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## **Do Leaders Matter? Chinese Politics, Leadership Transition and the 17<sup>th</sup> Party Congress**

### *Abstract*

The opaque nature of decision making in China has generated considerable interest in the internecine machinations of elite politics. Particularly but not only, when it comes to issues of leadership transition, considerations of factional formation and conflict come to the fore. This is partly to explain the transition process itself, but also out of concern for how new leaders might change the direction of Chinese policy. This paper suggests that whilst leaders and leadership changes do matter, they matter less than they once did. This is partly a result of the de-ideologisation and increasing diverse nature of elite interests and group formation. But it is also partly a result of the changed nature of China's political economy; in short, there is less desire and less ability for new leaders to impose a clear paradigm shift.

### *Keywords*

China; leadership transition; factionalism; 17<sup>th</sup> party congress

### *Bio*

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The tendency to identify a country with its leader is a common phenomenon and entirely understandable; after all, as Harry Truman famously established in the Oval Office, when it comes to major policy decisions, the buck really does have to stop somewhere. Moreover, leaders themselves go to great lengths to stamp their own (constructed) personality over policy and to stress distinctions with their predecessors. It is perhaps easiest to see the difference an individual leader makes when it comes to the great decisions of diplomacy – to go to war or not. But few would argue that even in terms of the day to day business of politics and economic governance, “Thatcher’s Britain” and “Reagan’s America” were distinctly different from what came before and changed the basis of polity in the UK and the US.

Of course, not even Thatcher and Reagan were in total control of their countries and faced considerable opposition in pushing through their preferred policy preferences – “Thatcher’s Britain” was not a Britain where everybody simply followed the leader’s dictat. But when it comes to authoritarian states, then the association of the leader with the country often contains different connotations of that leader’s “ownership” of all that occurs while they are in power. And again this is entirely understandable. The lack of democratic accountability, institutional checks and balances, and formalised (and legitimate) means of interest articulation clearly do mean that authoritarian leaders have less constraints on the imposition of their will than in other political systems. Distributive systems where personal advancement and wealth are primarily conditioned by an individual’s position in – or relationship with – perhaps also create a more controllable political economy.

So it is not surprising that the role of individual leaders in the People's Republic of China (PRC) remains a fascination for many. The idea that the country was Mao's and Mao's alone retains considerable popular purchase (even if academic studies have long rejected monolithic conceptions of the Chinese state). Deng Xiaoping's role in changing the basis of polity from class struggle to economic modernisation also rightly remains the starting point for considering how China has changed since 1978. But the analysis of China's more recent leaders has been somewhat more ambivalent. None have captured the popular attention or indeed gained the global name recognition of Mao or Deng. Nevertheless, the assumption that all that happens in China is the result of some sort of plan orchestrated in Beijing – albeit perhaps more of a collective endeavour than before – remains in much of what is said about “the rise of China”.

Despite the deliberately provocative title of this paper, it is not the intention to deny the significance of leadership and leadership transition in China *per se*. However, it *is* to suggest that individual leaders are less able to promote their agendas than some interpretations might suggest. Endowing leaders with too much power and too much agency is partly a result of dichotomisation; the depiction of elite politics in China as a struggle between two competing camps, with one leader or faction fighting to impose their will and policies over another. It is compounded by the nature of leadership transition in an authoritarian state which focuses attention on the extent to which new leaders' policy preferences might alter the trajectory of reform – not least because like many of their democratic counterparts, new Chinese leaders themselves go to great lengths to stamp their own (constructed) personality over policy and to stress distinctions with their predecessors.

So this paper suggests that while leadership clearly matters in China, and leadership changes do make a difference, they matter less and make less of a difference than once was the case. It does so by considering the policy agendas of the 17<sup>th</sup> Party Congress (PC) of 2007. It first focuses on leadership transition, suggesting that top level leadership is characterised by balance and consensus building rather than either the authority of a paramount leader or the balance of power between “two lines”. Such a dichotomisation is sustained in party at least because party leader Hu Jintao and Premier Wen Jiabao have tried to identify themselves orchestrating the move to a new governance paradigm. However, their policy initiatives are not quite the departure from the past that they might like us (or the Chinese people to believe). Indeed, the Hu-Wen leadership are constrained in their action not just by balancing at the centre, but by the nature of the political economy that they preside over.

### **Analyzing Leadership In China: Factionalism and Factionalisation – level one heading**

Of course, students of Chinese politics could rightly argue that the focus on top leaders as the single determinant of the trajectory of Chinese politics has never been part of the academic agenda. While editorials, op eds and now blogs might be leader-centric, the academic community always shied away from monolithic interpretations almost from the onset of independent studies of the PRC. The word “independent” is used here as there was something of a tendency after 1949 to consider Chinese communist politics as something of a sub-set of “Communist Studies” (or perhaps “Soviet Studies”) *per se*. Totalitarian conceptions of a chain of command from central government to the lowest level administrative units on the ground seemed to make

sense given both the pervading interpretation of the politics of the Soviet Union, and the way in which the party-state structure in China appeared to have been constructed in Moscow's image.

But almost as soon as this party-state structure was in place by the mid-1950s, scholars began to unpick the efficacy of totalitarian perspectives. To be sure, totalitarian perspectives persisted in academic observations (Barnett 1967), but for others the task was to identify either obstacles to the implementation of central leaders' policies or indeed where these policies actually originated from. Much of this work concentrated on the relationship between central and local power with authors such as Goodman (1986) and Donnithorne (1972, 1981) pointing to the importance of provincial leaders as sources of policy innovation, and at the very least, key determinants of how central policy were actually implemented on the ground. Whitney (1969) saw the centre as not much more than an arena where competing local interests came into contact, and central leadership as a not much more than balancing and arbitrating between these different demands.

Others looked for and at institutional and ideational issues instead of geographic bases of authority. For Whitson (1969, 1972), alliances formed during the revolutionary struggle based on which Field Army leaders served in remained the source of solidarity and political conflict after 1949. Nathan (1973) disagreed, arguing that factional formation in China was fluid and factional alliances were weak. There were so many groups and interests represented at the apex of Chinese politics that almost as soon as a faction gained power it began to fall apart – they came together to defeat a

common enemy and once the victory was achieved, internal divisions began to pull the victors apart.

For Domes (1977), this all changed in the struggle to succeed Mao. The factional fragmentation – what he termed factionalisation – hardened into groups that came together and stayed together to fight a common cause. They adopted comprehensive programmes and alternative and competing policy packages in an attempt to win support for their group in what, in light of the worst excesses of the Cultural Revolution, might become a life or death struggle. Yet Nathan's understanding that factions were more about shared opposition to others than anything else appeared to be validated by the splits in those that opposed the Cultural Revolution Left after Mao's death. For Lucien Pye (1980, pp. 12-13)

*"the tacit nature of factional relationships, which made it easy for Deng to attract great support immediately after his second rehabilitation, has also caused his power to gradually erode because of the logical impossibility of satisfying all his potential supporters."*

Thus, with the pre-mortal succession crisis of the late 1970s won, the victors began to concentrate on what divided them instead. Writing on the first decade of reform, Bachman (1988) noted that the analysis favoured in the western media was an oversimplified "two line struggle" – those who wanted to reform the system versus those who wanted to conserve the status quo. Along with Hamrin (1984), Dittmer (1990) and Solinger (1982), Bachman (1986) used a tripartite division of the Chinese leadership in an attempt to simplify competing policy packages in the 1980s drawing distinctions between those who wanted to more or less keep the system that emerged

in the early post-Mao era, those who wanted to tinker with it to make moderate changes, and those who wanted to undertake radical far reaching reform. However, these scholars argued that these were indicative groupings of what Solinger (1982, p. 68) called “broad lines of fissures” rather than firm and unmoveable factional groupings. Indeed Bachman (1988) argued that in reality the conservative faction could actually be divided into six different types of conservatives who rarely came together to fight a common position. The key task for Deng as the top leader was to keep them fragmented as six different groups and prevent them coalescing into a single united conservative group that could potentially derail the transition from socialism – as did indeed happen for a short period between 1989 and 1992.

The move to reinvigorate reform after Deng Xiaoping’s praise for proto-capitalist practices in his tour of southern China in 1992 largely buried the question of whether there should be further change or not. Henceforth, the divisions were not over “whether”, but “how” to change further. This transition from ideological to practical cleavages is best summed up by Deng himself:

“The fundamental difference between socialism and capitalism does not lie in the question of whether the planning mechanism or the market mechanism plays a larger role. [The] planned economy does not equal socialism, because planning also exists in capitalism; neither does [the] market economy equal capitalism, because the market also exists in socialism. Both planning and market are just economic means” (cited Woo 1999, p. 46).

This is not to say that divisions disappeared – far from it, but they were no longer over what to do but how best to do it and, I would suggest, fundamental ideological



debates have been replaced by more pragmatic and practical bases of competing interests and demands.

But while academic attention focuses on the increasingly complicated and diverse sets of societal interests and how these interests are represented (or not) in the political realm, on some levels at least, the dichotomisation of elite politics into two lines has remained. Debates over whether to join the WTO or not can be and have been simplified as those who were for and those who were against – a dichotomy that perhaps glosses over the myriad, varied and sometimes conflicting reasons for opposing WTO entry. And as we shall see, leadership transition since Deng has also been couched in terms of a very simple “two line” conflict; either between a Shanghai Gang/Clique and their opponents (Tkacik 2004) or between the economic task of generating growth and a political task of promoting development.

This latter division has been promoted by the current Hu-Wen leadership themselves as part of an attempt to distinguish themselves from their predecessors – an issue we shall return to in the final section of this paper. As such, it is perhaps not that surprising that an almost self-designated two line approach has been repeated in some observations of elite politics. And given emerging norm of ten year tenures in power for top leaders, neither is the focus on what will happen when this leadership gives way to another generation particularly surprising. Moreover, the spotlight that the Chinese Communist Party (CCP) itself places on the PC is important here. The PC is theoretically at the apex of the CCP decision making process. It is here that leaders are elected, committees staffed, amendments to the party constitution debated and major policy initiatives announced. In reality, of course, there is little real discussion

and debate during the congress, with the major decisions all agreed in advance. Furthermore, many of the crucial watersheds in policy have occurred not at the PC, but at mid terms of the congress cycle – not least the decision to adopt a reform agenda at the 3<sup>rd</sup> Plenum of the 11<sup>th</sup> Central Committee in 1978. Nevertheless, the need to get everything sorted for the PC means that debates and disagreements tend to come to a head every five years.

But while an analysis of the 17<sup>th</sup> PC suggests that the two-line focus might be understandable, it is not particularly helpful. As the following section will show, the nature of elite conflict is not so simply defined, the ability of leaders to change the overall direction of policy not so clear (and not as great as the leaders themselves sometimes suggest) and the implications of generational change not quite as important as some might suggest.

### **The 17<sup>th</sup> PC: Leadership Consolidation and Generational Transitions – level one heading**

The importance of leadership transition in China is in no small part a result of the opaque nature of how such leadership changes come about. If there is an emerging new “norm” of leaders emerging, it is a norm that is based on elite bargaining and power balancing behind closed doors rather than election or other transparent processes. And the very opacity of the system goes some way to explaining why in attempting to understand what has happened, analysts search for the source of potential alliances amongst protagonists by identifying commonalities and contacts in their backgrounds.

This new “norm” of fairly predictable if opaque transition mechanisms is also a remarkably new process with previous transitions a result of sometimes bitter political manoeuvrings and/or personal patronage. For example, many people – including many Chinese – were surprised when Hua Guofeng emerged as China’s paramount leader in 1976 succeeding Zhou Enlai as Premier and subsequently Mao as Party Chair. Hua’s claim to leadership was that he was the exegete of Mao’s works, and Mao had chosen him as his successor - supposedly an ailing Mao told Hua “with you in charge I am at ease”. In reality, his rise to power owed more to his position as Minister of Public Security which facilitated both the purge of Deng Xiaoping and arrest of Mao’s wife and the rest the Gang of Four, effectively taking key political competitors out of the equation.

With the exception of students of Chinese politics, Hua remains a forgotten man of Chinese politics. It is instructive that although Mao died in 1976, the start of the post-Mao era is usually dated from two years later after Deng’s resurgence as a result of factional infighting and competition with Hua. Moreover, the formal *de facto* transition of power from Hua took place considerably later than Deng’s *de facto* assumption of authority in December 1978 – it might surprise non China specialists that Hua remained Premier until 1980 and party-leader until 1981. So for over a year, the man who held the positions had no real power, and he was succeeded by two men (Zhao Ziyang and Hu Yaobang respectively) whose positions and power were dependent on the patronage and support of the Deng Xiaoping – the paramount leader but a man who held neither top party nor state jobs.

Moreover both Zhao and Hu ultimately lost their positions by arousing opposition from conservatives and falling out of favour with Deng. And the fact that Li Peng replaced Zhao as Premier was yet again a result of personal relationships and conflicts. Li was the chosen candidate of Chen Yun – a man who like Deng was a power behind the scenes holding no formal position of any real significance. Thus, the balance of power between such “informal” authorities behind the scene effectively determined who held the formal levers of power. Leadership was crucial – but being a real leader and holding the formal reins of power were not the same thing.

It is widely thought – perhaps more correctly rumoured – that the transition from Deng Xiaoping entailed a double anointing; it was not simply a case of ensuring that Jiang Zemin succeeded Deng, but also that Hu Jintao succeeded Jiang. If true, this means that the transition from Hu to a new leader in 2012 could in fact be the first time that a paramount leader has not been instrumental in ensuring succession – either dead or alive. Even if it is not true, it will be only the second time the leadership has been transferred in this manner, and in either case we can say that we are in a new era era of political transition in China.

Whether pre-approved by Deng or not, Miller (2006) suggests that the process of preparing Hu Jintao for leadership might represent the start of a new norm whereby the successor needs to be finessed into positions of authority prior to their assumption of power. In practice, this means that they need to be put into positions of authority – and not least into the politburo – at the congress prior to their assumption of power. So one of the consequences of what appears to be an accepted ten year cycle of leadership could be that the middle party congress after five years entails both the

consolidation of the existing leadership and simultaneously the starting point of the transition to the next leadership – it's the end of the beginning, but also the beginning of the end.

### **Leadership Changes: A Tendency To (Falsely) Dichotomise? level two heading**

This combination of consolidation and succession was a key focus of attention before and during the 17<sup>th</sup> PC, which brings us back to the issue of dichotomisation and factional understandings of elite politics. For those who propose two line perspectives, transition issues at the congress were a classic example of such factionalism. On one side, we have a Shanghai clique built around Jiang Zemin and Zeng Qinghong who were promoters of ever greater economic liberalisation and associated with the boom economies of coastal China and global economic integration. The Shanghai clique had overseen China's entry into the WTO in 2001 and dominated politics after Deng until at least the 16<sup>th</sup> PC of 2002. Although Jiang Zemin formally stood down as party leader in 2002, he retained Chairmanship of the Central Military Commission until 2004, and through Zeng and others (who will be discussed in below), retained a strong power base at the centre of PRC politics.

Previously Jiang Zemin's deputy in Shanghai, Zeng accompanied Jiang to the central leadership in Beijing in 1989 to fill the political vacuum created by Zhao Ziyang's dismissal over Tiananmen. Zeng is largely "credited" as being the organisational mastermind of Jiang's consolidation of power, controlling the appointment of likeminded officials to provincial and central power, and at least participating in the dismissal of Chen Xitong, the Mayor of Beijing, for corruption in 1995. He is also thought by some to have had at least a hand in developing the "Theory of the Three

Represents” promoted by Jiang Zemin and incorporated into the party’s “guiding ideology” at the 16<sup>th</sup> Party Congress in 2002 which effectively meant that the party was no longer the representatives or “vanguard” of just the proletariat, but all “advanced” forces in China including private entrepreneurs.

On the other side we have a group associated with the Hu Jintao, Wen Jiabao and the “fourth generation” of leaders. Tkacik (2004, p. 95) refers to this group as the “apparatchik’s line”, but they are more often referred to as the Communist Youth League (CYL faction) or *tuanpai* as it was in the CYL that Hu first made an impression in the central leadership in Beijing and where Cheng Li (2005) has calculated at least 22 ministerial level or provincial leaders also cut their political teeth. In opposition to the Shanghai clique, these leaders focussed on dealing with inequality and deprivation rather than simply growth promotion, and re-embedding the basis of power in the people rather than in the hands of corrupt officials (though as we shall see, this does not mean the move towards plural democracy just yet).

Although formally assuming power in 2002 and 2003, this group was restrained by the residual influence of the Shanghai clique and initially the residual shadow of Jiang Zemin, and only began to assert their “new” policies and implicitly criticise their predecessors from around 2004.

The arrest of Shanghai Party Secretary Chen Liangyu in September 2006 for corruption was widely regarded at the time as an attack on the residual power of the Shanghai clique. Chen did indeed have close contacts with both Jiang Zemin and Zeng Qinghong and was also opposed to central policy to slow rates of growth (particularly in Shanghai). His dismissal paved the way for debates over how

resignations and appointments would consolidate Hu Jintao's position in the run up to the PC the following year, and on who was and wasn't in the new leadership in 2007.

Zeng Qinghong's retirement from party leadership at the 17<sup>th</sup> PC (and as Vice President in the state system the following spring) was not a surprise given that he was (just) older than the new age limit of 68 for eligibility of election to the politburo. From a two line perspective, this might be taken as a sign of Hu Jintao's consolidated position. Nevertheless, it is notable that of the five leaders who were re-elected from the 16<sup>th</sup> to 17<sup>th</sup> PC, three are in Fewsmith's (2004) list of Shanghai clique members – Wu Bangguo, Jia Qinglin and Li Changchun (the other two were Hu Jintao and Wen Jiabao). Moreover, Jia Qinglin was re-elected despite continuing rumours of involvement in corruption in Beijing and Fujian that at least some in China and elsewhere thought would be enough to see him step down.

Of the newly elected members of the Politburo Standing Committee (PBSC), Li Keqiang seems to carry the imprimatur of Hu Jintao and was widely thought to be his choice as the next party head in 2012. But the same cannot be said so definitively for Xi Jinping, He Guoqiang and Zhou Yongkang, all of whom have different levels of relationships with Zeng Qinghong (and therefore to some extent Jiang Zemin). Moreover, with Li Keqiang lower than Xi Jinping in the PBSC rankings, it is the latter who (if "normal" politics continues) should become head of the party in 2012 with Li replacing Wen Jiabao as Premier in 2013. How then, do we explain what appears to be far from the definitive removal of the Shanghai clique that was expected in some quarters when Chen Liangyu was arrested in 2006? The answer lies in returning to the

issue of factions and factionalisation in Chinese politics, and in an over-stark delineation of elite politics into two distinct and mutually exclusive camps.

Identifying what a faction is, who is a member of it, or indeed if they really exist at all is far from clear. Unlike in Japan, where there are clearly identifiable factions – and indeed, where the identification of factional alliances is provided in special handbooks of politicians' backgrounds and affiliations – Chinese factions are inferred. As Zheng Yongnian (2002) argues, interest politics is becoming more institutionalised with organisations like the State Council developing an organised institutional identity. Talking to those in the know (or those who know those in the know) also make it possible to come to some sort of conclusion. But to be honest some of the job of faction-spotting still remains built on informed guesswork.

At times, the desire to understand the closed nature of decision making and elite politics leads to perceptions that perhaps exaggerate the significance of historical bonds between individuals. For example, how far should we take CYL experience as a source of factional alliance? It is not surprising that leaders like Hu Jintao look to their old his old power base as a source of support and personnel. But neither is it that surprising that those who have risen to power at the top of the party have served in the CYL at some point; it is a natural career trajectory for aspiring political leaders in China (not *the only* career trajectory, but certainly *a* career trajectory). Whilst there does seem to be some correlation between a CYL past with Hu Jintao and promotion under him, considering everybody who has served in the CYL to thus form part of a large and coherent group/faction/cliue seems to be stretching things too far. Things get stretched even further if a history of CYL involvement at provincial levels, rather



than just in the central CYL administration, is taken as a source of some sort of alliance (Bo 2007a).

*Is there a “Shanghai Gang”? level three heading*

The problem is further complicated because the nature of factional alliances and power configurations changes over time – not least as leaders die, retire or are dismissed.. For example, Miller’s (1996) attempt to identify a “Shanghai Gang” in the mid-1990s has little resonance today as with the exception of Wu Bangguo, the members that he considered are no longer at the forefront of politics. It was a different set of people coming together at a different time to fight different opponents; indeed, at that time, the nature of ensuring the smooth transition of power from Deng and ensuring that liberalisation was on track meant that Hu Jintao was sometimes associated with this Shanghai group in opposition to older and more conservative leaders.

In terms of contemporary debates, Fewsmith’s (2004, p. 81) assessment of those leaders elected at the 16<sup>th</sup> PC in 2002 provides a good starting point. This Shanghai “group” “included Wu Bangguo, Jia Qinglin, Zeng Qinghong, Huang Ju, Li Changchun, Chen Liangyu, Liu Qi and maybe Zhang Dejiang”. Of those elected in 2007, we can fairly safely add He Guoqiang who Shambaugh (2007) refers to as Zeng’s “protégé”, maybe Zhou Xi Jinping to this list and probably Zhou Yongkang (at the very least, neither are obvious acolytes of Hu Jintao). Whether Xi Jinping can be added to the list is an issue we will return to shortly. If this expands Fewsmith’s original list, we can also reduce it. As we have seen, Chen Liangyu was arrested in 2006 and Huang Ju died in June 2007.

But is the Shanghai clique really what it appeared to be. Zhang Dejiang (who Fewsmith was unsure about in the first place) was reportedly highly critical of the “Three Represents” and the formal acceptance of entrepreneurs into the party. Wu Bangguo, who like Hu studied at Qinghua University, is thought to have at least been non-oppositional to Hu Jintao. Indeed, some have pointed towards the shared Qinghua background of a number of top leaders (Ting 2005) including not just Hu Jintao and Wu Bangguo, but also Wu Guanzheng (who retired from the PBSC), and Politburo member Liu Yandong. Lam also argues that Zeng Qinghong had developed a decent working relationship with Hu Jintao after the 16<sup>th</sup> PC and despite Jia Qinglin being close Jiang Zemin argues that he only had “little connection” with the “Shanghai faction” (Lam 2007, p. 6).

### **Supreme Leadership, Diverse Factionalisation and Balancing? Level two heading**

Lam also argues that Xi Jinping “has never been a Shanghai Faction affiliate”. And indeed, we should remember that his appointment to Secretary of the Shanghai Party Committee was under the leadership of Hu Jintao after the arrest of Chen Liangyu. At the very least, it would seem odd that if the arrest of Chen represented Hu Jintao asserting his power over his Shanghai opposition, he would then simply replace him with another representative of that same opposition in Xi Jinping. Either Hu Jintao does not have the power to do as he pleases, Xi Jinping isn’t a member of a clear and cohesive oppositional Shanghai group; or most persuasively, both.

Whether or not there was a *quid pro quo* whereby Hu Jintao only got his choice of Li Keqiang elected to the PBSC by accepting Xi Jinping's as a result of "last minute horse trading" (Liu and Ansfield 2007) is not wholly clear. But that the PBSC can now be characterised by power balancing and that Hu Jintao did not get all his own way in establishing the membership of the committee appears to be a sound conclusion. Quite simply, Chinese politics is not dictated by a single paramount leader who is able to govern by administrative fiat and/or personal whim; "the age of strongman is over. The party has asserted its own institutional authority" (Pei 2007).

It would be mistaken to say that connections to and/or the influence of Jiang Zemin and more recently Zeng Qinghong are irrelevant. Different historical experiences and backgrounds are also important. Notably, Li Keqiang also served in the CYL leadership in Beijing before embarking on a career as a provincial leader in first Henan and then Liaoning and provincial experience is also sometimes given as a source of cohesion amongst the Hu-Wen group – their emphasis on harmony and redistribution in part at least results from their experiences in provinces that had done less well than some in the post-Mao era. And indeed, the different experiences of Xi Jinping and Li Keqiang epitomise the societal cleavages that have become one of the defining characteristics of the Chinese transition from socialism. Xi Jinping is the son of former Politburo member Xi Zhongxun, who has served in China's most prosperous region, while Li comes from a rural background in less prosperous Anhui (albeit from a lower ranking party family) with experience in the administration and in provinces where there was a strong focus on dealing with those who had been left behind or who felt relatively deprived.

So divisions are real and bipartisan approaches attractive. Dichotomisation has also been used by the Hu-Wen leadership itself to distinguish between (or more correctly, to exaggerated the differences between) the priorities of the third and fourth generation of leaders. But to conceive of a large “shanghai clique”, or to assume that a Shanghai-CYL conflict forms the only basis of alliance and opposition in the PBSC and beyond is not particularly helpful.

For example, despite previously writing on the significance of a shared CYL background, Cheng Li (2007) argues that the key to Xi Jinping’s ascension is less his factional affiliation and more his aforementioned political antecedents. Like Zeng Qinghong before him, Xi is one of China’s “princelings” – the daughters but more often the sons (sometimes in-law) of previous leaders; a group known in China as the taizidang which literally translations as the “party” of the princes/princelings (as opposed to tuanpai which only translates as a CYL group/faction/clique - perhaps indicating the idea that the party belongs to the princes).

What this suggests is that searching for the reason for rapid promotion and the balance of power in the PBSC by just looking at factional conflict might be looking for the wrong sort of political connections in the wrong places. For example, princelings often get early appointments in wealthy cities along the coast where it is easier to “succeed” than in other parts of China. It is their success that wins promotions, but it is their connections that makes it easier for them to succeed (and easier to succeed earlier). Cheng Li (2007) also points to the tendency for princes to work for leaders who had worked with their parents – a combination of nepotism and patronage or nepotism by patronage.

The princelings are often referred to as one of China's elite factions, but in reality do not constitute a coherent group that come together to form a platform for political action. Bo Zhiyue (2007b), refers to them as simply a "categorical group" and that there is no reason to expect them to cohere and/or promote a single and common cause. Moreover, even though Bo has done more than most to try and identify clear factions and factional bases for action, he acknowledges that groupings are vague, non-exclusive and fluid:

there could be overlaps between these groups. Being a member of the Shanghai Gang, for instance, does not necessarily prevent one from being a member of the Qinghua Clique. And being a member of the Chinese Communist Youth League (CCYL) Group is not necessarily incompatible with being a member of the Princelings (Bo 2007b, p. 240)

There is also a strong belief that the construct of the PBSC, the PB and the wider Chinese leadership entails an assurance that representatives of key provinces (and cities) have a voice in the central decision making process. Indeed, Bo (2007, p.227) argues that the extent of private ownership in Zhejiang Province meant that it needed to have special representation in the centre and that "the promotion of Zhang Dejiang to the Politburo was more of the promotion of the province than the promotion of the person". But whether this means that they can be considered to be a coherent voice of a single interest of "provincial China" rather than individual voices (sometimes in conflict with each other) is another question altogether..

In essence, although leaders like Hu Jintao and Jiang Zemin/Zeng Qinghong might have attempted to create a factional base of power, and indeed, to some extent that factional base exists and remains important. But the situation seems to resemble Domes' conception of fluid factionalisation rather than permanent and strong factions. This is particularly so as we move away from a focus on just the PBSC to not just the wider PB but to the central level decision making organs in general. As Pei (2007) argues, "because the party is now a diverse collection of elites, decision-making at the top has to be responsive to such interests" and rule through consensus building and balancing between competing interests has become the only way of organising elite level politics. So the emergence of Xi Jinping and Li Keqiang as heirs apparent to Hu and Wen is not just the result of one line emerging more powerful than the second line, but the result of complex bargaining and consensus building between a number of different interests and actors - hence Shambaugh's (2007) emphasis on "balances" in the plural rather than a single "balance" between two groups/factions. Returning to Pei (2007) again, if Xi is the heir apparent, it is not because one group prefers him over the choice of another, but as there "are many stakeholders who can influence the choice of successors .... Mr Xi is likely the choice of the largest number of such stakeholders". Indeed, one source suggests that the bargaining over who would succeed Hu resulted in the elevation of Xi because of his "factional neutrality" made him acceptable even if he wasn't Hu's first choice (Liu and Ansfield 2007).

### **The Hu-Wen Policy Agenda: New Directions or Continuities? Level one heading**

So if the party leader is unable to enforce his preferences on the rest of the leadership, does it matter who is leader of the party or is there an institutional authority that overrides the power of the leader? The answer to the question in the title of this paper

– do leaders matter? - is yes; who is the top leader of China is important in shaping agendas around their interests. But it is only a qualified “yes”, as their power to act is strictly constrained.

### **The Nature of elite conflict – level two heading**

At the start of the reform process in 1978 there was some debate as to whether the system needed reforming at all – or perhaps more correctly, whether reform needed to do anything more than return to the principles of the Second Five Year Plan that Mao had abandoned in search of more radical alternatives after 1956. This subsequently gave way to debate and divisions over how best to reform the system and how reform should be carried out (Solinger 1982, p.68). By the early-to-mid 1990s, this basis of conflict was changing again. In reforming the economy, China’s leaders had taken care to protect the interest of State Owned Enterprises, including protecting them from market competition.

By about 1994, key leaders, notably Zhu Rongji considered that keeping the SOEs out of market competition had to be reconsidered. For Yang Yao (2004) rather than seeing the solution to China’s problems in reform (gaige) of the existing system, leaders such as Zhu Rongji began to think that the system itself had to be fundamentally altered (gaizhi). Such systemic change has occurred through such measures as facilitating an ever greater role for the private sector and market forces; the reduction of the state sector through privatisation, consolidation and closures; greater emphasis on market conforming macroeconomic control; the reorganisation of fiscal and financial structures; and through the moves to increase transparency, competition and equity as a result of China’s WTO entry in 2001.

None of this means that the Chinese state is powerless in the face of a newly empowered market and/or global economy. The state is still a major owner of key enterprises and dominates crucial economic sectors. The state can and does act to counteract the intended consequences of WTO entry, including at times apparently contravening what was formally agreed in 2001. The state is also clearly massively important in terms of regulating and controlling the newly emergent quasi-market quasi-capitalist economy. Indeed, I have argued elsewhere that if China can be considered to have a capitalist economy, it is a form of “capitalism with Chinese characteristics” built on a hand in glove relationship between “old” state elites and “new” economic elites – “the state creates the space for the private sector to be increasingly important, and regulates the market to ensure that the new bourgeoisie can appropriate surplus value thanks to the bourgeoisie’s close relationship with the party state” (Breslin 2007, p.80).

So there is much to be debated and argued over the best way of making the system work best – and perhaps even over whom the system should be made to work better for. But for the moment at least, we seem to be back to debates over how best to manage *this* system, rather than debates over whether to have a paradigm change or not. This assertion might seem strange given the way in which “major policy changes” were enunciated at the 17<sup>th</sup> PC that suggested a new paradigm shift – policies relating to a “new” development strategy, the struggle against corruption, and the promotion of a democratisation agenda (of sorts). But in order to justify this claim and the overarching suggestion of this paper that leadership matters less than it once



did, it is important to ask two key questions. First, are these changes as radical as they might sound, and second, can central leaders deliver on their rhetorical promises?

### **A “New” Scientific Development Strategy – level two heading**

As already noted, leader-centric approaches to studying China are not really surprising given that leaders themselves seem very keen to highlight their personal impact and their distinct contribution to Chinese politics. For example, the Hu-Wen leadership have emphasised the adoption of a new developmental paradigm that is very different from their predecessors focus on growth. At the risk of oversimplification, they have argued that growth promotion on its own has not generated desired developmental consequences. Indeed, in some respects, the growth agenda has increased societal tensions by contributing to even greater inequality. Thus, there is a need for greater intervention to distribute the benefits of growth more evenly, to fund more economic projects in China’s less developed interior, and to spread the provision of health education and welfare to the poor and less well-off (particularly in the countryside).

This “new” strategy did not emerge out of the blue in 2007, but began to be articulated as an official line at the 2003 Central Committee plenum under the banner of the “scientific concept of development” (*kexue fazhan guan*). This concept was added to the party constitution at the 17<sup>th</sup> PC as “major strategic thought” (*zongda zhanlue sixiang*) to guide economic and social development. However, as with many political banners in China, it is not always easy to get a firm grip on what the concept means in terms of actual policy. Although more investment in science and technology is something that flows from the concept, this is not what “scientific” means here.

Rather it is scientific because of the application of guiding principles to develop strategies that start from considering the actual impact on real people rather than simply the contribution to raising GNP – “putting people first” (*yiren wei ben*). So, for example, policies that might lead to a higher GNP but which also lead to environmental degradation and perhaps exacerbate inequality are not scientifically derived. Rather than the rather haphazard and undirected growth policies that had largely emerged dysfunctionally through the actions of local leaders and/or individual central agencies, the new development strategy should emphasise coordination of different policies to create a rational/scientific whole. In addition, development strategies must be “sustainable” – not just environmentally sustainable, though this is an important issue in itself, but economically and socially sustainable. Or perhaps put the other way round, policies should be rejected that threaten the sustainability of the existing political, social and economic order.

Thus, the role of the policy makers was to emphasise coordination and balance between town and country and between China’s different regions to lower inequality. There is also the need to find a balance between the search for economic growth and the provision of social welfare (health care, pensions, education etc), between “man and nature”, and between developing the domestic economy and opening to the outside world. This last balance refers to a growing unease that Chinese growth had become too dependent on the global economy – too dependent on foreign investment but even more dependent on external demand. As such, domestic consumption and demand needed to be raised to ensure long term and sustainability growth, and also to reduce vulnerability and economic insecurity (Yeung 2008).

## **Combating Corruption – level two heading**

Moreover, there was a concern that the links between the party and the people were also being stretched. This was partly because of the way that the outbreak of SARs was handled (or mishandled) where leaders effectively lied to the people (and to other leaders) over the extent of the crisis. Coming so early in the new leadership's tenure, the SARs outbreak provided an early warning of the extent to which institutional structures did not serve the people, and also the extent of the vulnerability of those who did not have adequate social safety nets. It was also partly a result of the almost endemic state of corruption – the illegal collection of fees and taxes, ad hoc land seizures, the siphoning off development finances for “other” uses, and many others. Furthermore, for Chen An (2003: 148) perceptions of corruption and inequality go hand in hand, as new economic elites are widely perceived to have gained their wealth through corruption, cheating and political connections rather than through entrepreneurship and the market.

The leadership has tried to address these issues in four main ways. First, through a change in style, placing limits on the excessive and visible use of public money on public servants (including the top leadership itself). Wen Jiabao's decision to spend the 2005 lunar new year with coal miners in Shanxi Province was a very high profile example of an orchestrated attempt to show the leadership as part of the people. In visiting HiV and AIDs communities in rural China, Wen perhaps went even further – not just identifying himself with the “normal” people, but committing government support to those who were not only amongst the most needy, but who had effectively been airbrushed out of Chinese society.

Second, through specifically placing fighting corruption as one of the party's key tasks. For example, Hu's report at the 17th PC reflected these concerns including a commitment to a long and arduous battle against corruption because "Resolutely punishing and effectively preventing corruption bears on the popular support for the party and on its very survival". But this is nothing new. Jiang Zemin has long warned that corruption could 'bury the party, the regime and the modernization program if it is left unchecked' (cited Zheng Shiping 1997, p. 5). Indeed, Hu's own words are very close to those used by Jiang at the 16<sup>th</sup> PC in 2002 when he stated that:

To combat and prevent corruption resolutely is a major political task of the whole Party. If we do not crack down on corruption, the flesh-and-blood ties between the Party and the people will suffer a lot and the Party will be in danger of losing its ruling position, or possibly heading for self-destruction (Jiang 2002)

In fact, not a single party or state meeting has gone by for years without one of China's top leaders pointing to the challenge of corruption and the regimes resolute determination to wipe it out. Indeed, you might argue that the need to reaffirm it every time shows how ineffective the ongoing war on corruption has been – with some justification. Nevertheless, the central leadership does seem to be making a greater effort to highlight not just outright corruption, but also the failure to implement central policy, and over-lenient punishments for the guilty. This forms part of the third strategy of establishing a clear distinction between the good work that the central leadership says and does in Beijing on the one hand, and what local power holders actually do on the ground on the other – what Cheng Li (2006) refers to as "think national, blame local".

## **A Democratising Agenda? – level two heading**

The fourth and final approach relates combating corruption to the promotion of democratisation – an policy which again was presented as a policy change, but which in practice is not wholly new or remarkable. For example, during the PC, there was considerable interest in the fact that Hu mentioned democracy over 60 times in his work report. However, in Jiang Zemin’s report at the 16<sup>th</sup> PC, he mentioned “democracy” 33 times, and if you add on the occasions of “democratic” then the total gets close to Hu’s. Moreover, when considering conceptions of democracy and democratisation as espoused by and in the CCP it is important to remember the basic starting point – it’s all about strengthening the CCPs position, not weakening it and making the current system work better. In this respect, debates over democracy are often framed in terms of increasing inner party democracy, which was a major component of the call for democratisation at not just the 17<sup>th</sup> PC, but at the 16<sup>th</sup> and indeed many other earlier party forums as well.

But it is not just about sorting the party’s own structures out (not least to make local leaders more accountable to other parts of the party). Democratisation is also about creating a *more* transparent and predictable policy making process that can accommodate more of the diverse interests and demands that exist in the increasingly diverse and complex Chinese society. For example, a common theme that emerged from interviews conducted with think tanks, academics and a business association in Beijing in September 2007 (for another project on Sino-African relations with Ian Taylor) was that the party was in a listening mode. In contrast to the previous leadership, where a preferred group of advisers had tended to dominate, a wide set of

individuals and institutions were now being invited to conferences and workshops and even private audiences to discuss their areas of interest and expertise. There is no guarantee that these voices are acted upon, those consulted still constitute a rather narrow section of society (including those who would be considered “insiders” in Western conceptions) and clearly this remains a million miles away from one person one vote. But all those agreed that the current leadership appeared at least to be more open to a wider range of opinions and proposed solutions than before.

There is also an ongoing commitment to what is sometimes perceived as strengthening the rule of law, but which should really be considered to be the strengthening of “legal system construction”. This is not about creating a western style legalistic form of government, but is instead about creating a more efficient and transparent process of implementing decisions, and making the political system *more* challengeable by the people. Democracy in this sense entails giving the individual *more* protection from the arbitrary power of the party-state. The individual will also become *more* empowered through the (re)appointment of *more* officials becoming subject to popular affirmation through the ballot box. In combination, these “democratising” proposals are intended to change the nature of the party’s relationship with the people, and also by providing new checks and balances on the power of individual leaders to pervert or ignore official policy. In short, they are about making the party’s rule both more efficient, and more legitimate.

**Policy Changes at the 17<sup>th</sup> PC – How Much Do Leaders Matter? Level one heading**

At best, the 17<sup>th</sup> PC should probably be considered to be a high profile and highly choreographed confirmation of a new developmental emphasis that had first begun to be articulated in 2003 and 2004. Or perhaps it isn't even that significant. There might be a change in tempo when it comes to existing policies like the war on corruption and the promotion of socialist legality and democracy, but the general direction of policy had been established not just before the 17<sup>th</sup> PC, but also before the assumption of power by Hu and Wen. Despite its new(ish) name, even the “scientific concept of development” isn't perhaps as clear a break from the previous leadership that it might appear for two reasons. First, elements of the “new” approach were already in place under Jiang Zemin – most notably the focus on balancing development by emphasising the West and the old industrial centres in the northeast, and the move to reduce financial burdens on peasants. For example, Jiang announced the policy to open the west on Labour Day 1999, the policy to turn all fees into taxes was part of the 10<sup>th</sup> five year plan which commenced in 2001.

Second, it's not quite the break from the old paradigm that slogans like constructing a new “socialist” countryside might suggest (*jianshe shehuizhuyi xin nongcun*) because what is meant by “socialism” today is rather different than previous Chinese versions of socialism. Socialism now entails providing greater access to health education and welfare – to become some form of “welfare state” providing safety nets for the most vulnerable and state sponsored opportunities for personal advancement. And of course, this is exactly the sort of structure that Marxists have criticised as being a means of legitimating capitalism by dealing with its worst excesses and providing the prospect of upward mobility. Moreover, removing local government's ability to raise finances through fees and the abolition of the Agricultural Tax has left many with sever

financial pressure at a time when they are expected to be providing more. For some local authorities, finding a way out of this dichotomy has resulted to that the search for socialism entailing devolving the provision of basic local government functions to the private sector (Li 2007).

So in some respects, it can be argued that like the fight against corruption, the promotion of scientific development is also about legitimating the existing system. It is also partly about making the emerging market system work more effectively, as promoting rural development is at least partly designed to increase domestic consumption and thus generate the potential for prolonged growth (China Daily 2006). Ultimately, as Wen Jiabao (2007) himself argued in February 2007, expanding the productive forces remains the primary task, and the PC reaffirmed a long term trend towards making it easier for private companies and entrepreneurs to compete with state favoured actors to held expand these forces and promote growth.

It is important here to reassert here that some things really have changed, and leadership change really does make *some* difference. More money really is being devoted to a whole range of development projects, more experiments are really being undertaken to find the best way of delivering social welfare and education, the 2,600 year old Agricultural Tax was really abolished in 2006, and the 2007 Property Law really did establish legal guarantees over land rights. But it is also important to stress that the promotion of scientific development is not a rejection of the existing paradigm per se, but instead an attempt to manage the existing system differently.



There are also big question marks over whether the leadership – perhaps any leadership – has the real ability to change the paradigm in the first place. Or perhaps more correctly, there are five main (and interconnected) reasons why the leadership isn't free to act as it wants and why we should take care not to externally endow the leadership with too much agency. First, as the above discussion of factionalisation and elite politics has suggested, contemporary leaders have to rule by consent and consensus, and it is no longer possible for a paramount leader to override broader interests by imposing their own preferences. Whilst this might result in a central leadership where the need to negotiate balances results in logjams and perhaps at times inertia, it also results in a leadership that has its own internal checks and balances on sharp policy swings.

Second, during the negotiations over China's entry into the WTO, a White House (2000) statement argued that: "China's accession agreement will deepen and help to lock in market reforms and empower those in China's leadership who want their country to move further and faster toward economic freedom". To reiterate, this does not mean that the Chinese leadership has no autonomy. On the contrary, both the US Trade Representative (2007) and the European Union Chamber of Commerce in China (2007) argue the process of becoming WTO compliant has stalled and in some cases it is harder to do business now in China than before 2001. But it does create a degree of constraint, and through the WTO dispute resolution mechanisms creates a means by which external actors and interests can have *some* say and *some* influence over the nature of Chinese economic policy. As the US Trade Representative (2007, p. 3) report notes, "the United States challenged several prohibited subsidy programs

.... and we were pleased that China later agreed to settle this case by committing to eliminate all of the subsidies at issue”.

Third, many people in China have benefited from the construction of a more market oriented economy and integration with the global economy, including many party-state officials, and the relatives of these officials, and ex-officials who retain close contacts with their former colleagues. Notwithstanding the demands of those who have been (or perhaps more correctly feel that they have been) left behind, there are strong interests that favour the status quo, and these interests either emerge from or have close connections with the existing political structure.

Fourth, the central leadership has done much in recent years to try to reign in the autonomy of local leaders through fiscal and financial reform, the reinvigoration of central level industrial strategies, the strengthening of central regulatory (as opposed to planning) authority, and removing their authority over the allocation of land rights (Naughton 2007a, 2007b). Nevertheless, although the balance between central and local power might have tipped back to the central, there is still considerable ability to control local economic affairs lodged in the hands of local political leaders. Linking back to the comments on WTO above, when foreign businessmen complain about the lack of WTO compliant access to the Chinese economy, the actions (and inactions) of local leaders is a recurring focus of attention.

Fifth, economic activity in China is simply not controllable in the way that the leadership seems to imply in comments at the 17<sup>th</sup> PC and elsewhere. For example, this is an economy that has proved difficult refused to slow down despite government

pronouncements, and changes to a range of financial policies. For example, the bank reserve ratio was raised 10 times in 2007 from nine per cent to 14.5 per cent, yet urban fixed assets investment actually increased (China Daily 2007). We should note that although Wen Jiabao announced that the economic growth rate target for 2007 was to be cut from nine to seven per cent due to concerns over the environment, the reality at the end of the year was nearly half as much again. The same thing happened when he announced a reduced target of eight per cent in 2005. As many other central bankers and finance ministers have found out, economic activity in a non-state planned economy is difficult to regulate, and economic actors often do what they think is best for them rather than what the government wants them to do. But the problem is compounded when you add on the increasing diversity of Chinese interests, and the ability of some agents of some interests to intervene in both the economy and the political system at different levels.

### **Conclusion – level one heading**

The PC remains the most important political event in the Chinese political calendar. Even if it was nothing more than an orchestrated showcase of party power, it is a very important showcase – the equivalent of a week-long “party political broadcast” or state of the union address. Looking back at the 17<sup>th</sup> PC, perhaps this was its most important element – an opportunity to bring together a number of strands that the Hu-Wen leadership had been pursuing since 2003 to show to the Chinese people that they were part of them, listening to their grievances and taking their concerns seriously through a range of “new” initiatives. It is also a high profile opportunity to reaffirm policy preferences to those within the system itself who have been perhaps less than enthusiastic to implement central policy.

The now accepted norm of five year cycles is also important. On one level, it establishes a deadline for debates and conflicts over policy and people to come to a head in the need to reach an agreed (and balanced) position. On another level, it creates some form of institutionalisation for leadership transition – or at least for the timing of the transition if not the criteria for leadership and the processes by which leaders emerge.

However, focussing too strongly on the PC can result in a mis-guided leader-centric conception of the nature of Chinese politics. As the analysis in this paper has suggested, leaders are clearly important, but first individual leaders are not able to shape the nature of politics at the elite level on their own, with consensus building and balancing between a number of groups and interest increasingly the order of the day. Second, decision making and leadership has to consider the increasingly diverse nature of Chinese society and deal with diverse demands from different actors and interests – some of which have stronger “insider” connections to the party-state than others. Third, the ability of central leaders – indeed, of the central leadership as a whole – to dictate and control activity of individuals on the ground is constrained by a political economy that is in part increasingly influenced by external factors, constrained by the relative autonomy of economic actors, and constrained by the diffusion of power within the political-administrative hierarchy. In short, China is complex; and trying to impose simple analytical models to understand diverse complexity is at best, unhelpful, and more likely, counter-productive.

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