



## **PERSPECTIVES ON CHINESE FOREIGN POLICY**

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Even as China’s global engagement expands and deepens, major foreign policy decisions continue to be made by a handful of officials at the very top of the system. As with other aspects of Chinese policy, however, senior leaders often seek to set the tone for and outline the broad contours of China’s foreign policy, but leave lower levels to work out the details. At the lower levels, different parts of the bureaucracy, sometimes with overlapping mandates, interpret instructions from on high in ways that suit their own institutional interests. Mechanisms intended to promote coordination often prove ineffective, with even fellow government ministries frequently unwilling to give ground to each other in service of broader national policy. The result can be confusion for outsiders about what Chinese foreign policy really is.

Coordination between government ministries and the People’s Liberation Army (PLA) is even more challenging than coordination within the government. The PLA’s line of command consists of uniformed officers up to the top of the political system, where two civilians, Central Military Commission Chairman Hu Jintao and Vice Chairman Xi Jinping, exercise ultimate control and oversight over the armed forces. The military does not answer to any body analogous to the U.S. Congress. Nor does it have a culture of regular communication with government agencies.<sup>1</sup> Few analysts question the military’s loyalty to the Communist Party – embedded Party organizations, political commissars, and the PLA’s General Political Department ensure both loyalty and ideological conformity. But in recent years, some have questioned the effectiveness of the Party’s efforts to coordinate the military’s statements and activities with, for example, those of the Foreign Ministry.

An array of new actors in Chinese foreign policy, and the changing roles of traditional ones, have made Chinese foreign policy messier still. In an authoritative recent study from the Stockholm International Peace Research Institute (SIPRI), “New Foreign Policy Actors in China,” scholars Linda Jakobson and Dean Knox document the influence of “foreign policy actors on the margins,” including powerful state-owned corporations, local governments, research institutions and academia, the media, and China’s

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<sup>1</sup> The military and state hierarchies intersect in the State Council, which includes the Ministry of National Defense, but the MND is a weak body created to facilitate exchanges with foreign militaries, and is largely peripheral to the real power hierarchy in the military.

growing ranks of outspoken, Internet-enabled “netizens.” (China’s latest official figures put the number of Chinese Internet users at 457 million, 303 million of them mobile Internet users.)<sup>2</sup> They conclude that the result of rivalries among bureaucratic players and the emergence of new actors on the margins is a “fracturing of authority” in Chinese foreign policy, meaning that, “Foreigners can no longer deal solely with the [Ministry of Foreign Affairs] and must instead take into account multiple actors who have both a stake and a say in the decision-making processes on any given issue.”<sup>3</sup>

### **Elite Foreign Policy-making Bodies**

Most analysts agree that at the top of the Chinese political system, two institutions play key roles in foreign policy-making: the Communist Party’s Politburo Standing Committee and the Party’s Foreign Affairs Leading Small Group (FALSG) and its attached FALSG Office.

The **Politburo Standing Committee (PSC)** is China’s most senior decision-making body, comprised of the top nine officials in the Chinese Communist Party. PSC meetings are not publicized, but the group is believed to meet several times a month and to operate on a consensus basis. China’s March 2011 decision to abstain on the United Nations Security Council vote to authorize a no-fly zone over Libya would almost certainly have been approved by the Politburo Standing Committee. Jakobson and Knox argue that because none of the nine PSC members has an exclusive foreign policy portfolio, “both official foreign policy actors and those on the margins of the foreign policy establishment can try to affect the consensus-building process by influencing any given PSC member.”<sup>4</sup>

Several PSC members have a strong institutional stake in foreign policy issues, including Premier Wen Jiabao, who oversees the entire government apparatus, and Zhou Yongkang, the PSC member in charge of security matters. The two PSC members with the greatest involvement in foreign policy, however, now appear to be Hu Jintao and Xi Jinping. They are ranked number one and number six in the Party, and serve as State President and Vice President, and as Chairman and first Vice Chairman of the Party and State Military Commissions. As Hu, Xi and others position themselves for a sweeping leadership transition that will begin next year, the conduct of foreign policymaking will no doubt reflect some degree of political jockeying.

Hu and Xi also serve as Chair and Vice Chair of the body that many analysts believe to be the locus for foreign policy decision-making in China, the Communist Party’s **Foreign Affairs Leading Small Group (FALSG)**, a coordinating body that shares personnel with the **National Security Leading Small Group**.<sup>5</sup> The FALSG’s membership is not public, but members are believed to be drawn from the party, the government, and the military. They reportedly include the State Councillor for foreign affairs; the head of the Party’s International Department; the Ministers of Foreign Affairs, Commerce, Defense, State Security, and Public Security; leading officials in charge of propaganda, Taiwan policy, and Hong Kong and Macau affairs; and a Deputy Chief of the People’s Liberation Army’s General Staff Department.<sup>6</sup> The

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<sup>2</sup> 27<sup>th</sup> *Statistical Report on Internet Development in China*, China Internet Network Information Center (CNNIC), released January 19, 2011. See [http://www.cnnic.net.cn/dtygg/dtgg/201101/t20110118\\_20250.html](http://www.cnnic.net.cn/dtygg/dtgg/201101/t20110118_20250.html).

<sup>3</sup> Linda Jakobson and Dean Knox, “New Foreign Policy Actors in China,” SIPRI Policy Paper 26, September 2010.

<sup>4</sup> *Ibid.* p. 4.

<sup>5</sup> Scholars Hao Yufan and Hou Ying, for example, write that, “the Standing Committee of the Politburo and the Foreign Affairs Leading Small Group, which include the chairman/general secretary of the CCP, are the de facto foreign policy-making institutions.” Hao, Yufan and Hou, Ying, “Chinese Foreign Policy Making: A Comparative Perspective,” *Public Administration Review*, December 2009. pp S136-S141.

<sup>6</sup> Alice Miller, “The CCP Central Committee’s Leading Small Groups,” *China Leadership Monitor*, No. 26, Fall 2008. Available at <http://www.hoover.org/publications/china-leadership-monitor/article/5689>.

FALSG's official role is believed to be to review major foreign policy issues and make recommendations to the Politburo Standing Committee for action. Significantly, however, some close observers of Chinese foreign policy believe that the members of the FALSG may not have met as a body for as long as two years.<sup>7</sup> If true, it is unclear why this should be so, other than perhaps that Hu and Xi feel comfortable running foreign policy without regular input from the full membership.

Attached to the FALSG is an office that, unlike the FALSG, has a public profile. The role of the **Office of the FALSG** is to conduct research and advise the FALSG on foreign policy issues and to coordinate implementation of foreign policy decisions. It is headed by China's most senior dedicated foreign policy official, 70-year-old State Councillor Dai Bingguo. As a State Councillor, Dai is one of nine officials in the Chinese government system who sit between the ministries and the Premier of the State Council. He thus outranks the Minister of Foreign Affairs. (He, rather than the Foreign Minister, is U.S. Secretary of State Hillary Clinton's counterpart in the strategic track of the premier U.S.-China dialogue, the annual Strategic and Economic Dialogue (S&ED)).<sup>8</sup>

Some individual members of the broader 25-person Politburo play prominent foreign policy roles, too. Vice Premier Wang Qishan, for example, holds a foreign trade portfolio. He is U.S. Treasury Secretary Timothy Geithner's counterpart in the economic track of the S&ED, and the counterpart to the U.S. Commerce Secretary and United States Trade Representative in the Joint Commission on Commerce and Trade dialogue with the United States.<sup>9</sup> To complicate matters further, as a Politburo member, Wang outranks Dai Bingguo, who is not.

### Implementation of Foreign Policy Decisions

Below the level of the Politburo Standing Committee and the Foreign Affairs Leading Small Group, lines of authority in foreign policy have become more blurred, as U.S. officials have at times discovered to their chagrin. The head of the Office of the FALSG, Dai Bingguo, previously served as head of the Party's International Department and as Party Secretary (and Vice Minister with the rank of full minister) at the Foreign Ministry, so would appear to be well placed to coordinate implementation of policy with those two important party and government departments on such topics as North Korea. (The Foreign Ministry is believed to hold a far more jaundiced view of the North Korean regime of Kim Jong-il than the

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<sup>7</sup> Author interviews, April 2011.

<sup>8</sup> Dai's membership in the FALSG, his role as director of the FALSG Office, and his State Councilor position all combine to give him considerable authority on foreign policy matters. If the full FALSG is indeed not meeting, that may arguably have increased his authority further, leaving him as Party General Secretary Hu and PSC member Xi Jinping's principal advisor on foreign policy matters. Over the years, Dai has also sought to shape Chinese foreign policy doctrine. His statement at the 2009 Strategic and Economic Dialogue, and an article published under his name in December 2010, for example, set forth and refined a framework for Chinese foreign policy based on a set of "core interests." See Dai Bingguo, "Persisting with Taking the Path of Peaceful Development," (中国国务委员戴秉国：坚持走和平发展道路), *Chinese Ministry of Foreign Affairs website*, December 6, 2010, [http://www.gov.cn/ldhd/2010-12/06/content\\_1760381.htm](http://www.gov.cn/ldhd/2010-12/06/content_1760381.htm) (in Chinese).

<sup>9</sup> The Politburo itself appears to devote little, if any, of its time to foreign policy topics, according to a record of its meetings that the Communist Party has posted online. In 2010, with one exception (a meeting to discuss relief work following the Yushu earthquake in Qinghai province), it also does not seem to have focused its meetings on urgent developments in either domestic or international spheres. The records show that the Politburo met a dozen times in 2010, or approximately once a month. Topics for those 12 meetings included discussion of the 12th Five-Year Plan for economic and social development, the government's proposed work report to the National People's Congress, policy in the ethnic minority border-lands of Tibet and Xinjiang, Party anti-corruption efforts, and plans for such areas as education and human resources. See <http://cpc.people.com.cn/GB/64162/106114/182388/index.html>.

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International Department, which has recently argued, successfully, for a closer relationship with Pyongyang.) Dai also sits on the Party committee of the State Council, giving him authority over the many ministries, commissions, and administrations under the State Council.

Yet U.S. officials have repeatedly seen commitments made by China's top leaders apparently blunted in implementation. Whether this is by design or because top leaders are truly unable to impose their will on their bureaucracies is unclear. One particularly pronounced example of this phenomenon has been the refusal of China's military to commit to a sustained military-to-military relationship with the United States. Although President Obama and China's President Hu pledged in their 2009 Joint Statement to "take concrete steps to advance sustained and reliable military-to-military relations in the future," and reaffirmed in their 2011 Joint Statement that "a healthy, stable, and reliable military-to-military relationship is an essential part" of their shared vision, China's military continues to hold the military relationship hostage to the issue of U.S. arms sales to Taiwan.<sup>10</sup> Either the military is intentionally confounding Hu's effort to establish a reliable military-to-military relationship, or Hu's commitments to President Obama were intentionally hollow.

Secretary of Commerce and now Ambassador-designate to China Gary Locke voiced frustration about implementation of senior level decisions in a January 2011 speech ahead of Hu's state visit to Washington. Locke identified five steps he identified as necessary to create a new "norm" in Chinese commercial culture: 1.) "a statement of principle from Chinese officials that action will be taken to solve a market access issue;" 2.) codification into binding law or regulations; 3.) faithful implementation by the central government; 4.) implementation by provincial and local governments; and, 5.) "the most important step," making the new law or regulation "an accepted way of doing business in China's commercial culture." Locke complained that, "When it comes to indigenous innovation, intellectual property or a variety of other market-access issues, an enduring frustration is that in too many cases only the earliest steps are taken, but not all five. Perhaps an agreement is made, but it never becomes binding. Or perhaps there's a well-written law or regulation at the national level, but there's lax enforcement at the provincial or city level."<sup>11</sup>

The strongly nationalistic tone evident in popular media, such as the tabloid *Global Times* (*Huanqiu Shibao*), and in many Chinese web postings related to foreign policy no doubt contributes to foot dragging in the bureaucracy and perhaps at the leadership level. While the Party experiments with more sophisticated ways of measuring public sentiment, leaders at all levels still tend to rely heavily on the outbursts of China's unruly netizens as a gauge of popular opinion. Always fearful of public protest, leaders can be wary of appearing to embrace positions that the netizenry opposes. To counter such trends, the U.S. Embassy in Beijing has made a point of reaching out to popular Chinese bloggers, embedding them on trips that the U.S. Ambassador makes to the provinces, where they ride with him in his limousine and blog to their followers during banquets.<sup>12</sup> China's top "micro-bloggers" – users of Chinese versions of Twitter operated by Sina.com and Tencent – have millions of followers, who often re-tweet their tweets

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<sup>10</sup> In response to a question at a joint press conference with visiting U.S. Secretary of Defense Robert Gates in January 2011, Chinese Defense Minister Liang Guanglie stated that, "United States arms sales to Taiwan seriously damaged China's core interests and we do not want to see that happen again; neither do we hope that the U.S. arms sales to Taiwan will again and further disrupt our bilateral and military-to-military relationship." Department of Defense, "Joint Press conference with Secretary Gates and General Liang from Beijing, China," transcript, January 10, 2011, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4750>. The statement was widely read as a threat to suspend the military-to-military relationship again if the United States approves new arms sales to Taiwan.

<sup>11</sup> Secretary of Commerce Gary Locke, "Remarks at U.S.-China Business Council Luncheon," January 13, 2011, <http://www.commerce.gov/news/secretary-speeches/2011/01/13/remarks-us-china-business-council-luncheon>.

<sup>12</sup> Author interviews, Beijing, April 2011.

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to their friends and followers, shaping popular opinion, and the climate for official decisions, on a wide variety of subjects.<sup>13</sup>

### **The Broad Cast of Foreign Policy Players**

A brief review of China's engagement with Africa illustrates just how broad the cast of actors has become, and how the traditionally dominant role of China's Ministry of Foreign Affairs in managing China's relations with the world has shrunk as a consequence.

In Africa, as in many regions, foreign governments and other institutions deal with a host of Chinese government bodies in addition to, and often independently from, the Foreign Ministry. At the Chinese national government level, China's Ministry of Commerce has emerged as a new major player in Africa, both through the development cooperation work of its Department of Foreign Aid, and through its other work with Chinese corporations active in Africa. The Ministry of Finance manages debt relief and aid through multilateral institutions. China Eximbank provides concessional loans, as well as non-concessional loans and preferential buyer's credits. The China Development Bank provides loans and, through its China Development Fund, has taken equity stakes in projects across Africa, including a series of special economic zones modeled on similar zones in China.<sup>14</sup> The Ministry of Agriculture is involved in agriculture projects, including technology demonstration centers in 14 African countries, and the Ministry of Health oversees medical teams. (At the end of 2009, 42 Chinese medical teams with more than 1,000 medical staff were working in 41 African countries.)<sup>15</sup> At the provincial government level, individual Chinese provinces are paired with individual African nations – the inland province of Shaanxi, for example, is paired with Sudan – and are launching their own relationships with Africa.

At the quasi-governmental level, research institutes and associations affiliated with government departments seek to influence debate about the shape of China's engagement through reports, conferences, and participation in meetings convened by the government to solicit input on policy. Two influential research institutes on China-Africa relations are the International Poverty Reduction Center in China (IPRCC), affiliated with the State Council Poverty Alleviation Office, and the Chinese Academy of International Trade and Economic Cooperation, affiliated with the Ministry of Commerce.

The People's Liberation Army is involved in anti-piracy missions in the Gulf of Aden, off the coast of Somalia. (It also helped with the evacuation of nearly 36,000 Chinese citizens from Libya earlier this year, which involved deploying to the Mediterranean for the first time in its history.<sup>16</sup>)

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<sup>13</sup> In a new book, technology guru Kai-fu Lee, formerly of Microsoft China and Google China, notes that at the end of December 2010, his Sina Weibo followers stood at 2.8 million, making him that service's 12<sup>th</sup> most followed micro-blogger, and his Tencent Mico-blog followers stood at 7.8 million, ranking him as the second most followed micro-blogger on that service. Lee Kai-fu, *Micro-blog: Changing the World* (微波: 改变一切), Shanghai: Shanghai University of Finance and Economics Press, February 2011, p. 6 (in Chinese).

<sup>14</sup> For a comprehensive discussion of Chinese financing and foreign direct investment in Africa see Benedicte Vibe Christensen, "China in Africa: A Macroeconomic Perspective," *Center for Global Development Working Paper 230*, November 2010, revised December 22, 2010.

<sup>15</sup> Chinese Academy of International Trade and Economic Cooperation, "China-Africa Trade and Economic Relationship Annual Report 2010," Beijing, 2010.

<sup>16</sup> For analysis, see Gabe Collins and Andrew Erickson, Missile Frigate Xuzhou Transits Suez Canal to Arrive Off Libya Wednesday March 2 China," *Signpost blog entry*, February 28, 2011, <http://www.chinassignpost.com/2011/02/missile-frigate-xuzhou-transits-suez-canal-to-arrive-off-libya-wednesday-2-march-china%e2%80%99s-first-operational-deployment-to-mediterranean-addresses-libya%e2%80%99s-evolving-security-situation/>.

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Corporations are increasingly powerful players. Giant Chinese state-owned corporations are drilling for oil and mining such resources as nickel, copper, manganese, chromium, and gold. State-owned corporations are also building roads, railways, dams, power plants, hospitals, government buildings, and other infrastructure, usually with Chinese labor. In 2008, the Industrial and Commercial Bank of China bought a \$5.46 billion stake in a South African bank. Chinese telecommunications companies, such as Huawei Technologies, have built 3G networks for more than 30 African nations and national optical fiber networks and e-government networks for more than 20 African nations.<sup>17</sup> Entrepreneurial Chinese have on their own set up mom-and-pop businesses in communities all over Africa.

The Ministry of Foreign Affairs is the convener of the Forum for China and Africa Cooperation (FOCAC), a mechanism that meets every three years to engage in “collective consultation and dialogue” and includes participation from multiple Chinese ministries and representatives from 49 African countries.<sup>18</sup> The Ministry of Foreign Affairs also has joint responsibility with the Ministry of Commerce for drafting China’s annual plan for aid to Africa.<sup>19</sup> But many of the Chinese players in Africa now do not answer to the Foreign Ministry, and do not necessarily feel compelled to coordinate their activities with it. Nations hoping to engage China in a serious way on its activities in Africa now need to speak not only to the Ministry of Foreign Affairs, but also to dozens of other players, whose competing interests sometimes collide with the Foreign Ministry’s. China risked diplomatic isolation for a period, for example, when the business interests of its powerful Chinese state-owned corporations, and the energy security appeals of constituencies in Beijing, led it to maintain close relations with the government of Sudan at the height of the atrocities in Darfur. An appreciation for the increasingly broad range of actors involved in China’s relations with the world helps, though does not completely, explain why China took that course, and why China’s foreign policy on other issues of importance to the United States, such as North Korea and Iran, seems at times so constrained.

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<sup>17</sup> Chinese Academy of International Trade and Economic Cooperation, “China-Africa Trade and Economic Relationship Annual Report 2010,” Beijing, 2010.

<sup>18</sup> For more information, see the FOCAC website at <http://www.fmprc.gov.cn/zflt/eng/>.

<sup>19</sup> Benedicte Vibe Christensen, “China in Africa: A Macroeconomic Perspective,” *Center for Global Development Working Paper 230*, November 2010, revised December 22, 2010, p. 13.

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