

China Politics Weekly

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Dear friends and colleagues,

I hope everybody had a pleasant Qingming Festival. I'm still in Beijing for another 10 days- anybody who wants to meet up but has yet to get in touch should do so now. Your comments and feedback are always welcome. Old issues are always available at www.chinapoliticsweekly.com. Sign up or unsubscribe by sending an email to info@chinapoliticsweekly.com.

Developments this week encapsulated perfectly the Xi administration's efforts to improve governing capacity by streamlining government administration, increasing enforcement of Party discipline and improving the judicial system. Several of the measures are "liberal" in the sense that they circumscribe government power, but that should not obscure the fact that the goal of such measures is to create a stronger, more efficient Party. A quick recap of key events is below.

Cleaning house

The government took another important step towards cleaning up China's unwieldy bureaucracy and reducing the arbitrary power of officials. The State Council announced that it has begun the process of reviewing all documents issued by the State Council and its General Office since the founding of the PRC. The goal is to abolish rules and regulations not in line with the Constitution or other laws, as well as older regulations from the early days of the PRC that are no longer relevant to China's "socialist market economy."

It's another good sign of the administration's commitment to more orderly and transparent government administration. The real question is whether or not officials have the time and energy to carry out such a large task. With all of the administrative reviews and other initiatives instituted by this government, bureaucrats' in-trays are bound to be overflowing. Is there really enough capacity to undertake such a massive review? A three-year timeframe for completion acknowledges that the task won't be completed overnight, but there's still a question of how thoroughly the review can be completed with so much else going on.

Anti-corruption just getting started

Those working in the State Council General Office (SCGO) will certainly have every incentive to work hard after the announcement this week that the Central Discipline and Inspection Committee (CDIC) is setting up a resident office in the SCGO. CDIC offices will also be established for the first time in the CPC Central

Committee's General Office, Organization Department, Publicity Department and United Front Work Department, as well as within the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC).

The establishment of CDIC offices shows the increasing power of Wang Qishan and the CDIC. Never before have such offices been set up in central-level Party and State offices. And this is only the beginning. According to a December 2014 Politburo decision, the CDIC will set up resident offices in all 140 central-level Party and State organizations.

While limiting corruption within the Party is undoubtedly a good thing in the end, in the short term the expansion of the anti-corruption campaign is likely to further strain the administrative capacity of the government. Detention of officials is happening faster than they can be replaced, creating vacancies in key positions in Beijing and around the country.

Power to the people

One way to ease the burden of overworked and understaffed government bodies is to allow more public participation in certain areas of governance and administration. Efforts to promote governance by law announced at last week's meeting of the Leading Small Group on Comprehensively Deepening Reform (LSGCDF) take a small step in that direction. The group adopted a pilot plan to improve the people's jurors system that will expand the participation of people's jurors in trials and also aim to enhance the independence of the selection process for jurors.

Another important measure announced at the LSGCDF meeting will make it easier for litigants to file cases. Importantly, it was announced that local officials that interfere in the process of courts accepting and hearing cases will be punished.

These are minor reforms, but do represent progress of broader "governing by law" reforms that will see more transparency and professionalization in areas of law not deemed to be politically sensitive.

PBSC Week in Review

Xi Jinping	Apr 3	Xi took part in a tree-planting event in Beijing.
	Apr 1	Xi chaired the eleventh meeting of the Leading Small Group on Comprehensively Deepening Reform. <i>The meeting approved a plan to support rural education, guidelines on reforming urban public hospitals and a pilot plan to reform the people's jurors system.</i>
	Mar 31	Xi held talks with Ugandan President Yoweri Museveni. Xi called Islam Karimov to congratulate him on his reelection as President of Uzbekistan.
	Mar 30	Xi held talks with Zambian President Edgar Lungu. Xi met with Governor-General of Australia Peter Cosgrove.

Li Keqiang	Apr 3	Li chaired a symposium on promoting the export of Chinese equipment. <i>Announced a series of measures meant to support Chinese companies investing overseas. The government will move to a registration-based system for overseas investment, as opposed to the current administrative approval system. The government will also seek to employ its FX reserves by issuing bonds for key projects. The government is also encouraging Chinese banks to expand abroad and provide financing to Chinese companies operating overseas. Railway and nuclear in particular look to be major beneficiaries.</i>
		Took part in tree-planting event in Beijing.
	Apr 1	Attended meeting of Leading Small Group on Comprehensively Deepening Reform.
		Li chaired an executive meeting of the State Council.
	Mar 31	Li met with Ugandan President Yoweri Museveni.
	Li met with editor in chief of the Financial Times Lionel Barber.	
	Mar 30	Li met with United States Treasury Secretary Jacob Lew. <i>The US seems less than enthusiastic to grant reserve currency status to the RMB, judging from Lew's statement: "China will need to successfully complete difficult fundamental reforms, such as capital account liberalization, a more market-determined exchange rate, interest rate liberalization, as well as strengthening of financial regulation and supervision".</i>
		Li met with Zambian President Edgar Lungu.
		Li met with Governor-General of Australia Peter Cosgrove.
Zhang Dejiang	Apr 3	Took part in tree-planting event in Beijing.
	Mar 31	Zhang met with Ugandan President Yoweri Museveni.
	Mar 30	Zhang met with Governor-General of Australia Peter Cosgrove.
Yu Zhengsheng	Apr 3	Took part in tree-planting event in Beijing.
		Yu met with Thai crown princess Maha Chakri Sirindhorn.
	Mar 30	Yu met with Zambian President Edgar Lungu.
Liu Yunshan	Apr 3	Took part in tree-planting event in Beijing.
	Apr 1	Attended meeting of Leading Small Group on Comprehensively Deepening

Reform.

Wang Qishan	Apr 3	Took part in tree-planting event in Beijing.
Zhang Gaoli	Apr 3	Took part in tree-planting event in Beijing. Attended symposium on promoting the export of Chinese equipment.
	Apr 1	Attended meeting of Leading Small Group on Comprehensively Deepening Reform. Attended executive meeting of the State Council.
	Mar 31	Zhang met with a delegation from the American think tank the Center for American Progress. <i>The delegation was led by John Podesta, former chief of staff to President Clinton and- until February- President Barack Obama's point man on climate change. Podesta and Zhang had been coordinating climate change negotiations between the two countries. Is Podesta still playing a role despite having left the administration?</i>

About CPW

China Politics Weekly aims to keep business leaders, investors, diplomats, scholars and other China hands up to date on important trends in China. It is produced by Trey McArver, a London-based consultant providing advice and intelligence to firms and investors engaged in China and the region. You can find out more about Trey and CPW in [this interview](#).

Want to help? Please tell us how we can make this newsletter more useful to you. Feedback on both form and content are always welcome, as are suggestions for topics to be covered. Please contact us at info@chinapoliticsweekly.com. We look forward to hearing from you.

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