

# CHINA'S NEW LONG MARCH

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*In this special series of ECFR blog posts François Godement examines the signs of where China's politics and policies are heading under Xi Jinping. The series covers the period between January and March 2013.<sup>1</sup>*

## The Godfather's Last Waltz (23 January 2013)

It already feels like decades ago. Last autumn, in a climax after two years of top level political debate and sniping, there was still talk about momentous choices. Following Wen Jiabao (still prime minister in name until the next March session of China's formal legislature) or in fact stealing a march on him, liberals in the media, Party insiders and rights lawyers were speculating on a new step towards legal rule. Economists were making a case for the fight against "vested interests" (for which read: top family relatives and cronies, state enterprises and local real estate barons). That fight coincided with the movement pushing for the rule of law – because it was clear that without a separation of the legal system from the Party-state, the Party left to itself simply could not defeat its own clans and interests. A massive real estate bubble, exploding inequality, and the flare-up of the Bo Xilai case seemed to demonstrate this graphically.

The summer had also climaxed with a renewal of incidents and agitprop against Japan. But there was little doubt that these movements were rearguard actions by conservatives trying to force a rally around their other causes. The prevailing explanation was that factional struggle prevented any cool-headed, moderate leader from forcing a compromise or at least a pause. If he did so, he would be pilloried in public.

So Chinese liberals and the world suffered the drummed up tantrum around the Senkaku-Diaoyu islets, and the Japanese mostly turned the other cheek. It seemed as if there were two political wings or parties at the top of China, with public intellectuals rooting either for the liberal democratic or nationalist populist camps. This is the situation that ECFR's publications, *China at the Crossroads* (April 2012)<sup>2</sup> and *China 3.0* (September 2012)<sup>3</sup>, captured with representative views from both sides.

Something went wrong not long before the 18th Party Congress in November. Xi Jinping's two week disappearance has never been explained, but in retrospect there is a strong similarity with former Chairman Mao's ability to disappear from sight and launch counteroffensives. He and some top level party leaders and influential retirees did not seem too happy in the spring with the excoriation of Bo Xilai and his ideology – the mixture of singing Maoism, populist pork-barrel politics, and violent persecution of personal enemies. For a good reason: although there clearly would have been later a personal competition with Bo, he was a "useful idiot" to counter liberal and legalist demands, and an earnest supporter of militarist and nationalist trends.

Conversely, over the summer, outgoing president Hu Jintao left his prime minister Wen Jiabao in the lurch, and made his peace over the Bo Xilai issue. Bo's wife was sentenced with not so much as a stitch showing in her dress that would have pointed at any implication for Bo: truly, a remarkable show trial. But Hu Jintao's price was clearly a compromise over the political succession at the 18th Party Congress: he had strong candidates from his Youth League support base. They were Li Yuanchao, the Party's organisation chief, his chief of staff Ling Jihua, the reformist leader of Guangdong province Wang Yang, and the only woman

<sup>1</sup> China's new long march was first published on <http://ecfr.eu>

<sup>2</sup> China at the crossroads: are the reformers winning the argument?  
[http://www.ecfr.eu/publications/summary/china\\_at\\_the\\_crossroads\\_are\\_the\\_reformers\\_winning\\_the\\_argument](http://www.ecfr.eu/publications/summary/china_at_the_crossroads_are_the_reformers_winning_the_argument)

<sup>3</sup> China 3.0: Understanding the new China  
[http://www.ecfr.eu/publications/summary/china\\_3.0](http://www.ecfr.eu/publications/summary/china_3.0)

at the top, Liu Yandong. These were lined up to balance known hardliners and “red princes” – the second generation leaders from ruling families. The month of August saw intense strife at the top.

True, there was always something uncertain about such a clear-cut scenario: Hu Jintao himself has been a king of ambiguity during his decade of rule, and the notion that he would be able to impose beyond his own tenure a choice he never made for himself was suspicious. In any case, the sky fell on him by mid-October. Outwardly, the black swan was the twin revelation of Ling Jihua’s and Li Yuanchao’s attempt to cover up Ling’s son Ferrari car accident; and the New York Times enquiry into the wealth of PM Wen’s relatives: although the NY Times journalist did push all sort of doors during a long investigation, it is hard not to think that some of these doors were left ajar for him.

An eye for an eye, a tooth for a tooth: Wen had led the chase against Bo Xilai, a slippery slope. Bo’s taste for violence may have been unique, but his corruption wasn’t. And so Xi put the first nail into Hu’s coffin, when he and his backers – including former president Jiang Zemin, still going strong at 86 – said “no, thank you” to Hu’s olive branch on the Bo Xilai case. In the same breath, two major supporters of Hu were now denounced for the kind of sins they reproached to their adversaries.

And so, the conservatives reverted to the oldest trick in the Chinese Communist Party’s book: they assembled an “enlarged” Politburo where veterans came back with a vengeance alongside regular members. That meeting gave “guidance” to a Central Committee plenum. It formally set the date for the Party Congress in the same breath that it announced the expulsion of Bo Xilai for bribery, improper conduct and “other crimes.” Having taken the joker out of Hu’s game, the new coalition destroyed his own grouping. The most significant move was made at the head of the army. Two of Hu’s candidates for vice-presidency of the Military Affairs Commission failed to make it, while at least one general close to Xi did. To show who was the boss, this was publicly announced before the Party Congress.

When the Party Congress opened, the floor was taken from under Hu Jintao. Visibly strained and tired, he only read parts of his general report – a rumour has it that the final text was actually finished after the Congress closed, and under the guidance of Xi Jinping. Hu surrendered immediately his chairmanship of the Military Affairs Commission – the Party State’s number one position since 1935 and the Long March. And the choreographed camera work that is now part of the staging of these events insistently focused on former president Jiang Zemin, a big hulk of a whale standing right behind Hu Jintao and seemingly ready to swallow him. Jiang had been thought to have closed his personal secretariat in 2008, and had reportedly suffered a cardiac arrest in 2011. Other retirees prominently displayed in the official filming included Zeng Qinghong, a former leader last seen in public in

March 2010, who was thought to have completely retired from public view in exchange for forgiveness of his son’s financial dealings abroad.

A fair piano player, former president Jiang Zemin is also experienced in the waltz, and once invited the wife of French president Chirac onto the floor for a dance. As he zipped across the Party Congress floor, half a step behind Hu Jintao, one cannot help but think that he was performing his last successful waltz. The Standing Committee that emerged from the 18th Party Congress, China’s true seat of power, clearly bears his mark as much as Xi Jinping’s:

First by age: the incoming members are actually older than their predecessors five years ago (an average of 63.4 versus 62.1 years). Old men have reasons to beware of youngsters.

Second by a case of reverse genetical engineering: out of seven Standing Committee members, four are either children of former top leaders or have a wife who is one. The crown goes to Yu Zhengsheng, the Shanghai party boss. His father once was a husband of Jiang Qing – Mao’s celebrated third wife – and ruled over Tianjin in the 50s. While one relative had worked for Chiang Kaishek and another defected to the United States, Yu served Deng’s son at his foundation for the handicapped, then Jiang Zemin himself at the ministry of electronics. Wang Qishan’s wife is the daughter of Yao Yilin, a former Politburo member and vice-premier who has backed Jiang Zemin’s career. Zhang Dejiang – whose degree in economics was earned at Kim Il-sung University in Pyongyang – is the son of a PLA major general.

Xi himself, of course, is a princeling whose father served Mao and Deng. He may have lived for a while in a cave dwelling during the Cultural Revolution. But in late August 2012, when the direction of the succession was in the balance, he is said to have remarked in frustration, “My family’s house was taken over by strangers. Now they want to rent me back some rooms, but I want it all.”

It is said that Wang Yang, the reformist Party boss for Guangdong who had actually been very careful in preceding months, was actually brought down by the complaints of the children of the Ye family: the descendants of Marshall Ye Jianying, who are the largest real estate promoters in opulent Guangdong province. The theme of second and third generation children is not taboo in China – there are even semi-official websites that publish glowing pictures and descriptions of the glitziest cast members<sup>4</sup> But a deeper truth may have emerged. Faced with a tough choice for reforms that might hinder or even bring down the interests of a new power elite, party elders have elected to practice genetic engineering. While one of China’s leaders, Wang Qishan, is said to have advised his colleagues to read Tocqueville’s classic “The Old Regime and the Revolution”, his colleagues are building a de facto aristocracy. A French sinologist,

<sup>4</sup> See [http://www.china.org.cn/china/2011-08/09/content\\_23173567.htm](http://www.china.org.cn/china/2011-08/09/content_23173567.htm) for an example of a young celebrity row

Jean-Luc Domenach, has painstakingly reconstituted the history of Mao's court and its intrigues from available archives and biographies<sup>5</sup>. It is a fascinating read, showing an old man bitterly failing with his own family and turning into a Chinese King Lear – devouring his colleagues and their children. But the most striking conclusion of the book – written without any allusion or even reference to events after Mao's death – is that these persecutions inside the Party actually strengthened the bonds inside surviving families and among their children. In 1978, Deng Xiaoping restored to their former seats all survivors of the 1956 Central Committee who had not been promoters of the Cultural Revolution.

In November 2012 Jiang Zemin is locking up China's top echelon with children of the 1950s or with some of his direct underlings. The CCP's ideology may be on the wane, but its DNA is encased inside the leadership. Immediately after the 18th Congress ended, observers reassured themselves with a new thought: kept away from the Standing Committee, younger and more reformist leaders, often selected by Hu Jintao, would have their day in five years – when five of the seven new Standing Committee members will be forced out by the customary age limit. Waiting five years to resume reform – or to patch up relations with Japan and Korea – is a theme currently heard around Beijing. It is likely that the current line-up is the creation of Jiang Zemin, rather than Xi Jinping, who will also have to work for the next succession in less than five years. But five years is still a long time in politics.

## The issue of Xi Jinping's style (6 February 2013)

Does Xi Jinping have entrenched beliefs and definite goals for his country? He wasn't very forthcoming in his public expressions during the lead up to the 18<sup>th</sup> Party Congress. This is not much of a surprise for a long-distance runner in a race where bullets are flying around. One need only to remember Hu Jintao's own accession to power back in 2002 when the prevailing joke was "Who's Hu?"

And so, when Xi Jinping met the press at the closure of the 18<sup>th</sup> Party Congress, his 1500 word speech, following Hu Jintao's delivery of a lengthy work report, was immediately hailed as a sign of modernity: short, pragmatic, and devoid of slogans and empty words. Indeed, Hu's rambling and balanced statements about "*harmonious society*", "*democratisation of international relations*" and other shovels of coal such as "*the whole Party must more purposefully take the holistic approach as the fundamental way of thoroughly applying the Scientific Outlook on Development*" (official translation) nearly tired everybody to death. In Beijing in 2011-2012, it was hard to find someone who was not ironical about Hu's reign, in spite of China's

tremendous achievements during the same period. Few people would recall that when Hu came in, a decade earlier, he was also hailed as a breath of fresh air: a contrast to Jiang Zemin who had set himself up as a "Yellow Emperor" and as a master theoretician with his "Three Representations" motto.

Xi's own acceptance speech was mercifully short and simple. But what did he really say? The first of two goals that really stood out was that of "happiness", repeated twice. It's not a completely new idea in China (Guangdong province under its reformist leadership has even had a "happiness index" for the past two years), but the word now supersedes any fast disappearing mentions of the word "harmony." The other goal was the "great renewal of the Chinese nation", a formula that both suggests the country needs renovation, and that also puts forward greatness as an objective: the theme has been expanded upon immediately after the Congress, with a well-publicised visit to a National Museum in Beijing exhibition that builds on the same theme. There, he explained the renewal embodied in "the China dream", and quoted – twice – Mao Zedong.

Finally, Xi mentioned the need to "ensure that our Party will remain at the core of leadership." That was a real play on words: instead of emphasising the "core leadership" which has designated a collective group of leaders excluding factional wings, Xi's words put an emphasis on a monolithic Party that is at the helm. This is a real change from the last decade. Instead of playing a balancing role between factions, Xi wants the Party to unite around him, and he emphasises cooperation, calling the Standing Committee members "colleagues" (*tongshi*). His own views may swing from one option to the other, but there can't be open debate, much less dissent, within the Party's ranks. And again and again, Xi has quoted Mao in recent speeches – usually Mao poems from the 1943 to 1949 period – as well as (occasionally) the poet Li Bai.

Cynical observers note that these poems were standard fare for Red Guards during the Cultural Revolution – and that Xi shares this stock with the deposed leader Bo Xilai, who also quoted Mao extensively. Realists go one step further: quoting Mao was a standard recipe for political survival during the Cultural Revolution, and Xi Jinping might just currently be reassuring the older generation and conservatives who backed his victory. Appropriately, outgoing president Hu Jintao's first public visit was to Cunyi, the site of a January 1935 meeting during the Long March. There is an irony there. It is at Cunyi that Zhou Enlai surrendered the chairmanship of the Party's Military Affairs Commission, making him the undisputed number one leader. And Hu has just surrendered this very post to Xi.

Indeed, Xi's acceptance speech also had one Mao quote (although unattributed every educated Chinese would have recognised it), about "serving the people" and emphasising a responsibility that's "heavier than

<sup>5</sup> Jean-Luc Domenach, *Mao, sa Cour et ses complots : derrière les Murs Rouges*, Paris, Fayard, 2012.

Mount Tai.” This is vintage Mao, revived during the Cultural Revolution or during Xi’s formative years as a youngster. But again, the quote is unattributed and approximate. We are reminded that Xi also ended his White House lunch toast in February 2012 with a series of strangely attributed quotes:

*“We can only do what Mr Deng Xiaoping said: ‘Cross the river by feeling the stones.’ Or what Secretary Clinton one quoted: ‘When confronted by mountains, one finds a way through. When blocked by a river, one finds a way to bridge to the other side.’ A Chinese pop song goes like this: ‘May I ask where the path is? It is where you take your first step’.”*

There go the speech writers, one is tempted to say. The Hillary Clinton quote is in fact – yet again – a hyperbolic quote of Mao; while the pop singer reference has a strong Taoist flavor. It is a completely different direction, for if Mao was also in his youth a believer of the Taoist “Great Way”, it is mostly the nod to violence that he took from it. Xi is also said to have made the same statement several times recently – that reform is an on-going process rather than a finite event. This was said to his Politburo colleagues.

Xi has also replicated Deng Xiaoping by making a series of talks during a tour to the Shenzhen area in January 2013, which were then circulated to the Central Committee. In those talks, he has castigated those who insist that “real” reform implies “*embracing the universal values of the West*”, and has claimed the right to choose “*what to reform and what not to reform. There are things we have not changed, things we cannot change, and things we will not change no matter in how long a time passes.*” His trip also included a number of visits to military units, including the South China Fleet.

Nor are Xi’s quotes, at the White House or in his acceptance speech, random in any way. “Serve the people” is the one reference to Mao that he had made in a longish interview that he gave in 2000 as governor of Fujian province. It also included the same reference to Taihang Mountains in Shanxi – and the information that his uncle had fought there in the revolutionary camp, and had been his source of inspiration. Reading this interview, where he describes his youth suffering after being castigated as a “rebel” by Red Guards, where he explains he fruitlessly applied 10 times to the Party from his exile, one gets the impression that Xi was carefully burnishing his legend in advance: the references to many past and present top leaders are simply not what a prudent province governor would do, even in 2000<sup>6</sup>At a very personal level, what he may also have been saying to his colleagues, via an interview, is that his whole family has revolutionary credentials, not just his father (Xi Zhongxun) who has

taken sides as a reformist liberal, particularly in June 1989.

Yet other threads run from the 2000 interview to Xi’s speeches made recently. These are pragmatism, cooperation, patience, which he eulogised as building a slow fire and then eventually dousing it with water... Also in his 2000 interview, Xi explained that the present generation of leaders was “carried on the shoulders of the previous generation”, and that it would not do to “negate the accomplishments of the previous generation.” Spoken with true filial sentiment, indeed. But none of these qualities were ever on display by Mao Zedong, and that’s of course where we have to pause and ask a question: is Xi a true believer or a dissembler, who after all has sent his daughter to study at a school (Harvard) that is the epitome of Western education and (one would hope) its values? Has he grasped from his family background and short, but arduous experience in his youth a firm legacy, or has he on the contrary learned to adapt, to go with the wind and perhaps to make do with incompetent ideologues and rigid conservatives?

Already in the first two months following his rise to power he has expressed himself in contrasting ways on a very hot topic: that of the relationship between the legal system and the Party. This has been debated at the top for the past three years at least, and we are to understand that security chief Zhou Yongkang and “legalist” Wen Jiabao sat at extremes from another in the previous leadership. In his first utterances after the Party Congress, Xi emphasised Party regulations and enforcement, but did not mention legal rule. It is nowhere to be seen in known excerpts of his Shenzhen speech – when Wen Jiabao in the same place had made it his number one point. His anti-corruption drive, the extent of which remains to be seen, is being led by the Party. Then suddenly in December, for the 30<sup>th</sup> anniversary of the Constitution, Xi emphasised that everyone, including the Party which is at the initiative of the legal system, is subject to law.

That turn has given a boost to reformist hopes – with a national petition soon signed for the Constitution, and the famous case of the *Southern Weekly* in Guangzhou writing an editorial where the “Chinese dream” is... constitutionalism. The issue immediately became a tug of war, which is clearly not over. The conservative boss of Guangdong’s propaganda has been under local attack, Guangzhou’s number two police official has committed suicide, and at the other end of the spectrum a liberal (and largely old Communist) publication, *Yanhuang Chunqiu*, was closed down – before reopening. In another area, Xi has raised hopes by talking of the need to catch both “tigers” and “flies” in the anti-corruption drive. And he has explained that “power should be restricted by a cage of regulations”: again a phrase with a strong background, since one of the most celebrated framing of market reform (by the late Chen Yun) holds that market and state are like “a bird in a cage.” Every one of Xi’s phrases is designed to

<sup>6</sup> The original interview for the Party’s Women Association magazine *Zhonghua Ernü*, is available on Chinese and other websites (<http://china.dwnews.com/news/2012-02-21/58609785-all.html>) and has been almost entirely translated by the Nordic Institute of Asian Studies (<http://nias.ku.dk/news/interview-2000-china%E2%80%99s-vice-president-xi-jinping-translated-western-language-first-time>).

emphasise the legacy of the regime over political innovation.

What can be concluded? Xi has an absolute sense of his individual, genealogical and ideological legitimacy. He has already ranted at Gorbachev and the fall of the Soviet Union, and his Shenzhen speech, far from being a eulogy of reform, gives equal praise to the Mao era and to what followed.

This is a leader with an ambition of strength over debate, and who is literally pre-empting from his very first days in power any hope of political reform. Second, where Hu held out something for everybody in his speeches, ending up setting no direction, Xi expresses himself ambiguously and sometimes obscurely. The overuse of quotes from poetry is there to give him ample room for manoeuvre, and is also designed to show him on a pedestal over his colleagues. It is in the same short period that former president Jiang Zemin, the strong man of the 18<sup>th</sup> Party Congress, has been officially designated as only an “old comrade” at the funeral of a PLA veteran. With his preference for personal expression, Xi is trying to escape the clutches of the coalition that put him in power because they hated the legacy of the Hu-Wen tandem.

It is fascinating that in the past two decades, only Bo Xilai has behaved so personally at the top. But isn't this at the cost of any political innovation? Few people have noted that the well-attended funeral where Jiang Zemin was downgraded to old retiree status was that of Yang Baibing – the general who led directly the Tiananmen repression in 1989. On balance, and in these first few months, Xi Jinping's flow of words shuts more doors than it opens.

## A hardened foreign policy (4 March 2013)

*Xi Jinping is expected to become China's head of state in March 2013. But being General Secretary of the Communist Party of China and Chairman of its influential “Party Central Military Commission”, he is the one to watch if you want to understand China's foreign policy. The question is, how will Xi Jinping's network and his political style influence China's international strategy?*

In the last years of the Hu-Wen years, questions were raised about the “bureaucratic fragmentation” of China's foreign policy and security establishment. Actual policy took twists and turns, and sometimes turned erratic. Previously, China had always been interested in creating a non-adversarial regional environment; it would never pick up a quarrel with more than one neighbor at a time. Now it suddenly seemed to have a knack for antagonizing almost all of them at the same time. Beijing's expert community and its social media community have been full of clashes between ‘integrationist liberals’ and ‘assertive

nationalists’. An event like the successful evacuation of Chinese nationals from Libya in the spring of 2011 was heavily criticized as China was seen to cave to Western demands at the UN. While not all observers recognized this as a consequence of a top level power struggle, many saw a lack of control by Hu Jintao and underlying indecision as primarily responsible for these trends.

But with the leadership change that began in November 2012 things have changed - including foreign affairs. Consider the following facts: China's policy towards its neighbors has refocused without necessarily moderating its course. There have not been new incidents with ASEAN countries or India. In fact China is enjoying the division between ASEAN members – take for example the last ASEAN summit where the Cambodian chair prevented any formal declaration regarding China. A gap in public communication regarding North Korea is also appearing<sup>7</sup>: While the Hu leadership team had emphasized a growing and surprising proximity with DPRK leaders it is less clear nowadays. Yet in both cases, Chinese policy remains the same: China has not rescinded any of its South China Sea claims and it is not moving to enforce the ASEAN-China declaration of a code of conduct – despite negotiating it since July 2011. At the U.N., beyond making the right noises, China has not been advocating a stronger condemnation and/or sanction on Pyongyang, even after a ballistic launch and a nuclear test.

By contrast, China has narrowed the focus of its regional assertiveness on Japan, which in effect also serves as a warning to others. The steady elevation of incidents around the Senkaku/Diaoyutai islands<sup>8</sup>, now involving clashes over flights and the “lighting” of a Japanese Self-Defence target by a PLAN destroyer, the barrage of media display – without so much as the beginning of any demonstration or turmoil inside the Chinese population this time around! – demonstrate both a sense of purpose, including a deliberate and calibrated challenge to Japan, and asserting full control of the situation. At the same time Chinese leaders seem to avoid summitry with the United States: this observation is in stark contrasts to President Hu Jintao's course corrections at the end of 2011 when he actually wanted to create conditions for his state visit to Washington. Xi Jinping's first trips abroad will be to Russia followed by a visit to South Africa – the message is clear: it is about links with countries that are not direct maritime neighbors and more crucially it is about building relationships beyond the United States or the West. The G-2 is dead with Xi.

Another development is also striking: the liberal, integrationist view within China's media and professional journals is diminishing. This concerns

<sup>7</sup> Francois Godement: North Korea's nuclear test: a trigger for regional conflict? [http://ecfr.eu/content/entry/commentary\\_north\\_koreas\\_nuclear\\_test\\_a\\_trigger\\_for\\_regional\\_conflict](http://ecfr.eu/content/entry/commentary_north_koreas_nuclear_test_a_trigger_for_regional_conflict)

<sup>8</sup> China Analysis: Shockwaves from the China/Japan island dispute [http://ecfr.eu/publications/summary/china\\_analysis\\_shockwaves\\_from\\_the\\_china\\_japan\\_island\\_dispute](http://ecfr.eu/publications/summary/china_analysis_shockwaves_from_the_china_japan_island_dispute)

economic issues as well, which are supposed to be at the heart of China's convergence and cooperation with regional partners. Part of this may have to do with the ongoing transition from Wen Jiabao to a new government headed by Li Keqiang: no names are known for sure on areas as important as foreign policy or foreign trade.

The simultaneous demise from the Central Committee of Zhou Xiaochuan, the reformist and outspoken head of the central bank, and Chen Deming, outgoing minister of foreign trade, more known for his hardline views, leaves many questions unanswered. But we are currently not hearing much from liberal circles in China on the necessary economic reforms, or on issues such as currency convertibility. It is also clear, in the first months of 2013, that the authorities are again launching a massive spending and lending program designed to boost the domestic economy. There are of course international justifications for that: Europe's economy is stalling, Japan, the United States and the United Kingdom have massive quantitative easing programmes – and the Chinese perceive this as the first stage in a currency war. But China's quiet countermoves, however realist, also run against a reform of the economic structure as China is still ahead of the rest in terms of current account balance and foreign currency reserves.

And then there are the embarrassing stories from within China's establishment. The personal rallying to Xi by children of the Mao-Deng generation of leaders is embarrassing. In particular the case - as reported by John Garnaut - of the late Hu Qiaomu's daughter. Hu Qiaomu fought bitterly in the 1980s against Hu Yaobang and any form of political liberalization – while Hu Yaobang, then general secretary of the CCP, had Hu Qiaomu's son arrested for fraud. In this early phase of the reform economy, the young man had established a school that sold fake degrees over the mail. The same people are now complimenting Xi for “restoring the spirit of Yanan”, eg. getting rid of reforms. At the same time, a high profile military hardliner, General Luo Yan, has suddenly started his own account on Weibo, China's twitter equivalent: he rants against “traitors” and subscribes loudly to “the leadership of Xi”, an expression that puts Xi over any collective leadership. Officers don't usually open Weibo accounts, and moreover Luo's account has been revealed to be supervised and protected by a PLA unit.

There is also an interesting link between domestic policy and foreign policy. Xi Jinping wants to champion a line that might be called hardline modernization, led by the Party and within the Party by a resolute “man”, eg. by himself: it is a return to the fusion of Party and military leadership of the pre-1949 era, with the Party directly in charge of the state. One is tempted to invoke a precedent in Soviet Union history. Many conservative critics of the Hu-Wen leadership criticized the stagnation and indecision of the leadership team and suggested an analogy to Leonid Brezhnev' long reign. While sympathetic

observers are trying at all costs to see in Xi a closet reformer, a Gorbachev in the making, he appears to be much closer to Brezhnev's ephemeral successor, Yuri Andropov. Andropov's reign (1982-1984) was abridged by disease, but he displayed some traits that could make him a role model for Xi. Very knowledgeable about the advanced West thanks to his long tenure at the head of the KGB, Andropov believed both in a foreign policy hardline to the West and a Party-led modernization, in the original Leninist spirit of self-reform. Andropov had made his choice during the 1956 Hungarian uprising, where he played a role as the Soviet envoy to Budapest. It is during his rule that Soviet air defense shot down a Korean airliner, killing 260 passengers on board. Yet Andropov also cut down on Brezhnev's dispersed imperial policies in Africa, for example, and started improving relations with China.

Xi is doing an Andropov. Instead of resuming the separation between Party and State he wants the primacy of the Party. He is carefully picking his ground for an indirect confrontation with the U.S., quite correctly focusing on the weak link with Japan. Under his tenure, cyberspying on foreign firms is reaching new heights. Yet Xi is also a modernizer - with the proclaimed intention to purify the Party from corruption and a preference for growth over reform. He will regularize some aspects of arbitrary rule, which does not mean limiting the power of the Party: while there is talk of reform for the labor camp reeducation system, China's corrupt cadres are increasingly worried about serving as test cases for these intentions.

Xi is not an old and ailing leader. His Party-state is rich – contrast this with the Soviet Union in 1982 that entered a decline and had to deal with a painful confrontation in Afghanistan. Yet he is taking on large political risks, when all of his predecessors have built on Deng Xiaoping's very ambiguity by allowing for limited liberalization and opening to civil society - and for promises and hints that more is to come later. Nowhere is this risk larger than in foreign policy: any economic downturn would leave China exposed to the long list of its partners who have been unsettled by the country's affirmation as an unyielding great power in recent years.

## Ite Missa Est (18 March 2013)

*(Ite missa est (lat.) - or as the French and Germans say: “la messe est dite” or “die Messe ist gelesen” roughly translated as “the deal is done; once the mass is over you cannot change the prayer”)*

The annual parliamentary session of the National People's Congress (NPC) has completed the transition process which began at the Party Congress back in November. The picture that is emerging is complex but it's easier to point out what hasn't changed or what hasn't happened than to identify any major policy initiative. However, by looking at the (few) decisions

we can gain a better understanding of what happened during the leadership transition.

### **New faces?**

First, the composition of the government looks like what had been expected for many months. From the 25 nominees there are in fact 14 holdovers, the average age is also relatively high, with several ministers appointed (or reappointed) who are older than 65 years (only a loophole allows members of legislative or consultative bodies to exceed this age limit).

The appointments do reflect a careful balance, however, with perhaps a more reformist overtone for appointees with economic portfolios:

- An interesting case is Li Yuanchao who was passed over last fall for the Standing Committee - he has now been appointed Vice-president of the PRC which is more of a ceremonial job.
- Wang Yang, the former Guangdong Party secretary was promoted and is now vice-prime minister for economic affairs. Interestingly, in his speech to the NPC, China's new Prime Minister Li Keqiang mentioned the need to curb "special interests" which signals an intention promote non-state enterprises.
- Zhou Xiaochuan, the head of China's central bank (who had not been reappointed to the Party's Central Committee) gets to keep his job. The slight he suffered during the Party Congress in November however killed intentions to enhance financial and monetary reforms, especially the convertibility of the currency.
- The promotion of Lou Jiwei from the CIC (one of China's two sovereign investment funds) to the Ministry of Finance also indicates that international finance may become more important.
- Gao Hucheng, one of China's leading trade negotiators has been appointed as minister of foreign trade. He had some experience in Europe (in fact in France) which is also the case for Lou Jiwei. This could be interesting as their predecessors were entirely 'home grown' - and it is also striking that both of them do not have any US experience.

As anticipated, there is also some government restructuring, which could be labelled as a reform or, perhaps more accurately, as an exercise in streamlining and rationalizing. The Ministry of Railways (a classic of the Communist age), disappears under the weight of its debts and a scandal involving its former head. The electricity portfolio is put under the authority of the National Regulatory Commission. And five different maritime agencies (all active in the South and East China Sea) are merged under the State Oceanic Administration.

*"Reform is a series of continuous adjustments, not a big event..."*

Can one be forgiven for suggesting that these changes are perhaps not earth-shaking? Strongman Xi Jinping<sup>9</sup> probably meant what he said in Shenzhen earlier this year: "Reform is a series of continuous adjustments, not a big event..."

And then there is what did NOT happen. For example, before the NPC there had been talk of a "Superministry for the environment", which would have had authority over China's sprawling energy bureaucracy. Not only is it not the case, but even the minister for the environment remains the same. The Beijing index for 2,5 micro-particle pollution stood above 500 during the two closing days of the NPC (any level above 25 is deemed dangerous by the WHO). This may perhaps explain the NPC's only show of temper: 850 delegates voted against the environmental committee nominates, an absolutely unprecedented show of opposition. Just to put it into context: Xi Jinping's appointment to the presidency of the PRC saw only one naysayer and three abstentions.

China's partners, and particularly its neighbours, will pay particular attention to foreign affairs. Continuity prevails in appearance. Yang Jiechi, China's "politeforeignminister", has been promoted State Councillor while Wang Yi, a vice-minister and former ambassador to Japan, takes over the foreign ministry.

But just as previously, no Politburo member is in charge when it comes to foreign policy, which in our view really means that Xi Jinping wants to have direct oversight. There is in fact one Standing Committee member, Wang Huning, who has not received any portfolio. A former Shanghai academic with European and US experience and a diplomatic advisor to the last two Chinese leaders. Wang is likely to play a role in linking China's manifold security interests with international bodies.

### **New policies?**

Were there major policy announcements during the meeting? They revolved much less around substance than on style and principles. Xi Jinping's speech confirms the shift to an unabashedly nationalist (or "patriotic") stance instead of focusing on "reform and innovation". But there is also some micro developments worth mentioning: For example, General Liu Yuan, formally the "political commissioner" of the People's Liberation Army (PLA) logistics department, but informally close to Xi since childhood, started emphasizing the evils of war in the context of relations with Japan. And General Luo Yan, an outspoken hawk who is on the record for his calls to action on the [Senkaku/Diaoyu issue](#), has recently lost an honorary post. From now on, there should be only

<sup>9</sup> François Godement: Meet China's hardline new president  
[http://ecfr.eu/content/entry/commentary\\_meet\\_chinas\\_hardline\\_new\\_president](http://ecfr.eu/content/entry/commentary_meet_chinas_hardline_new_president)

one piper leading the march on what seems to be China's number one foreign policy agenda – the rebalancing of Sino-Japanese relations in favour of China.

In fact the whole NPC session (very much in contrast to last year's meeting) has seen literally no overt politicking or public campaigning on the sidelines. Where political and legal reform were mentioned in last year's session, this time policy speeches were only about austerity, the fight against corruption and "hedonism". Perhaps the only novelty this time was the talk about a smaller government: shrinking the bureaucracy was a recurrent political theme of the 50es and 60es, and is not akin to market reform.

The – slow – shift to a welfare state policy was emphasized again by Prime minister Li Keqiang, who pledged social security for "all": but with only 12 % of GDP committed to this cause, there is of course still room for improvement. Li indeed mentioned the struggle against "special interests" – a word that had disappeared from public usage since the Party Congress. But he rolled into it a tongue-in-cheek remark, according to press reports: "stirring vested interests can be more difficult than stirring the soul". The joke can easily be read as a swipe at his predecessor, Wen Jiabao, who has left office under the cloud of his family's rise to wealth. But Li also added "we have no alternative", and he has announced several concrete measures – including one on the re-education through labour programme.

Some other notable developments: China's defense budget still grows by more than 10 % per year, and in the area of domestic security, a new regulation was passed that imposed a real name signature/identity requirement on all Chinese internet users.

The optimists, or those with a major stake in China's continued prosperity, will interpret the positive points of this NPC session as signs of more to come: they generally point to the third plenary meeting of the Central Committee, next fall, as the chief hurdle for reform. But in truth, they have very little proof to base their hope on. Much more likely is the following scenario:

### ***Xi Jinping's world***

Xi Jinping has established his personal pre-eminence to a degree unknown since Mao (and even Deng Xiaoping had to contend with very powerful peers) XI's pro-military and nationalist stance is as much a political tool in internal debates as a claim to legitimacy and perhaps a genuine belief in the geopolitical strength of today's PRC.

Xi has effectively closed the transition debate on constitutional and legal issues: there will be modernization but not a liquidation of the Party *à la Gorbachev*. The trend towards professionalization of

the People's Liberation Army is likely to be reversed, as it is made again a pillar of the regime.

Under this overarching alliance, many adjustments can be made: Xi understands the perils of a pervasive bureaucracy. Without moving to political reform and separation of powers, he will reinforce control from above in the bureaucracy, particularly aimed at corruption.

Xi understands some public demands – but only when they do not harm Party power: 850 delegates dared to oppose environmental nominations, an all-time high of opposition in China's legislature, but also a thoroughly isolated event. It seems more than likely that the delegates were given a free pass on the environmental issue. Junior ministers – dealing with education, health, housing also saw a slightly higher proportion of nay votes than the principals. These votes are not aimed at Xi himself, but show that the bureaucracy must be responsible to the public.

Xi also puts back some strategy into China's relations with its neighbours. Many of the nationalists support him publicly so he is able to control the populist outbursts. We are no longer in the period of taking power from predecessors, but in the period of exercising power.

As to the defects and gaps of the present socio-economic policies, Xi will not provide a holistic answer. He and Li Keqiang may make room for improvements to the situation of smaller firms and non-state actors. He may wield the anti-corruption weapon from time to time, although it will be important to see whether the target is also political. He will make adjustments to social and income policies designed to avoid a social explosion. But he won't dismantle the hybrid economy that his friends and colleagues, the Party family, have built over the last decades.

But how do you impose rules that you don't really apply to yourself? How can a militarized Party-state coexist with an individualistic and innovative society? How can you separate foreign partners with whom you share the rules of the game, and others to which persistent tests of strength are applied?

Xi's experiment for China is a fascinating one. He wants to combine 19th century power geopolitics with 20th century leninist politics in order to gain the upper hand on a 21st century globalized stage.

Xi's early start in life at the apex of political power, his fall from grace and painstaking comeback, his network of powerful friends and hidden circle of influence place him very far from what we think is modernity – balanced institutions operating on legitimate rules. Most likely, policies and people are tools to him, and especially Li Keqiang, a Prime minister whom he did not select and who once translated Alfred Denning's *The due process of law* into Chinese.

## About the author

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