



China's Forthcoming Political Transition

The 2012 Communist Party Leadership Changes Will Require U.S. Policymakers to Know What's Going On

Melanie Hart February 9, 2012

Introduction

The Chinese Communist Party convenes a National Party Congress every five years to announce new national policy directives and make critical personnel changes. This meeting takes on extra importance when there is a big personnel change ahead, particularly when that change involves the party secretary and the premier, China's top party and government positions, respectively. The next congress (the 18th since 1949) will occur in November 2012, with both of those positions changing hands alongside a number of other key personnel changes.¹ In short, this will be a particularly large and important leadership transition.

Over half of the cadres occupying China's top 25 leadership positions will be retiring—including Party Secretary Hu Jintao, China's top Party leader, and Premier Wen Jiabao, the top government leader.

Regional delegates will travel to Beijing to participate in the National Party Congress and in theory, according to the official party constitution, those delegates will elect the new leadership via closed ballot. In reality, China's outgoing party leaders always negotiate among themselves to anoint their successors and the bigger meeting basically serves as a very public rubber stamp. China's current leaders (the fourth generation since the founding of the People's Republic of China in 1949) and their potential successors (the fifth generation) are already jockeying to fill those posts.

When this transition is complete, the United States will confront a sea of new faces in China. These new leaders will steer the country through some of its biggest challenges, which could include major political reform. The next 10 to 15 years will be a turbulent period in China, and these new leaders will determine how that turbulence will evolve and how it will impact U.S.-China relations. This issue brief looks at the reasons why this political transition matters so much to our nation, the challenges and divides the new party leadership will have to navigate, and what U.S. policymakers should do as these new leaders react to the rough waters ahead.

The 2012 transition: Why it matters

In all previous transitions communist party strongmen—either Mao Zedong (before his death in 1976) or Deng Xiaoping (before his death in 1997)—played a strong role in selecting the top echelon. Current Party Secretary Hu Jintao was reportedly anointed by Deng himself, but Hu Jintao is the last of that line. This new 2012-2022 group will be the first round of top party leaders chosen without a founding revolutionary leader providing the deciding vote.

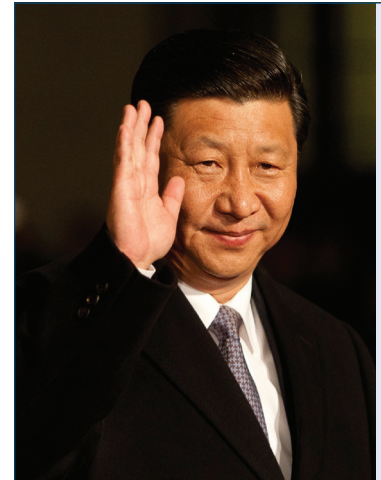
The most important decision-making organizations in the Chinese Communist Party (and in China as a whole) are the Politburo and its Standing Committee. There are 25 cadres on the Politburo, and of the 25, nine also serve on the elite Standing Committee. These top 25 leaders are China's board of directors. They determine the country's policy priorities, and over half of them—including seven out of the nine-member standing committee—are expected to retire in 2012. This means there will be a lot of new blood at the top.

These new faces will include China's two highest and most prominent leadership positions, now held by Party Secretary Hu and Premier Wen. The top party position is already settled. Xi Jinping will replace Hu Jintao as party secretary and head of the Politburo Standing Committee. It has taken much longer to settle who will step into the top government role to replace Wen Jiabao.

Hu Jintao is reportedly lobbying for Li Keqiang to move into the premiership. Li Keqiang is one of Hu Jintao's protégés, so if Hu can put Li in the premiership then it would solidify Hu's influence over the fifth generation. But Li has not always performed well in his previous posts and some party cadres reportedly believe that he is not yet strong enough to take on that role.

Li spent the first half of his career in administrative posts at the Communist Youth League in Beijing. He did not hold a regional government post until 1998, when he was appointed governor of Henan province in central China. While Li was at the helm, Henan faced a massive HIV crisis from contaminated blood at local donation centers, and instead of exposing the problem to reduce further contamination, Li reportedly tried to cover up the incident. Overall, as a regional leader, some saw Li Keqiang as a weak manager always scrambling to catch up with the latest scandal instead of acting proactively.

Chinese leaders need a strong premier to rein in local government kingpins. Provincial and local level officials often ignore Beijing's edicts to pursue their own interests—for example, they protect polluters instead of enforcing China's environmental laws—and when the central leadership fails to curtail that behavior it erodes the party's ability to govern. As the official head of the government, the premier can play an important role in coordinating central-local relations, particularly on economic issues.



THE ASSOCIATED PRESS/ ALIOSHA MARQUEZ

Xi Jinping
Likely 2012-2022 Party Secretary



THE ASSOCIATED PRESS/ LAURENT FIEVET

Li Keqiang
Potential Premier

Former Party Secretary Jiang Zemin and Former Premier Zhu Rongji reportedly support Wang Qishan, the vice premier for Economic, Energy, and Financial Affairs, as the best candidate for the premiership. Wang Qishan has more economic leadership experience and some cadres reportedly consider him to be tougher and more competent than Li Keqiang. Wang is also well liked in the West and gets on well with U.S. business interests. From a factional standpoint, Vice Premier Wang appears to stand with Xi Jinping under Jiang Zemin's “princelings” wing of the Chinese Communist Party.

Appointing two well-connected party elites to the top two posts would be difficult, however. Xi's father was a Mao- and Deng-era party leader, and Wang's father-in-law was former Vice Premier and Politburo member Yao Yilin. Filling China's most visible leadership posts with princelings may not sit well with the Chinese public.

Li Keqiang does not have those family connections, so from a public-image perspective he may be a better fit. Li is a member of Hu Jintao's “populist” coalition. Like Secretary Hu, Li and many other “populist” cadres rose up through the Communist Youth League rather than via elite connections, and that enables them to avoid a very sensitive problem. In today's modern media environment it is becoming increasingly difficult for party elites to hide the wealth they amass due to their political power, and their offspring are particularly notorious for generating scandals and attracting public ire. The more Chinese leaders fill their upper ranks with those well-connected elites and their offspring, the more they risk disillusioning the Chinese citizenry about the party's socialist bona fides—thus weakening governing legitimacy—so Chinese leaders carefully weigh public-image considerations when deciding how to fill top positions.

It is difficult to know for sure what goes on behind closed doors. Based on what we do know, there are still factional struggles within the party. But stable and predictable leadership transitions are critical for keeping the party going, and the two sides—the princelings and the populists—have a strong mutual interest in preserving that stability. Therefore, at least for the top party leadership posts, China's internal succession negotiations are primarily about finding a crop of consensus candidates that will be agreeable to all.

Xi Jinping is most likely a consensus candidate, and Li Keqiang will most likely serve as premier because that combination draws from both factions—Hu Jintao's populist Communist Youth League coalition and Jiang Zemin's elitist princeling coalition. No matter who takes the premiership in 2012, this particular personnel appointment has generated a huge amount of speculation and debate, not only in China but also internationally, and that illustrates the fact that there are conflicting views within the Party and those conflicts are increasingly public.



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Wang Qishan
Potential Premier, Likely
Politburo Standing
Committee Member

New challenges for the fifth generation (2012-2022)

The leaders who take the helm in 2012 will face big challenges.

According to the World Bank, China is now an upper-middle-income country. According to Chinese statistics, as of 2010 around 25 percent of the country as a whole and 37 percent of China's urban population is now considered middle class.

The transition from a middle-income country to a high-income country will be more difficult than the transition from low-income to middle-income. China is reaching the point in its development path where rising labor costs are reducing manufacturing competitiveness. To keep the country growing, Chinese leaders will have to shift toward a new development model that depends more on technology innovation and domestic consumption than on export-oriented manufacturing.

Doing so will require new economic policies and those new policies will be more complex and harder to implement than the existing model. For this reason Chinese leaders are very concerned that the country may fall into the so-called middle-income trap—like Malaysia, the Philippines, and Thailand did—falling into a period of economic stagnation instead of growing steadily until they reach the high-income growth peak.

China's new middle class is also demanding more from their government and the demands create an additional set of social and economic challenges.² China's command-and-control political system has major shortcomings but it was good enough for the first stage of economic reforms because those reforms simply gave local-level cadres free reign to make as much money as they could in whatever fashion they saw fit. That system created many problems—like rampant pollution—but in general, Chinese citizens accepted those problems as the price they had to pay for rapid economic growth.

Today incomes are higher so economic growth is no longer enough; quality of life is becoming more important. Chinese citizens are increasingly demanding a cleaner environment, safe food and drug supplies, and other more sophisticated government services that the command-and-control system may not be able to provide.

Then there are the income gaps between the winners and losers in China's economic reform program. These gaps are becoming more apparent—and the losers are getting restless. China's urban/rural and eastern/western income gaps are triggering discontent and mass protests, which could potentially lead to another large-scale, regime-threatening protest like Tiananmen (or, more recently, the "Jasmine Revolution" protests in the Middle East).

Until very recently these mass incidents were primarily limited to lower-income groups with nothing to lose, but that is changing as China's middle class becomes more powerful and more politically active. China's urban protestors are using social media to come

up with new strategies for challenging the state without risking a political crackdown. The “going for a stroll” and “going sightseeing” methods are particularly popular because it is hard for the state to declare those activities illegal.³ Instead of shouting slogans, protestors gather together in large numbers, walk slowly down the street, and, in some cases, emphatically deny that they have any problem with the government whatsoever. The “protestors” claim that they are just “going for a stroll” or “sightseeing,” but by acting in concert in such huge numbers it creates enormous pressure for the government to figure out what their main complaint is and to address it.⁴

Recently some urban protestors are getting bolder and more direct. In 2010, for example, hundreds of urban residents took to the streets in Guangzhou wearing surgical masks and chanting antipollution slogans to protest local government plans to construct a waste incinerator near their homes. The local government backed down and put the plans on hold.

It is difficult to know exactly how many mass protests Chinese leaders face on an annual basis. Over the past few years, the central government’s annual protest statistics have ranged between 50,000 and 100,000 per year. Statistics vary depending on how specific government agencies define the term “mass incidents.” Some of these incidents are huge, and some escalate into pitched battles between Chinese citizens and state security forces. In 2004, for example, around 100,000 rural protestors squared off against state security forces in a dispute over a hydropower project in Sichuan Province, and there were multiple fatalities.

The trend toward urban protests is particularly dangerous for the Chinese Communist Party. Rural protests are relatively easy to control—state security forces cordon off the area and China’s propaganda bureaus issue press blackouts to keep the story quiet. Urban areas are much harder to cordon off, so it is harder to keep the news from spreading, and there is a higher risk that smaller protests will expand and escalate into a regime-ending social movement.

China’s left/right ideological divides

Within the party, there is an increasingly visible left/right ideological divide over how to handle these new challenges. On the left the pro-egalitarianism, pro-Mao cadres support a strengthening of China’s socialist roots. On the right the pro-reform cadres support more opening up through administrative transparency, political diversity, and public participation.

As the Chinese media liberalizes, these ideological and political divides are catching more and more public attention and in some cases individual cadres are waging personal political campaigns that look a lot like U.S.-style electoral politics. Bo Xilai and Wang Yang—sometimes called the “two cannons” in the Chinese press—are among the most colorful, and their political antics are attracting intense public interest and speculation.

Bo Xilai is the party secretary of Chongqing (a provincial-level municipality in the west), and he appears to be a leftist. His two biggest local campaigns are “Striking Black”⁵ and “Singing Red.”⁶ The former is an anticorruption campaign (led by Bo Xilai’s gun-toting “mafia buster” police chief, Wang Lijun) to round up and prosecute Chongqing gangsters and the local officials protecting them. The latter is a retro Mao-era campaign. Bo Xilai encourages local officials and citizens to sing revolutionary songs to improve their spirits (and to remind them of his impressive pedigree since his father, Bo Yibo, was one of Mao’s contemporaries and a first-generation party leader).

If Bo Xilai is the new left, Guangdong Provincial Party Secretary Wang Yang is the new right, and if Bo is the new Mao, Wang wants to be the next Deng Xiaoping. Wang Yang supports liberal political reform and aims to pick up the baton where Deng Xiaoping left off—even if that path, like Deng’s reforms, turns tumultuous and bloody.⁷ Before he was transferred to Guangdong, Wang Yang served in Bo Xilai’s current Chongqing post, and Wang Yang likely does not appreciate Bo Xilai’s “Striking Black” campaign, which suggests that Wang was willing to put up with (and was potentially complicit in) Chongqing’s local-corruption problems.

Bo Xilai and Wang Yang are already Politburo members, and both stand a good chance of being promoted to the Standing Committee in 2012. They will most likely become extremely influential national leaders over 2012-2022.

It is not clear to what degree these left/right ideological differences would actually translate into different policies at the national level. In theory China’s leftists would support more state intervention to redistribute wealth and the right would want less state intervention and more political and marketization reforms. This is certainly true among China’s left-leaning and right-leaning intellectuals.

Yet among political elites, many of the supposed leftists are also princelings—like Bo Xilai, they are the sons and daughters of China’s previous rulers, and they are generally very wealthy. They have profited from a system that rewards their political connections, and no matter what they may say publicly, they have strong personal incentives to keep that system going.

Some apparent rightists, among them Guangdong Party Secretary Wang Yang, are also populists affiliated with Hu Jintao’s China Youth League coalition. We should not assume, however, that all populists are rightists or that the liberal cadres like Wang Yang will actually be a force for change. The foreign press has widely praised Wang Yang or his response to a December 2011 land protest because instead of cracking down on the protestors, local officials (who report to Wang Yang) conceded to some of their demands and officially recognized their independently elected local-leadership council. Once the protestors dispersed, however, local cadres disbanded the council, ordered the villagers



THE ASSOCIATED PRESS/ VIRGINIA MAYO

Bo Xilai
Current Chongqing Party
Secretary, Potential Politburo
Standing Committee Member



THE ASSOCIATED PRESS/ MICHAEL SOHN

Wang Yang
Current Guangdong Party
Secretary, Potential Politburo
Standing Committee Member

to hold a new round of elections, and disqualified many of their preferred candidates. When social stability is stake, most cadres will still do what is necessary to restore order, no matter their left/right bent.

Prospects for democratization

How will these new developments impact China's future political path? Thus far, party leaders are adamant that although China will undoubtedly move toward some form of democracy, it will not follow the Western democratic model. In the words of current Politburo Standing Committee Member Wu Bangguo:

To deepen the reform of our political system, we need to continually push forward the self-perfection and development of the socialist political system.... however, we absolutely cannot copy the Western system, absolutely cannot adopt multi-party rotation of power, separation of powers or bicameralism.⁸

In other words, there will be no national-level elections and no other political parties.

Instead, the current leadership focuses primarily on borrowing bits and pieces from the Western democratic model and using those pieces to upgrade the Chinese system into something that can govern more effectively. Chinese party leaders, for example, are increasingly dependent on administrative law and on the judicial courts to keep lower-level cadres in line and to give angry citizens an outlet for registering their grievances against the government without disturbing social order.

As the party moves further away from Mao- and Deng-era strongman politics and closer to the ideological divides and personal campaigns exemplified by Bo Xilai and Wang Yang, internal-party cohesion will likely weaken. The Bo Xilai and Wang Yang campaigns appear to be the first stirrings of a bipartisan era. As the party's internal divides deepen, intraparty jockeying will likely become more public and opportunistic cadres may break off to form alternative political parties, thus launching the country toward major political reform.

U.S. policy priority: Understand China's divides and know who you are dealing with

As China moves toward a more collective leadership model, internal political divides will likely strengthen. These include not only the party divides mentioned above but also regional divides.

To avoid the middle-income trap and satisfy rising citizen demands, Chinese leaders must shift away from the growth-at-all-costs model. The more-developed eastern coastal regions

are ready for that shift, but the inland regions are not. China's inland regions—particularly the western regions—believe that it is now their turn to get rich and they strongly resist central government attempts to deny them the growth-at-all-costs policies that got the eastern provinces to the point they are at today. We can expect these regional divides to play a particularly important role in China's stance on trade and currency policy.

Overall, China is becoming increasingly diverse, and we must be aware of these growing divides. U.S. policymakers must develop a better understanding of where individual Chinese leaders, agencies, and regions stand on critical bilateral issues. Approaching China without that understanding would be like approaching the United States without knowing the U.S. Democrat/Republican party divides—it could easily lead to major foreign policy miscalculations.

Just like in the United States, different Chinese leaders may send different signals, and that will make it difficult for the United States to correctly predict which way the country will go unless we also understand what those differences mean inside China. When the United States applies political pressure—on trade, human rights, or any other bilateral issue—we must fully understand China's divides and, when possible, calibrate U.S. foreign policy to push internal debates in our favor.

No matter which cadres emerge from this year's fierce behind-the-door negotiations to take the helm in 2012, the Chinese people are demanding more political transparency and accountability, and the new leadership will have to answer those demands to stay in power. That may well push China toward the type of rule-of-law country the United States wants it to be.

In the meantime, we should remain vigilant to ensure that China's growing pains do not harm our core economic and security interests. As Chinese leaders face a harder road meeting growing citizen demands—and as the Chinese public searches for a new national identity on the world stage—it is highly likely that Chinese leaders will try to deflect citizen attention away from their own internal shortcomings by pointing fingers abroad, particularly toward the United States.

To maintain a steady and cooperative bilateral relationship, we will have to get smarter about how we approach China to address these issues when they do emerge. In a divided China, there will likely be someone on our side, and identifying those internal foes and allies should be step one in any potential bilateral conflict.

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Endnotes

Note: All translations are the author's own.

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- 3 Yu Jianrong, "Shou zhu she hui wen ding de di xian" ("Uphold the Bottom Line of Social Stability"), Speech at the Beijing Lawyer's Association, December 2009, available at <http://www.chinaelections.org/newsinfo.asp?newsid=169507>.
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- 7 Tian Shuangyue and Wang Haijun, "Wang Yang zong lun Guangdong you huan ying yi 'sha kai yi tiao xue lu' qi po chuang xin" ("Wang Yang Speaks Openly about Suffering in Guangdong: Must Innovate and Boldly 'Break Open a Bloody Road'"), Nanfang Dushi Bao (Southern Metropolis Daily), December 26, 2007, available at <http://www.chinanews.com/gn/news/2007/12-26/1115107.shtml>.
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