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To cite this article: Wen-Hsuan Tsai, Gan Li & Weiqing Song (2022): Agent politics of Chinese think tanks and cultural industry governance in China’s “new era”, Critical Asian Studies, DOI: 10.1080/14672715.2022.2147853

To link to this article: https://doi.org/10.1080/14672715.2022.2147853

Published online: 23 Nov 2022.
Agent politics of Chinese think tanks and cultural industry governance in China’s “new era”

Wen-Hsuan Tsai, Gan Li and Weiqing Song

Institute of Political Science, Academia Sinica, New Taipei, Taiwan; School of Management, Nanjing University of Posts and Telecommunications, Nanjing, People's Republic of China; Department of Government and Public Administration, University of Macau, Taipa, Macao

ABSTRACT

This paper analyzes the relationship between the Chinese government and domestic think tanks. Chinese think tanks in the cultural sector have a strong demand-side orientation; that is, they closely follow the instructions of the Chinese Communist Party (CCP) in their stand on culture-related policies. Since 2018, the CCP has strengthened its control over the propaganda and cultural affairs, using think tanks to this end. Think tanks act as dual agents, maximizing the benefits offered by their two principals – the party government and private businesses, while prioritizing the former. The paper examines the development of the Putuo Island Park in Zhejiang Province and the Cultural Industry Research Institute, the key cultural industry think tank in this province. While upholding Xi Jinping’s aspiration of developing China into a “cultural great power,” cultural think tanks’ main function is to endorse government policies and guide businesses to support those policies when necessary. The CCP under Xi has intensified its manipulation of think tanks to reinforce its control over ideology and the socialist market economy, resulting in a more complex relationship between the state and think tanks.

KEYWORDS

Authoritarian resilience; China; cultural industry; propaganda department; think tanks

Introduction

Why do authoritarian countries encourage and fund think tanks? How do political leaders with absolute power use think tanks as part of governance? Moreover, particularly in a one-party state like the People’s Republic of China (PRC), what is the relationship between think tanks and the state? Some scholars have argued that Chinese think tanks participate in government decision-making and assist the state by gathering information. Other scholars note that think tanks in China are demand-side oriented in that they adapt their operations to the needs of the ruling Communist Party of China (CCP), including endorsing its policies, assisting local authorities at the county-level and below.

CONTACT Weiqing Song wqsong@um.edu.mo

1Hayward 2018, 46.
2For a related discussion, see Menegazzi 2018, 85–90.
3By “demand side,” we mean that think tanks provide services in response to the needs of the state. Scholars have noted that law making in China also has a strong demand-side orientation, in that its main function is to strengthen the legitimacy of the state. Cf. Wang 2015, 4–7.

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to increase their revenues, and persuading entrepreneurs to toe the party line. Thus, they strengthen the governance capacity of the CCP.  

Xi Jinping’s ascent to power has opened up what has been called a “new era” in Chinese politics. President Xi has endorsed the role of think tanks in policy-making, declaring that the government should enhance the development of “think tanks with Chinese characteristics” and that China should improve its capacity for “scientific and democratic decision-making processes through the advice of think tanks” (zhiku juece zixun zhidu). In CCP rhetoric, the terms “scientific” and “democratic” imply a process of investigation, consultation, and deliberation. Authoritarian states may have institutions and practices that resemble those of democracies; however, these institutions and practices actually function very differently, and think tanks are no exception. Their main role is to endorse and enhance the legitimacy of the party-state’s decisions.

The CCP attaches great importance to the governance of China’s cultural industries. At its Eighteenth National Congress, the CCP unveiled a strategy for developing China into a “cultural great power” (wenhua qiangguo) by 2035. To achieve this goal, the Party has been keeping a tight rein on the operations of cultural sector think tanks. For example, these bodies have limited autonomy in offering recommendations concerning cultural industry policy; further, they mainly adhere to the official line. In contrast to their European and American counterparts, when they produce reports, Chinese think tank staff attempt to determine what their superiors are thinking. Particularly in the highly political area of culture, think tanks are careful to follow the instructions of publicity departments (xuanchuanbu) or other related branches of the bureaucracy when they submit policy suggestions.

This study analyzes the activities of one cultural industry think tank after 2018. Since Xi Jinping became CCP General Secretary in 2012, the CCP has tightened its grip on culture and propaganda. Following Party and government reforms in 2018, the CCP strengthened its publicity departments and incorporated the government’s cultural/propaganda agencies into the Party structure to ensure that the CCP would continue to dominate the field of propaganda. Prior to this, the interests and preferences of the CCP and the government were not always aligned. Therefore, in this paper, we use the term “culture bureaucracy” to refer to CCP organizations in this field, particularly publicity departments.

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5Shambaugh 2008a.
6Since it was introduced at the nineteenth National Congress of the CCP in October 2017, the term “new era” has been used by CCP officials to refer to the current leadership of Xi Jinping, characterized by his promise to intensify reform paired with tightened control by the center. Some scholars argue that the advent of this “new era” marks the end of Deng Xiaoping’s reform and opening-up line. Cf. Minzner 2018.
7Li and Xu 2017.
8Li and Song 2022, 160–161.
9Li and Song 2015, 355–357.
10Qin 2020.
11Recognizing the pejorative implications of “propaganda” in English, the CCP has changed the official translation of xuanchuanbu to “publicity department.”
12Hesmondhalgh 2002, 11.

In addition to the party and the government, the decision-making process may also involve interest groups, individuals, and other actors seeking profit. For a related discussion, see Jones and Hameiri 2021.
In what follows we clarify the complex relationship between the state and think tanks in China, using cultural-oriented think tanks as an example. On the one hand, the CCP exercises tight control over cultural think tanks and forces them to endorse its policies. On the other hand, in China’s socialist market economy, the CCP conditionally allows think tanks to engage in commercial activities while persuading business owners to follow the Party line. Thus, the demand-side functions of think tanks in China include providing public support for official policies, boosting revenues for local governments, and assisting in social governance.\textsuperscript{14}

Think tanks active in culture industries exemplify the CCP’s tight control over non-state and non-party actors. Xi Jinping’s ideological agenda, including developing China into what he has called a “cultural great power,” is best supported by cultural industry think tanks than other types of think tanks despite being tightly managed by the state apparatus, especially through the CCP’s propaganda system.\textsuperscript{15} Therefore, these think tanks’ operations provide insight into mechanisms the CCP uses to strengthen its control over public discussion of political beliefs and ideas.

With regard to the role of think tanks in boosting the revenues of local governments, cultural industry think tanks offer assistance to businesses and lobby provincial officials to support the development of local cultural enterprises as long as these projects conform to central policies. Local government officials support such projects because they help boost their revenues; meanwhile, provincial publicity departments focus on ensuring that these schemes correspond to central policies. Under China’s socialist market economy, the cultural and creative industries have provided lucrative business opportunities for local governments and private sector actors.\textsuperscript{16} This encourages think tanks to collude with local authorities and cultural enterprises to exploit the benefits offered by both sides.\textsuperscript{17}

Finally, the CCP uses cultural industry think tanks to reduce the cost of social governance. Some Chinese think tanks are attached to the state and assist the Party and the government in exercising control over society. An atmosphere of familiarity and mutual trust usually exists between cultural industry think tanks and enterprises with which they interact. Therefore, using think tanks to exercise influence over an industry rather than rely on direct persuasion by Party officials is an effective strategy for the CCP.

This study focuses on the Cultural Industry Research Institute (CIRI). This institute is a typical cultural industry think tank in that it exercises the three functions listed above and, thus, demonstrates the demand-side functionality of Chinese think tanks. CIRI was established in Zhejiang Province in 2018 and falls under the jurisdiction of the Zhejiang Provincial Party Committee Publicity Department. It provides advice on cultural industry policies. One of the coauthors of the present study has worked in the cultural industry research sector in Zhejiang for many years and thus was able to gather data through interviews with CCP cadres and think tank personnel as well as participant observation. Specifically, between March 2018 and July 2021, he conducted in-depth interviews with

\textsuperscript{14}Due to fiscal and administrative reform policies in the 1990s, government officials at the regional and local levels are much incentivized to generate revenue for their own benefit. See Song 2013.
\textsuperscript{15}Li 2017.
\textsuperscript{16}Keane 2011, 4–5.
\textsuperscript{17}For a discussion of collusion in contemporary Chinese politics, see Zhou 2010. Zhou argues that local governments collude with private bodies to promote their own interests in relation to their superiors.
six cadres from CIRI and eight officials from relevant provincial units. These interviewees were mostly his former classmates and colleagues, although some were contacted through acquaintances. The co-author and the interviewees enjoyed a relationship of deep trust.

These interviews were mainly conducted in restaurants near the interviewees’ workplaces or homes, a setting that allowed them to express their thoughts as much as possible. Because most of the interviewees held Party or government positions, we allowed them to seek the permission of their superiors. Our main criterion for selecting interviewees was to ensure that they were representative of as many levels of the bureaucracy as possible. Therefore, those we interviewed include officials at department, division, and section levels, as well as ordinary researchers. We have used pseudonyms for all interviewees to protect their privacy.

This study focuses on Buddhist cultural sites and analyzes the role of CIRI as a dual agent. Religious culture is significant in contemporary China because of its relevance to the United Front contemporary China and because it is a lucrative commercial activity. In addition, following its policy of developing China into a “cultural great power,” the CCP has reinforced its control over both cultural think tanks and cultural enterprises. This is part of a broader trend toward the centralization of power under Xi Jinping.

State & think tank relations in China

According to liberal democratic theories about civil society, think tanks and non-state experts should act as honest brokers and advisors to the government, assisting it in making important decisions. However, even in a democracy, think tanks do not always offer advice based on such principles. In liberal democratic multiparty states, some think tanks are attached to individual political parties and obtain funding from them in return for helping the party gain power. Therefore, think tanks are pressured to align politically with their funders, resulting in their polarization (McGann 2007, 62). In contrast, organizations such as academic institutes, contract research organizations, and advocacy groups may not serve a single political party and thus have a more diverse range of funders to whom they give policy advice.

The operation of think tanks in authoritarian China differs from that in liberal democracies or social democracies. For example, Chinese think tanks have only one political party to work with, and they must make certain that their recommendations are in line with party policies. Thus, Chinese think tanks have a strong demand-side orientation, serving a single political party which has a monopoly on power. Local government actors use think tanks to ensure that their policies correspond to the agenda of central

18The United Front Work Department, a key branch of the CCP, is tasked with overseeing non-CCP organizations and social groups so as to advance CCP policies, interests, and objectives.
20Burke 2009.
22Weaver and McGann 2022, 10–11.
24Zhu 2013, 17–18.
authorities but also meet local needs. Several scholars have discussed why the positions of Chinese political advisors and the Chinese government are always highly consistent. Dechun Zhang attributes this to the influence of Confucian cultural norms, which lead think tanks to tend to favor the government’s position. This has allowed Chinese think tanks to provide “government-led nongovernmental organizations” ideas to supplement official standpoints. According to Zhu Xufeng, the relationship between Chinese think tanks and Party policies can be characterized as a “politically embedded knowledge regime.” Researchers and consultants are required to base their opinions on the demand side of the government, particularly in the case of official or semi-official think tanks.

Since Xi Jinping became Party Secretary and PRC president, the demand-side functions of think tanks have increased in terms of supporting and endorsing official ideology. Andrew Nathan has characterized this post–Deng Xiaoping period as one of “resilient authoritarianism,” and other scholars have investigated how new institutional mechanisms have emerged in response to challenges in the external environment. Meanwhile, the CCP has prioritized ideological control over Party cadres and citizens and promoted nationalist sentiment. Thus, China’s resilient authoritarianism is the result of a combination of institutional adjustments and the strengthening of ideological control.

As mentioned above, since 2018, Xi has strengthened the CCP’s ideological control over society, downgraded the functions of government entities, and promoted Party organizations. At the core of the CCP’s resilient authoritarian approach have been its publicity departments, which exercise ideological control through the operations of cultural industry think tanks. Notably, although the CCP controls think tanks, it also allows them to engage in limited commercial activities. Further, think tanks run cultural industry NGOs on behalf of the CCP, which reduces the state’s cost of controlling society.

Thus, an interesting phenomenon has emerged since 2018 involving the state and cultural industry think tanks, which can be described as a form of cultural industry governance. First, the CCP has strengthened its political control over cultural think tanks. Second, while allowing think tanks to engage in commercial activities under certain conditions (i.e. as long as these activities do not violate official policies), the Party requires these organizations to act as its agents in lobbying NGOs and private enterprises. In the next section, we employ the dual-agent model to conceptualize this relationship between the state and think tanks.

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25Tsai and Lin 2021.
26Neican reports are restricted CCP official confidential reports. There are different levels of internal reference, which means that relatively few senior officials have access to increasingly sensitive information.
27Xue, Zhu, and Han 2018.
28Zhang 2021.
29Zhu 2020.
30Zhu and Xue 2007.
31Nathan 2003.
33Garrick and Bennett 2018.
34Ma and He 2018.
Agent politics on the demand side of the CCP

In the previous section, we discussed the three main functions of think tanks in China – political endorsement, the enhancement of local revenue, and social governance – from the perspective of the demand side of cultural industry think tanks. These organizations have links to both the CCP and the private sector, resulting in an interesting gaming relationship. B. Douglas Bernheim and Michael D. Whinston argue that in contrast to traditional principal–agent theory, some agents have two or more principals.35 We propose that as cultural industry think tanks in China strive to maximize the advantages to be gained from two principals, they behave as “dual agents.”

Concepts similar to that of the dual agent exist in the field of Chinese studies. For instance, Feng Chen, in his research on Chinese labor unions at the beginning of the reform era, noted that unions had a “double identity” in that they were uncertain whether they should allow themselves to be used by the state as a governance tool or whether they should represent workers’ interests. This dilemma affects the way that labor unions operate. Overall, if workers’ demands are broadly in line with the government’s position, unions can speak on their behalf. However, unions must also mediate disputes between workers and companies or even prevent them from occurring.36 In other words, labor unions in China are agents of both the government and the workers they represent.

Other scholars have identified intermediate agents between the state and society in contemporary China. For example, petition brokers offer advice and assistance to individuals wishing to petition the government.37 These petition brokers sometimes serve two masters; during sensitive periods on the political calendar, they may be recruited by state officials to monitor petitioners’ activities, while at other times they are able to serve the interests of petitioners. Another type of broker, the market agent (huangniu), plays a role when houses and apartments are demolished for development purposes. This broker assists local government officials and householders in reaching a compromise that maximizes the benefits for both parties.38 Such brokers may be regarded as dual agents because they profit from payouts that result from compromises between two principals – the government and people.

The relationship between dual agents and their multiple principals depends on the magnitude of the incentives involved, as well as on whether the incentives are high powered or low powered.39 By high-powered incentive we mean situations in which an agent can obtain higher benefits or resources in the process of implementing the principal’s instructions, which makes the agent problem less likely to occur. Low-powered incentives are the opposite: when an agent accomplishes the tasks assigned by the principal, he or she does not get much reward. As a result, an agent may not strictly follow the

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35Bernheim and Whinston 1986.
36Chen 2003.
37Petition brokers usually are either retired CCP cadres or petitioners who understand how the petition procedure works. They assist first-time petitioners for a fee. But during politically sensitive times, government officials may hire petition brokers to provide information about prospective petitioners in the name of what the CCP calls “stability maintenance.” See Tsai, Liao, and Chen, 2019.
38Ong 2019.
39For a related discussion, see Frant 1996.
instructions of the principal completely in pursuit of self-interest. In such cases, the agent problem is more likely to occur.

If the principal can provide high-powered incentives, this will inspire more loyalty in the agent. A weak principal, in contrast, is only able to provide low-powered incentives, and this may trigger an agency problem. For a weak principal, who can only provide low-powered incentives, an agent first assesses whether any differences exist between the two principals. If there are none, the dual agent will act on behalf of the weak principal. However, if a difference exists, the dual agent will tend to serve the strong principal and try to suppress the rights of the weak principal. Figure 1 shows the behavior of cultural industry think tanks acting as dual agents of the CCP and private businesses.

As Figure 1 indicates, the CCP provides high-powered incentives that encourage think tanks to endorse party policies. Think tanks usually follow the instructions of relevant party leaders to obtain the maximum financial and political benefits. Leaders express their approval of think tank recommendations by adding marginal notes (pishi) to their reports. These are instructions written by a leader on a document that lower officials are required to follow. Issuing instructions through pishi saves leaders a lot of time. The more such comments a think tank receives, the more financial and political benefits it can obtain. The Party uses this mechanism to control think tanks’ operations so that their policy recommendations do not deviate from the direction it has set.

Figure 1 also depicts the relationship between cultural think tanks and private businesses, which usually are able to only provide them with low-powered incentives. If cultural sector businesses do not stray from central policies, think tanks are willing to speak on their behalf. This approach is popular among local officials because a thriving private sector helps boost local revenues. In recent years, Chinese think tanks have established links with local officials and online relationships with international organizations. Some companies involved in the cultural sector have forged partnerships with think tanks, for example by paying them to tactfully try to persuade the Party to

Figure 1. Think tanks operating as dual agents.

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40Tsai and Liao 2017, 299–301.
41We discuss this further in Section 5.
reduce its market interference. However, compared with the political and financial rewards that think tanks can obtain when officials express approval of their reports through the pishi system, the private sector’s incentives are limited—in other words, the private sector can only offer low-powered incentives. Therefore, private businesses usually are weak principals, and think tanks will act on their behalf only if their ideas and goals adhere to central policies.

As noted above, if the strong and the weak principals disagree on a certain policy, the dual agent usually acts on behalf of the strong principal and disregards the weak principal’s interests. The CCP Publicity Department in Zhejiang set up cultural liaison offices (wenhua chejian) within cultural enterprises after Xi Jinping came to power. Business owners were initially suspicious of these offices, which appeared to be another form of CCP interference in commercial operations. In this case, cultural industry think tanks were indeed responsible for persuading business owners to submit to the Party’s policies. This example illustrates how think tanks have played a special role in the governance of cultural sector industries under Xi.

The role of think tanks in CCP & private enterprise relations in Zhejiang

Zhejiang Province, located on China’s east coast, is among the most economically developed provinces in the country, and its cultural industry is also advanced. Early in his career, Xi Jinping served as CCP General Secretary in Zhejiang, during which time he encouraged environmentally friendly industries. With the support of CCP central authorities, provincial authorities began actively promoting innovation in the cultural sector.43 In 2018, Zhejiang officials issued a document entitled, “Opinions on Accelerating the Development of the Cultural Industry into a Trillion Yuan Industry” (guanyu jiyu ba wenhua chanye dazao chengwei wanyi ji chanye de yijian).44 A key point in this document was construction of Putuo Island Park, which was scheduled to start in 2019 and be completed in 2022.

Provincial authorities have tasked key departments tasked with leading and guiding the management of Zhejiang’s Buddhism-related cultural sector.45 The propaganda system plays the most critical role in this work because cultural enterprises are a key part of CCP ideology and China’s soft power.46 At the head of the propaganda system is the CCP’s national-level Central Publicity Department, which is responsible for monitoring all ideological issues and outlets, including print and online media and the cultural industry. Different from the Ministry of Culture and the National Radio and Television Administration (NRTA), the Central Publicity Department does not care about technical management issues or profitability; its focus is on ideology. In Zhejiang, the Provincial Publicity Department is responsible for this work.

Another important unit involved in this sector is the Zhejiang Cultural Industry Promotion Association (wenhua chanye cujinhui).47 This organization is a surrogate for the

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43Chen 2021.
45For a discussion on leading and guidance, see Lieberthal 2011, 52.
46For a discussion of China’s propaganda system and how propaganda is used by the CCP to consolidate its rule, see Brady 2008. For a discussion of China’s soft power, see Edney, Rosen, and Zhu 2020.
47The fact that since its establishment in 2006, the Cultural Industry Promotion Association has frequently been chaired by the deputy head of the Provincial Publicity Department shows how closely linked it is to the provincial government.
Party and is chaired by the deputy head of the Provincial Publicity Department. The association is responsible for, among other things, attracting investments in cultural industries from both private and state-owned businesses, along with professionals in recreational businesses and the media. Other bureaucratic units involved in guiding the cultural sector include the United Front Work Department, the Ethnic and Religious Affairs Commission, the Development and Reform Commission, the Department of Culture and Tourism, and the Provincial Forestry Bureau. The latter three agencies are responsible for funding and land acquisition, while the former two liaise with the Buddhist community on behalf of the Party to promote Buddhist culture.48

As one of the four sacred sites of Buddhism in China, Putuo Shan (Mount Putuo) has been widely renowned for its religious and cultural significance since the Tang Dynasty (618–907). The Putuo Island Park Development Project is a key aspect of the 2019–2025 Zhejiang Provincial Action Plan on Island Garden Construction. The importance of this project is shown by the fact that twenty-three CCP and provincial government departments and units are involved, with the Provincial Publicity Department the most authoritative. Buddhism is a critical component of China’s cultural tourism industry and is highly valued by local governments.49 The Putuo Island Park, a kind of Buddhist theme park, is located on a coastal archipelago in Zhejiang. The park project, promoted under the theme of “Buddhist land on the sea, constructed islands for international tourism,” covers the geographical area of Putuo Island as well as several neighboring islands. The plan includes the construction of Buddhist cultural towns, holiday destinations, and temples with the aim of developing a major international tourist destination for Buddhists.50 The project is officially endorsed by the Buddhist Association of Putuoshan (BAP), a government-appointed body which serves as a coordinating body. The total projected financial investment is RMB 4.33 billion (USD $600 million). Because of this cost, the project is a joint development by provincial authorities and the private sector. In particular, two private companies, ZS and PT, are hoping to profit from it.51 At the time of writing, commercial construction has begun on basic infrastructure and public facilities, such as a tourist reception center, parking lots, a walking path, and a recreational park. By the end of 2019, approximately forty percent of the proposed project had been completed. Despite the impact of the Covid-19 pandemic, the park attracted around 100,000 tourists in 2021, and has been cited by the provincial government for its performance.

One key element in the decision-making process for Putuo Island Park is the involvement of CIRI. On September 25, 2018, provincial officials announced the creation of the first group of twenty-one “new-style provincial key think tanks” (shengji zhongdian xinxing zhiku). These institutions became eligible for an annual subsidy of RMB 600,000 (USD 84,400) each for research projects that the Zhejiang Federation of Humanities and Social Sciences (Zhejiang sheng shehui kexuejie lianhehui) assigns to them.52 Their reports would be submitted to the provincial leaders; therefore, they would have

48Author’s interview with a CIRI staff member, December 16, 2019.
49Qian 2019.
51Author’s interview with a CIRI staff member, December 29, 2019.
52This unit is led by the Provincial Publicity Department and is responsible for the management of the province’s universities, think tanks, and related institutions in the field of social sciences.
a greater chance of approval through the *pishi* system. Of these twenty-one think tanks, CIRI was the only one that focused on the cultural sector, which clearly gave it special status.

### Political considerations of think tanks: *Pishi* as a high-powered incentive

CIRI has made great efforts to earn the approval of provincial leaders by accepting and reflecting the official line on cultural industry policy, as expressed in the words of one leading member of the think tank, who encouraged staff to “read the speeches of the provincial leaders carefully and also inquire about internal information in the province as much as possible.”

The Zhejiang Publicity Department was particularly anxious about the park’s cultural orientation and concerned that it reflected the “correct” cultural perspective. However, the department did not specify what it meant by a “correct” view. To a large extent, superiors in the organization have the final say. Zhejiang authorities assumed that cultural development involves the promotion of tourism, so they planned to include in the park attractions such as a statue of Guanyin, the Bodhisattva of mercy, an already existing monastery, scenic spots, shopping malls, and boutique hotels with a Buddhist meditation theme, thus creating a leisure resort combining culture, tourism, and shopping.

With the Publicity Department’s cultural orientation in mind, CIRI formulated recommendations for this project. To ensure that its report reflected the views and desires of provincial leaders, CIRI had to liaise closely with these individuals, especially those from the provincial publicity department. To this end, they recruited personnel who had strong personal connections with Zhejiang’s Party Committee. For example, in 2018 CIRI hired a retired senior university official as its deputy director on account of his social and political connections. He had previously served as deputy dean of a university, where he had presided over many research projects commissioned by provincial authorities. Importantly, he also was acquainted with numerous provincial leaders, chiefly those of the publicity department. People in top-tier positions at Chinese universities usually hold administrative rank and have a wealth of political and business connections, so think tanks frequently recruit them after their retirement.

This retired university official learned that the head of the Zhejiang Publicity Department liked the idea of including a rural cultural auditorium (*xiangcun wenhua litang*), a building in which local culture could be exhibited for tourists, as part of the planned park. Work on this auditorium started in 2013. To win the approval of this official, he asked CIRI staff members to frequently mention the rural cultural auditorium in the development proposal for the Putuo Island Park. Thus, in its investigation report for the Zhejiang Cultural Industry Promotion Association, CIRI noted that the park’s development should be in accordance with the Party Committee’s requirements, in

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53 Author’s interview with a leader of CIRI, October 17, 2019.
54 From the minutes of a meeting within CIRI, June 3, 2021.
56 Author’s interview with a leader of CIRI, January 9, 2020.
that it should include a cultural auditorium combining the characteristics of Buddhist culture and coastal village culture to highlight Zhejiang’s tourism characteristics.\(^\text{57}\)

CIRI has done its best to ingratiate itself with local officials. One staff member related how, when some CCP officials and private experts were invited to a banquet hosted by CIDI, one of the deputy directors made sure the Party officials were supplied with a spare glass in which to spit their alcohol, water to rinse out their mouths, and hot towels to wipe their lips, because CCP regulations banned them from drinking alcohol before eight o’clock in the evening. This enabled officials to accept their hosts’ liquor while obeying party rules.\(^\text{58}\) Such special interpersonal skills and management has helped CIDI build a close relationship with provincial Party Committee members.

CIRI went to these great lengths in table etiquette so that its reports would receive the approval of provincial leaders through the *pishi* mechanism. This was stated explicitly at one internal meeting, when CIDI leaders encouraged staff members to “build better relations with provincial officials to obtain more *pishi* from the provincial leaders.”\(^\text{59}\)

As noted above, such ties help think tanks like CIDI to gain substantial financial and political benefits. The financial reward is usually research funding. If a report written by one researcher is approved by a provincial leader, special funds will be allocated for follow-up research by means of a project approval system (*lixiangzhi*).\(^\text{60}\)

According to the level of attention received from provincial leaders, these projects are further classified into two categories: general topics and key topics. If a think tank researcher receives a “general *pishi*” (*yibangxing pishi*) from a provincial leader – that is, if the leader adds his signature and date to a suggestion in the report – the researcher will receive a general program (*yiban keti*) approval, which provides funding of RMB 20,000 (USD 2,800). An “affirmative *pishi*” (*kendingxing pishi*) from any provincial leader – a signed comment, such as “Please ask XXX bureau to develop relevant laws and regulations based on these suggestions” – means the research is eligible for key program (*zhongdian keti*) approval, which provides a grant of RMB 40,000 (USD 5,600).

In addition to these financial benefits, official approval through the *pishi* mechanism is useful for CIRI researchers in their future careers. For example, the institute’s deputy director was skilled at anticipating the thoughts of local and provincial Party leaders and had exceptional interpersonal skills. She consequently obtained many affirmative *pishi* and, in 2019, was granted an exceptional promotion in hierarchical rank. CIDI’s director also was skilled at pleasing political leaders and obtaining many *pishi*. As a reward, he was appointed to a concurrent post of president of a provincial university.\(^\text{61}\)

This is further evidence for how the *pishi* mechanism acts as a high-powered incentive for think tanks and their staff members.

Overall, CIRI received six *pishi* from provincial leaders in 2020: three approvals for general programs and three for key programs. Of these, two key programs and one general program were related to the PT Island Park development project.\(^\text{62}\) CIRI personnel were clearly skilled at combining the Provincial Publicity Department’s cultural

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\(^{57}\)Author’s interview with a researcher at CIRI, November 19, 2020.

\(^{58}\)Author’s interview with a researcher at CIRI, May 4, 2021.

\(^{59}\)Author’s interview with a leader of CIRI, March 17, 2019.

\(^{60}\)Zhejiang Federation of Humanities and Social Sciences 2019.

\(^{61}\)Author’s interview with a CIRI researcher, May 4, 2021.

\(^{62}\)Author’s interview with a CIRI researcher, March 11, 2021.
orientation requirements with the department leader’s desire for a rural cultural auditorium. The think tank simultaneously continued its efforts to establish good relations with the provincial leaders to obtain more *pishi*.

**Collaboration with private enterprises**

The cultural sector provides private firms plenty of business opportunities, and companies seek to advance their interests by lobbying provincial officials through think tanks. In the development of PT Island Park, officials with the Provincial Publicity Department were eager that Buddhism-related tourism in Zhejiang have a cultural orientation and that excessive “vulgarization” (*yongsuhua*)\(^63\) be avoided at all costs. However, private entrepreneurs view the park as an opportunity to promote their commercial interests.\(^64\) And, as already noted, projects such as this help local governments increase their revenues.

In practice, the Party’s emphasis on a cultural orientation and private investors’ focus on commercial interests complement each other. For example, increasing the tourist accommodations serves private sector interests and does not go against the party’s position. As one interviewee explained, it is acceptable for local officials to commercialize cultural facilities as long as “nothing goes wrong,” meaning as long as no excessive vulgarization comes to the attention of their superiors.\(^65\)

In situations such as this, local officials welcome investments by private enterprises working with think tanks if these bolster tax revenues. For example, if construction goes according to plan, it is estimated that by 2025, total tourism revenue for the county where the PT Island Park is located will reach RMB 200 million (USD 28.13 million), thus fulfilling one of the project’s official goals, of “rejuvenating the island through tourism” (*luyou xingdao*).\(^66\)

As the only key cultural industry think tank in Zhejiang, CIRI has played a special role in lobbying provincial officials to expand private firms’ involvement in the project. CIRI has acted as a channel between the private sector and provincial officials by passing on private firms’ ideas about the cultural sector’s development. In turn, this work has enabled CIRI to obtain rewards from these enterprises. In turn, by building connections with CIRI, private enterprises hope to gain investment opportunities in the development of cultural sites in the province. In December 2020, for example, CIRI invited representatives from two private firms to participate in a seminar on integrating culture and tourism. CIRI’s report on the meeting included complimentary remarks about the proposals made by these two companies.\(^67\)

Notably, CIRI can recommend “model cases” (*dianxing anli*) as examples of success stories to the Provincial Publicity Department. The think tank must submit an annual report to the department in which it lists several model cases — that is, examples of successful promotion of the cultural industry. Department officials then distribute information about these cases to enterprises that are supervised by the Zhejiang Cultural

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\(^{63}\)The CCP uses this term to describe overly commercialized or inappropriately commercialized activities in spiritual, sacred, or moral contexts. See Xinhua News Agency 2017.

\(^{64}\)Rong 2017.

\(^{65}\)An example of “excessive vulgarization” is the habit, among some corporate-run Buddhist temples, of forcing visitors to make large donations before being allowed to burn incense and worship.

\(^{66}\)Wanjing Cultural Tourism Company 2019.

\(^{67}\)Author’s interview with a CIRI researcher, March 17, 2021.
Industry Promotion Association, and these enterprises are encouraged to learn from successful enterprises on how to disseminate the voice of the CCP while spreading the influence of (local) cultural products. Both of these private enterprises have appeared in CIRI annual reports as model cases. Once a company has acquired a reputation of being a “model case,” it is likely to be awarded more contracts.  

Furthermore, CIRI can convey companies’ aspirations to the Zhejiang Party Committee. As noted above, provincial officials are not opposed to private firms expanding their involvement in the cultural sector, provided commercialization does not tip over into “vulgarization.” After repeated discussions between CIRI officials and private businesses, CIRI proposed to the Provincial Publicity Department that Putuo Island Park should be expanded in scale to attract more tourists. In response, the two companies mentioned above suggested the creation of a “Guanyin Cultural Park” and a “Guanyin Expo Park” to attract more tourists. 

CIRI staff members were cautious when they drafted their proposal. They avoided any mention of commercial interests lest CIDI be accused of promoting vulgarization. Instead, they emphasized the political functions of the cultural industry, suggesting that spotlighting Guanyin culture would help the province attract domestic Buddhists, a goal which is in line with Xi Jinping’s instructions to revitalize United Front work. Further, their report noted that highlighting Guanyin culture would raise China’s profile among Buddhists worldwide, which would contribute to Xi’s aim of transforming China into a cultural great power. Consequently, the Provincial Publicity Department supported the CIRI proposal and advocated the construction of a “Guanyin Cultural Park that will last forever” under the name of the “Guanyin Dharma Realm” (Guanyin fajie), and the Zhejiang Party Committee approved this.

This process also enabled CIRI to gain benefits from private enterprises, some of which fall into a legal gray area. For example, a firm might request CIRI to conduct an on-site inspection for which the think tank will be paid much more than the going rate. Alternatively, CIRI might be asked to provide business guidance for a project a private company is engaged in or training courses for employees, for which the firm will pay an inflated fee. However, compared with the advantages a think tank can obtain from government and CCP offices through the pishi mechanism, these private payments are still low-powered incentives. For CIRE, these services are merely income-generating activities that bring no political benefits. If the policy positions of the strong principal (the Party) and the weak principal (the enterprise) diverge, the think tank will support the former in “guiding” the latter.

Think tanks guiding entrepreneurs

The relationship between the CCP and private enterprises began to change after 2000, before which time private entrepreneurs were largely excluded from the Party. Former
President Jiang Zemin’s “Three Represents” (sangevdaibiao) policy, which allowed entrepreneurs to join the Party, was ratified at the sixteenth party congress in 2002. This policy had the effect of encouraging relationships between “red capitalists” and Party cadres.73 Since Xi Jinping came to power, think tanks have been tasked with guiding private firms, in line with the principle of “the party manages enterprises” (dangguanqiye). Xi’s standpoint is that entrepreneurs’ business activities must be subject to party guidance. In his opinion, “entrepreneurs must have a lofty sense of mission and a strong sense of responsibility toward the country.”74 To develop China into a cultural great power, entrepreneurs in the cultural sector must “listen to the Party and follow the Party” (tingdanghua, gendangzou) to “make the cultural industry bigger, stronger, and livelier with Chinese characteristics.”75

In the context of how think tanks guide enterprises to follow the CCP’s political and ideological line when a difference exists between the two sides on a certain policy, understanding the role of CCP cultural liaison offices (wenhua chejian) is critical. These function like Party branches within private companies. The main functions of a Party branch in an enterprise are to facilitate Party building at the local level by ensuring that employees abide by Party discipline, publicizing Party policies, and recruiting outstanding employees to join the CCP. While Party branches within state-owned enterprises (SOE) have long been common, in 2018 the CCP stipulated that all enterprises – both state-owned and private – must have a Party branch.76 Most of these branches fall under the jurisdiction of the local CCP committee. In Zhejiang, the Provincial Publicity Department supervises all such cultural liaison offices.

In 2015, the Provincial Publicity Department launched a pilot project to set up cultural liaison offices in private enterprises. In addition to organizing cultural activities for employees, these offices are responsible for supporting employees and their families when their employer is involved in a major cultural industry project.77 Cultural liaison offices still operate on a trial basis in the province, and not all private enterprises have one.

Before work started on Putuo Island Park in 2020, the Provincial Publicity Department had stipulated that there should be a cultural liaison office in all private enterprises involved in Buddhism-related cultural projects. Some companies opposed this idea. The owners of two companies suspected that this was just another incarnation of the Party branch that would require employees to waste time on political studies, lead to interference in their businesses, or enable local Party officials to find out how much money they were making. When managers of one company learned about the Publicity Department’s stipulation, they argued that their company already had a Party branch and questioned the need for another such organization within the company.78

The CCP could have ordered the two companies to set up cultural liaison offices, but Publicity Department officials were concerned that tough measures might cause anxiety among business owners and go against the Party-state’s “harmonious society”
requirement. Therefore, because of the close links CIRI had with the cultural sector in Zhejiang, Publicity Department officials solicited the think tank’s help in persuading business owners to agree to set up cultural liaison offices.

In response to this request, CIRI staff engaged in soft lobbying of business owners. The institute’s deputy director played a key role in persuading one of the owners to accept the Publicity Department’s idea. She told him that the cultural liaison office would arrange entertainment and leisure activities for the firm’s employees, help maintain labor–management harmony, and help increase the company’s productivity.

Other business owners might have approached this scheme from a more practical angle. Instead of opposing the cultural liaison office idea and incurring the displeasure of the Party, they might have thought it better to turn the Publicity Department’s scheme to their own advantage, following the dictum of transforming “something bad into something good” (huashi bancheng haoshi). CIRI, being familiar with how local business owners viewed the situation, emphasized that the cultural liaison office could serve as a useful channel of communication between enterprises and the Provincial Publicity Department, and this could facilitate the smooth progress of the Island Park project.

Another way in which CIRI was able to influence business owners was by suggesting that it would help them recruit prominent individuals to head their cultural liaison offices. For example, CIRI persuaded two retired bureau-level leaders of a prefecture-level city affiliated with Putuo Island to take part-time posts as directors of the cultural liaison offices of two companies. These retired Party cadres had thriving local networks of personal relationships in the area, which further facilitated the smooth progress of the project.

These cultural liaison offices also have a logistical function. Since the start of the construction of the Putuo Island Park project in 2020, many employees have had to work on-site for several days at a time. Addressing these circumstances, the cultural liaison office supported workers by, for example, providing free summer daycare for their children. This has reduced the burden on employees’ families, making them less likely to leave their jobs. The cultural liaison offices also provided recreational and leisure facilities for company staff near the construction site, including a library, basketball court, and gym.

CIRI was rewarded for its assistance in persuading companies to accept the establishment of cultural liaison offices. In 2020, the think tank received RMB 200,000 (USD 28,139) in research project funding from the city where Putuo Island is located. CIRI has certainly helped the Party manage enterprises according to its agenda. This demonstrates that like NGOs in China, think tanks play a significant role in strengthening the legitimacy of CCP and government’s policies.79

Conclusion

In the context of Xi Jinping promoting total ideological control by the CCP and emphasizing the role of policy advisors, what is the relationship between think tanks and the state in authoritarian China? To answer this question, we have examined the role and functions of think tanks in contemporary China through the operations of one such organization, CIRI.

79For a discussion of the functions of Chinese NGOs, see Howell, Shang, and Fisher, 2019.
In 2014, President Xi proposed establishing “new-type think tanks with Chinese characteristics” to improve “scientific decision-making.”\(^{80}\) Despite this declared intention, however, there appears to be little scientific reasoning behind the recommendations made to think tanks. Instead, think tanks are incentivized to follow the instructions of the CCP through the *pishi* mechanism. This is part of Xi’s effort to further centralize power.\(^{81}\) Think tanks lack sufficient autonomy and, as we have shown in the case of cultural industry think tanks, they have a strong demand-side orientation.

The CIRI case reveals that an interesting agency relationship exists between think tanks, the CCP, and cultural enterprises. Even though it is a dual agent of the Party and private enterprises, CIRI gives precedence to the Party’s strong principal instructions. CIRI also seeks to collude with private enterprises (weak principals) for mutual financial gains if those enterprises agree to abide by Party policies. When the two principals disagree on a certain policy, such as the establishment of CCP cultural liaison offices within private companies, CIRI seeks to persuade and guide private companies to bend to the Party’s will. Although business owners might dislike a particular policy, after weighing the pros and cons, they will likely accept it, so as not to offend the Provincial Publicity Department and in the hope of gaining other benefits.

Our discussion of the Putuo Island Park project underscores the importance that the CCP under Xi Jinping attaches to culture-related businesses. Under the cultural great power strategy, the Party–state apparatus, particularly the propaganda/publicity system, maintains a firm grip on cultural industries.\(^{82}\) At a time when the state is actively promoting “grand external publicity” (*dawaixuan*) and seeking to develop its soft power,\(^{83}\) the CCP is mobilizing cultural enterprises and cultural think tanks to work to achieve this goal. Further, the Party is using China’s religious culture as an instrument of propaganda and relying on think tanks to bolster its legitimacy.

In the case we have examined, Zhejiang’s Publicity Department reinforced its governance of the cultural sector by means of CIRI, with the aim of recruiting private sector actors to implement state policies. In the process of developing China into a cultural great power, the CCP under the direction of Xi Jinping exercises tight control over think tanks, and private enterprises are expected to be loyal servants of the Party. Some scholars believe that China’s think tanks are becoming more professional and autonomous and that this will help make decision-making more scientific. However, at least in the cultural sector, we find that the reality is much more complex and intriguing.

**Acknowledgements**

The authors wish to thank the anonymous reviewers and the journal editor for very helpful comments and suggestions on earlier versions of this paper.

**Disclosure statement**

No potential conflict of interest was reported by the author(s).

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\(^{80}\)Zhu and Xie 2014.

\(^{81}\)Lee 2017.

\(^{82}\)Qiu 2016.

\(^{83}\)Shambaugh 2015.
Funding

This research was supported by the Taiwan National Science Technology Council Funding Agency, project number: 111-2410-H-001 -066 -MY2.

Notes on contributors

Wen-Hsuan Tsai (蔡文轩) is a Research Fellow at the Institute of Political Science, Academia Sinica, Taiwan. His main research is on Chinese political development, Chinese governance and innovation, comparative politics, and comparative authoritarian regimes.

Gan Li (李敢) is an Associate Professor of Sociology in the School of Management, Nanjing University of Posts and Telecommunications, China. He academic interests are in economic sociology, digital innovation in rural China, Chinese cultural industries, and Chinese think tanks.

Weiqing Song (宋卫清) is an Associate Professor of Political Science, the University of Macau, Macao SAR, China. He has academic interests in Chinese foreign policy with regards global governance and transnational norms, European politics, Sino-European relations, and Chinese post-socialist politics.

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