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XI JINPING'S NEW LEADERSHIP AND THE CHALLENGE OF MODERNISING POLITICS IN CHINA

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The fifth generation leadership in power in China since late 2012 have to maintain order and stable power for the Communist Party while also undertaking some risky reforms. They are moving from an era where economic development to one where socio-political reforms are coming to the fore. The Party needs to revise its internal governance, the way it communicates with the population, and its vision of modernity in order to have the best chance of navigating to 2020 when China is due to become a middle income status country while maintaining its monopoly on power.

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Introduction

When Xi Jinping walked out as the newly appointed Party Secretary of the Communist Party of China (CPC) in November 2012, he did so after a leadership transition which had illustrated, to many observers of the process, all of the problems that the Party had in being in charge of a dynamic and modern country, but maintaining many of the governance structures and practices first put in place over half a century before when the People's Republic of China had been founded¹. Vast amounts of consultation, but no elections beyond the highly opaque ones within the Party's Central Committee had taken place in order to put the new standing committee of the Politburo in place after the 18th Congress. The question of who had decided the new leaders, on what basis, and what sort of legitimacy they therefore had, while not overtly stated, haunts the whole context of this process and its outcome. It was perhaps these questions which were most crucial in the handling of Bo Xilai, former full Politburo member and Party Secretary of Chongqing but felled after the involvement of his wife in the murder of a British business person in late 2011.

Legitimacy is important for any leadership. For the CPC, without public elections to point to furnish empirical evidence of their public support, it is an ever-present problem, and one that they are very aware of. In the monumental history of the Party, issued in early 2011 by the Central Committee History Research Centre, legitimacy is addressed in the opening chapter, when it states simply that there are three pillars to the Party's right to rule. The first of these is to have been a leading part of the forces that defeated the Japanese in the war from 1937 to 1945. The second was to be the victor of the Civil War from 1946 to 1949 and therefore unifier of the country against the Nationalists, who then fled to Taiwan. The final pillar, however, was more recent, and more linked to the economy – and that was to have started the Reform and Opening Up process from 1978 after the Third Plenum of the Eleventh Congress².

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¹ On the process, see K. BROWN, *Written Evidence to the Foreign Affairs Committee of the British Parliament*, at <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmfaff/529-i/529we02.htm>.

² *The History of the Chinese Communist Party, 1949-1978*, Party History Research Centre of the CPC Central Committee, Beijing: Chinese Communist Party History Publishing House, 2011, Chapter One.

These sources of legitimacy are, of course, critical, and act, in the words of one analyst, like legs to a tripod. If one is taken away, the others are insufficient to hold the whole structure up³. But this dominance of historic sources over economic ones is striking. In many ways, one of the great problems for Xi Jinping as he looks to continue the process of modernizing the Party is that he has to reconcile what looks like two irreconcilable parts of one story. From 1949 to 1978, mostly under Mao Zedong, the key mission of the Party State under the CPC was to strive for utopian social outcomes through purging society of its internal enemies and implementing class struggle. The means by which this was achieved were increasingly lengthy, brutal and socially costly mass campaigns, the most epic and destructive of which was the Cultural Revolution from 1966 until 1976. After 1978, however, the key mission, and one alluded to by every elite leader, has been economic development. In 2006, speaking at a major Party meeting, then Secretary Hu Jintao stated that delivering and maintaining strong economic growth was the key function of the Party⁴. This remains the case now. This has meant a complete change in government policy, shifting from opposition to the internal market, to private enterprise and foreign capital prior to 1978 to embracing and sanctioning these after then. Xi Jinping has shown some awareness of this anomaly through his treatment, before becoming leader of the Party, of the contentious but vastly important figure of Mao Zedong. He has simply public stated that without Mao there would have been no ‘Reform and Opening Up’, and that the two are therefore part of the same whole. In this way, despite their evident contradictoriness and profound difference, the bridge is supplied between the world of pre and post 1978 China.

Moving from Economy to Politics

For Xi and his leadership, while doubling GDP growth remains the key government objective until 2020, there is also a sense in which the most important issues domestically from 2013 onwards are not economic, but primarily political. In 2003, with the adoption of the concept of ‘taking people as the core/base’ at the Party’s plenum held then, the Hu Jintao and Wen Jiabao leadership alluded to this need for broader social goals than simply aiming for fast GDP growth⁵. With the onset of the global financial

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³ J. KALLIO, *Tradition in Chinese Politics*, Finnish Institute of International Affairs Report 27, Helsinki, 2011, p 12.

⁴ Hu Jintao, “Zai qingzhu zhongguo gongchandang chengli 85 zhounian ji zongjie baoche dangyuan xianjinxing jiaoyu huodang da huishang de jianghua” [Speech made at an Advanced Educational Meeting of Cadres Celebrating and Summarising the 85 Anniversary of the Founding of the CCP], Xinhua, 1 July 2006.

⁵ J. FEWSMITH, *China Since Tiananmen*, Second Edition, Cambridge, Cambridge University Press, 2008, p 272.

crisis from 2008, however, and its impact on China's export figures and domestic employment, this stress on looking beyond GDP growth weakened. The Hu and Wen period was, whatever else its achievements, an era of GDP explosion, with the economy quadrupling in size in the decade after entry to the World Trade Organisation (WTO) in 2001.

For this reason, Xi Jinping as Party leader inherits a country where GDP growth is strong, and important – but where the issues of social cohesion and balance, and of creating stable, stronger governance that go beyond coercion and deployment of high levels of violence and actually mobilize and engage the citizenry become much more important. With rising per capita GDP levels across the complex different economies of China, from the developed coastal provinces to the more backward western areas, the issue is not, as Li Keqiang the new Premier admitted in talks in 2009, how to feed and clothe people⁶. Instead, now it is about meeting the expectations of a more demanding, less equal and much more vociferous and fractious public.

Modernising from the Top Down

In Party organization and in governance, China remains a centralized country. This is most easily expressed in one key area – fiscal powers. The central government, under the leadership of the CPC, has the powers to raise and then spend the majority of taxes. Other levels of government from province downwards are highly restricted in what they can do in this area. For this reason, bureaucrats in Beijing are able to decide what gets spent on relatively detailed aspects of social welfare, education or provision of other services in distant provinces like Yunnan or Tibet. They are able to turn the resource taps on, and, when necessary, off. These powers are ones that the central government holds onto closely⁷. Politically, one can see this highly centralized structure in the ways in which the new leadership in 2012 was finally appointed. While consultations were held in provinces like Jiangsu which involved up to 37,000 people, producing a final list of 70 delegates to attend the final Party Congress in November later that year, it is clear that the real final decisions on the line up of the new leadership were made by a small, elite group of people, the most important being serving and former top level

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⁶ 李克强. 李克强: 关于调整经济结构促进持续发展的几个问题[J]. 求是杂志 (*Li Keqiang. Li Keqiang: Guanyu tiaozheng jingji jigou cujin chixu fazhande jige wenti*), *Li Keqiang, Some Problems of Adjusting Economic Structure and Promoting Continuous Development*, «Qiushi Journal», 2010, no.11.

⁷ For a discussion of the centralized fiscal structure in China, see ZHOU T., WANG C., WANG A. (eds), *Gong Jian, Zhongguo Zhengzhi Tizhi Gaige Yanjiu Bao Gao, Shi Qi Da Hou*, (*Storm the Fortress: A report on the Reform of China's Political System after the 17th Party Congress*), Xinjiang Production Corps Publication House, Xinjiang, 2007.

leaders. The ways in which these decisions were taken, including meetings at Beidaihe in the latter summer of that year, are still unclear⁸.

Factionalism has been a popular model by which to describe how the elite leadership in domestic politics in China is able to create coherent policy positions and support the interests of one group in the Party over the other⁹. The leadership of the CPC after the 18th Party Congress shows however that factionalism remains too crude and simplistic to truly capture the complexity of shifting allegiances and interests and bonds between different figures in the elite. Figures like Xi and Li belong to different zones, derived from their family background, their provincial leadership periods, their universities and their other areas of activity¹⁰. This world of networks, and tribal linkages and bonds, however, has created a political class which is, in many ways, remote from the public, and is seen as being almost like a class apart, and whose language and habits mark them as different.

This remoteness of the elite remains one of China's greatest political challenges. Under Hu Jintao, moves to extend direct village elections pioneered in laws passed in the 1980s and then in 1998 so that they could occur in townships were stopped. Instead there was a move towards strengthening the legitimacy of the Party by reforming its own governance of itself. Intra-Party democracy became the mantra for this particular campaign. The Party aimed to be more transparent, more tightly governed and more rules based. There was a tactical rationale for this too, because in this way the Party was able to operate, in Leninist fashion, as an exemplar for the rest of society. It could, once more, take the pioneer path for reform, and maintain its privileged position in society.

The Party has always sought to link itself with modernity¹¹. Being at the vanguard of modernity, however, seemed to figure in Hu's thinking only in its economic and material sense. What modernity might mean as a cultural concept was less germane. A wider, and more profound view of modernity is offered by psychologist Stephen Pinker in his book about the decline of violence in the modern world. Here he speaks of modernity being 'the erosion of family, tribe, tradition and religion by the forces of individualism, cosmopolitanism, reason and science'¹². In this sense, while

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⁸ 石光剑, 吴晶莹. 中共十八大. 明镜出版社, SHI G., WU J., *Zhonggong Shibada*, Mingjing Chubanshe (*The 18th CPC National Congress*, Mirror Books), 2012, p 270.

⁹ See CHENG L., *China's Leaders: The New Generation*, Rowman Littlefield, Lanham Maryland, 2001, for one of the most complete explanations of factionalism.

¹⁰ This is set out more completely in K. BROWN, *The New Dragons: China's Fifth Generation Leadership*, London, IB Tauris, 2014.

¹¹ For a discussion of Hu and the Party and modernity, see K. BROWN, *Hu Jintao: China's Silent Ruler*, Singapore, World Scientific, 2012, Chapter Five.

¹² S. PINKER, *The Better Angels of Our Nature*, London, Allen Lane 2011, p. xxi.

the CPC has presided over modernity in almost all of these areas in China, the one that it has made least headway in has been modernizing family and tribal ties. In many ways, this leadership outcome is the result of precisely these links and support networks – four of the seven members of the Standing Committee are linked directly or through marriage to former elite leaders at vice-ministerial level or above in China.

The striking interconnectivity of Xi Jinping and his fellow Politburo's tribal support bases through business, families, and broader tribal groupings means that in many ways this can be called a networked leadership. This remains one of the greatest problems for its legitimacy because, in the eyes of many, it remains a closed shop, an elite group which outsiders are unable to enter, and which is reliant more on blood and tribal lines than any other.

Making the Party a modernized political force remains one of Xi's greatest challenges. It is one he explicitly referred to during his first remarks as Party leaders in November 2012, complaining about 'some party members and cadres being out of touch with the people'¹³. This lay behind the push against corruption that has since ensued, with a number of senior figures in central and local government being investigated. In an era in which corruption is seen as endemic in the way in which the Party operates, and a side-effect of its refusal to countenance any external body to which it must be accountable, these campaigns are striking. What is their political meaning, in view of the fact that there have been almost continuous campaigns against Party member venality as China has grown richer since 1978?

One interpretation is to see this anti-Corruption as part of the CPC's search for deeper legitimacy. A Party seen as corrupt cannot be the key political mobilizing force in society. In that sense, Xi and his colleagues are not straying from their orthodox Marxist-Leninist roots. Reacquiring the Party's authority means getting back some of its moral stature, and showing that it stands above the money making carnival that is happening in the rest of society. In this way it is a worthy entity to inherit the mantle of the revolutionary past and its narrative of national liberation and restoration of dignity. Only when the Party is worthy of this, and is recognized as such by society, can it have authority.

Having authority is very important for this leadership. As things move from being primarily economic to political and social in nature, and growth rates fall under double digits, the incentives the Party can hold out in society for the future become more narrow. Li Keqiang has talked since 2008 of addressing the four great structural imbalances in the Chinese

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¹³ Taken from Full Text: *China's New Party Chief Xi Jinping's Speech*, BBC website, <http://www.bbc.co.uk/news/world-asia-china-20338586>.

economy – low consumption, a service sector too small as a proportion of GDP, a low level of urbanization (despite enormous expansion in this area in the last thirty years) and high fixed asset investment¹⁴. These will be routes to opening up what he calls ‘new spaces for growth’. In an era of high growth, inequality and contention in society are manageable simply because society is too busy getting richer and creating better material conditions for their lives. But after this has been achieved, there come the larger questions of what a society’s vision of itself and its ultimate values are. During this period of modernization, tribal and local bonds disintegrate more, social welfare and public goods expand and there are more complex expectations towards government than it simply giving people space to make money.

In September 2013, Xi attended a number of what the Party calls self-criticism sessions in Hebei province which were given wide media coverage. They seemed to be part of an old-fashioned party rectification campaign. Those sessions seemed to reinforce the idea that the Party leadership are focused more on themselves at the moment. At the same time as other areas in society are undergoing a wholesale change in their values and attitudes, with urbanization increasing and a whole new culture starting to appear, it seemed odd for Xi to spend precious time attending meetings of officials criticizing each other. But this could be explained as the Party undertaking the same kind of evaluation of its operations as a company or government abroad. The message through these actions seemed to be that the Party has to be relevant, and be morally and administratively able to face up to a period of profound and complex challenges in the years ahead while seeking to achieve the doubling of the country’s GDP. It is in this ruling elite – provincial and national leaders, and the heads of key entities in the military, state owned enterprises and academic bodies – that the ideas have to be found and the examples given of how to become a society which is weaning itself off raw GDP growth and moving towards middle income status. And this leadership has to have the legitimacy and authority among the rest of society to be listened to and followed. They cannot do that if they are confronted with widespread cynicism, and nor can they achieve this simply through ordering people and fear.

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The Positive Message

Since 1978, the Party has always had recourse to the mantra that, in the end, the great incentive in society is to get rich. Migrant labourers, new urban dwellers, those that are joining China’s burgeoning middle class,

¹⁴ See K. BROWN, *What Do Chinese Leaders Want*, July 2013, <http://www.thechinastory.org/agenda2013/what-do-chinese-leaders-want/>.

have all been recruited on the understanding that they can make money and keep most of it. But there is a move beyond this, to a society where people have enough of a common vision to sacrifice in terms of their wealth through taxes and their participation in decision making and public action to see themselves as stakeholders not just in wealth creation but also in building social norms and values. The Party has to be at the vanguard to this move, but it is hard at the moment to divine a clear vision of what that is. The Party wants stability, it wants unity, and it wants international status. Hu Jintao and Xi Jinping have not strayed from the idea of a 'rich, strong country', one that has finally freed itself from the manacles of a past with vivid memories of colonization and humiliation. Xi Jinping's deployment of the language of 'a China Dream' throughout 2013 taps into this – a dream of a country with restored dignity, in which people live lives which are prosperous and fulfilling.

The political challenges are well known, and very practical. Xi Jinping is leader of a China, which lacks clarity in the divisions of decision making and accountability between the Party and the executive branch, and which for that reasons lacks a truly independent rule of law. For this reason, political fiat is always suspected in even commercial legal cases. It is a country where citizens continue to feel very weak links with the decisions made by leaders on their behalf, a fact which explains the huge numbers of protests that occur across the country each year, and the high levels of violence accompanying them. Yu Jianrong from the Chinese Academy of Social Sciences (CASS) has termed the majority of these 'explosions of anger'¹⁵. The costs of handling these incidents have risen to over USD110 billion in 2012, more than the formal budget for national defence. It is also a country characterized by deep inequality, with a huge problem over servicing its pension needs because of an aging population and a lack of a functioning system to do this, and a highly centralized tax system which remains reliant on state owned enterprises and indirect taxation rather than personal tax. All of these issues are well known within China, and intensely studied. But for none of them, at the moment, is their clear consensus amongst the political elite on what to do to address and solve these problems.

The elite are the main target for Xi's initial campaign, because it is amongst them such a consensus will initially be created. If it can be created there, then mobilization can be attempted in the rest of society. So for the first period of the new leadership, this task of building internal consensus and modernizing the way in which the Party functions will take priority. Unexpected internal events like unrest or an economic slowdown,

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¹⁵ Yu Jianrong, speech at the Chinese Council of Lawyers, December 26th 2009, at <http://www.chinaelections.org/Newsinfo.asp?NewsID=169507>.

or external events like another international financial collapse that impedes on China's economy, will be profoundly damaging to China as its leaders undertake this internal process. The simple fact is that, for all the immense challenges facing them on the social and political front as China moves towards middle income status in the coming decade, while they many know the problems and have some idea of the answers, they do not yet feel in a position to implement these. They have limited time to come up with clear battle plans, but it is likely they will seek to support accelerated urbanization, and attempt to address the governance of urban areas and the reformation of the household registration system, and to then seek to reform the taxation system as the most urgent steps. It is easy to understand, in view of the challenges facing them that they might view the coming decade as the most challenging in China's development. But their success would mean they would be the leaders that presided over China's final emergence as the 'rich, strong country' that has been dreamed about since the late Qing period over a century before.