Chinese State Council Budget Tracker

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The State Council is the chief administrative authority of the People's Republic of China (PRC). Chaired by Premier Li Keqiang, it directly controls China's cabinet-level departments (ministries) and dozens of smaller offices. This data brief explores the State Council's 2019 budget, including cabinet-level spending and funding for other organizations central to science, technology, and talent recruitment in China. It reflects only the budget of China's central government, and does not account for resources allocated to the governments of individual provinces, prefectures, or districts. The web version of this report may be found at: https://statecouncil.cset.tech

Because of differences in the purchasing power of the U.S. dollar and the yuan, it is difficult to compare the budgets of the Chinese and American governments in a meaningful way. We include budget values in RMB, nominal USD, and USD adjusted for GDP-wide purchasing power parity (USD-PPP). USD-PPP is a currency conversion that attempts to account for the differing prices of goods in the United States and China. To make the calculations, we use data from the World Bank's 2017 International Comparison Program (Table 2.4, consumption expenditure by government). In reality, the U.S. dollar equivalent of China's State Council budget likely falls somewhere in between nominal and PPP-adjusted values.

Cabinet-Level Departments

The State Council comprises 26 cabinet-level departments, including 21 ministries, three national commissions, the National Audit Office, and the People's Bank of China. The Ministry of National Defense (国防部; MND) and the Ministry of State Security (国家安全部; MSS) do not publish their budget documents. Collectively, the other 24 departments' public budgets amounted to \$160 billion in nominal USD (1.1 trillion RMB) in 2019. We have no way of determining whether each ministry operates a non-public "black" budget and, if so, how much funding the State Council may allocate to it. The Ministry of Education and the Ministry of Science and Technology account for nearly half of State Council's cabinet-level spending.

Ministry of Education (MOE)

教育部

The Ministry of Education regulates all aspects of the PRC's K-12, secondary, and tertiary education systems. MOE certifies teachers, standardizes curricula and textbooks, establishes national education goals and standards, and directly manages and funds 75 colleges and universities across China. It has the largest public budget of any Chinese ministry (the Ministry of National Defense budget is probably larger, but is not disclosed). Higher education accounts for over 85 percent (305 billion RMB) of the MOE's budget, representing the State Council's single largest line item. In 2019, MOE also set aside \$44 million USD (309 million RMB) to fund some of China's largest overseas talent recruitment plans. Specifically, the ministry is tasked with paying the salaries and awarding the bonuses of people selected under the Thousand Talents, Changjiang Scholars, and Ten Thousand Talents Plans each year.

Learn more about China's talent recruitment efforts in CSET's Chinese Talent Program Tracker.

2019 Budget

Nominal USD	\$66,033,343,938
GDP PPP	\$120,654,024,142
RMB	456,230,976,600

Archived Source. Translation.

National Health Commission (NHC)

国家卫生健康委员会

The National Health Commission is responsible for promulgating health regulations in China. As the primary agency coordinating China's efforts to combat the COVID-19 pandemic, the commission <u>drew international criticism</u> for downplaying and mismanaging the outbreak during its early stages. NHC's subordinate agencies include the Chinese Center for Disease Control and Prevention and the Chinese Academy of Medical Sciences, which fill roles similar to the U.S. Centers for Disease Control and Prevention and National Institutes of Health, respectively.

2019 Budget

Nominal USD	\$30,264,244,706
GDP PPP	\$55,297,864,589
RMB	209,098,693,100

Ministry of Industry and Information Technology (MIIT)

工业和信息化部

The Ministry of Industry and Information Technology promotes science and technology development and industrialization across the Chinese information technology, information security, communications, and advanced equipment sectors. It oversees the China Atomic Energy Authority and the China National Space Administration. Its subordinate agency, the State Administration for Science, Technology and Industry for National Defense (SASTIND), oversees military-civil fusion efforts across the PRC government and private sector, and directly administers seven Chinese universities (the Seven Sons of National Defense) and several state-owned defense companies.

2019 Budget

Nominal USD	\$10,596,476,632
GDP PPP	\$19,361,544,807
RMB	73,212,116,700

Archived Source. Translation.

Ministry of Science and Technology (MOST)

科学技术部

The Ministry of Science and Technology formulates and coordinates China's science and technology development plans. MOST's missions include establishing plans and pooling resources to attract foreign scientists to China, monitoring overseas science and technology developments, and improving the country's technology supply chains. MOST also directly oversees the National Natural Science Foundation of China (NSFC), one of China's leading research and development funders, and coordinates the country's network of more than 260 State Key Laboratories.

2019 Budget

Nominal USD	\$8,336,330,246
GDP PPP	\$15,231,877,272
RMB	57,596,539,300

Ministry of Transport (MOT)

交通运输部

The Ministry of Transport is responsible for mail service and road, water, and air transportation in China. Its main function is to connect and plan the construction of railways, highways, waterways, airports, and other transportation systems across the country. Its subordinate agencies include the Civil Aviation Administration of China and the State Post Bureau, which are roughly analogous to the Federal Aviation Administration and Postal Service in the United States. It also runs the China Maritime Safety Administration, which coordinates maritime traffic and manages port and shipping operations.

2019 Budget

Nominal USD	\$7,023,108,842
GDP PPP	\$12,832,400,924
RMB	48,523,361,300

Archived Source. Translation Not Available.

Ministry of Agriculture and Rural Affairs (MOA)

农业农村部

The Ministry of Agriculture and Rural Affairs implements the CCP's plans related to agriculture, farmers, and rural areas across China. It formulates policies related to pricing, taxation, purchase, storage, and import of agricultural products. Since the 1990s, one of the ministry's goals has been to limit China's grain imports and promote stable, localized food supply chains—especially for rice and wheat. MOA also oversees General Secretary Xi Jinping's Targeted Poverty Alleviation campaign, launched in 2013.

2019 Budget

Nominal USD	\$6,695,009,061
GDP PPP	\$12,232,907,447
RMB	46,256,487,100

Ministry of Water Resources (MWR)

水利部

The Ministry of Water Resources oversees major construction projects related to China's water supply and hydroelectric energy, including the Three Gorges Dam (三峡大坝), the world's largest power station. MWR also oversees the Chinese government's programs related to flood control, water conservation, and drought relief.

2019 Budget

Nominal USD	\$4,691,320,186
GDP PPP	\$8,571,830,916
RMB	32,412,800,300

Archived Source. Translation Not Available.

People's Bank of China (PBOC)

中国人民银行

The People's Bank of China carries out the fiscal and monetary policies of the People's Republic of China. As of 2020, it is the fourth largest central bank in the world, <u>managing \$5.3 trillion in assets</u> (the U.S. Federal Reserve manages \$7 trillion). The PBOC is responsible for maintaining financial stability and economic growth in China by setting interest rates, regulating financial markets, and issuing the Renminbi for circulation. Since 2015, the PBOC has routinely devalued the Renminbi to make Chinese exports more competitive.

2019 Budget

Nominal USD	\$3,883,848,750
GDP PPP	\$7,096,444,810
RMB	26,833,899,400

Ministry of Commerce (MOFCOM)

商务部

The Ministry of Commerce guides the development of China's foreign trade and investment. MOFCOM formulates China's import and export regulations, negotiates bilateral trade agreements, and promotes China's integration into the global market in accordance with its 2001 accession to the World Trade Organization. Its subordinate agency, the China Investment Promotion Agency (CIPA), is charged with "inviting in" foreign direct investment, at the same time encouraging Chinese investors to "go global." CIPA also coordinates with foreign investment promotion agencies, chambers of commerce, and business associations.

2019 Budget

Nominal USD	\$3,688,069,951
GDP PPP	\$6,738,724,020
RMB	25,481,244,100

Archived Source. Translation Not Available.

Ministry of Public Security (MPS)

公安部

The Ministry of Public Security is the principal police and security authority in China, and is responsible for day-to-day law enforcement throughout the country. MPS operates China's system of Public Security Bureaus, which effectively function as police stations. In this capacity, it performs functions similar to local police departments, the Federal Bureau of Investigation, and the Federal Bureau of Prisons in the United States. However, MPS's role extends far beyond that of most countries' police services: it also administers the entry and exit of Chinese and foreign nationals, maintains border security, and <u>supervises and censors</u> traffic on Internet networks in concert with the Central Cyberspace Affairs Commission. MPS maintains a Science and Technology Bureau to enhance state surveillance and policing capabilities.

2019 Budget

Nominal USD	\$2,804,810,077
GDP PPP	\$5,124,859,692
RMB	19,378,713,300

Ministry of Natural Resources (MNR)

自然资源部

The Ministry of Natural Resources is responsible for administering lands belonging to the Chinese government. It drafts laws related to land and space planning, processes licenses related to land use, and carries out the state's official surveying and mapping activities. In short, MNR is responsible for activities that normally fall under the purview of the Forest Service, the Department of the Interior, and state and local land use authorities in the United States.

2019 Budget

Nominal USD	\$2,789,311,575
GDP PPP	\$5,096,541,323
RMB	19,271,632,600

Archived Source. Translation Not Available.

Ministry of Finance (MOF)

财政部

The Ministry of Finance implements China's macroeconomic policy and administers the annual budget. Its subordinate agency, the State Administration of Taxation, is analogous to the U.S. Treasury Department's Internal Revenue Service. However, the Chinese Ministry of Finance has fewer responsibilities than financial ministries in other countries. Separate bodies such as the National Development and Reform Commission (NDRC) and the State-owned Assets Supervision and Administration Commission (SASAC) formulate macroeconomic policy and control government assets, respectively.

2019 Budget

Nominal USD	\$2,618,812,754
GDP PPP	\$4,785,011,305
RMB	18,093,639,200

Ministry of Foreign Affairs (MFA)

外交部

The Ministry of Foreign Affairs represents the Chinese state abroad. It is responsible for negotiating and signing foreign treaties and agreements, representing the PRC at the United Nations, and cooperating with other countries on issues such as arms control and climate change. In 2019, the Chinese MFA overtook the U.S. State Department as the world's largest operator of foreign diplomatic posts, with 276 embassies, consulates, and permanent missions worldwide.

2019 Budget

Nominal USD	\$2,105,005,732
GDP PPP	\$3,846,199,469
RMB	14,543,695,100

Archived Source. Translation.

Ministry of Ecology and Environment (MEE)

生态环境部

The Ministry of Ecology and Environment is responsible for environmental protection and natural resource conservation. MEE is predominantly a regulatory agency, analogous to the U.S. Environmental Protection Agency, and coordinates environmental impact assessments related to water and air quality, solid waste, soil, noise, and radioactivity. To carry out its mission, MEE also invests heavily in science and technology, and is in charge of China's nuclear waste management and safety.

2019 Budget

Nominal USD	\$2,094,300,386
GDP PPP	\$3,826,639,003
RMB	14,469,730,800

Ministry of Culture and Tourism (MCT)

文化和旅游部

The Ministry of Culture and Tourism is tasked with implementing the cultural directives and policies of the CCP, and attracting tourists to visit China. It oversees a wide range of organizations related to museums, opera, theater, music, and the arts. Through a mixture of programs involving public diplomacy, propaganda, and diplomatic coercion, MCT also aims to promote a favorable image of China on the global stage, in concert with state-run media outlets and the Ministry of Foreign Affairs. In recent years, MCT has also stepped up censorship of Chinese television and talk shows.

2019 Budget

Nominal USD	\$1,534,892,026
GDP PPP	\$2,804,505,854
RMB	10,604,722,500

Archived Source. Translation Not Available.

National Ethnic Affairs Commission (NEAC)

国家民族事务委员会

The National Ethnic Affairs Commission is responsible for implementing CCP policy toward ethnic minorities and running dedicated universities for minority groups in China. It supervises and assesses the performance of autonomous regions within China to ensure they adhere to CCP guidelines, and its <u>stated mission</u> is to "handle matters related to the protection of rights and interests of minority nationalities." In 2018, NEAC was placed under the leadership of the United Front Work Department of the CCP. Recent reporting has <u>underscored</u> NEAC's role in the persecution of ethnic minorities in Xinjiang, Tibet, and Inner Mongolia.

The PRC government officially recognizes 55 ethnic minority groups—such as Uyghurs, Tibetans, and Mongols—in addition to the majority Han ethnicity. As of the most recent PRC census, ethnic minorities comprise 8.49% of the Chinese population. For more information, see China's National Minorities Policy and data from China's last census.

2019 Budget

Nominal USD	\$1,222,111,172
GDP PPP	\$2,233,002,633
RMB	8,443,688,300

Ministry of Emergency Management (MEM)

应急管理部

The Ministry of Emergency Management is in charge of China's production safety, emergency rescue, civil defense, and disaster prevention initiatives. Specifically, MEM is responsible for responding to natural and human-made disasters in China, but not public health or social safety crises. Despite this distinction, MEM is a <u>member institution</u> of the State Council's COVID-19 joint prevention and control mechanism.

2019 Budget

Nominal USD	\$971,370,555
GDP PPP	\$1,774,857,358
RMB	6,711,296,300

Archived Source. Translation Not Available.

Ministry of Human Resources and Social Security (MOHRSS)

人力资源和社会保障部

The Ministry of Human Resources and Social Security is responsible for managing China's national labor policies and social security programs. Its role is roughly analogous to those of the Department of Labor and the Social Security Administration in the United States. MOHRSS-sponsored social welfare programs handle unemployment insurance, medical insurance and universal health care, workers' compensation insurance, and communal and individual pension funds, among others. More recently, MOHRSS has played a significant role in running the CCP's poverty alleviation programs.

2019 Budget

Nominal USD	\$746,935,144
GDP PPP	\$1,364,776,119
RMB	5,160,649,600

Ministry of Housing and Urban-Rural Development (MOHURD)

住房和城乡建设部

The Ministry of Housing and Urban-Rural Development regulates housing prices and develops price control mechanisms. Its scope and duties most closely resemble that of the U.S. Department of Housing and Urban Development and its subordinate administration, the Federal Housing Administration.

2019 Budget

Nominal USD	\$444,007,425
GDP PPP	\$811,276,234
RMB	3,067,691,700

Archived Source. Translation Not Available.

National Audit Office (NAO)

国家审计署

The National Audit Office is tasked with reviewing the expenditures of Chinese government agencies and identifying fraud and waste. It also recommends (but is not responsible for meting out) punishments for fraud and waste it uncovers. Its role is similar to that of the Government Accountability Office in the United States. Ultimately, however, the NAO takes direction from the Communist Party's Central Commission for Discipline Inspection.

2019 Budget

Nominal USD	\$335,130,755
GDP PPP	\$612,340,248
RMB	2,315,451,900

National Development and Reform Commission (NDRC)

国家发展和改革委员会

The National Development and Reform Commission is in charge of macroeconomic policy and planning. It is the successor of the State Development and Planning Commission, which was one of the most powerful ministries in China during the Mao Zedong era. Today, the NDRC is tasked with formulating and implementing annual and longer term national economic and social development plans, such as the Medium to Long-Term Plan for the Development of Science and Technology, as well as broader strategies such as the Belt and Road Initiative. Each year, NDRC submits national economic and social recommendations on behalf of the State Council to the National People's Congress.

2019 Budget

Nominal USD	\$305,612,974
GDP PPP	\$558,406,299
RMB	2,111,510,600

Archived Source. Translation.

Ministry of Civil Affairs (MCA)

民政部

The Ministry of Civil Affairs handles the mediation and conciliation of disputes between citizens and other legal and administrative agencies. It processes marriage licenses, enforces protections for persons with disabilities, and coordinates child adoption. In short, MCA fulfills many of the same duties as the Department of Social Services within the U.S. Department of Health and Human Services.

2019 Budget

Nominal USD	\$261,640,358
GDP PPP	\$478,060,935
RMB	1,807,699,400

Ministry of Justice (MOJ)

司法部

The Ministry of Justice oversees the prison system, sentencing, rehabilitation of inmates, anti-drug education, and the work of lawyers and notaries. It <u>adheres</u> to what it refers to as the CCP's "centralized and unified leadership over the comprehensive rule of law." MOJ also <u>oversees</u> the National Judicial Examination of China, the equivalent of the U.S. bar exam, and handles more than 11 million criminal, civil, and administrative cases per year. Human rights groups have <u>criticized</u> the Chinese justice system for its abnormally high conviction rate. More than 99.9 percent of criminal cases in China <u>result in conviction</u>.

2019 Budget

Nominal USD	\$216,911,247
GDP PPP	\$396,333,327
RMB	1,498,661,500

Archived Source. Translation Not Available.

Ministry of Veterans Affairs (MVA)

退役军人事务部

The Ministry of Veterans Affairs supports retired soldiers and honors them through military ceremonies and other platforms. It also builds, maintains, and operates the nation's military cemeteries. Founded recently in 2018, MVA's establishment <u>aimed</u> to "safeguard the legitimate rights and interests of military members." Unlike the U.S. Department of Veterans Affairs, MVA does not provide healthcare services to Chinese veterans.

2019 Budget

Nominal USD	\$87,559,928
GDP PPP	\$159,986,714
RMB	604,960,300

Science, Technology, and Talent Recruitment Organizations

The State Council directly supervises dozens of organizations, administrative offices, and institutions below the cabinet level. Three organizations form the backbone of China's government-led research ecosystem: the Chinese Academy of Sciences (CAS), Chinese Academy of Engineering (CAE), and National Natural Science Foundation of China (NSFC). Three others lead China's efforts to acquire foreign science and technology and recruit overseas experts: the China Association of Science and Technology (CAST), the State Administration of Foreign Experts Affairs (SAFEA; now absorbed into the Ministry of Science and Technology), and the Overseas Chinese Affairs Office (OCAO; now absorbed into the CCP Central United Front Work Department of the Communist Party). Collectively, these six organizations' public budgets amounted to \$19 billion in nominal USD (133 billion RMB) in the last years for which data was available.

Data for CAS, CAE, NSFC, and CAST are from 2019. OCAO and SAFEA data are from 2017, the last years available before they were absorbed into other organizations.

Chinese Academy of Sciences (CAS)

中国科学院

The Chinese Academy of Sciences is China's national scientific think tank and academic governing body, providing advice and monitoring the country's scientific progress. It also leads the central government's efforts in science and technology, especially in basic and applied research. CAS comprises 124 laboratories and institutions with more than 60,000 researchers nationwide, spanning <u>research institutes</u>, universities, technology-based enterprises, national laboratories, and state key laboratories.

2019 Budget

Nominal USD	\$12,711,787,802
GDP PPP	\$23,226,574,043
RMB	87,827,013,100

National Natural Science Foundation of China (NSFC)

国家自然科学基金委员会

The National Natural Science Foundation of China administers the National Natural Science Fund, and mainly invests in basic research projects. The Foundation reports directly to the Ministry of Science and Technology. It is roughly equivalent to the U.S. National Science Foundation. NSFC funds more than 18,000 research projects each year, with the average award amounting to \$85,000 nominal USD.

2019 Budget

Nominal USD	\$4,902,419,172
GDP PPP	\$8,957,544,262
RMB	33,871,304,300

Archived Source. Translation.

Overseas Chinese Affairs Office (OCAO)

国务院侨务办公室

The Overseas Chinese Affairs Office was previously responsible for outreach to overseas Chinese (华侨)—a term comprising both Chinese citizens working and studying overseas, and ethnic Chinese people who are not PRC citizens. Specifically, the office was responsible for encouraging overseas Chinese to return to China, and for helping returnees settle in the country and secure employment. In 2018, OCAO was absorbed into the Central United Front Work Department of the CCP. The United Front continues to monitor and contact overseas Chinese professionals under the brand of the OCAO.

2017 Budget

Nominal USD	\$844,778,307
GDP PPP	\$1,543,552,032
RMB	5,836,657,800

China Association for Science and Technology (CAST)

中国科学技术协会

The China Association of Science and Technology is an organization designed to link the Chinese government with the global science and technology community, and specifically to acquire overseas technical information. Although it is nominally a non-governmental organization, CAST receives much of its funding from the Chinese government. It is also closely associated with the Central United Front Work Department of the Communist Party. CAST claims to represent hundreds of professional associations spanning every province of China, and operates overseas chapters in dozens of countries. One of its chief missions is to encourage overseas Chinese professionals to return to China, bringing with them technical information and equipment from overseas, including through CAST's "Haizhi Plan." For more information on the role of CAST, see CSET's issue brief on Overseas Professionals and Technology Transfer to China.

2019 Budget

Nominal USD	\$467,260,888
GDP PPP	\$853,764,221
RMB	3,228,352,200

Archived Source. Translation.

State Administration of Foreign Experts Affairs (SAFEA)

国家外国专家局

The State Administration of Foreign Experts Affairs was previously responsible for recruiting senior researchers and elite scientists to work in China. SAFEA's primary mission was to construct and run China's foreign expert recruitment programs, including the Thousand Talents Program (千人计划), which operated from 2008 to 2018. In 2019, SAFEA was dissolved and its responsibilities were placed under the Ministry of Science and Technology. Thousand Talents and several other prominent talent plans were likewise absorbed into MOST's National High-End Foreign Expert Recruitment Plan (高端外国专家引进计划). For more information on China's talent recruitment programs, see CSET's Chinese Talent Program Tracker.

2017 Budget

Nominal USD	\$187,888,929
GDP PPP	\$343,304,671
RMB	1,298,143,400

Chinese Academy of Engineering (CAE)

中国工程院

The Chinese Academy of Engineering advises the Chinese government and Chinese academic institutions on engineering and technology issues. CAE and CAS are both under the State Council and are known collectively as "the Two Academies" (两院). Unlike CAS, CAE does not directly operate any scientific institutions or research and development centers. Nevertheless, many projects still fall under its jurisdiction, including nuclear weapons research, the Qinghai-Tibet railway, S&T development planning, and national S&T policy.

2019 Budget

Nominal USD	\$134,796,471
GDP PPP	\$246,295,822
RMB	931,322,300