to Hung Dao of Zhejiang University, Mao himself made all these decisions. Now while Deng Xiaoping greatly improved the economic and socio-political status of intellectuals, during his rule, he never saw the need to consult think tanks when making decisions. In fact, in his final years, Deng preferred to listen to his

daughter's gossip rather than to, you know, read experts' reports. Even he liked gossip, not just us.

Now when Hu Yaobang and Zhao Ziyang were in charge of political and economic affairs of the Party in the government in the 1980s, they were the patrons of some liberal intellectuals who are usually affiliated with think tanks within the Chinese government. These scholars were later involved in the 1987 liberal movement and the 1989 Tiananmen rally. These two events brought about the fall of both Hu Yaobang and Zhao Ziyang. Some think tanks were closed as a result of Tiananmen, but the think tank system has nevertheless survived and has become increasingly institutionalized. Throughout the 1990s, Zhao Ziyang was often idolized by scholars from Fudan University -- mainly from Shanghai - - as well as from the East China University of Political Science and Law, and the Shanghai Institute of International Affairs. Several prominent scholars even moved to Beijing in the 1990s and worked closely with Zhao Ziyang in the areas of policy planning, Taiwan affairs, and foreign relations. For example, Wang Huning, former dean of the law school at the Fudan, later served as a personal assistant to Jiang Zemin, and is now a member of a six-person Secretariat of the Central Committee of the Chinese Communist Party. It was widely believed that Wang Huning helped Zhao Ziyang develop the so-called theory of "the three represents".

Similarly, Hu Jintao turned the Central Party School into the most promising think tank of the 1990s when he served as the president of the school. Sun Qingju, then vice president of the Central Party School, played a crucial role in the development of Hu Jintao's theory, the so-called "peaceful rise" or "peaceful development" of China. Under the leadership of Hu Jintao, university-based think tanks in Beijing have become increasingly influential. After Hu Jintao became Secretary General of the CCP, he has since regularly invited think tank members to give lectures to the Politburo Study Sessions. Thus far, fifty-two of these lectures have been given, and this does not include Politburo Policy Reviews by the members of think tanks. In 2006 the Chinese authorities announced a list of the top ten government-run think tanks, further enhancing their role. Now meanwhile, some other think tanks -- and especially those in the universities or in the private sector -- have attempted to exert influence on China's decision-making process by offering a more critical view of government actions largely through the Chinese media.

Now in my view, at least three trends have contributed to the growing importance of think tanks in China. First, the end of strong-man politics and the emergence of collective leadership have pushed policymakers to seek more legitimacy for their policy through Chinese

think tanks. Secondly, China's growing integration with the world economy requires input from scholars with professional expertise, especially in the areas of foreign investment and foreign, or international, finance. The third factor is that the rapid development of China's market economy has not only made the Chinese economic and socio-political structure more pluralistic, but it has also created many interest groups. These interest groups, especially those in the business sector, have attempted to influence government policy and public opinion. Now these three trends will likely continue in the future. For those of us studying China from overseas, the dynamic interaction between the Chinese government on the one side and the country's promising think tanks on the other side can offer insightful information on China's future political trajectory.

Now, this afternoon we are fortunate to have three prominent scholars to present their expert analyses and diverging perspectives on this important subject. Dr. James McGann, on my immediate right, is a Senior Fellow at the Foreign Policy Research Institute in Philadelphia, and Director of a think tank and civil-society program. He is the author of numerous publications on the comparative study of think tanks, including the famous 2007 report, which is entitled *The Global "Go-To Think Tanks": The Leading Public Policy Research Organizations in the World*. This

afternoon, Jim will share with us his recent research on think tanks and policy advice in China. Dr. Murray Scot Tanner, in the middle, is a China security analyst at the CNA, Center for Naval Analyses. He was the principle researcher on a comprehensive study of Chinese think tanks, which was published both in an edited volume and in a special issue of the journal *The China Quarterly*, in 2002. This volume has profoundly transformed our understanding of the function of think tanks in the Chinese decision-making process. This afternoon, Scot will focus on the changing role of Chinese think tanks and internal stability. Last but not least, Miss Wang Lili is a Visiting Scholar -- a Visiting Fellow -- at the John L. Thornton China Center here at Brookings, and also author of the best selling Chinese book, *Green Media: Environmental Communication in China*, that was the title of the English -- the Chinese -- book. Lili also serves as a television anchorwoman and a co-founder of the Chinese Environment Resource Network, a leading environment NGO in China. She has spent the last year in the United States, comparing Chinese think tanks with their American counterparts. The title of her presentation is "Where Are Chinese Think Tanks Going?" I wish we knew where American think tanks are going. Each panelist will spend -- will talk for -- 15 to 20 minutes and we will have a Q&A following their presentations. First, Scot.

MR. TANNER: I want to thank you all very much for coming today. I want to take this opportunity to thank Li Cheng, to thank Jeff Bader, and to thank the indefatigable Elizabeth Brooks for organizing this seminar today.

I'm going to talk about three things very quickly. First of all, I'm going to speak a little bit about a broader -- a couple of broader -- trends in the recent development of think tanks overall in China. Secondly, I'm going to introduce the sector that I want to look at today, which are the think tanks and research institutes in China's internal security system as part of a broader group of institutions that are interested in the study of maintaining social order in China. And third, I'm going to illustrate the role that has been played by some of those institutions, particularly the ones under the Ministry of Public Security, by looking at their study of unrest in China or the handling of what they refer to as "mass incidents."

We start, of course, with the two important standard disclaimers. First of all, everything I have to say today are entirely my own views, not that of the CNA Corporation. If I say something foolish, please don't blame the nice people at CNA. Secondly, the disclaimer of humility, which is that information to characterize any aspect of the Chinese policymaking process, particularly those things having to do with internal

security, is very hard to obtain, and so this presentation really represents merely my best assessments based on the available documentary and interview evidence.

Seven years ago, when we brought out some essays from a conference in *The China Quarterly*, looking at the development of international relations -- of think tanks across a wide variety of sectors -- really fine papers by Bonnie Glaser, David Shambaugh, Phil Saunders, a number of excellent people, they spoke in terms of the broad development of think tanks in China, and of changes over time that we thought we could generalize to most think tanks in China, that we could see patterns of development away from institutions that were largely insular, stove-piped, that didn't share information with the outside world, that didn't cooperate with each other on research. Earlier this spring, I had the opportunity to do some interviewing in China across a wide variety of issues, and in particular, focused on think tanks in two very different sectors, one of which was the internal security think tanks. And what I was struck with more than anything else was the vast difficulty in generalizing think tanks and their development at all. There were great, great differences between think tanks in one sector, one issue sector or issue in the community, and those in another. And I really came away with the impression that the key research question for us now is to ask

ourselves what variables explain the different roles, the different levels of influence, the different quality of research, that think tanks within different issue sectors, issue communities, have within their part of the system. And it's a number of factors, clearly the size and competitiveness of the issue community. There are small issue communities. There are enormous ones, such as the one that deals with social stability in China, the theoretical -- the different levels of theoretical and methodological development within an issue community. You know, my economist friends are continuously telling me about the great leap in sophistication -- bad metaphor -- great leap in sophistication of China's economic think tanks in the last couple of decades, not a point that I would necessarily make about think tanks in a number of other issue sectors. Think tanks in some sectors have greater access to resources that allow them to publicize their message, and to spread their influence through a number of different channels, whether it's greater access to finances, greater political access, greater access to the media, or other areas -- other forms of resource availability. But one that I want to focus on today as I talk about internal security is a very old one that goes back to the points that Li Cheng made earlier, which is the amount of intellectual space that the Chinese leadership gives to researchers working in a particular issue sector. Every issue sector in China, every issue community, has its own taboo areas,

has its own official historical verdicts of the Party, that this is the way reality and history are or were, and all of your research still has to cleave to that. Some sectors are plagued with a lot of those problems. I was reading David Shambaugh's research on propaganda before coming over here and was struck by the micromanagement that still occurs in a lot of that area. Other sectors are -- again, I would think of economists -- are a lot freer to explore new areas of research and policy. So one of the major differences is, as I say, the number of taboo topics, the number of official verdicts in a sector, the intellectual space, and so on, and in a very real sense, the Chinese leadership still, even 35 years after Mao's death, still gets, in a lot of ways, only the quality of research that they permit researchers to give them. Okay.

China's community of scholars that follow issues of social stability and internal security is genuinely vast. It covers an enormous number of sub-issues and institutions that follow issues as wide-ranging as economic development and inequality, rural and labor policy, political/legal reform, environmental issues and their impact on stability, ethnic/religious issues, and of course, the narrowly focused experts on internal security, particularly within the country's public security system.

And my focus today is on two [think tanks] in particular, under the Ministry of Public Security, China's Police Ministry. There are

two major social science and policy research institutes, one of which is the Chinese People's Public Security University, based in the *Muxidi Nanli* section of Beijing, which is also an educational and training academy for Chinese police officers in addition to being a major research organization. The other one is what the Ministry refers to as the Number Four Public Security Research Institute, and this is their chief social science and policy think tank. It is -- it publishes the Ministry's number one theoretical and social science journal, *Policing Studies*, *gongan yanjiu*, and it is extraordinarily well plugged in. Historically, the director of this think tank has concurrently been a top official within the Ministry of Public Security's general office. The policy research support that these two organizations give to the Ministry can be described across a number of functions. One of the most important over the last 25 years has been that these institutions have helped to spotlight and to analyze emerging, or in many cases historically reemerging, social order threats that were once considered completely taboo. It's very difficult for those of us who have been following China for 20 to 30 years to recall that it was not too long ago that you simply weren't supposed to write things in China that laid out clearly that China suffered from serious problems of drug trafficking or organized crime or peasant and labor unrest. So one important function of these organizations has been to take the lid off of this and begin to focus -

- and begin to carry out research on these once-taboo issues. They also sponsor nationwide research programs by provincial and local public security bureaus. They are the international face of the Ministry in many ways. They consult extensively with foreign police and security officials, and with criminal justice programs all over the world, including many within the United States at the federal, state, and local levels. Their foreign experiences are then disseminated nationally throughout the country. One easy place to see them is in the trip reports that are published in *Policing Studies*, talking about what they learned about how the British handle protests, or what they learned about criminal investigation in Singapore. They also assist the Ministry by drafting policy documents and legislation. They draft and publish police training materials, and they also help the Ministry maintain an eye at what's going on at local levels by carrying out local inspections or tours to exchange experiences. The research programs that these organizations have carried out over the last decade, decade and a half, are truly enormous. This is a very partial list of some of the topics that they've focused on. I'm not going to read through all of these, but it goes the full length from confronting -- helping the police confront what to them is a major challenge, the rise of the Internet, to things as seemingly mundane as finding ways to improve the physical stamina and conditioning of police officers, to problems of youth

crime, to problems of dealing with unrest, to problems of dealing with what they would call cults, or the challenge they believe they face from organized religion.

I'll close with a case study of how they have -- of how these organizations have functioned within the study of social protests, or the term that the Chinese use is "mass incidents." I think one of the most important things that we can see looking at these institutions is that the research process for them was not entirely top down. It was not the case that top leaders recognized that China had a social order problem and told their police think tanks to go out and study it. One can very clearly see that in the five or six years before the Ministry really focused research efforts on this area of unrest, that is about 1998, '99, in the five years before that -- before the magnitude of the problem was recognized -- both of these institutes sponsored and published extensive local research and experience on the magnitude of protests, on the causes, and on some of the policy responses that the Ministry was trying to experiment with or that local police were trying to experiment with. And, as I say, all of this research was initiated well before the Party's Central Political Legal Committee -- that is the Party organization that oversees internal security - - or the Ministry of Public Security began to organize major research and drafting programs in the late 1990s, early 2000s. And you can see that

within the research that was being sponsored by these think tanks, a foreshadowing of some of the major insights of the key policy documents on handling unrest that were issued in 2000 and 2004.

Getting back to a point I made at the beginning, a key aspect of what encouraged this research function for these organizations came from an ideological decision of the Party leadership. By the late 1990s, it was widely and officially accepted by the leadership -- to use the official Chinese ideological terminology -- that the vast majority of protests or mass incidents represented what they referred to as “contradictions among the people” as opposed to “contradictions between the people and the enemy.” In other words, these were officially being seen primarily as people who basically supported the Party and basically had legitimate grievances. It was just the case that a small number of domestic and foreign enemies were trying to take advantage of these protests. That was the official verdict. That had an enormous number of intellectual ramifications for the study of protests by the police think tanks. It meant, for example, that instead of focusing on what the enemy was doing to cause these protests, the police think tanks could focus instead, or in addition, on social, economic, legal shortcomings, intentions, within Chinese society in a much more frank way. And by the early 2000s, if you read an analysis of the causes of protest within a Chinese police journal,

they were very much the same list of factors that we, looking at protests in China from the outside, would identify. This also permitted them, in turn, to borrow from Western social science theory. In particular, they became rather obsessed with late 1960s, early '70s, theories of instability and economic development, particularly the writings of Samuel Huntington, and his '68 classic *Political Order in Changing Societies*. And they focused on the thesis that development naturally causes demands on the state and the possibility of protest, and the only thing that can solve this is some mixture of restrained, but effective, coercion, but also providing effective, open, legal, and institutional channels for people to put -- to seek -- redress of their grievances.

I don't want to go overboard in complimenting the quality of their research, however. There were a number of areas where they've fallen badly short of the mark. In particular, despite having relatively available data on unrest and some of the things that we believe that cause it, such as layoffs or levels of income inequality in China's provinces, there's been virtually no effort at statistical hypothesis testing. There's also been virtually no effort to take advantage of the whole school of what's referred to as 'new social movements insights' that is very prominent within the study of social movements in the West. But it also meant that the Ministry did not have to bear the full burden of handling

unrest by itself. It could say to the system -- it could say to others in the system legitimately look, this is not just an issue for coercion, we need to reform and respond to real grievances. It meant that research on enemies of the state, as they were officially declared, could be narrowly focused to those who were seen as the organizers of protests, for example, they're fond of blaming the Dalai Lama or cult groups or East Turkestan or Western-funded NGOs, and so on. More broadly it meant that when Hu Jintao came along and adopted his 'harmonious society' strategy, the system was intellectually set up to carry out the harmonious society's, what I might call a, wedge issue in which the Party offers to society that it's going to do a whole bunch of things to resolve the problems of the wide variety of people, but it's also going to crack down hard on the small number of people who organize protests, who provide an organizational structure for protests and drive a wedge between those groups in society. Still, however, these think tanks have been involved in a number of cases in fomenting needless and exaggerated threats, sense of threat of foreign and domestic enemies. In particular, you can see this in their pushing of the 2004-2006 scare about color revolutions. You can also see it in their prominent role in a 2006 national meeting to modernize what's referred to as domestic security protection work; that's political -- that's explicitly political policing in China, and also in the training that they've undertaken.

China's Public Security University now has courses on political policing of unrest and on what they refer to as *minzu ba wei* which is security work for dealing with ethnic minorities.

And finally, there are still a number of taboo topics and questions that continue to restrain good quality policy research in this system. It's not possible, for example, for police officials -- for police scholars -- to ask whether it's even possible for a single party authoritarian system to provide the kinds of adequate, autonomous political, legal, institutions that could ease unrest. Or it's not possible to look back at the possibility -- that the lessons from the 1989 Tiananmen demonstration to see if they have any relevance for the present. Or to ask, for example, whether there were legitimate domestic issues that helped spark the riots in Lhasa on March 14th of this year. It's also way too sensitive still to draw upon a lot of the available data that they have about unrest and its causes, to look at the impact on unrest of things such as corruption, or the legal failings of the system, or China's skyrocketing levels of income inequality.

So I guess I would close by saying that 30 years after this -- well, it will be 30 years after China went through the debate over the practice being the sole criterion of truth, and deciding to do -- try and crack open once taboo topics. And yet, policymaking and policy analysis on crucial areas of

social unrest are still plagued by a number of closed-off areas that are ideologically prejudged by the leadership. Thank you.

MR. McGANN: Actually, I'm going to pull back a bit because I am not a China specialist by any stretch of the imagination. My forte is think tanks globally. I track them and essentially haven't looked at China in particular, but in other regions, and I'm most interested in comparative think tanks, politics, and policy advice. And this is just one example of the work that I'm doing.

It's in part -- I'm basically a think tank's think tank. I collect information globally. I can assure you when I started 20 years ago, there would be just like one row here. Now there's a sort of a global phenomenon. It's on one of the slides, but I'll mention that there are 5500 think tanks worldwide in 169 countries. And that's just in many respects the surface that I've been able to identify.

I'm going to talk about Chinese think tanks in context, global and regional, so it's a broader perspective than what you've just heard; some of the historical and cultural climate that contribute to the nature of think tanks and policy advice in China; categories of think tanks, which I think is critical in understanding and comparing Chinese think tanks to other countries; think tank contributions, both political and economic; and conclusions and recommendations.

I want to start out with: what is a think tank? Most of you obviously probably work at them and live them, but I have for my research -- and in this I use the word "independent," but in most cases and particularly in the Chinese context, I really started with public policy research analysis and engagement organizations. My desire is that they are independent, but in many countries, it is necessary to really start, as I do with China, with the public policy, otherwise I'd have a very small universe to work with. So I have a broad definition of think tanks. I do include and distinguish between research analysis and, increasingly, the importance of engagement for think tanks, and I consciously don't use advocacy because I think it's a charged term whereas engagement I think is an essential, increasingly an essential, element of think tanks.

This is just a global sense of the numbers that I gave you -- just cited, and where think tanks are; obviously, the greatest concentration being in Western Europe and the United States. These are the specifics to give you a sense of how Asia fits into other regions. And then I've -- looking at the Brits because I -- in terms of their future, in terms of growth, and whether there's the think-tank capacity to meet the challenges that these countries will face, and for the purposes of this discussion, develop comparative charts in terms of the number of think tanks in Britain currently, and where obviously China sits relative to other

countries, and then obviously on a per capita basis. And then comparatively in terms of the G-7 and per capita basis. The U.S. is -- and we were talking about this at lunch -- everyone thinks the think tanks were invented in the United States. That is the furthest thing from the truth. Think tanks have existed in countries around the world. What is unique about the United States is the number, the independence, and the influence that they have relative to other think tanks around the world, and the fact that we have a very active, obviously, laboratory of think tanks to examine for comparative purposes that for most countries in the world have some degree of instruction. And the point is, it's not that you should model your think tanks on the United States solely.

I've done work comparatively on China, Hong Kong, and Taiwan. And I will explain in a second why for me that isn't interacting set of countries but I also wanted to put it in the regional context in terms of the number of think tanks in Asia so that you have a sense of the comparative differences in terms of think tanks.

Cheng Li mentioned the global go-to think tank list. I get constantly, since I do look globally--journalists and others constantly sort of come to me and sort of say what are the top think tanks in the region, in every region of the world, so I have collected them.

In the case of Singapore it set off a discussion because

Singapore in the last issuing, wanted to know, in terms of a national question, in terms of elitists were set off – “Why do we have so few think tanks and why didn’t any of them make it on McGann’s list?” – that was the quote that I got from someone. It had a positive and constructive dimension to it but that was not the original intent of this study.

It is the breakdown in terms of the region and the three entities in the region. There are similarities which I found instructive and what I really focused on is these three entities and how they provide, I think, interesting case studies because each one is flawed and has problems. And the identification of those problems are instructive and I always like to look at within the region as opposed to compare to the United States because I think those comparisons tend to be more productive in a lot of ways.

Just as important an aspect when I look at Chinese think tanks and their culture is the fact that the culture can change. And there has been change in the Chinese context. That will be the central part of my focus.

In an historical perspective they are really looking at it, depending where you are, there are three basic periods in the evolution, from my perspective, in terms of Chinese think tanks; and each one of these has distinct elements and degrees of movement forward in the

development and degrees of freedom of think tanks within the region. And I will go into the specifics of this. And while there has been movement, in my view, it has been slow and relative in terms of where the development, in terms of the think tank community and the capacity, and it has not been across a set of institutions. And some of that has already been identified in the previous presentation.

I will focus on the second two, the top is really not significant. In terms of economic challenges, the basic position that I have in terms of the think tanks within China is that they will face many challenges and the question is, "does [China] have the capacity, is it investing in the capacity to deal with those challenges?"

There has been an emergence of two types of think tanks in terms of those who have analyzed think tanks in China. One is semi-official, which in my mind is government, and I have a set of categories in terms of think tanks and they basically are as follows: independent and autonomous, which are largely NGOs, corporations which in the Chinese context are included. NGOs, for-profit organizations, and universities are all included in the civilian category.

And in terms of the semi-official it really is what I would categorize as government-oriented think tanks where they are aligned or a part of government or quasi-governmental in that the lion's share if not all

of their funding comes from the government. So, they may not be a part of the physical structure of government, but for all intensive purposes they are serving a part of government.

In the same period, in terms of the 1990s, there were improvements -- features developed but without challenging the traditional framework in terms of think tanks. Meaning that in the relative sense that I mentioned that clearly relative to Mao there was a tremendous movement towards opening. But the opening that took place, which I will talk about later, was in a narrow set of institutions and on a narrow set of issues.

Independent think tanks really continue to be virtually nonexistent. I mean there are few, but truly independent think tanks do not exist with the exception in terms of a small set of institutions. The government has made in recent times a concerted effort to limit the number, role, and influence of think tanks. There is very clearly -- and I have a major study looking comparatively at what I call NGO push back and in the context of think tanks in China there is in terms of registration and what I will call legal and extralegal means -- a conscious effort to limit the number, the role, and influence of think tanks in China. And that is a recent phenomenon and one that I see as very troubling.

Key findings. The date of establishment, the impact of the economic revolution on think tank proliferation, if there's one moment in

time that really sparked the growth of think tanks in China, the structural orientation, and this is based on a survey of 72 think tanks in China. We surveyed them, we profiled them, and we visited their web sites and created profiles of them and the findings here are based on that study, which is a part of, because of the profiles, a 300 page report and anyone who would like a copy can just give me their cards or let Elizabeth know and I will send it to you.

The areas of that research, historically, have been really focused on economic and international issues, on areas where we reached the point of taboo there are a few studies on democracy and human rights. So there are those areas that are permissible and those areas even in terms of sensitive social issues that tend to be ignored in terms of AIDS, health and safety issues, and to a degree, pollution.

The audience targeted and this is where once again the degree to which there has been change, and I see it as relative, is that the primary audience remains policymakers, and academics to a degree, in that they are those academic institutions where research is provided or allowed. It is essentially where the interaction occurs. There is very little engagement of the public and the media.

This is a graphic illustration of the things that I just discussed. You can sort of see obviously in the early years some think

tanks were established and then the sort of periods in which there was the growth of think tanks.

This is, just a sense of the orientation, most are government affiliated think tanks or university-affiliated think tanks that are controlled by the Ministry of Education, extensive government control, and most importantly in terms of relative change, have no real access to independent funding. Exceptions: seven out of the 72 we have identified do have a degree of independence and three of them are listed on the chart, on the left, sorry, on your right.

Areas of research in terms of Chinese think tanks is a somewhat predictable. Economic policy has historically dominated, whereas international relations, security studies are a little lower because those institutions are the hardest to get information from. So my sense is if we had access, full access to that, that number would be somewhat higher. And this is just reflective in terms of this is self-reported by those institutions that responded to the survey and what they say on their website and is based on conversations with institutions that we had access to.

On the current limitations, government control, and monitoring of think tanks; most think tanks sort of know that and talk about flying below the radar so that they know what is permissible and what is

not permissible. In terms of the economic area, in terms of macro or micro economic policy, or on specific industry studies those things are fine. But when you get into certain areas which are very clearly known by the scholars, they avoid them. And where they are doing them, they fly as low or far below the radar as possible.

Dependency of think tanks and subjugation by the government really has, even though there has been and I recognize phenomenal change in China, it still has a very stifling effect on thinking about the key policy issues that China faces and will continue to face. It goes without saying it is heavily influenced by the political climate. The important part is the implications. Even though there has been tremendous change in exchanges and openness, people know the limits and there is self-censorship in what they do.

This limits critical analyses and innovative ideas which will be essential in terms of China. It rewards group think and bureaucratic babble. I mean it's not where -- there is a sense that people are breaking out in key areas, and I once again say that it is not across the board. That it is in certain areas where there is thought and discussion both within think tank circles, but also where the engagement of the public on those areas is constrained.

And then it leaves government, in my mind. I'm prepared to

respond and see the challenges that lie ahead and seize the opportunities that present themselves.

Just a quote, because I think a part of the global phenomenon that I have identified is that increasingly governments are finding that they must scan globally in order to find policy solutions to deal with rapidly breaking problems. The financial crisis that we are now in is clearly reflective of that. And the problem, additionally, is scanning for quality because there's so much information -- where is the stuff that is both of high quality and reliable? And think tanks, both internally and externally, in my mind, provide that resource.

I'm going to skip through some of these for the sake of time and just go to the –

From my standpoint, there are basically four areas where there needs to be change. There needs to be the creation of the space that allows for independence and transparency in terms of think tanks in China, operating. Secondly, there needs to be a basis for truly independent funding. There are serious constraints on international funding. That would allow for the independence that these institutions need, and more importantly they would provide a domestic framework that provides truly independent funding for think tanks that is not a part to the government and would help create the sort of independent analysis that is

needed.

There is a problem in terms of the historically horizontal structure and lack of communication between think tanks domestically and internationally on key issues. And then secondly, there is a very underdeveloped capacity in terms of communication between think tanks and the public; engaging them effectively so that the citizens can be informed and deal with some of the challenges that the country faces and some of the problems that it will face. And then obviously a greater diversity in terms of research interests because there is a very narrow degree of issues that are permissible.

This is from the BRICs Report, which I think is central in terms of this discussion and I'll end on this: ultimately think tanks and the growth of analysis allows for and encourages growth and development to continue unhindered in order to fully realize the growth projections that the Goldman Sachs Report on the BRICs at lines. Basically, identifying what are the problems in the BRIC countries and what are the things that might hinder their growth in the future. And it is precisely that area that I think the think tanks can help all of the BRIC countries, and certainly China, in dealing with those challenges so that its projections on growth will continue and the development of the country will continue well into the future.

Just in terms, from my standpoint, the whole notion of think tanks in China really has to do with the projection of China's growth and the fact that it is in China's national interest to support and encourage, and to nurture think tanks as independent sources of information for the country. And I think that providing that is sort of key to the future growth and development of China.

Thank you very much.

(Applause)

MS. WANG: Good afternoon ladies and gentlemen. My name is Wang Lili. I am a Visiting Research Fellow at the John Thornton China Center at Brookings.

Today is a great honor for me, on this distinguished panel, to have an opportunity to exchange my views with all of you.

You heard perceptions about what Chinese think tanks are and could become. One perception is Chinese think tanks' current primary functions are to filter information and to advocate policy rather than produce new ideas. The other perception is that the future direction of Chinese think tanks is to follow the American model.

I believe both of these views are too simplistic. After 30 years of development the Chinese think tanks have begun to play an increased and important role in political arenas. In the foreseeable future I

think Chinese think tanks will adopt certain features from the American model as well as develop its own model.

Up to now, I have been in Washington, D.C. for almost one year and I have interviewed 35 people in the Washington, D.C. area from different kinds of think tanks. And today I would like to take this opportunity to express my thanks and appreciation for all of those people who granted me interviews. And this is very unique -- as both a personal and academic experience in my life.

And so today, based on my observations so far, firstly I will briefly talk about the current status of American think tanks. Secondly, I will give you a general picture of Chinese think tanks. Thirdly, I will compare Chinese and American think tanks from a communications perspective. Lastly, I will give you my view of the future direction of Chinese think tanks.

Okay, now let's start with a very simple question. Jim already mentioned this question but I need to talk about it again. Quickly, what is a think tank?

I believe all of you here today already have your own perceptions and understanding about the term 'think tank'. When I interviewed with John Hamre, the President of the Center for Strategic and International Studies, my first question for him was, what is a think tank?

He burst into laughter and replied, "My mom always asks me this question". I think to most of the general public and even social elite, 'think tank' is a blurred concept. There is no consensus about the definition. And the definition varies greatly from country to country. And today for the sake of a comparison between Chinese think tanks and American think tanks, I adopt a very loose definition. Think tanks are organizations dedicated to policy research. They are tapped to influence public policy and educate the public through different communication channels.

Okay, based on this definition there are approximately 2,000 think tanks in America and most of them are independent think tanks, about 1,700. According to the affiliation and the funding source, [think tanks] can be divided into three categories: government affiliated, university affiliated, and independent think tanks.

In the United States these three types of think tanks play different roles and have different impacts on the policy community.

Government think tanks' primary function is to serve the government. University think tanks tend to do long term and academically-oriented research. Independent think tanks focus on pricing policy issues. From my point of view and my perception, the major distinguishing characteristic of American think tanks is that independent

think tanks dominate in both influence and quantity.

Currently, a lot of the independent think tanks have more than 100 senior fellows with an annual budget of tens of millions of dollars. Besides there are also a lot of (inaudible) sides and small sides that independent think tanks in the American policy community. I believe there is no doubt that after 100 years of development the most developed and prosperous think tank industry today is in the United States. Based on my research and interviews, my perceptions of American think tanks are as follows.

American think tanks' key functions are to provide new ideas for the government, to educate the public, and prepare talent for the upcoming administration rather than exercise influence on specific legislation.

Secondly, I think a revolving door is a very unique phenomenon and rooted in the political system of the USA. This phenomenon has contributed to the mutual understanding between policymakers and the researchers, adding to the talent pool of the new administration, and keeping this country energetic.

Certainly, American think tanks are very biased, either liberal or conservative. It could be a general bias on most issues. In listening to the bias of the think tanks the public is also biased. It is rare to get

impartial and unbiased views of policy issues.

First, based on my experience as an observer attending a trustee meeting at one of America's leading think tanks, I perceived the Board of Trustees function to be to appoint the leadership team, raise funds, approve of the research agenda, and help the institution exercise influence. I think the institutions' development and influence seem to rely heavily on the Board of Trustees' management and power.

The research agenda of American independent think tanks is driven by money. Some, like the Carnegie Endowment for International Peace, have a tremendous endowment. They have more freedom to set up their own research agenda. Some, like the Center for Strategic and International Studies, have a research agenda that is completely controlled by the money, by the funds.

So the others are like the Council on Foreign Relations, and are raising part of the money, the funding from memberships. So the membership has influence on its research agenda.

Okay now, let's give you a general picture of Chinese think tanks. On this topic I think I have a different view from Jim.

Chinese think tanks can also be divided into the same three categories based on my definition: government-affiliated, university, and independent think tanks.

According to Chinese scholars' research, currently there are approximately 1,000 think tanks in China. Most of them are government think tanks. Independent think tanks only make up about five percent of the total. And they are usually small scale with twenty employees at most and an annual budget of about \$450,000.

Based on my observations I would like to make a few points about the kind of stages of Chinese think tanks. Firstly, the most distinctive characteristic of Chinese think tanks is that government think tanks dominate in quality and quantity and influence. Secondly, from a comparative point of view, Chinese government and the university think tanks today have developed and matured while independent think tanks are still in their infancy. The disparity of development among these three types of think tanks makes it extremely difficult to complement each other and work together in the policy community.

While the revolving door phenomenon is very scarce in China, Chinese government think tanks' influence may overshadow American independent think tanks in terms of influence.

Three - Four. Since 1978 Chinese think tanks have gradually played a more important role in the political arena. However, that influence still relies mostly on some individual experts that are at the institutions, this being different from the strong brand name of American

think tanks. Chinese independent think tanks are in the beginning stages. Currently their real functions seem to be to create government policy and to educate the public rather than to influence decision makers.

Okay now, I am going to compare the Chinese and American think tanks from a communications perspective, very quickly and briefly..

I believe the distinguishing difference between Chinese and American think tanks is that Chinese think tanks are mainly represented by government think tanks, while American think tanks are mainly represented by independent think tanks. Based on this point I will give you a brief comparison between Chinese government think tanks and American independent think tanks.

From a communications perspective, think tanks' influence can be divided into two types: public influence and private influence. Broadly speaking, the Chinese government think tanks and American independent think tanks exercise their influence mostly through three communication models: interpersonal, organizational, and mass communication. However, they differ in their specific channels and in their scope and purpose.

Interpersonal communication means think tanks exercise their influence through personal networks. Both Chinese government

think tanks and American independent think tanks regard interpersonal communication as the most important channel to exert private influence on policy makers. In the United States the “revolving door” makes interpersonal communication very influential.

Take Brookings as an example. Currently there are roughly 100 senior fellows of which about half of them used to work in different administrations. And six of them used to be U.S. Ambassadors.

In China, the “revolving door” is still very scarce, but it is starting to happen. There are some examples of the revolving door happening in China. Actually in China, government think tanks enjoy a strong personal network and use internal channels to exert influence.

Currently, Chinese scholars are regularly asked to give lectures to top level leaders. Through this special channel scholars are able to communicate with decision-makers face-to-face.

Organizational communication refers to how think tanks rely on the institution’s power to exert influence. American independent think tanks often hold large public influence, like today, they use public influence to educate the public and [spread] awareness about policy issues. They also hold some small and medium sized meetings which usually include policymakers, journalists, and academics. For example, the Brookings Institution held about 200 large public meetings in the 2007

fiscal year and in this year nearly \$4 million was spent on communication.

By relying on organizational communication, American think tanks exert a great public influence. By contrast, a public conference held by Chinese government think tanks is beyond comparison. They seldom open their research and discussion to the public.

In terms of organizational communication, Chinese government think tanks usually exert great private influence through their strong institutional power. They usually receive research topics directly from the government leaders and then provide suggestions and policy solutions with new ideas to the top leaders.

For example, China's domestic policy (inaudible) development comes mostly from the China Academy of Social Science and the Development Research Center of the State Council.

Mass communication means think tanks disseminate ideas, information through various media outlets such as newspapers, magazines, radio and television, and internet. While both Chinese government think tanks and American independent think tanks rely on mass communication to exert influence, they differ in intensity and purpose; I mean target audience.

For American independent think tanks, mass communication is an indirect way to influence decision makers. In the United States,

given the voting system, decision makers have to pay more attention to public opinion to stay in office. In this contrast, mass media has unparalleled power in influencing public opinion.

Chinese government think tanks employ mass communication as an important way to inform and educate the public on policy issues rather than influence policy makers. This is due to the strong personal networks and organizational power.

And here I also want to say a few words about internet media. Because of its global reach, methods of communication and its speed, internet media has become an important component of the global strategy of American think tanks. Through this channel, American think tanks disseminate ideas and exert great public influence around the world. This is known as American soft power.

I had better give you a few examples. Carnegie started a Chinese language website in 2004 and it was aimed to promote its influence in China. The Brookings Institution just opened its Beijing office in 2006 and it is now working on its Chinese language website. Internet media will, I think, assist American independent think tanks to advance their global strategy.

For Chinese government think tanks, from my observation, internet media is a great channel to communicate with the public, and a

way they can receive comments and suggestions and the (inaudible) about research funding. However, up to now, most of the Chinese government think tanks lack the insight to exert its global influence through internet media.

Based on this broad comparison it seems to be that American independent think tanks have more impact than Chinese government think tanks in terms of public influence. On the contrary, in terms of private influence Chinese government think tanks maybe have more impact than American independent think tanks.

Okay, before I talk about the future direction of the Chinese think tanks I want to tell you a real story. Last year one of the most influential Chinese government think tanks, the Development Research Center of the State Council hired the McKinsey Company to consult them. McKinsey told them three words, "study from Brookings." This is a real story.

There is an old saying in China, "Although we reach the mountain peak, while by different routes, we all have the same goal: to see the view from the top". In the West today there is a similar saying, there are many ways (inaudible).

What I want to say is American and Chinese and think tanks are rooted in different political systems and have different characteristics.

However, they both came to influence policy and the public opinion.

Deng Xiaoping once said that while there is a certain degree of planned economy features in capitalist countries, there is also a certain degree of market economy features in socialist countries. The same concept applies to think tanks.

Okay, I would like to make two points regarding the future direction of Chinese think tanks. Firstly, for the foreseeable future, Chinese government think tanks will remain the most influential in the policy community. In addition, they will gradually become more independent and effective in terms of funding and research agenda and administration.

Secondly, Chinese independent think tanks will gradually grow in quantity, skill, and influence. One of the primary functions of a Chinese independent think tank is to bridge the gap, to bridge the political participation gap between the government and the people and contribute to China's social stability.

In closing I would like to say the development of Chinese think tanks will definitely promote the communication and integration between China and the world.

Also I would like to take this opportunity to express my thanks (inaudible) to Brookings for giving me this opportunity as a visiting fellow

here (inaudible) China so I also want to thank my colleagues and friends for your support. Thanks so much for (inaudible)

MR. LI: Thank you all for really very informative and illuminating presentations. Probably I should start with questions (inaudible) for (inaudible) do you see any division (inaudible) policy division between think tanks that may or may not relate with division in the leadership? I would be surprised (inaudible) think tanks (inaudible) have the same views, have the same recommendations. If there is a division, what are the reasons for this division? For Jim, you made policy recommendations, but I want to address the recommendations from a different perspective, from the perspective of the independent think tank you quoted (inaudible) and (inaudible) research. They do believe independent think tanks like (inaudible) and just from their perspective how to enhance their autonomy or independence? What are the strategic recommendations you would give them in terms of their relationship with the government, with the private sector, with the media, with (inaudible) or other parts of civil society or with the international community? For Lili, you will return to China very soon. If a Chinese leader asks you what's the single most important thing you want to learn from the American think tank, at the same time are the -- you know think tanks, what are the areas

China should strongly resist or should never adopt in terms of think tank development? Scot?

MR. TANNER: The short and simple answer to your question is there's considerable disagreement among think tank scholars as there is disagreement among scholars of any other field and, that is of course, the degree of that disagreement is bounded by official party policy on the nature of unrest and how it should be handled. But within that, yes, there's considerable disagreement with that. If you go back to the period after Tiananmen [in 1989], debates broke out for the first several years over what the causes of that event were, and whether it really ought to be seen primarily as a conspiratorial issue. There have been debates with regard to criminal policy over the reliance upon punishment and what they call "stern blows" and "anticrime campaigns" versus people who were trying to (inaudible) toward a more managerial theory of public order.

And one entirely predictable disagreement that we're just starting to see – this morning I was looking at a couple of very recent essays on the handling of unrest that had been published since the riot Lhasa in March. No surprise, one author points out that the constitution gives to the police the right to punish people who break the law and it's something that they should take advantage of and use for people who try to split the country. And in the same journal a month later another expert

says when we have relied on excessive punishment of these people or crack down too hard on -- too violently on unrest in the past, we've caused unrest to spin out of control and so we need to go toward a more restrained management or managerial containment policy - more civilized was the term that they used - way of handling protest, and I fully expect that debate on the lessons of Lhasa to continue for some time to come.

MR. MCGANN: I think the principal areas are, one, that there is the regulatory and legal space that makes it possible for independent think tanks to operate, that is, to recognize that it's there and that they are protected in that their operations cannot be essentially interrupted in a capricious or arbitrary manner. Secondly, in terms of funding, whether it's in the United States or in any country around the world, independence is largely a function of the funding. So in terms of in the China context, the fact that most of -- while there's a discussion of increasing independence, you really can't be totally independent if government is the sole source of funding and in many of the instances that's the case. So having and allowing for both a domestically and internationally diversified base of support for these institutions and the potential to seek and book those resources without (inaudible) a lot of countries, one of the trends that's happening internationally to curb the number, role, and influence of think tanks is that when international

contributions are received, they are taxed, and then once they are granted to the designated institution they are taxed and the clear intent there is not to collect revenue, it's really to constrain the influence of the institution.

Thirdly, in terms of access to the media and the ability to engage the public on key policy issues is an essential requirement all of which are constrained within the Chinese context and any movement on those would be welcome. However, there is -- of which China is a sort of a global -- part of a global ominous trend, pushing back. With movement in all of these areas you would expect movement forward, there has been quite conscious effort to limit in all of those areas so that in itself it precludes the possibility of truly independent analysis within (inaudible)

Can I say one thing? A draft version of my presentation was loaded with just a nightmare (inaudible) so I will give you the actual version of it so that you can post (inaudible)

MS. WANG: First, this is a wonderful occasion. I hope some day I have the opportunity to give a lecture to the top leaders in China. I really hope some day I can do that. Because now (inaudible) in China the top leaders know little about how American think tanks work. And I think China should study a lot of (inaudible) from American think tank model but today I want to highlight two points. Firstly, I think the best quality of American think tanks model is independence. There are a lot of

independent think tanks in this country. They do not work for the government (inaudible) they can set up their own agenda. They do not (inaudible) agenda from the government. And secondly I think the revolving door is very unique (inaudible) American because of this phenomena the researcher in the think tank, the scholar in the think tank, can have opportunity to (inaudible) the research and I think this phenomena will contribute to the mutual understanding between think tanks and the government leaders.

And regarding the second question: what China should not study from American think tanks. From my personal view, I think it's over-commercialization. So we talk about (inaudible) 2,000 think tanks in America and (inaudible) about 1,700 independent think tanks. This is very crowded marketplace of ideas. Because there are more and more think tanks emerging in this market, they need to pay more attention, more time, more money, for repackaging and marketing ideas rather than producing new ideas. I think China think tanks in the future (inaudible) the future and maybe there are large independent think tanks emerge in China that should avoid this point.

MR. LI: The floor is open. Please wait for the microphone and also identify yourself, your affiliation, and each person should limit to one question.

MR. FELDMAN: Thank you. Harvey Feldman, Heritage Foundation. Just a couple of ideas to throw out for Ms. Wang. There is one think tank which is not American and which in many ways is unique and which I think would be worth your study and that's the International Institute of Strategic Studies based in London which is nongovernment but which has many, many members of governments around the world among its membership which hosts readings and conferences such as the Singapore meeting to which Ministers of Defense are invited. They are a very unique institution with unique influence worth your studying.

To all three, in my very limited involvement with Chinese think tanks, I often find that they are in competition with each other, and this was not mentioned, and very often the competition seems to revolve around a principal person in one think tank contending with a person in another think tank. The Japanese -- I remember (inaudible) Japanese the translation is, "One man, one castle," and I think that this tends to happen. My prime example is probably (inaudible)

MR. LI: Good. Actually, this was mentioned in 2002 study - individual figures will have a very strong impact with Chinese think tanks.

MR. HAROLD: Scott Harold from the RAND Corporation. Thank you all, but in particular I'd like to address a comment and a question. First, the comment on your definition. As I read your definition

on your slide, it would seem that political parties which undertake research and definitely seek to implement public policy and effect public policy would fall under your definition, so I wonder if that's a problem. More broadly though I wonder if you could comment: you noted that McKinsey was hired in China and you also noted that several Chinese institutions of higher learning are playing important roles and I wonder if you could talk about those as future contributors to China's public policy debate, the role of private corporations like consulting groups and public universities that undertake research that finds its way into government hands. Can you talk about how those contribute to public policy in China?

MS. WANG: (inaudible) make clear about your question.

The first question is about my definition?

MR. HAROLD: I was just noting it. You don't have to comment on it. I just wanted to call it to your attention. The question was, what role do private consulting firms and academic universities have in contributing to China's public policy debate?

MS. WANG: Under my definition, your political party think tanks are a part of the think tank community. And also you mentioned consulting companies. So from my understanding of independent think tanks now in China because of China's policy and the law, independent think tanks and some companies -- so in my -- from my research and

understanding, I think the university-affiliated think tanks do some long-term research, just like in America, and academic research because universities have much responsibility. They need to teach students and produce new ideas. But currently more and more Chinese university scholars pay more attention to the policy research like (inaudible) the National (inaudible) Study Center is under a world-famous scholar (inaudible) and every year (inaudible) publish report -- national report and this report we've highlighted and was well received by the top leaders. And also in (inaudible) university there is a very famous economic center that has great influence on the top leaders and the public. And referring to the independent think tanks, currently I mentioned is about only about 5 percent of the whole policy community and is (inaudible) beyond comparison into the American independent think tanks.

But I think there are two incentives that are important for China's independent think tanks' development, one is internal, and the other is external. So for the top leaders and for the government - for the CCP - I think because now China becoming a great power in the world community and if they want to play a great power that means -- and also at the same time China facing the question -- domestic questions and international questions are becoming complicated because (inaudible) now because China is rising now. So this incentive comes from outside.

So for the leaders they need to get more (inaudible) perspective (inaudible) from outside the government think tanks so they need to be (inaudible) independent think tanks. And the other incentive is from the civil society, from the people, because we know now in China in order for the people to participate in the political process and you know in China the ways people can participate in politics are still very limited. I think Chinese independent think tanks can be used as a channel, as a bridge, to bring information between the people and the government and help the people participate in the political and this -- I think this is a good channel to prepare the way to democracy, help the people participate in politics, express their opinion. This is my answer.

SPEAKER: Thank you. (inaudible) from (inaudible). Your last sentence actually leads to the question I had in my mind while I was listening to your presentation. You said "to bridge the gap between government and the people to help the people become more politically involved." At the same time you also mentioned the function -- the comparative function of the Chinese think tank versus American. One thing is the mass media. The U.S. mass media sort of has more input from the mass [participation] from the people whereas in China it sounded, from your presentation, that it's more like educate the public versus -- so my question for you is how in China right now the people are getting their

voice heard. It sounded from your presentation as if right now they are being informed and educated. So then the other direction, how is their voice being heard by the think tanks? What are the methods the think tanks are taking to hear their voices? I know I only have only one question, but on this basic question, have any of the panelists done any research? Is it allowed in China right now for international resources to fund a think tank? I know you can go have a project approved by the government to have a project funded by international resources. But how about to fund a think tank itself, meaning overhead and personnel? Is that legal right now? Is that allowed?

MS. WANG: I understand your question. So now in China, for government think tanks, they use mass media (inaudible) to educate and inform the public because they don't need to use mass media to influence policymakers due to the fact that they have strong personal and organizational network power. So but the other types of think tanks, university and independent think tanks in China - so I need to talk more about independent think tanks because I had no more time to talk about them in my presentation. So for independent think tanks, they serve as the most important channel to educate the public and influence decision makers. In China now up to 2007 – December, 2007, there are about (inaudible) internet users (inaudible) American. I think up to now maybe

the internet users in China already surpassed American internet users. And also in China internet media is having a huge impact. I think it is different from America and because of the immediate flow of information (inaudible) China so the people will go to the public -- the public will go to the website (inaudible) when something happens and some domestic or international incident happens. Chinese people will go to websites and express their opinions. So the (inaudible) discussion will be formed (inaudible) public opinion -- online public opinion will be formed in (inaudible) then so the think tanks (inaudible) then the public leaders will know what the people think about the question.

MR. LI: I just want to clarify. Could you also say that these independent think tanks as well as the university think tanks also represent some of the voices in the (inaudible)

MS. WANG: Yeah, I just forgot. To the university think tanks are (inaudible) national research center -- national institute research center like (inaudible) they always spend a lot of time and go the rural areas and talk with farmers, talk with the public who want to know what (inaudible) what's their concern and what's (inaudible) so as a professor they (inaudible) the people and research and select each topic, then provide suggestions to the top leader. This is other way.

SPEAKER: I'd like to pick up on a statement you made earlier and I think maybe perhaps you were trying to overdraw a distinction, but it's my understanding from a number of my colleagues who work at think tanks in China that one of the things that's changed greatly in recent years is the degree to which they are able to use and are interested in using mass media to get their message to senior leaders. Everybody who writes for a think tank, particularly one that like mine does some work directly for the government, is well aware of the phenomenon of writing the brilliant, long, exhaustive report on a topic which goes up to the sponsor and sits and dies gathering dust on a leader's desk only to later on hear the person you wrote the report for putting forward a similar set of ideas not that they got from your report but that they heard from somebody else speaking on television or a talk show or on the radio or something.

MS. WANG: Do you mind my interrupting your question? I want to respond for one point.

SPEAKER: All I was going to say in conclusion is that I find some of my colleagues prefer to work through regular internal channels. Some of them tell me quite frankly they're bored with that and whenever possible they prefer to work through the mass media to get a spot on television or to write an article in the newspaper.

MS. WANG: You mentioned the scholars want to use the mass media to influence decision makers and, in the government, the scholar comes from the government think tanks or university think tanks.

SPEAKER: Government.

MS. WANG: Government think tanks?

SPEAKER: Although frankly I think your distinction in that regard is badly overdrawn.

MS. WANG: So as far as I know from my experience and research, most scholars come from government think tanks. They were very careful about going to the mass media to express their opinion. So most of the university-based scholars will go to the mass media.

MR. TANNER: What do you consider CASS? What do you consider the Chinese Academy of Social Sciences?

MS. WANG: I think from my best of my **(inaudible)** China Academy **(inaudible)**

MR. TANNER: Social Sciences.

MS. WANG: Social Sciences.

MR. TANNER: Do you consider that a university or a private -- university or government?

MS. WANG: Government think tank. I'm sure this is a government think tank.

MR. TANNER: Does an evening go by when Beijing television doesn't broadcast an interview with a CASS scholar?

MS. WANG: Very scarce. I think very scarce.

MR. LI: Let's get people --

MS. WANG: **(inaudible)** how many times the scholars make an appearance on the China central media.

MR. TANNER: I'd be happy to put that assertion to a test.

MS. WANG: **(inaudible)**

MR. LI: Would you like to respond to the question about international funding?

SPEAKER: There's not in terms of -- for as you have drawn it truly independent think tanks and that they can essentially fund an institute within China. I think that there are some allowances for that, but very little. I mean, I think --

SPEAKER: **(inaudible)**

SPEAKER: Well, there are several, but they're not --

SPEAKER: **(inaudible)**

SPEAKER: International funding.

MR. DAX: Larry Dax, International Research and Exchanges Board. This is for the whole panel, although it's something that Ms. Wang said at the very end of her presentation, and perhaps it's

my ignorance about think tanks, but to me it illustrated a possible sort of cultural difference because in looking at a future role for independent think tanks, you threw in the phrase to promote social stability and I wonder in terms of -- everyone's concept -- my concept of think tanks at least as an American, I don't think they're -- think tanks are here to promote riots in the streets, but they are not -- in my view at least not here to promote stability. Even if there is, let's say, a conservative administration and a conservative think tank, they are always there to push the envelope and promote change and I don't see that as being quite the same as social stability. So I just -- is there a cultural difference? That's just my question. Thank you.

MR. LI: Anyone want to answer that question?

SPEAKER: I've always found Ambassador Feldman to be rather a rabble-rouser.

MR. LI: About social stability, culture difference -- contribute to that culture difference or --

MS. WANG: Can I answer your question -- say a few words? So in my presentation I said independent think tanks will contribute with social stability (inaudible) not about culture difference is about (inaudible) situation in China in the political community because for the public people, we do not have more opportunity, more channels to

participate in China (inaudible) with civil society growing and interest grow in China, the people -- the people's demand to participate in the political (inaudible) is growing. If we do not have more opportunity to participate in politics, I think you can imagine the society will be -- a lot of things will happen. This is (inaudible)

MR. LI: Let me (inaudible) it is true that at this moment of China's history probably a lot of the leaders, maybe also a lot of intellectuals are (inaudible) social stability and for the interest (inaudible) but it's not so much about culture as we know that during the Cultural Revolution, the more chaotic the better and this kind of thing. So it's nothing to do with cultural things. And also I tend to think that even the think tanks themselves will have different views about the degree of social stability. Some leaders said that maybe we're obsessed with social stability, we may lose the opportunity to have some bold policy move than postpone the danger, really not **(inaudible)** the danger, this kind of thing. So this is my view. I also welcome the other panelists who have some comment on that. I think two more questions probably -- two or three more questions. Yes, in the back?

SPEAKER: I'm **(inaudible)** Center. I have a question to Dr. Wang. You have been mentioning earlier that you'd like to introduce independent -- United States and China why you don't want to encourage

too much commercialization. And I do agree with what you mean, but I'm kind of like wondering if those two are (inaudible) like when you have the competition among the independent think tanks doesn't mean that you need to promote those ideas and you need marketing, but if you say you cannot do too much commercializing it's kind of hard to do that and I would like your reaction to that. And also when you promote independence doesn't mean that the government is not going to fund you and if you are a little bit critical to the government doesn't mean that you would have less access to the information the government has and I'm not so sure that China has a law or any kind of legislation to say that the Chinese government needs to disclose the information what whoever or any kind of the public, and I'd like to have your comment on that. Thank you.

MS. WANG: Thank you (inaudible) about my presentation, but (inaudible) question, so your first question is about (inaudible) two points which is that we should study independence from America but not over-commercialization. I mentioned over-commercialization not commercialization. I think there's a different meaning.

MR. LI: Very nice. Just add over. In the back?

SPEAKER: Thank you so much. I'm sorry. I was a little bit late. I don't know whether you already presented this question. It's about

funding. I want to find out percentage of funding between the government and the state factories, state-owned enterprises and private sector. Maybe the fourth one is international. Do you have any kind of study about (inaudible) between the support? Was there any kind of (inaudible) compete? Because I know that in Beijing even the think tank you talk about at Beijing University's Economic Center they have funding from all four sectors, from the government, from the state-owned enterprises, from the private sector, and from the international [sources]. So I was wondering that any kind of regional differences because people in (inaudible) I know that (inaudible) University (inaudible) think tanks, they -- almost all their funding come from private sector. Would that influence a kind of policy recommendation or would the center ignore the recommendation? What kind of impact would it have in Chinese society? So mostly how the funding -- the competition for funding is going on in all these think tanks and what's the government regulation against this, what kind of funding determines the policy recommendation outcome? Thank you.

MR. LI: Anyone else -- distribution of funding -- this point?

SPEAKER: In China?

MR. LI: Yes.

SPEAKER: It's very difficult to figure that out because it's very difficult to get the total budget of these organizations against which to measure the importance of any individual grant. I'll say this, one of the striking things that I've noticed in recent years or recently become aware of is the degree to which, for example, international relations think tanks that do research on Northeast Asia, Japan and the Koreas, in particular, seem to be getting large portions of their research funding from sources in those other countries and I'll be just fascinated over the years to see what impact that has, if any, on the substance of the research that they do. There is clearly competition over scarce resources in terms of funding for research. You can see that in discussions with scholars and there is some in terms of individuals where in terms of the -- within each organization some have greater access to resources than others but that happens everywhere, but it's hard to really identify precisely in the Chinese context because you really don't have access to those funds and it's not in any way publicly available.

SPEAKER: I just want to quickly respond. As far as I know, currently the Chinese independent think tanks, their funding resources come from different -three sources, four sources, actually. One from the (inaudible) foundation, second from the government -- only very limited funds from the government. And third from the (inaudible) Chinese

(inaudible) and only little from individuals. I don't know the exact number, but in general just --

MR. LI: I want to thank all of you for coming for this event and also want to join you to thank our distinguished panelists. Thank you very much.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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