China Politics Weekly

Issue No. 112 - October 31, 2016



Dear friends and colleagues,

Happy Halloween! 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.

Strong, not a strongman

The big news coming out of the plenum was Xi's designation as "core" of the Party leadership, a title used to describe Mao, Deng and Jiang, but famously not applied to Xi's immediate predecessor Hu Jintao.

Most commentators and analysts fretting over the new "core" designation see it as the end of the collective leadership system. It is, they argue, a sure sign that Xi is heading towards strongman rule in the vein of Putin (or Mao).

This analysis strikes me as wildly off base. First of all, being "the core" does not automatically confer unlimited power. Mao is the only PRC leader to ever wield truly unchecked power; Xi is nowhere near achieving the same God-like status. Even if Xi wanted similar reverence (which he doesn't), I cannot envision a scenario in which either the Party or society at large would grant it.

More appropriate is to look at the other two "cores": Deng and Jiang. Neither had unlimited power. People seem to forget that Deng was constantly embattled, often trying to strike a balance between reformers and conservatives, and always needing to bring along the other seven of the Eight Elders.

As I have argued before (see <u>CPW no. 100</u>), in most respects, Jiang Zemin is the most instructive comparison for understanding Xi. The same is true with respect to the new "core" designation. Jiang was declared "core" upon assumption of the role of General Secretary in 1989, but the use of the term did not become widespread until he began his second full term in 1997. The achievements of Jiang's final term (1997-2002) as General Secretary are truly impressive: wide-scale SOE reforms, reconstitution of the Party (through the Three Represents), and a fundamental redefinition of the Party's role (becoming a "governing party" as opposed to a "revolutionary party"). Yet even given these momentous achievements, it would be difficult to describe Jiang as all-powerful.

Likewise, just because Xi is now "core", it does not mean that his power is suddenly unchecked. He has clearly enhanced his authority, but doing so through the formal process and approval of the plenum shows that even Xi is still bound by Party rules and norms.

© China Politics Weekly Page 1 of 4

Rule maker not breaker

New titles aside, the plenum has shown again just how dedicated Xi is to rules and institutions. As I pointed out last week, Xi's entire political project revolves around strengthening Party regulations and ensuring their enforcement. It was no surprise, therefore, that the plenum's primary goal was to "strengthen and standardize" the Party's political life. Fundamental to achieving this is making sure that Party members adhere to the Party's constitution and internal regulations. Over the past few years, Xi has tweaked many of these rules, but he has not fundamentally rewritten them. In a word, he is enhancing Party institutions, not eroding them.

The Party's leader

Another reason to be skeptical of all the strongman commentary is the fact that Xi's designation as "core" is clearly supported by many within the Party elite. If there were widespread opposition to the "core" appellation within the Central Committee, it would not have been adopted. It is instructive to look at what Propaganda Department Vice Head (and Xi loyalist) Huang Kunming said when asked about the "core" at a press conference following the Plenum:

"Xi Jinping's assumption of core status reflects the consensus of the Party...At the recently concluded plenum, the Central Committee were unanimous in endorsing the formal adoption of 'comrade Xi Jinping as the core of the Party Central Committee'".

Of course, one should take Party propaganda with a grain of salt; I am sure that the decision was not "unanimous". But the larger point – that a large number of senior Party members are on board with the decision – seems indisputable.

A further look at Huang's statements provide clues as to why there is support for Xi within the Party. Huang repeats the formulation in the Plenum communique that states "for a country and for a political party, the leading core is vitally important". He goes on to explain, "We have come to this understanding through profound experience."

This "experience" is the lost decade of Hu Jintao, a period of weak central authority. The results were an erosion of Party discipline and the resulting inability of the center to effectively carry out policy. This lack of central authority is at the heart of many of China's most pressing problems, from corruption to overcapacity to inequality to an unprepared military. Xi's designation as "core" is part of an effort to recentralize power in order to better address these issues.

Necessary but not sufficient

Xi's growing power does not in and of itself ensure better governance outcomes. It must also be complemented with good policy. Here, particularly when it comes to economic policy, Xi has failed to deliver. Despite increasingly spirited debates about economic policy, and the increasing momentum of supply-side reforms, Xi has yet to articulate a clear, coherent and comprehensive economic agenda.

Xi apologists argue that his failure to adequately address the economy is in large part due to his focus on power consolidation and Party-building. With the major work in both of these areas looking to be near completion, let's hope that Xi will now address the economy.

PBSC Week in Review

© China Politics Weekly Page 2 of 4

Xi Jinping Party General Secretary; PRC President; Chairman of Central Military Commission	Oct 28	Xi chaired a meeting of the Politburo. Reviewed Q3 economic results.
		Xi sent a congratulatory letter to mark the 60 th anniversary of the founding of the Chinese Academy of Medical Sciences.
	Oct 24-27	Xi attended and spoke at the Sixth Plenum of the CCP.
	24 27	Xi extended condolences to Cameroon President Paul Biya over a deadly train derailment.
Li Keqiang Premier	Oct 28	Li chaired and spoke a meeting of the State Council studying the spirit of the Sixth Plenum.
		Li sent a written instruction to a meeting commemorating the 60 th anniversary of the founding of the Chinese Academy of Medical Sciences.
	Oct 24-27	Li attended the Sixth Plenum of the CCP.
Zhang Dejiang Chair of the National People's	Oct 28	Zhang chaired and spoke at a meeting of the NPC Standing Committee studying the spirit of the Sixth Plenum.
Congress		Zhang held talks with New Zealand Parliament Speaker David Carter.
	Oct 24-27	Zhang attended the Sixth Plenum of the CCP.
Yu Zhengsheng Chair of the	Oct 28	Yu chaired and spoke at a meeting of the leading Party group of the National Committee of the CPPCC.
Chinese People's Political Consultative Conference		The meeting called on political advisory bodies at all levels to carefully study and implement decisions of the 6^{th} Plenum.
	Oct	V 1 1.1 21.1 21.
	Oct 24-27	Yu attended the Sixth Plenum of the CCP.
Liu Yunshan Head of Party Secretariat; Head of Propaganda	24-27 Oct 24-27	Liu attended the Sixth Plenum of the CCP. Liu attended the Sixth Plenum of the CCP.
Head of Party Secretariat; Head	24-27 Oct	

© China Politics Weekly Page 3 of 4

Premier

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.

Want more? We offer tailored briefings and research reports for senior management who need to know more about China. Our network of analysts and associates have experience across a range of sectors. Please email us to discuss your needs and get a quote.

© China Politics Weekly Page 4 of 4