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A Preliminary Analysis of Chinese Enterprise Think Tanks: Concept, Characteristics, and Development Status (Postprint)

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Abstract

[Purpose/Significance] China's think tank system possesses a unique composition and structure with distinct "Chinese characteristics." In current Chinese academic research on think tank systems, the status and position of corporate think tanks have consistently been overlooked, despite their widespread presence within the think tank system. There is an urgent need to clarify concepts such as corporate think tanks, social think tanks, and consulting companies, and to further define the concept, characteristics, current situation, and development issues of "corporate think tanks." [Method/Process] This paper employs literature analysis methodology. Through analyzing and comparing the characteristics of domestic and foreign think tanks, it argues that although corporate think tanks possess developmental advantages in terms of functions, outputs, and funding sources, they exhibit significant gaps compared to foreign think tanks in mechanism construction, influence building, and government communication channels. [Result/Conclusion] This paper proposes strengthening corporate think tank construction through four approaches: improving influence mechanisms, perfecting cooperation mechanisms, smoothing think tank-government communication channels, and attracting high-level interdisciplinary talent.

Full Text

Analysis of Chinese Enterprise Think Tanks: Concepts, Characteristics, and Development Status

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Abstract

[Purpose/Significance] The Chinese think tank system possesses a unique composition and structure with distinctive “Chinese characteristics.” In current academic research on China’s think tank system, the status and position of enterprise think tanks have been consistently overlooked, despite their widespread presence within the system. There is an urgent need to clarify the concepts of enterprise think tanks, social think tanks, and consulting firms, and to further define the concept, characteristics, current situation, and development issues of “enterprise think tanks.”

[Method/Process] This paper employs literature analysis to examine and compare the characteristics of domestic and foreign think tanks. We find that although enterprise think tanks enjoy advantages in terms of function, research output, and funding sources, they lag significantly behind foreign think tanks in mechanism construction, influence building, and communication channels with government.

[Result/Conclusion] This paper proposes that enterprise think tank construction should be strengthened through four approaches: improving influence mechanisms, perfecting cooperation mechanisms, smoothing communication channels with government, and attracting high-level interdisciplinary talent.

Keywords: enterprise think tank; think tank concept; think tank characteristics; think tank development status

Classification: C931

With the development of modern society, “think tanks” have become an important force in government decision-making processes. Due to differences in history, culture, and institutions, most countries in the world have formed “think tank systems” with their own characteristics. Think tanks employ interdisciplinary methods to conduct forward-looking, strategic, and policy-oriented research on issues in political, economic, social, military, technological, and cultural domains, serving as an important decision-support mechanism in national policy-making practices. Compared with foreign think tanks, Chinese think tanks share consistent characteristics in terms of independence, objectivity, and practicality. However, given China’s actual conditions and unique institutional framework, different types, backgrounds, and fields of Chinese think tanks possess distinctive features in their internal composition and structural relationships.

Due to academic disagreements and disputes over the meaning and classification of Chinese think tanks, enterprise think tanks—an important component of China’s think tank system—have consistently failed to receive due attention. On November 9, 2015, the “National High-End Think Tank Construction Pilot Work Plan” adopted at the 18th meeting of the Central Leading Group for Comprehensively Deepening Reforms included only one large state-owned enterprise think tank. In 2016, the State-owned Assets Supervision and Administration

Commission (SASAC) led the establishment of the Central Enterprise Think Tank Alliance in Beijing, with 26 central enterprises including State Grid and CNPC participating. At the alliance's council meeting on March 30, 2017, 24 new council members were added. Enterprise think tanks are gradually gaining attention from government departments and large enterprises, facing both opportunities and challenges in their development, and urgently requiring systematic theoretical analysis and research.

1. Definition of Enterprise Think Tanks

Enterprise think tanks serve as a company's "think tank" and "brain trust," typically affiliated with large corporate groups as independent corporate legal entities under the group or enterprise. These think tanks not only focus on the company's business areas to serve its own development, but also maintain unique research perspectives and methodologies in social, economic, industrial, political, and environmental aspects, producing substantial research results and providing valuable consultation and recommendations to government departments.

Whether "enterprise think tanks" qualify as think tanks remains controversial in academia. Some scholars argue that although enterprise think tanks have policy research departments that engage in relevant policy research activities, and some research results do serve society, their purpose is to serve the interests of their parent companies. The hierarchical subordinate relationship of enterprise think tanks within corporate organizational structures cannot guarantee that their policy recommendations will be free from bias and partiality [1]. Furthermore, enterprise think tanks have consistently occupied a neglected position in China's think tank system, primarily reflected in classification methods.

Currently, there are four domestic classification methods for think tanks. The first categorizes think tanks by organizational type into four types: public institution think tanks, enterprise-type think tanks, private non-enterprise unit think tanks, and university-affiliated think tanks [1]. The second divides think tanks into official think tanks, semi-official think tanks, civilian think tanks, and university-affiliated think tanks [2]. The third classification method directly divides think tanks into two major types: government think tanks and civilian think tanks [3]. The fourth is the four-type classification under the concentric circle structure of the Shanghai Academy of Social Sciences Think Tank Research Center: policy research institutions directly under party, government, and military organs; research academies such as the Chinese Academy of Social Sciences and Chinese Academy of Sciences; university think tanks; and social think tanks [1].

Under the first classification method, enterprise think tanks are excluded from "enterprise-type think tanks" due to their lack of independence. The second through fourth classification methods are essentially based on distance from decision-making centers and funding sources. Under the second and fourth classification methods, the position and role of enterprise think tanks become

blurred, while the third method is too general. Therefore, in current think tank research, it is necessary to define the connotation and extension of enterprise think tanks and clarify their status and role in the think tank system to further leverage their “external brain” function and research advantages across various social sectors.

The independence of think tanks is the most intensely debated topic in think tank research [4]. Think tank perspectives are generally considered to possess “neutrality,” while enterprise think tank perspectives are influenced by their affiliation with parent companies, potentially resulting in non-neutral and non-objective viewpoints. We transform this question into: If enterprise think tanks accept commissions from certain government departments to conduct corresponding policy research, will their hierarchical relationships compromise the objectivity of their research findings? The answer is negative.

First, abroad, large corporations, financial groups, and multinational companies have established their own research institutions for self-development, covering not only their business operations and development but also sociological and even fringe discipline research. Japanese enterprise think tanks, in particular, were established early and have matured significantly. These think tanks, backed by enterprises with abundant funding and strong capabilities, maintain close proximity to markets. Examples include Nomura Research Institute, Mitsubishi Research Institute, and Fujitsu Research Institute, mostly established by banking and corporate enterprises. Their consulting outputs are highly competitive in the information market and exert strong influence on Japanese government policy formulation and direction. The strength of these large enterprise think tanks even surpasses that of official think tanks, explaining why Japanese think tanks produce abundant results on economic and corporate issues.

Second, if hierarchical affiliation were used as the criterion for think tank independence, numerous government agencies conducting policy research within China’s government system would be excluded from the think tank category. Even the world-renowned RAND Corporation faced independence questions in its early years due to its strong attachment to the U.S. military.

Third, in many cases, government departments purchase results from multiple think tanks, which indirectly ensures the scientific nature of public decision-making processes. Therefore, if think tank independence were defined too strictly in terms of affiliation or attachment, virtually no renowned think tank in the world could be considered completely independent.

2. Characteristics of Enterprise Think Tanks

Enterprise think tanks possess distinct features that differentiate them from social think tanks and consulting companies. They serve dual functions in market and society, produce more practical and specialized research outcomes, operate closer to markets, excel in survey research methodologies, and enjoy greater economic independence. This section elaborates on the characteristics

of enterprise think tanks from three perspectives: function, research output, and funding.

From a functional perspective, enterprise think tanks fulfill dual roles. First, they serve their own enterprises by conducting market research, consultation, and ultimately producing research reports. Second, they complete government-commissioned research projects, assuming certain policy recommendation and research functions, with some perspectives also serving society. A substantial portion of think tank research outcomes influence society by affecting government decision-making processes, representing a form of social public welfare. Enterprise think tanks also fulfill functions of promoting corporate image, serving enterprise interests, and exercising corporate social responsibility. Therefore, enterprise think tanks combine both market and social functions. Particularly, state-owned enterprises serve as pillars of the national economy, holding pivotal positions in the state and society, and representing important policy influencers in state-owned asset and enterprise reform, energy layout, and industrial adjustment and optimization. The public has numerous demands regarding SOE product pricing, quality, and services. Enterprise think tanks should not only serve as corporate brain trusts but also influence government and policies upward, affect the public downward, express public will and interests, and achieve tripartite integration [5].

In terms of research output characteristics, enterprise think tanks operate closer to markets, with research scope covering various industries vital to national economic lifelines, employing survey research as the primary methodology, and demonstrating stronger practicality and operability. Enterprise think tank research spans finance, real estate, energy, shipbuilding, aerospace, electric power, and communications—every direction of the national economy. Enterprise think tanks demonstrate particularly prominent research capabilities, influence, and independence in industrial development, reform, and direction. They often possess long-term experience in data accumulation, research, and management within their industries, with most maintaining their own databases and information centers. By leveraging their intelligence advantages, enterprises can produce high-quality research results and reports.

Regarding funding sources, most enterprise think tank research funding derives from their parent groups or enterprises—the most obvious distinction from ordinary consulting companies and social think tanks. Only when think tank researchers are materially independent can their research independence and output objectivity be guaranteed, freeing experts from tedious project applications and funding procurement. Think tanks under large enterprises or groups hold leading positions in their economic sectors, capable of providing abundant research funding and material support for their think tanks.

Broadly speaking, if all institutions providing policy consultation to government are considered think tanks, consulting companies also qualify as a type of think tank. Although consulting companies share the same nature as enterprise think tanks as profit-seeking corporate legal entities, they lack the stable economic

foundation of enterprise think tanks and operate entirely through market mechanisms, essentially pursuing profit maximization. For example, Japanese think tanks operating entirely through market mechanisms demonstrate high sensitivity to market changes. When Japan's fiscal situation deteriorated, government departments and large corporations reduced external commissions and research funding, shifting to competitive bidding. Think tanks relying purely on market operations decreased significantly, with research output dropping to half of peak levels by 2010 [6]. Compared with consulting companies, enterprise think tanks possess very obvious advantages in funding sources.

3. Current Development Status of Enterprise Think Tanks

Enterprise think tanks focus on corporate strategic planning and industrial development, employing cross-disciplinary research methods through investigation to provide foundations not only for corporate policy formulation and strategic management but also policy recommendations for government in social management and economic development. Within China's think tank system, enterprise think tanks constitute an essential component. Based on ownership and management mechanisms, China's enterprise think tanks divide into two categories: first, state-owned enterprise think tanks, particularly research institutions under large SOEs, such as the CNPC Economics & Technology Research Institute and Sinopec Economics & Technology Research Institute in the energy sector; the State Grid Energy Research Institute; the Central Research Academy of State Power Investment Corporation, China Huaneng Economics & Technology Research Institute, and Datang Group Economics & Technology Research Institute in the electric power sector; and China Telecom Beijing Research Institute, China Unicom Research Institute, and China Mobile Group Design Institute Co., Ltd. in the communications and information industry. These cover important strategic sectors of the national economy including energy, electric power, communications, shipbuilding, banking, and securities. Second, emerging enterprise think tanks, such as Ali Research Institute, which demonstrates significant advantages in online data research.

Within the broader landscape of think tank development, official and semi-official think tanks constitute the vast majority of influential think tanks in China, while social think tanks are beginning to emerge. However, enterprise think tank development remains relatively backward. Three factors contribute to this phenomenon.

First, enterprise think tank construction has only recently begun. Many enterprise think tanks concentrate their business scope primarily on their own enterprise's strategic control and decision-making, exhibiting unclear business scope definition and imperfect governance mechanisms. Sound think tank governance mechanisms require robust organizational structures and standardized systems. Based on international experience, think tanks establish different research centers according to their research fields as the main bodies conducting research activities, while also maintaining decision-making bodies that deter-

mine research funding directions and appoint principal leaders, and advisory committees that consult on research processes and evaluate research outcomes. Additionally, sound systems constitute key links ensuring normal think tank operations and high-quality research output. However, due to the special institutional nature of state-owned enterprises, how to embed traditional think tank governance mechanisms within SOE think tanks represents an urgent theoretical and practical problem requiring resolution. For emerging enterprise think tanks, short establishment times mean their goals focus more on rapidly expanding influence, also lacking emphasis on capacity and governance mechanism construction.

Second, even some long-established think tanks with mature operational mechanisms have numerous research results adopted by government departments, yet they lack influence building and rarely enter public view. Whether expert opinions proposed by a think tank can be accepted by the public and ultimately become policy agendas depends not only on think tank capacity and research quality but also on whether potential audiences can understand and disseminate intellectual outputs. Compared with SOE think tanks, think tanks of internet enterprises such as Alibaba and NetEase are closer to the public, with their viewpoints more easily disseminated through diversified new media channels, possessing unique conditions and advantages.

Third, the lack of communication channels with government means some valuable research results fail to influence government policy formulation. After producing research results, think tanks urgently need to deliver them to decision-makers. Although various research institutions have their own internal reference publications or publicly issued journals—with external publications facing the public and internal publications generally submitted to their enterprise's senior leadership—internal references rarely have direct access to decision-making departments and senior leaders. Compared with state-owned enterprises, emerging enterprise think tanks face even narrower channels for submitting research reports to decision-making departments. This relates both to research quality, as some think tank conclusions often diverge considerably from public subjective perceptions, and to relatively closed and monopolistic public decision-making systems. Only by establishing transparent and open public decision-making competition mechanisms can space be created for various think tanks to participate in decision-making research.

4. Recommendations for Strengthening Enterprise Think Tank Construction

Given the current development status and the characteristics and advantages of enterprise think tanks, they should focus research topics on areas closely related to socioeconomic development and people's livelihoods, as well as social and technological progress. From the perspective of enhancing national soft power, they should explore development paths for enterprise think tanks that align with China's national conditions and economic and social needs.

4.1 Improving Influence Mechanisms

The nature and characteristics of enterprise think tanks differ from party, government, and military think tanks. Due to their specialization, enterprise think tanks possess particular advantages in interpreting industrial and economic policies. Especially SOE think tanks enjoy strong credibility and public opinion guidance capabilities, with most gradually beginning to emphasize their portal website construction. Additionally, some internet enterprises possess their own internet communication platforms, demonstrating significant research advantages in “Internet Plus” think tanks. Building upon this foundation, enterprise think tanks need to establish long-term strategic partnerships with domestic media, forming their own viewpoints not only through traditional media such as radio, newspapers, and television but also on new media platforms like Weibo and WeChat to expand influence, attract public attention, and further guide public opinion toward influencing government decision-making. Simultaneously, by hosting influential domestic and international seminars and forums, they can disseminate their viewpoints and policies to the public through rich, diversified channels, effectively serving as connectivity and communication mechanisms linking government, enterprises, and the public.

4.2 Perfecting Cooperation Mechanisms

First-class think tanks must be international think tanks that emphasize international development and exchange cooperation among think tanks. First, strengthen cooperation among domestic enterprise think tanks by establishing think tank platforms and alliances. Many enterprise think tanks operate independently with dispersed strength, lacking resource integration, which affects decision-making levels and wastes research resources. Establishing industry alliances oriented toward problems or focused on industries can strengthen connections and cooperation with domestic official think tanks, research institutions, and universities, enabling not only enhanced cooperation and exchange in information and data but also mutual collaboration as research team members with division of labor, facilitating beneficial flows and sharing of information, resources, and talent, preventing duplication in topic selection and resource waste, and overcoming drawbacks from homogeneous human resource structures. Second, expand international influence through long-term and short-term international project cooperation, participation in international visiting scholar funding platforms, and attendance at international public policy lectures and forums, constructing mutual visit mechanisms with overseas think tanks.

4.3 Smoothing Communication Channels with Government

Enterprise think tanks exist not only to advise enterprise managers and provide recommendations but also to deliver policies to government officials (i.e., policymakers), serving as the external brain of national decision-making systems and an important component of modern public decision-making. Therefore, establishing smooth channels for think tank outputs to submit recommendations

and exchange ideas with decision-makers, and creating regular decision-making adoption mechanisms between government and enterprise think tanks, constitute keys to enhancing think tank influence. Currently, communication channels between think tanks and government remain imperfect. We often observe retired senior government officials entering think tanks, as these elite think tank members possess rich institutional work experience and mature channels for delivering research results. Conversely, think tank personnel rarely enter government departments. Therefore, developing enterprise think tanks requires not only selecting outstanding senior government officials to engage in consultation and research work within enterprise think tanks but also achieving two-way talent flow. Compared with private enterprises, state-owned enterprises, especially central enterprise think tanks, are closer to decision-making cores and possess greater advantages in delivering talent to government.

4.4 Attracting High-Level and Diversely Backgrounded Talent

Talent constitutes the core resource of think tanks. High-level think tanks all possess professional talent who not only have multidisciplinary expertise but also rich practical experience to address complex and diverse comprehensive research topics. In 2011, RAND Corporation had approximately 1,600 formal employees, with over 86% holding master's degrees or higher and over 58% holding doctoral degrees. The average age of researchers was 35, with an average tenure of 8 years at the company, and disciplinary backgrounds spanning dozens of fields including literature, arts, social sciences, economics, policy analysis, and psychology [7]. RAND's formal employee data reveals that enterprise think tanks require not only university PhDs and master's graduates but also senior government officials, entrepreneurial elites, and university professors with government backgrounds. Their broad work experience can provide cross-departmental, cross-industry, creative, and valuable policy recommendations for think tanks.

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