Public Policy and Governance in China—the Role of the Chinese Communist Party

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A 1997 document of the United Nations Development Programme (UNDP) captioned “Governance for Sustainable Human Development” provides following nine characteristics of “good governance” – participation in decision making by all, rule of law, transparency in information flow, showing of responsiveness to all stakeholders, generation of policy consensus, provision of equal opportunities to all, effectiveness in using resources, accountability of decision makers to the public and strategic vision on the part of leaders.

Approaching the case of the People’s Republic of China (PRC) in the above context, a question arises whether or not the policy of the ruling Chinese Communist Party (CCP), enjoying exclusive power since the country’s founding in 1949, has been able to bring good governance in the country. This study is an attempt to provide an answer, while admitting that the CCP may have its own definition of good governance. It addresses an important question whether the existing problems within the CCP are affecting its governance in the country.

At the outset, it would be important to note that the CCP has been given a place above the country’s laws. It is officially stated that the party leadership guarantees the rule of law and that “governance according to law requires that the CCP governs the country on the basis of the constitution and laws and that the party leadership and socialist rule of law are identical. Party leadership is the most fundamental guarantee for comprehensively advancing the rule of law and building country under socialist rule of law”.

A look into the CCP’s organizational structure may be necessary in order to understand how it is able to govern a country which is very large and even diverse. One has to start with the party congress system; every five years a party congress is convened to finalize policy directions and select a Central Committee. The Central Committee selects a Politburo; both the bodies selected in the last 18th CCP Congress held in 2012, consisted of around 370 and 25 members respectively including senior central and provincial government leaders and military officials. The Politburo then selects a Standing Committee, which now has 7 members. It requires to be noted that the Politburo Standing Committee is the prime source of power in the country. The congress witnessed a leadership turnover, which is significant in last three
decades – around 70 percent of the membership of the party’s key organs was replaced. Xi Jinping’s selection as party general secretary in the Congress and his position now as the country’s President, make him the No.1 leader in the political hierarchy in the PRC. Next to him in importance comes Li Keqiang, selected as a Standing Committee member in the Congress and now the Premier of the State Council, China’s equivalent of a cabinet.

It is invariably being seen that two factions exist within the CCP’s existing power structure – one led by the “princelings”, the children of high-level leaders (Xi Jinping comes under this category) and the second belonging to “tuanpai”, cadres who rose to power through the Communist Youth League (like Li Keqiang). Some experts[1] see a much more complex power dynamic built from personal alliances and factional loyalties juggled among three groups: retired leaders (in particular Deng Xiaoping, who picked Hu Jintao), incumbents, and the incoming class. Noted China scholar Min Xinpei of Claremont McKenna College in the US, believes that the CCP leaders “all have conflicting interests that sometimes overlap and that the dynamics can be very fluid in this three-way negotiation process.” Proving this point, are the purges of powerful personalities that have taken place in the PRC as a result of Xi’s anti-corruption campaign which is unfolding since 2013, for e.g Ling Jihua, close to Hu Jintao; former Chongqing party chief Bo Xilai; Xu Caihou and Guo Boxiong, former vice chairmen of Central Military Commission and Zhou Yongkang, a retired Politburo Standing Committee member and former head of the CCP’s Political and Legal Affairs Commission. When looking carefully, it can be realized that the purges have happened not only because of disciplinary problems of affected leaders, but also due to their “political plots” against Xi.

It cannot be denied that the political system in China is now being impacted by the over-concentration of power in the hands of Xi; the leader holds so many high posts – as the General Secretary of the ruling CCP, President of the People’s Republic of China (PRC), the Chairman of the CCP and State Central Military Commissions and the head of the newly created National Security Council. Xi also leads the CCP’s many ‘leading small groups’, dealing with important areas such as foreign affairs, financial and economic work, cyber security and information technology, and military reforms. Altogether, he occupies a total of 11 top posts in the country’s most powerful leadership bodies. This would mean that all institutions of the 15 party, state and military are now directly reporting to Xi. As the authoritative journal “Caixin” puts it[2], Xi Jinping has become the de facto CCP Chairman.

Of late, the heads of several provincial/city party units (for e.g. the party chiefs in Sichuan, Hubei, Anhui, Guangxi and in the cities of Tianjin and Xian) have begun to describe[3] the leader as the “Core” of the CCP leadership. The exact remarks made by these units in their party gatherings held to sensitize the cadres under them on a Politburo speech[4] delivered by Xi in December 2015, have been that party members should “resolutely support General Secretary Xi Jinping, this core” (???????????????). The indications are that very soon the status of Xi Jinping could be formally elevated to that of “Core” of the fifth generation leadership.

As the CCP sees, Mao had occupied the “Core” position with respect to first generation leadership, Deng Xiaoping to the second, and Jiang Zemin to the third; the party though placed Hu Jintao in the category of fourth generation leaders, did not accord him the position of the leadership “Core”. The same type of visualization has so far continued in the case of Xi Jinping since he took over in 2012; in the party hierarchy, he is still being addressed only as the party General Secretary not as the ‘Core’ of the leadership, implying thereby that he as a leader is only primus inter pares and that a collective leadership is working in the country. In such circumstances, trends towards Xi Jinping...
assuming the “Core” leadership position are emerging. If they become factual, the arising implications for the current collective leadership system in China will be profound. Xi as the core leader, would be able to further strengthen his power in the run-up to the next 2017 CCP Congress; he could get elected as party chief for another five years till 2022 under the existing 10-year-tenure rule; speculations are rife that the leader desires to rule for longer than a decade till 2027, which is best evidenced by his hesitation so far to publicly promote his potential successors.

The situation being faced by the Xi Jinping regime which is relevant to governance can be summarized as follows:

Politics

There is no doubt that the CCP, under the leadership of Xi Jinping, since his assumption of power in 2012, has come to face an identity crisis; reflecting it has been the observation (September 15, 2015) of Wang Qishan, the powerful leader in charge of Xi’s anti-corruption campaign that the CCP needs to acquire legitimacy through winning trust of the people “in the present complex situation”. The present political climate in China is dominated by Xi’s ideological conservatism, reliance on tight political control and media censorship and his apparent priority to the stability requirement over that of reforms in the country. At the same time, there appear to be serious problems for Xi; firstly, there is a growing requirement for him to address the apparent disunity among the cadres; the repeated calls noticed in China to all party, government and military personnel to display loyalty to the CCP albeit in real terms to Xi, give rise to suspicions that there could be divisions in the party over the Xi leadership at top levels.

Xi said at the Fifth Central Discipline Inspection Commission (CDIC) Plenary Session (Beijing, January 13, 2015) that “party members should follow the constitution as well as political discipline and rules. The campaign against corruption will be arduous and complicated. The cadres should align with the authority of the CCP Central Committee in deed and thought, at all times and in any situation and ensure unity in the party”. The CDIC chief Wang Qishan in his lead article (People’s Daily, October 23, 2015) asked all party organizations and members to follow the regulations which “embody the spirit of” key Party meetings and comments of the CCP General Secretary and are crucial in ensuring Party strength. Subsequently, the CCP chief told at a politburo meeting (November 23, 2015) that “absolute loyalty is the most important to the party’s political discipline and most fundamental to its political responsibility”. Then came publication of two articles—a signed one in the Liberation Army Daily on November 30, 2015 and the other contributed by the PLA General Political Department on December 7, 2015, which sharply focused on the need for the military to follow the “Central Military Commission Chairman Responsibility” system, in other words to obey Xi’s orders.

As the year 2015 was ending, the CCP chief chose again to reiterate the theme of “loyalty to the party”; he asked the politburo members at what is called “Democratic Life meeting” (Beijing, December 30, 2015), for the first time at this level, that they “should stick to the correct political direction, be “in accord with the party central” and “consciously and actively follow the party leaders’ instructions”. Xi wanted the party men to exercise caution when speaking about key policies and warned them against creating factions. He complained that “some have been keen to poke around and … ask the things they should not ask … and run after the so-called internal information and spread it in private. Such actions had been rotting and decaying the party”. Loyalty to the Party is also Xi’s urge to the army. During a meeting with the
new heads of the reorganized organs of the Central Military Commission (CMC) (Beijing, January 11, 2016), he laid emphasis on the armed forces “unswervingly following the CCP’s absolute leadership, adhering to the Party spirit, obeying political discipline, and being politically intelligent, with firm political faith and right political stance”. [10] Overall, Xi’s speeches can be said as reflecting the need felt by him to secure the political loyalty of top level leaders, notably including in the Politburo.

Coming to notice in 2016, is a rare Xinhua formal statement[11] (January 7, 2016) on Xi’s December 30, 2015 politburo speech. It stipulated that “the leaders should be aligned with the central leadership of the party led by Xi in actions and thoughts. For the party, the government, the army, the people, academics, east, west, south, north, centre, the CCP leads everything”. Subsequently, a new book[12] captioned “Edited Excerpts From Discussions by Xi Jinping on Tightening Party Discipline and Rules,” compiled and published by the CDIC and the Party Literature Research Center, containing extracts of the leader’s 200 pieces of hitherto undisclosed remarks, selected out of his 40 speeches and articles, pertaining to the period November 16, 2012 to October 29, 2015, contained a call to party organizations at all levels to organize CCP members to study Xi’s sayings during the period. Li Zhanshu, a CCP Politburo member, has stressed[13] at a meeting on the work of authorities affiliated to the CCP Central Committee that “all party organizations and members should take absolute loyalty to the Party as their fundamental political requirement and foremost political discipline, achieve a high degree of conformity with the central committee and strengthen awareness of the party theories and policies”.

Xi had identified [14] sources of disunity but without naming anybody as those “forming factions, cabals and mountain strongholds within the party”; those “having vacillations regarding matters of principle and issues of right and wrong;” “openly expressing views that are opposed to major political questions regarding the party’s theory, guidelines and policies;” and “feigning compliance with but actually going against the party’s goals and policies.” To be seen in the same light is a signed commentary in the People’s Daily (Chinese language edition, August 10, 2015) alleging that “some retired leading cadres, while they were in office, put their cronies in key positions, so that they can interfere in the work of their original organizations and wield influence in the future. This is making new leaders feel that unnecessary concerns affect their work as their hands and feet are being fettered”. Analysts abroad thought that Xi in this way is targeting former party supremo Jiang Zemin.
A point of surprise is Xi’s latest boldness to name and attack his political opponents openly through the new book mentioned above. Such treatment will have a political meaning in the current context. The book puts the following observations [15] of Xi, in public domain for first time, with regard to the following purged senior officials – Zhou Yongkang, former security chief, Bo Xilai, former Chongqing party boss, Xu Caihou, former Vice Chairman of the Central Military Commission, Ling Jihua, former advisor to Hu Jintao and Su Rong, former Party Secretary of Qinghai, Gansu, and Jiangxi provinces. Xi says in the book, “From cases investigated over the past few years that involved serious violations of party discipline and the law by senior cadres, especially those of Zhou Yongkang (termed in Chinese media as belonging to “petroleum” gang), Bo Xilai, Xu Caihou, Ling Jihua (termed in Chinese media as belonging to “secretary” gang) and Su Rong, it can be seen that the problem of damaging party political discipline and rules was very serious and merited serious attention. The greater these people’s power, the more important their position, the less seriously they took party discipline and political rules, to the point of recklessness and audaciousness. Some had inflated political ambitions and for their personal gain or the gain of their clique carried out political plot activities behind the party’s back, carried out politically shady business to wreck and split the party”.

The “political plots” charges against “some”, made by Xi are indeed intriguing. Who are the “some”? Judging by official accusations already seen, they include Zhou and Bo. It was acknowledged during the court trials, that the two in addition to being corrupt, indulged in “Non-organizational political activities.”[16] Experts[17] have interpreted such activities as attempts to set up a power base in China, alternate to that of Xi jinping. It was also reported that Zhou and Bo once held a secret meeting in Chongqing during which they advocated “adjusting” the reform and opening-up policy initiated in the late 1970s by former leader Deng Xiaoping, bringing it back in line with Maoist ideas.[18] Xi’s public denouncement of Bo Xilai’s political ambition can be considered as a subtle warning to his future potential rivals in the party. More importantly, it could be indicative of his confidence now that he considers political challenges to him are over with his intensive anti-corruption campaign resulting in purges of both ‘tigers’ and ‘flies’, who were not only corrupt, but were also politically ambitious.

Economy

In consolidating power, Xi seems to have come under pressures arising from another challenge, i.e. in the economic realm; China’s economic growth has slowed to a 25-year low of 6.9 per cent in The decline mainly seems to be due to contraction of manufacturing sector and excessive investment-led over capacity infrastructure building. Negative factors in the long run appear to include shrinking of working age population. China however seems to be confident. Xi has called the situation as ‘new normal’, saying that the “economy is undergoing steady restructuring with emerging sectors like Services sector cropping up to lend fresh steam to drive growth” (Changchun, July 19, 2015). He has observed [19] that “despite downward growth pressure and recent financial market volatility, the country's long-term economic fundamentals remain sound and that the ‘new normal’ would be the major characteristic of the economy during the 13th Five-year Plan period (2016-2020) ensuring realization of higher, more balanced development. It is crucial to cut overcapacity, promote industrial regrouping, reduce cost for enterprises, develop strategic emerging industries and the modern service sector, and increase the supply of public goods and services.” Institutions like the World Bank, on their part express caution. There are also assessments in China that despite the slowdown, the country’s performance will be good in future as its economic policy is expected to focus in the coming years on embracing a new industrial revolution and encouraging Internet-based innovations.
On the other hand, the World Bank has cautioned that “downside risks to Chinese growth have risen. Its total debt-to-GDP ratio is now “significantly larger” than most other emerging markets. A more abrupt slowdown than currently predicted in China risks leading to spillover effects in other emerging economies, and particularly commodity-exporting ones.”

Latest official revelations are not inspiring. Yin Weimin, the minister for human resources and social security, told a news conference (Beijing, February 29, 2016) that 1.3 million workers in the coal sector could lose jobs, plus 500,000 from the steel sector. Other reports say that smaller factories in the Pearl River Delta, the “world’s workshop” in southern Guangdong province are struggling to cope with anemic orders and rising inventories. It was the first time China has given figures that underline the magnitude of its task in dealing with slowing growth and bloated state enterprises.

Overall, domestic consumption considered in China as a savior of the economy, does not seem to be progressing well. The domestic demand remains low; corporate earnings of retailers and consumer products companies are falling and manufacturing is contracting quickly. As put by a senior Chinese official, “The economy will follow an L-shaped path, and it won’t be a V-shaped path going forward.” The indication is that growth rates will not recover soon. The best case scenario for China is several decades of recession or recession-like stagnation, much like Japan experienced in the 1990s and the first decade of this century. Secondly, the CCP-led government has also to tackle serious economic problems. The GDP growth has recently fallen for first time in 25 years. This combined with corruption phenomenon may have potential to cause social tensions.

Military

In September 2015, China announced a cut by 300,000 in the strength of its military personnel which will now be two million; even then China’s military will remain as the world’s largest. No doubt the PRC perceives the cut as a step to protect world peace, but from what Chinese military officials said, it looks beyond doubt that the real purpose is something else, i.e to accelerate the PLA’s modernisation. The cut indeed marked the beginning of a new round of military reforms in the PRC to achieve that purpose. It does not mean a fall in the military’s fighting capabilities and there will be adequate budget allocations to support military modernization process. Worth noting is that process is now to progress “under a new situation”; as perceived by the Xi administration (China’s Military Strategy, May 2015), the new situation is one in which China is already in an important period of strategic opportunities for its development, the country’s comprehensive national strength, core competitiveness and risk-resistance capacity have increased and the PRC’s international standing and influence have grown.

Latest round of military reforms witnessed in 2016, has brought the PLA under effective control of Xi Jinping. The leader, also CMC Chairman, has established a three-tier “the CMC - theater commands - troops” command system and an administration system that goes from the CMC through various services to the troops. His reforms, besides setting up the CMC General Office, have also created three new military institutions, the general command of the Chinese People’s Liberation Army (PLA) Army, PLA Rocket Force, and PLA Strategic Support Force. Before the new round, China had four general departments – General Staff Department (GSD), General Political Department (GPD), General Logistics Department (GLD) and General Armaments Department(GAD). All the four have now been renamed and become
four of 15 “functional departments” directly under the CMC leadership. In the new lineup, the CMC General Office is ranked first, followed by the four renamed departments (the CMC Joint Staff Department, the CMC Political Work Department, the CMC Logistic Support Department, and the CMC Equipment Development Department). These organs are followed by two new departments (the CMC Training and Administration Department and the CMC National Defense Mobilization Department), making a total of seven departments. It is significant that the CMC General Office is placed ahead of the four general departments. It is likely that the CMC chairman will control the military through the General Office and that the head of the General Office will likely become a member of the CMC. In the same structure, new commissions have been created – the military’s disciplinary inspection organ, which used to work under the GPD, has been upgraded into an independent organization with the same rank as the former GPD; the CMC Discipline Inspection Commission and the CMC Politics and Law Commission. There are five new organs directly under the leadership of the CMC- the CMC Office for Strategic Planning, the CMC Office for Reform and Organizational Structure, the CMC Office for International Military Cooperation, the CMC Audit Office, and the CMC Agency for Offices Administration. If heads of these functional departments are all members of the newly structured CMC, along with the commanders of three military institutions - the general command of the Chinese People’s Liberation Army (PLA) Army, PLA Rocket Force, and PLA Strategic Support Force) and those of the PLA Navy and PLA Air Force, the membership of the CMC would be more than doubled, from 10 currently to 23.

China originally had seven military area commands headquartered in Shenyang, Beijing, Jinan, Nanjing, Guangzhou, Chengdu and Lanzhou, which now stand disbanded; instead five theater commands have become operational: Eastern Theatre Command with Liu Yuejun as commander and Zheng Weiping as political commissar; Southern Theatre Command with Wang Jiaocheng as commander and Wei Liang as political commissar; Western Theatre Command with Zhao Zongqi as commander and Zhu Fuxi as political commissar; Northern Theatre Command with Song Puxuan as commander and Chu Yimin as political commissar and Central Theatre Command with Han Weiguo as commander and Yin Fanglong as political commissar.

In a nutshell, Xi’s reorganization of the military seems to have two objectives – bring the PLA firmly under the control of the party, in other words of Xi and modernize the military, especially by bringing it under a unified command system. Such reorganization is not going to be an easy task.

Diplomacy
There is a close connection between China’s perceived domestic imperatives and diplomatic goals. The PRC recalibrated the strategic focus in its diplomacy to "core interests" in 2009, with the proviso that the country will make no compromises on its "core interests" and protect them even by military means. Identifying China's "core interests," Dai Bingguo, who played a major role in the country's foreign policy making, said in end July 2009 that "the PRC's first core interest is maintaining its fundamental system and State security, second is State sovereignty and territorial integrity and the third is the continued stable development of the economy and society". In specific terms, Tibet, Xinjiang, Taiwan and South China Sea Islands as well as strategic resources and trade routes were listed under the "core interest" category. The rationale given by China for the recalibration was that 'China is going global and its international influence is becoming more visible and assertive and the international environment and domestic conditions are changing.'

Xi Jinping reiterated the rationale in his speech delivered at the Chinese Communist Party Politburo Study session convened on January 28, 2013 that 'China will never pursue its development at the cost of sacrificing interests of other countries... We will never give up our legitimate rights and will never sacrifice our national core interests. No country should presume that we will engage in trade involving our core interests or that we will swallow the 'bitter fruit' of harming our sovereignty, security or development interests.' The subsequent 18th CCP Congress document echoed the same spirit. It proclaimed that China's 'banner is to forge a win-win international cooperation'; at the same time it laid emphasis on making 'no compromises' on issues concerning 'national sovereignty and security of core interests'. Most significant has been the document's clarification that 'the two aspects are pillars of Chinese diplomacy and do not conflict with each other' (People's Daily, November 16, 2013). The Chinese foreign minister explained his country's new foreign policy direction on March 8, 2014 by saying that the PRC 'will play the international role of a responsible, big country.' This signaled a firm shift in the direction so far existed of the PRC's external course -- 'hiding one's capacities and biding one's time' (veteran leader Deng Xiaoping's famous 24-character maxim of tao guang yang hui).

Notable in the recent period has been the central point in Xi Jinping's major speech at the Central Conference on Work Relating to Foreign Affairs in November 2014. As a firm signal that his foreign policy will accord priority to ties with the neighborhood, Xi in his speech, brought neighborhood ties to the first position in the priority order; this changes the erstwhile "Great Powers, periphery and Developing countries" order. He underscored the importance of holding high the banner of peace, development and win-win cooperation, pursuing China's overall domestic and international interests and its development and security priorities in a balanced way, focusing on the overriding goal of peaceful development and national renewal, upholding China's sovereignty, security and development interests, fostering a more enabling international environment for peaceful development and maintaining and sustaining the important period of strategic opportunity for China's development.'

A central point in all which have been said above, is the impact on the governance coming from over concentration of power in the hands of Xi. This phenomenon would impact on the intra-party power equations likely to emerge ahead of the CCP Congress next year. In the months to come, it would be necessary for Xi to ensure that his loyalists get elected to key positions in the Congress. The leader may also have to pay attention to further consolidate the military reforms and effectively tackle the economic downturn prior to the Congress. It looks certain that Xi will be reelected as party chief in the 2017 CCP Congress and may possibly continue in that position till 2022; this situation may help
him in leading the country towards accomplishing the “two centenary goals” mentioned in concluding remarks. The domestic and world attention will therefore be on Xi, a leader who is going to rule China for a long time from now on.

As the PRC transforms itself from a planned regime to one following a “socialist market economy” system, the country has come to face unprecedented socio-economic challenges. It can be said that to meet these challenges, the CCP-led regime is searching for ways to meet the main prerequisite for good governance - sharing of power between various layers of the society, so that the existing problems of government deficit in areas like public health, environmental protection, disaster response and infrastructure building can be addressed. [24] This being so, it may not be wrong to assume that the one party rule in China is yet to effectively realize all the good governance requirements.

A balance sheet with respect to the governance in the PRC will be in order. Politically, the CCP’s legitimacy as a ruling party has come under a question, as statements at senior levels suggest. The 1989 Tiananmen student pro-democracy riots and the collapse of the Soviet Union at the early 1990s forced the CCP to institute intraparty reform. This process is still on. In terms of economy, the PRC government cannot continue to sit on the laurels of achievement of a double digit economic growth witnessed since the introduction of reforms in 1978. An urgent requirement for it is to tackle the present slow down now in growth. Xi Jinping has said that “the country should move from the investment- and exports-led growth model and make consumption, investment and exports work in a more coordinated manner. It should step away from the resource- and material-dependent model to one relying on innovation, technical development and the improvement of skills”. [25] One has to wait and see how the new economic strategy will progress in the PRC. A biggest challenge for Xi administration will be to tackle the increasing social unrest as the economy slows down. In terms of military, the CCP’s governance capabilities are still developing; recent reorganization of the military appears to be a starting point. Keeping the army under the absolute control of the party seems to be a formidable task. In diplomacy, the PRC is yet to convince the outside world about its policy of mixing its search for win-win relationship with the approach of territorial assertiveness.

The analysis above shows that the CCP’s governing performance so far has been a mix of successes and failures. Credit should be given to the party’s economic performance especially in lifting millions of population out of the poverty line and making the country as a manufacturing giant in the world; but much needs to be done with respect to political reforms in the country. In the realm of foreign policy, the PRC requires to develop a fresh look at its policy of mixing friendship with assertiveness. Ultimately, the main test for the CCP with respect to governance will come from how it is going to implement the strategic vision of Xi Jinping - accomplishment of “two centenary goals” (doubling the 2010 GDP and per capita income of urban and rural residents and finishing the building of a society of initial prosperity in all respects when the CCP celebrates its centenary in 2020 and turning China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious when the PRC marks its centenary in 2050 and of the “Chinese dream of the great renewal of the Chinese nation”).
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7) [http://en.people.cn/n/2015/1023/c90000-8966343.html](http://en.people.cn/n/2015/1023/c90000-8966343.html)


[24] The road to collaborative governance in China, Jing Yijia, 2015, Palgrave Macmillan
