The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978–2000

David M. Lampton, Editor

China's Foreign and National Security Policy-Making Process: Is It Changing, and Does It Matter?

DAVID M. LAMPTON

When asked what he and other economic officials thought about the February 21, 2000, white paper on Taiwan that threatened a firestorm of reaction in Washington that might affect pending China-related legislation, a PRC [People's Republic of China] economic official responded as follows: "We [economic officials] said it would be bad for WTO [the World Trade Organization], but we were not the leading group creating this policy so ours was just a voice in a room. Nobody was going to listen to us. . . . Policies are created not by the whole government, but by parts in the government. We often don't know what the other side is doing."[1]

INTRODUCTION

The second half of the twentieth century witnessed a gradual and important change in the Chinese foreign and national security policy-making process as it successively moved through the eras of Mao Zedong, Deng Xiaoping, and Jiang Zemin. This shift is not only of theoretical importance; it also has

significant consequences for China's international behavior in the early twenty-first century. The world involvement of the PRC is now much more extensive than in the earlier period, particularly in the domains of economics, culture, and multilateral organizations. Moreover, the role of expertise in government is much greater, the bureaucracy is more differentiated and complex, and therefore the way in which recurrent policy issues are handled is different. Concisely, the process for making recurrent, noncrisis decisions is more bureaucratic in character, with elite options constrained; decisions are often harder to produce. Frequently, as the quote opening this chapter suggests, the left hand does not know what the right is doing.

On the other hand, showing some continuity with the period of Mao, the most senior political elite, headed by General Secretary Jiang Zemin, continues to play the decisive role in establishing broad national strategy. It alone determines policy on issues such as China's big power alignments, whether or not to join the WTO, and whether or not to set a timetable for national reunification with Taiwan, potentially jeopardizing other important national goals.[2] With regard to these strategic questions, it is essential to know the arena in which decisions are made and who sits at the table.

The Chinese policy-making process, therefore, presents the analyst with two faces. With regard to major issues of strategy, the setting of broad agendas, and crisis management, the senior elite still has considerable latitude. As Nathan and Ross observe, "Of all the large countries, China has had the greatest freedom to maneuver, act on grand strategy, shift alignments, and conduct a strategic foreign policy in the rational pursuit of national interest."[3] Dramatic changes in policy are, therefore, possible, although the personalized authority of Jiang Zemin is dramatically less than that of Mao Zedong in the earlier era, and (as Bates Gill points out in his contribution to this volume), the elite is often hemmed in by the cumulative logic of previous, recurrent decisions.

At the same time, in its myriad dealings with the rest of the world on routine issues ranging from arms control to economic relations, Beijing increasingly speaks, often with multiple voices, in terms familiar to the rest of the world, and policy changes gradually. In this realm, decisions tend toward global and professional norms, against the ever-present backdrop of realpolitik and considerations of national interest.[4] Those who deal with Beijing, therefore, must be aware of the potential for abrupt changes arising from a system that is compartmentalized and personalized at the very top. At the same time, they may be reassured by the constraints that offer the prospect

of a China that eventually may fit more comfortably into the international order.

Beyond change and continuity in China's foreign policy and national security decision-making processes and how these alterations have affected Beijing's declaratory policies and actual behavior, a number of questions animate the chapters that follow: Do nations learn from prior experience, and, if so, how? What is the relationship between bureaucratic structure and policy-making behavior? To what degree and how do professionalism, pluralization, decentralization, and globalization affect substantive Chinese policy and the policy-making process? What is the relationship between domestic politics and external action? How do foreign policy-making processes and behavior change as systems move from the hands of a charismatic, revolutionary leadership to a more technocratic elite? Are global economic, information, security, and technological interdependencies shaping the behavior of foreign policy leaderships, and, if so, how? How do transnational communities of experts ("epistemic communities") affect policy? What role does "national interest" play in the formation of foreign policy, and are state-centered (parochial) notions giving way to broader concepts of "cooperative security"? Why do some areas of a nation's foreign policy and behavior see pronounced change and others demonstrate great continuity? What factors account for the gaps between declaratory foreign policy pronouncements and actual behavior? And to what degree have China's foreign relations exceeded the capacity of its foreign policy apparatus to control such relations? In the latter respect, are we likely to see the emergence of formal institutions of government that are more dedicated to international cooperation just as the ability of such institutions to control society's behavior in the international context declines?

This volume explores these practical and theoretical issues by examining several domains. Part I addresses the changing structures and roles of institutions and localities. Part II assesses the changing patterns of elite and societal opinion, while Part III examines the influences of the international system. The volume concludes, in Part IV, by exploring how the preceding variables (institutions and localities, elite and societal opinion, and the international system) have played out in important cases: arms control, Taiwan policy-making, WTO entry, and Chinese policy-making with regard to the volatile Korean Peninsula. In short, this volume examines both the dimensions of change in PRC foreign and national security policy-making processes and the implications of those changes for system behavior in areas of substantive policy-making.

THE PROCESSES OF PROFESSIONALIZATION, CORPORATE PLURALIZATION, DECENTRALIZATION, AND GLOBALIZATION

Two broad changes in the Chinese policy-making process are documented in the chapters that follow: First, the number of actors, though still comparatively small, is increasing; in the words of Fewsmith and Rosen in their contribution to this volume, the elite is thickening. As part of this expansion, previously peripheral actors are becoming more numerous and more proximate to the decision-making arenas, particularly with respect to routinized, noncrisis categories of policy choice. Second, individuals, organizations, and localities not formally involved in the foreign and national security policy-making process nonetheless have more space to act internationally. Beyond changing the character of much foreign interaction with the PRC, the actions of somewhat autonomous Chinese individuals, groups, and localities increasingly generate issues and problems and exert pressures to which the central foreign policy elite must respond.

With respect to the latter dynamic, those not formally involved in the foreign policy-making and implementation processes often act internationally and thereby play a role (inadvertently perhaps) in setting the central elite's foreign policy agenda and establishing some of the broad parameters within which Beijing must make decisions. For example, somewhat autonomous exporters can transfer technology and hardware that raise security problems for the United States or others, thereby generating external pressure on Beijing to develop export controls and clamp down on those actors.[5] Similarly, local officials can turn a blind eye to the illegal trade in human beings smuggled abroad because the money remitted to their home locality by the emigrants (not to mention initial bribes) have become important sources of local revenue and personal income.[6] This trade, in turn, produces foreign pressure on Beijing to stop the illegal flow. Finally, as the chapters by Peter T. Y. Cheung and James T. H. Tang and by Samuel S. Kim amply demonstrate, in the case of policy-making related to the Republic of Korea, provinces can nudge central policy-makers either to move in directions in which they might not otherwise spontaneously move or to change policy earlier than was anticipated.

Four "-izations" (si hua)—professionalization, corporate pluralization, decentralization, and globalization—are driving the twin developments noted earlier in this section. It is with respect to these transformations that the following chapters are most illuminating. Using these chapters as my principal

data, in this chapter I address these changes, assess their impact on policy formulation and implementation, and conclude with a discussion of what they mean for system behavior and our understanding of some basic theoretical issues.

Professionalization

Professionalization, as used here, refers to a number of related developments. These include the trend toward a higher level of specialized knowledge among Chinese elite and subelite foreign policy decision-makers; the proliferation of expert-based bureaucracies in the decision-making process; and the increased reliance by decision-makers on information provided by specialized bureaucracies (and their attention to the quality and diversity of such information). The baseline for understanding what happened in this dimension between 1978 and 2000 is presented in this volume in the chapters by Lu Ning, H. Lyman Miller and Liu Xiaohong, and Michael Swaine. Almost every contribution to this volume, however, speaks to professionalism and its profound effect on the Chinese foreign and national security policy-making process.

The character of China's elite has undergone a dramatic change in the post–Mao Zedong era. This evolution is apparent when one examines the distinct attributes of the leadership ranks at the Twelfth Congress of the Chinese Communist Party (CCP) in 1982, the first full-fledged congress with Deng Xiaoping at the helm, and at the Fifteenth Party Congress in 1997, the first at which Jiang Zemin was preeminent. Comparing the respective Politburos elected by each, the Jiang leadership was nearly a decade younger, on average, than that of the 1982 Politburo; more than half of the Fifteenth Congress Politburo did not join the CCP until after the PRC's founding in 1949; and, as Miller and Liu report, although none of the members of the 1982 Politburo had a university degree, 70 percent of the Fifteenth Congress Politburo did. Similarly, Lu Ning notes that although past senior leaderships included very few persons who spoke foreign languages, the Politburo selected by the Fifteenth Party Congress consisted entirely of members who could speak a foreign language, save one person. If one examines local leadership in China, the trend toward technocratic leadership is also apparent, suggesting that those in the promotion pipeline will reinforce an already evident technocratic trend.[7] As Cheung and Tang explain in their chapter on provinces, "The training and backgrounds of FAO [provincial foreign affairs office] officials has gradually improved. Young recruits tend to be graduates of foreign language universities or colleges,

with a specialty in international studies. Some of the senior officials, such as those in Guangdong, have postgraduate degrees from Western countries or have received overseas training."

There is not an easily demonstrable linkage between aggregate attributes of the elite and subsequent policy-making behavior. Nonetheless, such statistics and generalizations take concrete form when one encounters central PRC leaders and officials from China's provinces. To meet General Secretary Jiang Zemin, for example, likely means that you will hear about the latest book he is reading. One of Jiang's closest confidants is former Shanghai Mayor Wang Daohan, who, beyond his many foreign policy–related responsibilities, periodically provides the general secretary with a list of books and articles containing new ideas. Indeed, a best-selling book entitled *Jiang Zemin's Counselors* includes Wang Daohan as the subject of the first chapter, "The Red Dynasty's Imperial Mentor Wang Daohan" (*Hong chao di shi Wang Daohan*).[8] As Swaine observes in his chapter, "Wang is widely viewed as Jiang's most trusted advisor on Taiwan affairs and a key channel for [expert] advice." From the elite on down, expert knowledge and information are part of the legitimating gestalt for leadership. The elite is in a constant search for information, and such information has resulted in policy change. Nonetheless, just because the elite seeks out information does not mean that it collects, processes, or uses that information to which outsiders might attach importance.

In September 1998, Jiang Zemin set up a foreign policy group of "wise men" composed of about twenty-five former Chinese ambassadors. With limited staff, this group discusses those foreign policy questions of most interest to Jiang (who is not only general secretary of the CCP and state president and chairman of the Central Military Commission, but also head of the Foreign Affairs Leading Small Group and the Taiwan Affairs Leading Small Group), conveying its conclusions back to the general secretary.[9] Jiang also relies on academic and policy advisors in Shanghai. Jiang's reliance on personal advisors, his creation of the group of wise men, and his close connections to the Shanghai intellectual community all represent efforts to obtain a broad range of information before issues are decided and to move beyond the perspectives provided by Beijing's permanent bureaucracies. In his chapter, Lu Ning summarizes the fundamental transition that has occurred in the elite in the 1990s; as Lu says, "The emergence of Jiang Zemin, Li Peng, and Zhu Rongji at the center of political power represents a transition of Chinese political leadership from a generation of revolutionary politicians to a generation of technocrat politicians."

Beyond the changing character of China's central (or "core") political and foreign policy elite that Lu Ning describes, changes in the Ministry of Foreign Affairs (MFA) are also important. The MFA, the agency with the day-to-day responsibility for policy recommendation and implementation in the area of foreign affairs, is singular among Chinese ministries. It has a deeply ingrained professional culture that dates back to the late 1930s and 1940s,[10] when Zhou Enlai began to build the CCP cadre (many members of which had had a Western education), first in Hubei, and later in Sichuan, during the war against the Japanese.[11] Even with this baseline, the movement of the reform-era MFA toward greater professionalization and internal differentiation during the eras of Deng Xiaoping and Jiang Zemin has been notable. This increased professionalism can be seen in the number of persons the MFA sends abroad for graduate-level training in international affairs and in the increasing introduction of foreign materials and lecturers into training programs such as those at the Foreign Affairs College. Increasing professionalization is also apparent in the MFA's extensive information-gathering and dissemination system, which is described in detail by Lu Ning in his contribution to this volume and evidenced in the fact that the ministry itself increasingly seeks outside expert advice.[12]

The MFA's professionalization and specialization is also reflected in the agency's bureaucratic structure. For example, as Gill points out in his chapter, the MFA has gradually created not only an arms control department (under the leadership of Sha Zukang), but has hired personnel who are increasingly conversant with the technical dimensions of arms control issues. This permits the MFA to be more effective not only in dealing with foreign negotiators, but also in acting as a counterweight to domestic constituencies in the military and arms industry that have an interest in looser export controls. As Gill writes: "The MFA became a more important and institutionalized participant in arms export decision-making, along with trade-related and military-related organizations. In the case of highly advanced exports and exports to 'sensitive regions,' the MFA takes part in a high-level interagency body . . . that was first established in 1989. If an export is expected to generate opposition abroad, the MFA is to write up a justification for the transfer for the leadership to consider. . . . Chinese export control regulations issued in the late 1990s likewise describe a prominent role for the MFA in vetting military-related exports." As the MFA has increased its capability to articulate its arms control interests, it appears that the military has likewise supplemented its in-house expertise to protect its equities. In short, there is something of a bureaucratic

arms race going on in which the increasing specialization of one bureaucratic combatant requires others to increase their own expertise.

Professionalism and increasing bureaucratic specialization are apparent not only in the MFA, but also in the Ministry of Foreign Trade and Economic Cooperation (MOFTEC). With respect to proliferation and technology concerns, for instance, MOFTEC's Bureau of Science and Technology has become a pivotal control point for nuclear, dual-use, and chemical exports (though not weapons). Indeed, in December 1998 an expert delegation led by MOFTEC Director General Xu Fuxing visited Washington, D.C., to explain the PRC's export control regulations to Capitol Hill staffers. Among the notable characteristics of the delegation were its comparative youth and high professional caliber. As the expertise and professionalism of persons and institutions in the MFA, the People's Liberation Army (PLA), and other bodies grow, their advice is increasingly available to the upper reaches of the Chinese decision-making structure. Gill's chapter suggests that the perspectives of such bodies are playing an increasing role in shaping policy.

Nor are professionalism and specialization limited to policy-making in the areas of technical and economic issues; rather, they extend to regional and geographic concerns as well. With respect to policy regarding Taiwan, for instance, in his contribution to this volume Swaine points out that a number of new organizations have been created to manage policy (the CCP Central Committee Taiwan Affairs Office and the Taiwan Affairs Leading Small Group, founded in 1979 and 1980, respectively). Moreover, such policy-making and coordination organs have come to rely on both their own professional research bureaus and outside research agencies. Among the latter are the Chinese Academy of Social Sciences' Taiwan Affairs Research Office and the China Institute for Contemporary International Relations, as well as Xiamen University's Institute for Taiwan Studies and many other military and CCP research and intelligence organs. According to Swaine, the foregoing entities "have grown significantly in number and in importance to the policy-making process. They have become particularly significant since the early 1990s, when the third generation of party leaders came to the fore. The Jiang Zemin led leadership has come to rely on a wide range of 'external' policy inputs, including the expertise of research institutes, staff offices, and personal advisors, to make strategic assessments and effective policy decisions."

This growing reliance on internal and external research has been driven by the increasing complexity of contemporary technology transfer and arms control issues, as well as the need to know more about circumstances in specific

localities such as Taiwan. Nonetheless, just because more—and more diverse—information is available to top decision-makers does not mean that basic strategic decision-making will be insulated from other powerful considerations, such as domestic political struggle, deeply embedded perceptions, or basic value or interest commitments. Beijing's seemingly counterproductive Taiwan policy of 1999–2000 may be a good case in point.

Another area of foreign policy that has required progressively greater personnel specialization and bureaucratic differentiation has been China's international economic relations and need to deal with international economic, development, trade, and financial organizations such as the General Agreement on Tariffs and Trade / World Trade Organization (GATT/WTO), the International Monetary Fund (IMF), and the World Bank, not to mention the global private financial community. The trend in this area began in the early 1970s with Beijing's efforts to develop the expertise it would need to be effective in the United Nations. To this end, for example, Premier Zhou Enlai sent Long Yongtu (who would later lead the negotiations on WTO entry) to the London School of Economics (in 1973–1974) for training in Western international economics. Premier Zhou realized that after its long years of isolation from the Western economy, China had virtually no senior government personnel who understood Western economics or international trade.[13]

The institutional landscape of MOFTEC has also changed internally in response to China's interaction with international economic organizations. As Margaret M. Pearson writes in her chapter: "The GATT organization itself gained a foothold in the bureaucracy when the GATT (now WTO) Division was set up in MOFTEC to handle the relationship with the multilateral institution and when the State Council created the GATT LSG [Leading Small Group]." Similarly, the Ministry of Finance had to create new internal organizations and capabilities to deal with the World Bank once Beijing joined the organization in 1980. According to Jacobson and Oksenberg, "Its [the Ministry of Finance's] External Finance Department grew to a fifty-member bureau consisting of four divisions. . . . Also at the Ministry of Finance, the Bureau of Education assumed responsibility for managing a major cadre training program sponsored by the World Bank's Economic Development Institute."[14] Discussing MOFTEC's GATT/WTO Division, Pearson says, "Although it is not true . . . that MOFTEC's GATT/WTO Division was 'in the pocket' of the global institution (though it sometimes is accused of such), the institutional norms of MOFTEC became increasingly aligned with the norms of the international regime, and its officials have become the

strongest advocates within the government for China's adoption of international practices."

In the economic arena, as with arms control and Taiwan policy, the need for specialized research has become increasingly pronounced. As important, this research is valued for its analytical independence, not its political correctness. Thomas G. Moore and Dixia Yang note in their chapter, for example, that with respect to the Asian Financial Crisis (AFC) "studies are also more frequently commissioned without indicating the desired policy direction. One interviewee, for example, cited cases where the MFA had requested analysis without providing any information indicating prejudgment of the issue."

In the continual bureaucratic and personal struggle of Chinese politics, the need for greater expertise naturally disadvantages some preexistent organizations and favors other (often new) ones. As Lu Ning points out, for example, the drive to deal effectively with the outside world (and the collapse of communist regimes) has weakened the old propaganda and International Liaison Department functions of the CCP. For example, the party's Central External Propaganda Small Group was abolished in 1987 due to its "ineffectiveness." In its place, the State Council and the party have substituted the State Council Information Office and the Party International Communication Office, both of which are headed (and have been since 1998) by Zhao Qizheng, the cosmopolitan former vice mayor of Shanghai. In turn, Zhao is recruiting personnel who have spent time abroad, speak foreign languages, and better understand public relations.[15]

Professionalism, specialization, and bureaucratic differentiation are important to the development of Chinese foreign policy-making, as well as to the larger issue of how China is fitting into the structures of world affairs. In Chinese bureaucracy, one finds increasing interaction with specialists abroad and in so-called epistemic communities—transnational groups of like-minded persons with common knowledge, concerns, and interests. In this way, expert perspectives are becoming globalized. Elizabeth Economy most clearly addresses this important development in her chapter. She describes how the interaction of experts in China's National Environmental Protection Agency (since 1998 the State Environmental Protection Agency) and State Science and Technology Commission (SSTC) with counterparts abroad affected the course of China's debates over accession to the Montreal Protocol (the agreement to phase out ozone-depleting substances) and the Framework Convention on Climate Change. With respect to the Montreal Protocol, for instance, Economy writes: "The relatively high degree of international attention, scientific

certainty, and interest of the Chinese scientific community persuaded the Chinese leadership to establish a working group under the auspices of the National Environmental Protection Agency (NEPA) to evaluate the costs and benefits of signing the Protocol. . . . According to one member of the working group, strong scientific evidence and interactions with the international scientific community were key components of the group's deliberations."

Epistemic communities introduce new perspectives into the system and create peer standards against which the Chinese may judge their own behavior. External expert communities also feed data and money into the system, providing resources that were previously unavailable (as in the case of the PRC's efforts to develop a research program on climate change). Economy points out that the NEPA drew on research from the international community to fight against the "outdated methodologies" and "conservative findings" of the State Meteorological Administration. As she says, "The international community thus expanded the range of environmental and economic scenarios developed by the Chinese and even contributed to a radical reorientation in the perspective of some officials." In this effort, the international scientific community, the NEPA, and the SSTC were implicitly allied against more conservative, domestically grounded agencies. In the economic area, Moore and Yang similarly point out that "the transfer of economic ideas and norms clearly has been an important channel of influence in areas such as customs law, trade and investment policy, and accounting practices." The formation of these "epistemic communities" or "cohorts" is evident in the arms control arena as well. Gill's chapter provides a glimpse into the formation of like-minded cohorts that cut across organizational lines and reveals an increased willingness to solicit and accept advice from outside—even foreign—institutional structures.

Although I examine the impact of this professionalizing trend on policy outputs (formulated policy) and outcomes (the actual effects of implemented policy) later in this chapter, a few words are necessary about what these trends signify. First, professionalism is only one of many contributors to the erosion in the role of the "preeminent leader," especially with respect to an enlarging zone of routinized decisions. Second, leaders at all levels of the Chinese system are beginning to look more like technical managers and less like the strategic visionaries of the PRC's first- and second-generation elite. Third, growing professionalization, mounting specialization, a more complex bureaucracy, and more information have together created a setting in which persuasion is an increasingly important tool of leadership; compulsion has correspondingly retreated as a leadership instrument, although it is never entirely absent.

As Swaine puts it when discussing the shift to post Deng Xiaoping foreign policy and national security leadership, "This transition reinforced the trend . . . toward a more extensive, bureaucratic, and consensus-oriented policy-making process. This process therefore supplanted the largely top-down, authoritarian, personalistic, and at times ideological pattern of decision-making of the Deng era."

On the other hand, China's trend toward professionalism does *not* mean that individual Chinese leaders, their policy preferences, and their personal connections are unimportant, nor does it mean that strategic decisions are highly participatory. Indeed, with respect to nonrecurrent, crisis, and strategic decisions, the personal and power dimensions remain absolutely crucial because these types of decisions are made in settings of fewer participants, greater time compression, less information, and they are decisions that demonstrably affect the fundamental interests of the regime. Furthermore, increasing professionalism, knowledge-based decision-making, and "epistemic community" participation does not mean that Chinese and Western interests (and therefore policies) will necessarily converge. Elizabeth Economy, for instance, shows how China resisted participation in global greenhouse gas restrictions, notwithstanding just such professionalism.

Corporate Pluralization

Corporate pluralization refers to the proliferation of organizations, groups, and sometimes individuals in the policy-making process. In the PRC, although there are tendencies that hold out the prospect that currently unsanctioned social organizations may one day be part of a broader pluralization process, today almost all of the central actors are "licensed" in corporatist fashion to participate, and therefore their numbers are still comparatively small and their participation contingent on elite decisions. Nonetheless, even this restricted, corporatist pluralization has a number of effects. On the one hand, pluralization can enhance system legitimacy and compliance with decisions inasmuch as organizations and individuals come to feel that their interests are being taken (even minimally) into account. Moreover, pluralization increases the chances that decision-makers will have heard a greater number of the considerations that will affect a policy's viability. As Moore and Yang point out: "The foreign policy system is more open to expert input than in the past. . . . The result, by all accounts, is that a greater diversity of views on international economic issues such as the AFC now reaches top decision-makers." Even more

hopeful with respect to nonproliferation and arms control policy, Gill asserts that "the twin trends of pluralization and institution building at home" are impelling China toward policies that increasingly conform to widely accepted international norms and practices.

This corporatist pluralization, however, can be a mixed blessing. The need to solicit, digest, bargain, and balance a greater number of views slows down the policy formulation process, as I have argued with respect to domestic policy-making.[16] Further, corporatist pluralization proliferates the points at which implementation can be subverted. Finally, although the popular opinion component of pluralization is beneficial in many ways, one might also be apprehensive about the nationalistic passions that may emerge, as Fewsmith and Rosen suggest in their contribution to this volume. Concisely, as more and more actors have become germane to the making and implementation of Chinese foreign and national security policy, we see both the gains and pathologies of pluralization, albeit a pluralization in which the societal component is still minimal.

What is the evidence that pluralization exists and is growing? At the most abstract level, it can be seen in the occasional reference to the constraints that "public opinion" places upon China's leaders. It is also apparent in the proliferation of interagency coordination (that is, "small leading") groups. Such coordination groups reconcile subordinate agencies experiencing bureaucratic conflicts and seek to ensure that once the elite makes a decision its intent is followed throughout the policy implementation process. These coordinating groups are properly viewed as reflections of bureaucratic pluralism, as do Hamrin and Zhao.[17] The need for an increasing number of coordinators, then, arises from the creation of new agencies and the addition of divisions within existing bureaucracies, with the resulting need to collect and process information and to maintain the control of the central elite.

A broader, less corporatist, pluralization increasingly can be seen in the nascent development of civic organizations, only a few of which are beginning to touch upon foreign policy-making. For example, as Economy notes, "Nongovernmental environmental organizations have also emerged, some of which are now becoming involved in ensuring local implementation of international environmental commitments." Similarly, Pearson notes that local industries and government authorities concerned about the impact of WTO entry on their interests have begun to draw on the work of local research organizations, including the WTO Research Center of Shanghai, which draws analysts from Shanghai-area universities and claims to be a nongovernmental organization. Despite the fact that the emergence of civic organizations

may ultimately transform Chinese politics and policy-making, however, they continue to develop only slowly and under the watchful eye of Beijing.

Before discussing the third major trend, decentralization, a few more words are appropriate on two of the ways in which pluralization has manifested itself—public opinion and the need for interagency coordination.

Public Opinion. None of the authors whose work appears in this volume would argue that public opinion is either measured or worshiped in China in the same way it is in contemporary American society, although increasingly sophisticated polling (both domestic and foreign) is occurring in the PRC. Rather, public opinion helps demarcate space within which the leadership has relatively wide latitude to operate, as Fewsmith and Rosen explain. Although this space is large, it is not unlimited. Therefore, some issues and some domestic circumstances allow the leadership less room to operate than others. Leaders understand which issues are so sensitive that to mishandle them could lead to social instability or could provide political competitors an avenue by which to undermine them; there is a vague concept of "boundaries of the permissible." In this vein, according to Fewsmith and Rosen, "One of the most important ways in which public opinion has been expressed is through nationalism." PRC leaders consequently understand that perceived weakness in the face of a Japan unrepentant about its pre–World War II invasion of China and insistent on its territorial claims against the PRC is enough to bring nationalistic students into the streets. Public opinion surveys in China validate the wisdom of this view, though admittedly it is difficult to tell when methodologically weak surveys are used to validate the elite's preferred policy or when such presumed popular attitudes are driving elite decision-making. As Fewsmith and Rosen report: "One survey of attitudes toward Japan, conducted at the end of 1996, surprised even the surveyors. For example, the word *Japan* 'most easily' made 83.9 percent of the [Chinese] youth surveyed think of the Nanjing Massacre and made 81.3 percent think of 'Japanese denial' and the 'war of resistance against Japanese aggression.' When asked which twentieth-century Japanese was most representative of Japan, first place (28.7 percent) went to Tojo Hideki of World War II fame. When asked to place a label on the Japanese, 56.1 percent chose 'cruel.'"

Therefore, after President Jiang Zemin's trip to Japan in November 1998, there was severe popular and elite criticism of Foreign Minister Tang Jiaxuan for not having secured concessions from Tokyo and for being insufficiently strong in the face of what the Chinese widely interpreted as Tokyo's intran-

sigence. Indeed, for some time after the trip it was unclear whether the foreign minister would survive politically.

Another illustration is useful here. In speaking with a member of the Standing Committee of the Politburo in April 1993, a visiting American delegation suggested that Beijing needed to make some concessions on human rights or normal tariff treatment by the United States would be put at risk, given President Clinton's pledge to link the PRC's individual rights behavior to Washington's tariff treatment. The Politburo Standing Committee member responded: "But I don't think I can report what you told me to the Chinese people via television, because they would say that . . . [I am] making China's policy based on the American President, and they would overthrow me. So all I can say to the Chinese people is that the Sino-American relationship is very important. Even though the United States is much richer and stronger, nevertheless, our two countries are equal. We believe that Sino-American relations, including MFN [most-favored-nation tariff treatment], are all based on equality and mutual benefit. . . . So while thanking you, I can only tell the Chinese people what I have told you now."[18]

A similar state of affairs exists concerning the issue of Taiwan. A Chinese scholar explained why Chinese leaders, when in doubt, take a hard line toward Taiwan in this way: "Our American friends talk about the pressure the U.S. administration [faces] on the Taiwan issue, but no pressure can be larger than the pressure Chinese leaders face on the Taiwan issue. Given this pressure, they have very little latitude. Even if we suppose that there are two options [hard and soft] and they use tough measures . . . , and the leader fails to resolve [the problem], he is justified. But, if [he] uses too much honey, and he fails, you are regarded as guilty by all future generations."[19]

As Fewsmith and Rosen conclude: "A case can be made that public opinion as that term is usually understood has begun to play a role, albeit one that remains restricted and significant only under certain conditions." One reason for this trend is that the current generation of Chinese leaders lacks the revolutionary and charismatic authority that legitimized the rule of Mao Zedong and Deng Xiaoping. Consequently, the new elite must seek legitimacy elsewhere; taking account of popular aspirations (including a desire for economic growth) is one way to do so. Another reason for the growing role of public opinion is the increasing number of institutional actors that have perceived stakes in foreign policy decisions. As more groups are mobilized, the "space" in which the political leadership must operate has narrowed. Further, Chinese leaders can reference public opinion to resist foreign entreaties and

make their own policy positions more credible to foreigners. In short, public opinion not only constrains Chinese foreign policy, but may occasionally strengthen it as well.

Pearson raises an interesting paradox, noting that there is no evidence that public opinion has been highly influential in shaping WTO policy. Nonetheless, she observes that then-MOFTEC Minister Wu Yi and her principal vice minister in charge of GATT/WTO negotiations "concluded that it was important to educate Chinese citizens about GATT and its benefits for China" and that "one former MOFTEC official reported that he flew all over China, making at least two presentations a week on the subject."

There are a couple of hypotheses to explain why MOFTEC officials would spend time trying to educate the public (or key organizational groups) about the advantages of WTO accession. One is that they may have been seeking public support for their position and seeking to deny that support to bureaucratic, social, and territorial opponents. Another possibility is that MOFTEC officials sought to protect themselves against subsequent public criticism once WTO accession occurred. Whatever the motive, it appears that people in MOFTEC thought public, territorial, and organizational opinion was worth influencing.

Pluralism is evidenced not only in public opinion, but also within the bureaucracy. Bureaucratic pluralism, in turn, creates a need for interagency processes both for developing policy and for ensuring subsequent implementation.

Building Interagency Processes. As a nation's international involvement increases, the number of agencies participating in the foreign policy-making process increases, as does the number of domestic constituencies with a perceived stake in decisions. These developments, in turn, require the central leadership (and ministries like MOFTEC) to expend a greater amount of energy reconciling divergent interests and seeking to coordinate, reconcile, harmonize, or bring into line (*xietiao*) various governmental and social organizations. This need is apparent in the creation of new coordinators or the empowerment of existing agencies with this responsibility. As more Chinese agencies act abroad, moreover, the central leaders will need the means to better supervise subordinate agencies. Finally, as decisions become more complex and technical, increasingly specialized expertise will be necessary to formulate and evaluate policy. Increasingly, this expertise may be available from economic and social organizations that are somewhat or wholly autonomous with regard to the government.

How organizational proliferation and heightened international activity can combine to exponentially increase the need for interagency coordination is nowhere more evident than in the area of arms control in the 1980s. As Lu Ning points out, in the early 1980s weapons sales were "regarded as a normal trade issue with little need for oversight." As the military saw its budget decline[20] and began to cut back on procurement from domestic weapons manufacturers, however, both the PLA and arms manufacturers developed an incentive to increase arms sales abroad. The PLA was selling weapons out of its inventory. Indeed, arms makers and the military (particularly the PLA's General Staff Department) became competitors in this trade in the 1980s and much of the 1990s.

As this occurred, the United States became increasingly concerned about the character of the regimes that were purchasing Chinese arms and technologies. With the United States applying increasing pressure on Beijing to curtail such sales, the State Council and the CMC Military Products Trade Leading Small Group (LSG) was created in September 1989. Its purpose was primarily to ensure that the activities of the arms industry and military organizations with weapons to sell were known to and coordinated by senior political leaders so that any impact on foreign relations could be taken into account before problems arose. Although the CMC Military Products Trade LSG was abolished in a 1998 State Council restructuring, as Lu Ning documents in his chapter, over time other export control coordinators have been created within the MFA and MOFTEC as well.

The need for interagency coordination may also increase as a growing number of Chinese actors with a perceived stake in foreign and national security policy seek to advance their interests. As Moore and Yang explain, "The expanding role of foreign trade corporations and provincial governments illustrates how a broader range of political/economic/bureaucratic interests has been introduced into the process." China's growing place in the international economy and the increasing impact of international developments on domestic interests has therefore mobilized new groups in the foreign policy-making process. Pearson notes, "The incorporation of a greater number of interests was accompanied by efforts to arrive at consensus among this diverse set of actors."

More specifically, China's mounting international economic participation has changed MOFTEC in two respects. First, the ministry has had to expend increasing effort reconciling the various policy positions of different domestic constituencies. Second, and more fundamentally, the role of

MOFTEC in the overall foreign policy-making process has expanded. Generally, as conflicts multiply among agencies, some entity (sometimes a ministry like MOFTEC and sometimes an LSG like that on financial and economic affairs) must be designated to help develop or implement a unified policy. These are the "parts in the government" referred to in the chapter by Moore and Yang. As Lu concludes in his chapter, "As the dynamics of China's domestic and foreign policy change, some CCP central LSGs assumed new roles in foreign policy, whereas others have been abolished, and additional LSGs have been set up to cope with changed circumstances and to handle new issues that cut across vertical government, party, and military systems."

Mounting international economic involvement has not only increased the need for ministerial-level coordination (and in the process made MOFTEC a central foreign policy player), but it has also increased the need for supraministerial coordination. This can be seen in the growing role of the Central Financial and Economic Affairs Leading Small Group. As Lu Ning says, "The Central Financial and Economic Affairs LSG has . . . become an increasingly important locus for the making of China's foreign economic decisions and for coordination of their implementation." Swaine also speaks to the issue of pluralization and interagency processes in his discussion of Taiwan policy. In that discussion we see how four policy arenas (formulation/oversight, administration/implementation, coordination/supervision, and research/analysis) interact in an intricate and "complex decision-making process marked by extensive horizontal and vertical consultation, deliberation, and coordination." The examples of the CMC Military Products Trade Leading Small Group, MOFTEC, the Central Finance and Economics LSG, and the making of Taiwan policy all reveal that pluralization requires coordination and that such coordination can be provided either by newly created organizations (as in the case of the Military Products Trade LSG) or by preexisting organizations (such as MOFTEC and the Central Finance and Economics LSG). In either event, the social and governmental pluralization that creates the need for coordination itself spawns new organizations (or new divisions of existing organizations) to provide such coordination. This, in turn, compounds bureaucratic complexity.

Taken as a whole, pluralization is having a contradictory impact on the policy-making process. To start, this trend enhances the chances that policy decisions will be reached based on more varied input. At the same time, because many of the new institutional actors are designed to bring China into conformity with international norms and regimes (for instance, international arms con-

trol and financial arrangements), as Gill says, "The pluralization and institution-building process in China . . . offers new opportunities for Beijing to bring its practice more in line with international norms."

Nonetheless, there are downsides as well. To start, these changes almost guarantee that it will take longer to reach decisions and that most of the time policy will be more difficult to change and to effectively implement. Second, if public opinion, for example, is gradually playing a greater role in the Chinese foreign policy-making process, and if it has the increasingly nativist or populist tinge that Fewsmith and Rosen describe, the "public opinion" aspect of pluralization may introduce substantial volatility into Chinese foreign policy. Nonetheless, as a whole, pluralization of the foreign and national security policy-making process is a positive development. As Swaine argues, "On a broader level, the increasingly pragmatic, bureaucratic, and consensus-oriented nature of policy-making in the post-elder [post–Deng Xiaoping] era has increased the overall influence of policy-coordinating mechanisms such as the TALSG [Taiwan Affairs Leading Small Group]."

Finally, one other potentially problematic aspect of pluralization should be highlighted and leads to the discussion of decentralization that immediately follows. That is, as greater numbers of societal and lower-level bureaucratic and territorial actors interact with the world, particularly in the context of still weak regulatory and oversight mechanisms, Chinese behavior may occasionally be predatory or unmindful of international rules. The PRC's inability to control smuggling and enforce its own tariff schedules, along with the odious trade in human beings and drugs, reminds us of two sets of examples.

Decentralization

Beyond professionalization and pluralization, a third major trend in policy-making has been the gradual decentralization of power (occasionally in policy formulation and more often in implementation) both within the central bureaucracies and from Beijing to the rest of the country. Decentralization has been most evident in the international economic arena and least so in the handling of high-level diplomacy and national security strategy. Decentralization and pluralization are, in fact, intimately related, inasmuch as the delegation of authority to lower-level actors (for example, provinces), and the toleration of increased initiative by them gives rise to the growing number of actors that influence Chinese foreign policy.

Post-Mao decentralization of foreign and national security policy-making has been manifest in various ways. There has been a gradual flow of authority from the core leader to the broader central collective, from the central leadership to the supraministerial and ministerial levels, from the MFA to other central bureaucracies, noticeably MOFTEC, and, particularly in the economic arena, from Beijing gradually to the provinces, municipalities, and corporations.

This pattern of decentralization reflects many converging developments. Most important has been the PRC's increased interactions abroad. In 1978, the PRC had relations with 113 countries, in 1999 with 161—a 42 percent increase.[21] In the 1970s, China belonged to twenty-one international governmental organizations and 71 international nongovernmental organizations; by 1997 the respective numbers were 52 and 1,163.[22] In 1978, foreign trade constituted 10 percent of GDP; by 1995, it had reached 40.4 percent (on an exchange rate basis, which may overstate the country's actual trade dependence).[23] In the face of such a rapid growth of contacts, leaders at each system level have had to delegate responsibility to lower levels of the system.

Decentralization also reflects the migration of economic power from the government to society, as reflected in the decline of the percentage of GNP represented by government revenues from about 35 percent in 1978 to about 11 percent by 1995 (a low from which it had risen to about 14 percent by 1999).[24] Similarly, the proportion of total government expenditures (including extra-budgetary funds) controlled by Beijing had fallen from 47.4 percent in 1978 to 27.1 percent in 1996, whereas provincial control increased from 52.6 percent in 1978 to 72.9 percent in 1996.[25] Finally, decentralization has also been encouraged by the growing complexity of foreign and international economic policy decisions.

The chapters of this volume that address the role of provinces and aspects of economic policy-making provide the greatest insight into decentralization. For example, Moore and Yang argue that the central government, and Premier Zhu Rongji in particular, maintained tight control over the broad parameters of China's response to the Asian Financial Crisis from 1997 to 1999, particularly the decision to keep the PRC's exchange rate stable. However, as provinces (most notably Guangdong) saw their export growth in jeopardy and their export targets unchanged, they made what amounted to new policy to prevent the erosion of their own economic positions. As Moore and Yang explain: "In Guangdong several actions were taken by the provincial government to cope with the effects of declining growth in exports and foreign investment.

Some merely involved the implementation of measures approved by the central government (for example, raising the rates for export tax rebates). Others, however, were defiantly creative, such as giving provincial assistance to encourage private enterprises to engage in direct export. . . . According to some interviewees, this policy was adopted without the authorization of MOFTEC."

This example illustrates that although policy formulation authority may not be expressly delegated to lower levels, it may nonetheless be exercised by them. This relates to the concept of policy "space," to which we will return shortly. Many more actors, at an increasing range of levels in China, have more space within which to affect policy, at least in implementation. As Cheung and Tang put it, "[Provinces] sought to achieve these goals . . . by exploiting new opportunities and maximizing their interests within the broad framework of existing policies of the central government. Hence, it would be misleading to view provincial initiatives in external affairs as moves that are necessarily in conflict with central policies." There is therefore both de jure and de facto decentralization of policy-making in China, which either serve the purposes of the central government or run counter to them. Sometimes, the central government may not even "know" what "it" wants.

Cheung and Tang discuss three examples of provincial involvement in foreign policy-making. In each case, the localities involved had been left behind in the coastal development strategy; each sought to influence the government to permit the establishment of economic, diplomatic, or project relationships with neighboring countries or international agencies serving local interests. As often as not, Beijing responded positively.

The first example was the 1984 convocation of a "southwest regional economic coordination conference" (Sichuan, Guangxi, Yunnan, Guizhou, Tibet, and Chengdu and Chongqing), which was intended to help these areas compensate for the greater advantage coastal provinces enjoyed in economic development in a variety of ways, including that of influencing the central government. As Cheung and Tang report, "They formed this coalition not only to coordinate their own external economic policy, foster interprovincial cooperation, and attract foreign investment, but also to influence the policy-making of the central government and to jointly lobby for more central investment." In response, the central government actively supported some of these efforts, recognizing that the desire of the southwestern inland provinces to establish stronger local economic ties with neighbors to the south would serve Beijing's strategic interests in Vietnam and elsewhere in Southeast Asia. In China as in America, the game of politics often is to show one's superiors how one's agenda serves their purposes.

Another instance of provincial involvement in foreign policy involved the northeastern province of Liaoning and the eastern province of Shandong, which are situated strategically adjacent to South Korea. Though Beijing and Seoul did not establish formal diplomatic relations until 1992, according to Cheung and Tang both "Liaoning and Shandong actively competed in opening up contacts between the two countries in 1988, when both provinces attempted to make arrangements for the first South Korean trade mission to China." Indeed, contacts between the two provinces and South Korea received central approval prior to the establishment of diplomatic relations. And one can see why these two localities were so anxious, with more than 85 percent of South Korean investments in the 1990s going to the Bohai Sea area (Shandong, Jilin, Liaoning, and Heilongjiang Provinces).

A final—and perhaps most revealing—example of provincial foreign policy initiative involves Jilin Province in China's northeast, which borders both Russia and North Korea. Jilin is an inland province whose only route to the Pacific is the partially Pyongyang-controlled Tumen River. Consequently, as Cheung and Tang explain, "Jilin has always been eager to get access to the sea. Since the mid-1980s Jilin's efforts to promote a regional cooperative [development] scheme around the Tumen River involving China, North and South Korea, the former Soviet Union, Japan, and Mongolia clearly reflected strong local desires to benefit from the country's coastal development strategy. In promoting local provincial interests, Jilin tried to influence the country's foreign relations to the province's benefit." Kim further shows how Jilin's desires resonated with central purposes: the Tumen Project was another means by which to stabilize the Yanbian Korean Autonomous Prefecture in Jilin Province, which was conceivably threatened by possible sociopolitical turmoil in North Korea.

Jilin's efforts to influence Beijing were multifaceted, protracted, and effective. They included undertaking research, drafting thoughtful recommendations for central decision-makers to consider, lobbying the Foreign Ministry to put sea access on the agenda with Moscow, and lobbying Huan Xiang (then director of the State Council's Center for International Studies), who in turn mobilized the head of the SSTC and Premier Li Peng. Through these efforts and others, as Cheung and Tang say, "eventually the province secured the central government's endorsement to negotiate for China's navigation rights on the Tumen River." Jilin also secured United Nations (UN) sponsorship for several conferences and UN Development Program involvement in some of the Tumen Project planning efforts.

Each of these examples of provincial involvement in the foreign policy-making process had its initial motivation in economic considerations. Nonetheless, these economic motivations had diplomatic and strategic consequences, inasmuch as the above provinces were proposing new relationships with countries with which Beijing has historically dealt carefully—Vietnam, Russia, North Korea, and South Korea. Therefore, provincial initiatives may have called the attention of the central government to new opportunities and encouraged policies that otherwise might never have been considered.

In her analysis of the WTO accession discussions, Pearson calls attention to another way in which provinces affect policy. Provinces may not only affirmatively seek permission for policy departures, but also seek to prevent the adoption of international economic policies they consider contrary to their interests. For instance, Pearson notes that some provinces opposed WTO accession because they perceived that they had nothing to gain, and much to lose, from global competition. Moreover, some provinces did not want to see the recentralization of power in MOFTEC that would come with China's commitments to abide by WTO rules. As one Chinese scholar explained it, many provincial trade corporations and local trade regulators believed that if Beijing adopted universal rules of trade administration, they would lose their capacity to extract "rents" for their required approvals. As he said, "Much of MOFTEC is opposed, and provincial and municipal [trade entities] are monopolies, so they are opposed" to universal rules and national treatment for foreign firms.[26]

The effects of decentralization have also been apparent in the arms sales and technology transfer area. As Gill reports, "For example, China's initial efforts at trade liberalization included the decentralization of trade authority from a handful of centrally controlled foreign trade companies to 'private' foreign trade corporations operating independent of the government's foreign trade plan." The entrepreneurship of these firms in the sale of arms to sensitive countries, however, created foreign policy problems that the central government has had, in turn, to address by exerting tighter control and oversight. Nonetheless, although this problem has been addressed, it has by no means been resolved. A 1999 Central Intelligence Agency Nonproliferation Center report covering the first half of 1998 makes clear that entities in Russia and China were still exporting chemical, biological, and nuclear weapons technology, as well as missile technology, although there is some indication that subsequently progress was made.[27]

All this brings us to the most important aspect of decentralization. Since provinces and other local actors have more space in which to operate,

particularly in the international economic realm, these authorities and actors are increasingly taking actions that create problems for the central government to address. For instance, the smuggling of human beings from Fujian Province (in particular) has been a growing problem throughout the reform era.[28] Such trade in humans could not occur without the complicity of local officials, and this practice brings repeated protests from foreign governments. Similarly, many local governments and economic entities in the PRC feared Beijing would devalue the renminbi (RMB) in response to the AFC. They therefore kept hard currency outside the country or kept earnings in hard currency (often U.S. dollars) rather than RMB. The cumulative effect of these actions was to further weaken confidence in Beijing's pledge not to devalue the RMB; in turn, these moves led Beijing to impose foreign exchange control regulations that aggravated foreigners who now found it more difficult to exchange RMB for U.S. dollars. As Moore and Yang put it, "Subnational actors typically have greater input into policy *feedback* than into policy *formulation.*"

Therefore, decentralization has had a number of effects on the Chinese foreign and national security policy-making processes. Most important, it has multiplied the points of initiative within the Chinese system and, according to Moore and Yang, "increased the prospects for widespread learning from China's participation in world markets." But these same beneficiaries of decentralization are often attached to the previous arrangements from which they have benefited; this can slow down the pace at which China conforms to global standards. Finally, decentralization can mean that the influence of lower-level participants comes primarily as policy is implemented, and thereafter through feedback. This feedback, in turn, shapes the agenda of central decision-makers.

Globalization

The fourth "-ization" that has figured prominently in the evolving character of the Chinese foreign and national security policy-making process since 1978 has been globalization, including economic globalization, information globalization, and the increasing degree to which national security must be multilaterally negotiated (not unilaterally secured). Because interdependence is a by-product of globalization and interdependence is presumed to foster cooperation, it is easy to assume that globalization will slowly erode Beijing's dedication to its narrow national interest and practice of realpolitik. Although there is plenty of evidence of increasing Chinese cooperation and conformity

with international norms, there is little evidence that considerations of national interest and realpolitik figure any less prominently in Chinese thinking than they always have. As Thomas Moore remarked in 1998: "The Chinese are receptive to globalization as a means to become modern—it is not a goal, it is a means. Globalization is a limited, but positive, constraint on Chinese foreign policy. Policy and behavior has changed more than their [Beijing's] worldview."[29] Globalization has modified the PRC's behavior; because of it, China's leaders and citizens have developed a broader view of where their interests lie. This broader view does not always foster cooperation, however. Pearson, for example, points out that one of the principal effects of the protracted fight over the terms of the PRC's accession to WTO was to alert Chinese localities and industries to what they might lose if Beijing was too accommodating.

With respect to globalization's promotion of cooperation, there is no better example than that found in the analysis of Moore and Yang. In their case study of Beijing's response to the AFC, they suggest how a variety of considerations shaped China's policy and behavior. Of all these factors, however, China's integration into the world was primary. Take, for example, Beijing's persistence in maintaining the value of the RMB from 1997 to 1999. Beijing consistently characterized this decision as an example of its good citizenship, a move designed to avoid a spiral of competitive devaluations in the region and beyond. Good citizenship aside, Beijing's integration into the world economy made a devaluation of the RMB contrary to its own interests. Considerations of cooperative behavior and national interest thus coincided. As Moore and Yang explain, "Increased import costs [which would have occurred had there been a devaluation] were likely to inhibit the competitiveness of Chinese goods on the world market. Although devaluation would make finished Chinese goods cheaper on the world market, it would also raise the price of imported inputs [for instance, oil and components for assembly]. According to most estimates, about 50 percent of China's total exports depend on the processing of imported raw materials. . . . In this sense China's growing participation in TMNs [transnational manufacturing networks] reduced the efficacy of currency policy as an instrument for improving the competitiveness of 'Chinese' exports."

In short, China did not devalue the RMB because it was not in its interest to do so (though many Chinese exporters, including shipbuilders and steelmakers, vigorously called for it). Beijing defined its interests in the context of China's position in the global economic system and recognized that its

behavior could create systemic instability contrary to its own overall interests. Therefore, China was acting based on its interests, but those interests were greatly influenced by China's role in the global manufacturing and trading system. Moore and Yang also explain how China's participation in international (largely private) capital markets and its incorporation into TMNs create "*private* conditionality driven by market forces that operates similarly to the *official* conditionality imposed on developing countries by foreign governments and MEIs [multilateral economic institutions]." If the PRC and its subordinate administrative units do not conform to norms acceptable to the broader international system and observed by its economic competitors, the capital available will flow to more congenial sites. As a result, because China has defined economic and technological modernization as its primary goal, conformance with international standards that put it in a favorable competitive position to obtain capital is often in China's interests even if interests are narrowly construed. According to Moore and Yang, the effect of this "global logic" is clear: "China finds itself today, contrary to its original plans, increasingly market oriented and deeply involved in the world economy." Market conditionality may therefore prove more important than the kind of political conditionality President Clinton tried (and failed) to impose by linking tariff treatment and human rights behavior from 1993 to 1994.

Another illustration of globalization is China's decision to join the signers of the Comprehensive Test Ban Treaty (CTBT). From 1994 to 1996, while negotiating over the terms of the CTBT, China joined France in not adhering to the self-imposed moratorium on nuclear testing observed by the United States, Britain, and Russia. Instead, Beijing conducted an accelerated testing program to modernize its nuclear forces before the treaty was to be signed in late 1996. China's leadership made a double calculation on the CTBT, believing that it could stand the international heat of continued testing for two years, but that its overall national security and international standing required it to ultimately sign the treaty. As Gill explains, "this decision [to sign the CTBT] was couched in the language of Chinese national interests, not an 'internationalist' or 'cooperative security' perspective. China's more cooperative position thus resulted from the limits imposed by the very processes of integration that the decision-makers sought to preserve and enhance." When China was faced with demands by both its Third World constituency and the other nuclear powers that it sign the CTBT, "this critical decision appeared to be driven largely by international pressures and a fractious internal debate that in the end favored accession—for the sake of China's international image and

some possible relative gains in Chinese security." Therefore, Gill concludes that "China's policy-making is constrained by an intricate web of international dependencies, status relationships, and security realities it faces."

Finally, as Economy explains, it is certainly true that China's scientists, involved as they are in the international scientific community, have been progressively persuaded that ozone depletion is a problem affecting everyone, including China. But it was not simply an understanding of ecological interdependence or a sense of global obligation that resulted in Beijing's signing of the Montreal Protocol and subsequent participation in the regime. Rather, it was the combination of these considerations with more tangible interests—namely the desire to export appliances in conformance with international refrigerant codes and the promise of financial assistance as China adapted to the new regime—that proved decisive. In short, Chinese cooperative behavior is most likely when global interdependence creates a situation in which Beijing's own economic, security, and prestige interests are served by cooperation. Globalization often creates such circumstances, but not always.

IMPLICATIONS FOR POLICY BEHAVIOR

What are the implications of the four "-izations" for the policy and behavior of the PRC today? Of all the observations one can make, Fewsmith and Rosen make the one most central: "As compared to Chinese foreign policy in the Maoist era, the domestic context of Chinese foreign policy today has become both more important and more complex." This is reflected in the fact that the number of individuals and organizations at the Center that are involved in making major decisions, the circle of those involved in consultation and subsequent policy implementation, and the space in which "society" and local systems can operate have all expanded since 1978.

The effects of these changes on the policy-making process and behavior have already been significant and will become more so. As to process, the paramount leader has become less paramount and has been forced to consult more broadly. Lu Ning describes the evolution of a situation in which there is more equality among members of the decision-making bodies at the Center. Meanwhile, power over all but the broadest and most strategic decisions has moved from high-level central organs to government ministries. At the ministerial level, power has been diffused from the MFA to other (often economic) ministries. In turn, particularly in the economic realm, ministerial power has moved

from Beijing to the provinces and industrial corporations. However, as Swaine reminds us, actors at any level but the highest have very little influence over grand strategy decisions.[30]

Turning to look at society more broadly, much of China's interaction with the world is no longer effectively controlled by the government at all. "Epistemic communities"—diffuse transnational groupings of like-minded individuals—are examples of one of the many nongovernmental channels for such interaction. Fewsmith and Rosen explain how "public opinion" can establish a delimited space within which the Chinese leadership must operate. Looming on the horizon, though still of scant importance except in the area of environmental monitoring (see the chapter by Economy), is the emergence of civic organizations that will advocate policies affecting China's behavior in the world.

In examining China's late-twentieth-century foreign and national security policy-making system, we are clearly faced with a system in transition. Its long-term direction, however, is clear, despite short-term perturbations: more constrained paramount leaders, more limited bureaucracies (constrained by the very complexity of their processes), and a society that has progressively more space within which to operate. Together, these put the formal policy-making process in a position of often reacting to issues and challenges imposed on it by society and the global system.

Because the Center has grown larger, the degree to which decisions are personalized has diminished. Because China's leadership has become more educated and cosmopolitan (technocratic), it tends to search ever more broadly for information upon which to fashion decisions. The instruments of this search are multiplying, as is the distance from the Center at which information is being sought. Finally, as the bureaucracy has become more specialized, much of its added capacity has come in areas that permit China to better "fit" into the international organizations and regimes in which it now participates. In this vein, Economy notes the international property rights (IPR) tribunals being created within China's judicial system. The policy-making process has therefore become less personalized, more specialized, and more compatible with global systems, notwithstanding the fact that issues of basic national strategy are highly personalized, as are crisis and major nonroutine decision-making.

Turning from process to behavior, we must address these questions: What changes have occurred? What is the direction of the changes? What have been (and will be) the effects of these changes? First, economic objectives have become the Chinese policy lodestone, although Taiwan could supersede it. Likewise,

as Gill suggests, PRC leaders are coming to recognize that security cannot always be achieved unilaterally and will occasionally require multilateral cooperation. Again demonstrating the dual character of many phenomena, however, multilateral security cooperation is not simply an idealist conception, but rather a means by which to promote "realist" national interests. China is not unusual in this regard. The United States has also generally looked at multilateral cooperation as a way to promote its interests rather than as a determinative goal in and of itself. Similarly, China's increasing participation in the ASEAN (Association of Southeast Asian Nations) Regional Forum and its commitment to the United Nations Security Council are seen as ways to constrain the unilateralist tendencies of the United States, Great Britain, and NATO in the post–cold war world.

The developments in the policy-making process described earlier also have other implications. For one, foreign interlocutors will find it progressively harder to observe senior members of the Chinese elite single-handedly commit the PRC to a course of action without extensive prior domestic consultation and exhaustive efforts to ensure subsequent implementation. Several effects follow from this trend. First, policy innovation will likely be harder to achieve.[31] Second, stalemate on important issues—what Gill calls "some policy paralysis"—will be increasingly frequent. Third, foreigners may face mixed signals from an increasingly pluralized system. On the subject of WTO entry, for example, during the long negotiations in 1998 and 1999 one heard from some officials that Beijing was committed to entering the WTO quickly, yet at the very same time other equally credible officials conveyed just the opposite view. Similarly, in 1999 one could simultaneously hear from equally authoritative sources in China that Beijing wanted to "resolve" the Taiwan issue relatively quickly and that the PRC felt no particular urgency and could remain patient for a considerable period. When Americans point out these discordant voices to the Chinese, a frequent response is exasperation; the sentiment is that Americans wanted increasing openness and freedom of expression and should live with the consequences. Finally, it is becoming progressively more difficult for foreign interlocutors to know when they have spoken to an authoritative Chinese actor. As Pearson explains: "It is impossible to write about the structure of WTO decision-making without reference to the decision-makers that on an organizational chart would appear peripheral, but in fact exerted tremendous influence."

In sum, then, it is becoming progressively more difficult to know when one has heard the "last word." In fact, even when Beijing has reached an agreement

(for example, to observe international intellectual property protection norms, WTO commitments, or the Missile Technology Control Regime), the pluralization of the implementation process has often meant that the relevant agreement has become the starting point for further negotiation and specification. Likewise, as Economy points out with respect to international environmental agreements, ensuring compliance with central commitments is a huge task.

Pearson provides an excellent example of how complex negotiations with a pluralizing China have become. China's WTO negotiating team from the late 1980s "ballooned in size" as relevant industrial and bureaucratic interests were incorporated. By March 1998, the team included "representatives of MOFTEC, the Ministry of Foreign Affairs, the SDPC [State Development and Planning Commission], the SETC [State Economic and Trade Commission], the Ministry of Justice, the Ministry of Agriculture, and the Ministry of Information Industry." In the face of this trend, the lead negotiator of the "team," MOFTEC's Long Yongtu, reportedly felt that "to invite them in was the same as inviting our enemies. They were just a drag on our legs." Ultimately, to energize the negotiations in 1999, Long had to get Prime Minister Zhu Rongji involved, thereby short-circuiting his own negotiating team.

Even with respect to the treatment of Taiwan, a high-priority issue with strong domestic and military overtones, the policy-making process has become more consultative and diffuse, as Swaine explains in discussing Jiang Zemin's role: "Despite his relative dominance over Taiwan policy, Jiang's overall position as 'first among equals' in the post-Deng leadership as a whole has meant that, in the formulation of basic policy, he must consult more extensively than did Deng Xiaoping with a wider circle of senior leaders, including individuals in the policy administration and implementation arena." In explaining that this consensus-building process can take a long time, Suisheng Zhao states, "Nonroutine decisions can be kicked around at lower levels for years without being resolved if no consensus can be reached or the top leaders do not want to take positions or do not know what position to take."[32]

Until now, I have described what the changes discussed herein have meant for Chinese foreign and national security policy-making behavior in the clinical language of political science. But there are more straightforward questions that dominate much of the policy and political discourse concerning China to which this volume also speaks: Will China increasingly conform to global norms? Is China becoming more or less expansionist, more or less co-

operative? Are irreconcilable conflicts between China and other big powers, particularly the United States, growing? Is China gradually coming to recognize that security can often be achieved only cooperatively? The authors of these chapters would not all offer identical answers to these questions, but I believe that the weight of the evidence provided herein leads in the direction of cautious optimism. Nonetheless, the pattern of China's policy-making behavior remains highly reactive, grudging, based on national interest, and designed to test international limits. From a Western perspective, the overall direction is positive, but there is a substantial distance to go. The treatment of Taiwan remains a very dangerous issue regarding which the dangers of small group decision-making driven by nationalist sentiment could easily come together with tragic consequences.

WHAT DOES THIS RESEARCH ADD TO WHAT WE KNOW, AND WHAT ARE ITS IMPLICATIONS?

The contributors to this volume have built upon several broad literatures: the literature of the policy-making process; scholarship on China's bilateral and multilateral relations, substantive areas of policy, and the relationship between domestic and foreign policies; and writings on China's integration into the international order.

The landmark work on the foreign policy-making process was A. Doak Barnett's *The Making of Foreign Policy in China: Structure and Process* (1985).[33] Indeed, the present volume is dedicated to Barnett in recognition of his signal contribution to thinking in this area, as in so many others. Through exhaustive interviews with senior Chinese leaders in the mid-1980s, Barnett pieced together an institutional picture of the Chinese foreign policy-making process. In doing so, he threw light on how the various components of the process interrelated and how the personalities of specific leaders, particularly Zhao Ziyang, affected both the processes and outcomes.

Barnett's contribution was followed by two additions to our understanding of Chinese foreign policy-making institutions and processes, the first of which was Lu Ning's *The Dynamics of Foreign-Policy Decisionmaking in China.*[34] Another important contribution was Michael Swaine's *The Role of the Chinese Military in National Security Policymaking.*[35] Two other contributions to our understanding of the Chinese foreign policy-making process (though principally focused on domestic policy-making) have been *Decision-Making in Deng's*

China, edited by Carol Hamrin and Suisheng Zhao,[36] and Kenneth Lieberthal's *Governing China.*[37]

These works, along with a great deal of other research, have provided much greater detail about the foreign policy-making structure than Barnett was able to unearth and have revealed a system with a dual character—a system in which an increasingly professionalized, complex, and conflict-ridden bureaucracy has coexisted with a still very powerful, personalized senior-dominated elite. The present work by no means invalidates findings by scholars such as Christensen,[38] Nathan and Ross,[39] Alastair Iain Johnston,[40] Whiting,[41] and others who have been more impressed by the capacity of the central elite to control policy, manipulate popular passions, and resist the "imperatives" of international integration and specialization. However, this work does draw analytic attention to the tensions between the "new" forces and the old system.

A second body of literature from which this volume draws and to which it adds is research addressing the PRC's bilateral and multilateral relationships, the perceptions and history that have shaped those ties,[42] and Beijing's behavior in various functional areas (for example, arms control, trade, human rights, and international economic policy). Samuel Kim's *China and the World*[43] not only addresses China's bilateral relationships and specific policy concerns, but even tackles (in its first chapter) the policy-making process. The principal problem is that Chinese society and government, not to mention the PRC's role in the world, has changed considerably since that volume's initial publication.

Among the recent works of note in this more traditional foreign policy literature have been Robinson and Shambaugh's *Chinese Foreign Policy: Theory and Practice*[44] and Nathan and Ross's *The Great Wall and the Empty Fortress.*[45] Contributions by John W. Lewis and his team at Stanford University[46] and by Evan Feigenbaum,[47] in turn, have greatly increased our understanding of China's arms control and military modernization policies.

Another body of literature to which this volume addresses itself concerns China's integration into the global community as well as its impact upon the international system and the effect of this integration on China's own foreign policy behavior. Here one of the earliest and most comprehensive works was Jacobson and Oksenberg's *China's Participation in the IMF, the World Bank, and GATT: Toward a Global Economic Order.*[48] More recently, Alastair Iain Johnston has written a seminal piece that asks whether China's participation in international regimes and multilateral organizations is changing Beijing's goals and patterns of behavior or whether its more cooperative behavior is merely

a tactical "adaptation" to be abandoned once China's realpolitik interests change.[49] In that piece Johnston ultimately concludes that Beijing's motivations and goals have not enduringly changed in the course of reform.

There are three theoretical areas to which this volume significantly contributes. The first concerns the relationship between domestic politics and foreign policy. Collectively, the chapters that follow not only reveal that domestic and foreign policy processes in China are similar (and appear to be gradually converging), but also indicate how these processes influence one another. This interpenetration has many origins, though two are key. The first is the fact that Beijing has declared that domestic economic growth is its overriding objective (if the Taiwan issue can continue to be set aside); foreign policy is intended primarily to create a hospitable international environment for such growth. To the degree that Beijing's foreign policy fails in this regard, it is a domestic issue.

The second factor contributing to the close linkage and interplay between foreign policy and domestic politics is the fact that Beijing's leaders are ultimately playing "two-level games."[50] How the Chinese leaders are perceived to be handling foreign affairs affects their standing in the domestic political struggle, and external perceptions of their domestic standing affect their potency with foreign interlocutors. Further, a country's leaders can use the specter of domestic opposition as a lever with foreign negotiators to extract concessions from them. Finally, some domestic actors use foreign pressure as an ally in their policy struggles at home, whereas others use it to discredit their domestic opponents on nationalistic grounds.

Thus does Swaine explain how Jiang Zemin's handling of Taiwan policy issues was carefully designed to position him well in his struggle to become China's preeminent leader after Deng Xiaoping's death. As Swaine puts it, "Any aspirant to supreme authority within the Chinese communist regime cannot afford to permit another senior leader to control Taiwan policy." On the flip side, one might note the example of New York Mayor Rudolph Giuliani's refusal to meet the man who was then mayor of Beijing, Li Qiyan, in part because he had been told that Mayor Li would soon be relieved of office. Giuliani did not want to expend his limited political capital on a relationship destined to be short-lived and controversial among his constituents.

These considerations, along with the increasing bureaucratization of the foreign policy-making process as a whole, mean that the foreign and domestic policy-making processes are intertwined and converging, though they will likely never be identical.

Samuel Kim's chapter is a seminal contribution to our understanding of Beijing's Korea policy in the reform era and to our understanding of the interpenetration of domestic and foreign policy. As Kim writes: "The making and implementing of China's Korea policy is best understood as an ongoing process of choosing among competing options rather than any finalized decision, even as Chinese central decision-makers, situated strategically between domestic and international politics, are constrained simultaneously by what the two Koreas will accept and what domestic constituencies will ratify. The making and execution of a foreign policy decision thus requires that China's decision-makers engage in a 'double-edged' calculation of constraints and opportunities in both domestic and international politics in order to achieve international accord and secure domestic ratification."

Several other chapters in this volume also analyze the tight embrace of domestic and international politics. Economy shows how the international scientific community has used its resources to shape the PRC's internal debate concerning Beijing's role in international environmental regimes and how Chinese advocates of international environmental cooperation use external pressure to strengthen their own positions in domestic battles. Similarly, Pearson clearly shows, as has my own contact with MOFTEC's Long Yongtu, that China's trade system reformers have promoted Beijing's accession to the GATT/WTO in order to secure international allies and the backing of a multilateral organization in their domestic battles over economic reform. Meanwhile, Chinese politicians, when negotiating the terms of China's adherence to the WTO and other global regimes, cited their domestic opposition in arguing for greater concessions by the international community.

Finally, Moore and Yang demonstrate how China's leaders sought to use their refusal to give in to domestic pressures to devalue the RMB to gain credit abroad (and perhaps secure more lenient terms for WTO entry) at the same time that they used the resulting prestige gained abroad to enhance their domestic positions. Yet all the while Beijing did not devalue the RMB *primarily* because of a realistic assessment of its own interests, including Beijing's fear of domestic bank runs, accelerated inflation, and loss of foreign investor confidence.

A second theoretical concern (although also a practical concern) addressed in this volume speaks clearly to the issue raised by Alastair Iain Johnston and Thomas Christensen: is Beijing "learning" (that is, genuinely internalizing and embracing) global norms and values, or is the PRC simply "adapting" to global norms to derive tactical benefits while maintaining the flexibility to reject them when they no longer serve PRC interests?[51] The answer that this volume pro-

vides is that such questions are misstated. The chapters that most clearly address this topic are those by Gill, Moore and Yang, and Pearson. The conclusion they suggest is that Beijing may initially be entering into encumbering international relationships based on tactical considerations, but that international involvement is a slippery slope. As a nation seeks to derive maximum benefit from the system, it becomes increasingly constrained. As it becomes increasingly constrained, the costs of withdrawal become progressively greater. What starts out as tactical adaptation may slowly change into "learning" (permanent change). "Adaptive learning" may be the most appropriate conceptualization.

The very nature of international involvement creates new interests where none previously existed. For example, with the reversion of Hong Kong to China in 1997, the fear of destabilizing the city's economy in 1997 and 1998 provided Beijing one reason (among many) not to devalue its currency. Were destabilization to occur, Beijing would naturally lose international prestige (and money, given the tens of billions of dollars the PRC has invested in Hong Kong). Moreover, such destabilization would also diminish the (already minimal) attractiveness of the "One Country, Two Systems" formula Beijing has used in the hope of drawing Taiwan back to the embrace of the motherland. Similarly, because the PRC had become so enmeshed in transnational manufacturing networks, it made less sense to devalue the RMB, even though powerful domestic interests vigorously argued that Beijing should do so. In short, the more international involvement a nation has, the more interests it accumulates and wishes to protect.

Further, in seeking to deal with the international community, the Chinese have developed new organizations. These new bureaucratic implants, in turn, have changed the nature of decision-making within the Chinese system itself. Therefore, the old argument about whether leadership composition, strategy, and perception or institutional structure is more important may not be as central a question as it may seem. Leadership decision-making shapes the structure of the bureaucracy, and the bureaucracy, in turn, shapes the context of perception and decision-making, especially in the process of making routinized and noncrisis decisions.

Domestic policy and institutional changes have been reinforced by international economic policy-making and globalization. All these forces combined have tended to promote institutional and economic policy convergence between China and her major trading partners.[52] This brings us to the question of whether China is likely to exhibit more cooperative behavior in the future or to persist in state-centric, realpolitik patterns of action. The answer

that this volume provides is clear: Beijing will persist in pursuing its interests, as Kim makes clear in his discussion of the PRC's desire to keep North Korea as a buffer against U.S. power. Nonetheless, Beijing's global and regional interests are becoming progressively more complex, the struggles over their definition are becoming more protracted, and, as China becomes more interdependent, the costs of withdrawal are becoming progressively greater. In short, China's elite will show no less dedication to the PRC's interests in the future than in the past, but gradually, by fits and starts, even narrow calculations of national interest may produce progressively more cooperative behavior. A fitting conclusion to this introduction to the present volume is a quote from Moore and Yang as they describe China's foreign policy predicament: "What matters is the scope and degree of China's interdependence, not how it became interdependent (that is, through adaptation, learning, or adaptive learning). Whether Chinese leaders view interdependence mainly as a tool for economic modernization or as an independently valued goal, the reality of interdependence is the same. Indeed, the latter issue—whether interdependence is valued as an end in itself—matters only if the costs China is likely to incur in extracting itself from its current (increasingly) interdependent context are low or nonexistent. If the exit costs are high, the issue of adaptation versus learning arguably is less important. From this perspective, interdependence is a *predicament* countries must deal with, not a *world-view* or a foreign policy *strategy.*"

PART ONE

Institutions and Localities