

## The 17<sup>th</sup> Party Congress: Informal Politics and Formal Institutions

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The just completed 17<sup>th</sup> Party Congress was a significant milestone because this was the first time that the post-revolutionary generation had to sort out the issues of succession and power distribution without the looming shadows of luminaries of the past. In general, they did fairly well, though Hu Jintao's efforts to promote a "harmonious society" were checked. Power is never easy to pass on in Leninist regimes—the former Soviet Union never succeeded in doing so—but the Chinese Communist Party (CCP) appears to have evolved certain agreed-upon rules—including rules governing retirement and the distribution of posts in the Central Committee—that have, so far, confined conflict within certain institutional boundaries. Within these limits, however, there is evidence of a great deal of serious and uninstitutionalized politics taking place. At least two important questions emerge from this. First, how informal politics will mesh with institutional rules, and, second, if compromise and the distribution of benefits to different Party interests is the answer (as it seems to have been at the 17<sup>th</sup> Party Congress), then will this system be able to respond quickly and adequately to crises—which seem to be frequent these days?

Headlines following the 17<sup>th</sup> Party Congress revolved around the new leadership lineup, particularly the promotion of Xi Jinping and Li Keqiang to positions from which they may compete as successor to Hu Jintao. Leadership succession is, of course, an important issue, one to which we will return below, but the broader and more important question is the degree to which the recent Party congress suggests that Chinese politics are becoming more institutionalized and hence more predictable and the degree to which there are significant areas of non-institutionalized, informal politics that suggest areas of conflict. The purpose of this article is to sort through the evidence—ambiguous as it may be—on both sides of this issue.

### Institutionalization

When one looks down the list of the new Central Committee (full members) and compares it to the 16<sup>th</sup> Central Committee, it is quite apparent that there is a great deal of stability in terms of the allocation of positions. At the highest level, there were 24 full members of the Politburo and one alternate member after the 16<sup>th</sup> Party Congress (and First Plenary Session of the 16<sup>th</sup> Central Committee), and now there are 25 full members

of the Politburo and no alternates. In 2002, there were 23 additional members of the Central Committee working in the central Party apparatus; now there are 24.<sup>1</sup> Moreover, the positions they occupied were largely the same. The head of the Propaganda Department is always named to the Central Committee, as is the deputy head of the Organization Department (the head occupies a seat on the Politburo), the head of the Xinhua News Agency, the editor-in-chief of *People's Daily*, the head of the Communist Youth League, the head of the Chinese Academy of Science, the head of the Chinese Academy of Social Sciences, and so forth.

Along the same lines, the number of slots allocated to the State Council system appears to be similar. In recent years, there has been one premier, four vice premiers, five State Councilors, and, in 2002, 46 ministers and heads of commissions. This time 40 ministers and heads of commissions were named to the Central Committee, though exact numbers will remain in flux until after next spring's National People's Congress (NPC) meeting. Again, the holders of a number of critical positions are naturally named to the Central Committee, such as the head of the State Development and Reform Commission, the minister of Finance, the head of the Banking Regulatory Commission, the head of the People's Supreme Court, and the minister of State Security. The positions of those named to the Central Committee who head ministries and commissions in the State Council system correspond quite closely to those occupied by members of the Sixteenth Central Committee.

The number of seats and positions occupied by uniformed members of the People's Liberation Army (PLA) and People's Armed Police Force follow the same pattern. In addition to the members of the Central Military Commission (CMC), who are always named to the Central Committee, the heads of the various general departments (General Staff, General Political Department, General Logistics Department, and General Armaments Department) are all on the Central Committee, as are the heads and political commissars of the three services (army, air force, and navy) and commanders and political commissars of the seven military regions.

Finally, as in 2002, all provincial-level Party secretaries and governors (mayors or chairmen) have seats on the Central Committee (although some provincial-level jurisdictions—Xinjiang and Tibet—are overrepresented).

In short, a variety of important institutional rules are being followed. Retirement ages are enforced. The average age of the 16<sup>th</sup> Central Committee was 62.1, while the average age of the 17<sup>th</sup> Central Committee is 62.3. Seats on the Central Committee are, with few exceptions, allocated according to position. Indeed, so many seats are allocated according to position that "inner-party democracy" was necessarily limited. Although it appears that there was wider consultation within the Party over those to be named to various positions, it was well understood within the Party that people holding certain positions needed to be "elected." Indeed, major personnel movements were completed prior to convening the congress so that it was generally clear whom to vote for.

Thus, although the ratio of candidates to seats was increased somewhat—220 candidates ran for 204 seats—it was generally evident to delegates which *danwei* (work units) had put forth extra candidates and thus who was slated to fail. To be sure, inner-party democracy produced some surprises and corresponding unhappiness, but the process was generally more predictable than the increase in the differential between candidates and seats would suggest.

## Harmonious Society and Disharmonious Drafting

An examination of the political report that Hu Jintao delivered at the opening session of the congress, however, belies the sense of a highly institutionalized, nonconflictual political process that one might get from looking at the positions held by members of the Central Committee. Indeed, the most striking feature of the political report is its very strong support of “reform and opening up,” suggesting the pressure China’s reform strategy has come under.<sup>2</sup> It starts off by highlighting the concept of “emancipating the mind” (*jiefang sixiang*), a formulation closely identified with the Dengist reforms (Deng’s talk to the closing session of the Third Plenum on December 13, 1978, was entitled, “Emancipate the Mind, Seek Truth from Facts, and Unite as One in Looking to the Future”) but has not been raised frequently in recent years. The importance of re-raising this slogan now was highlighted by Hu Shuli, the editor of the influential journal *Caijing*, who said, “‘Emancipating the mind’ is not an ordinary slogan; rather it has specific meaning; it refers primarily to breaking through the ‘leftist’ ideological shackles.”<sup>3</sup>

The political report goes on to review recent Party history, noting the “tremendous political and theoretical courage” of Deng Xiaoping and the second generation of leadership in “scientifically evaluating” Mao Zedong thought, and in “completely negating” the “erroneous theory and practice of taking class struggle as the key link.” The report then makes clear that Jiang Zemin and the third generation of leadership had “held high the great banner of Deng Xiaoping Theory” and had “adhered to reform and opening up.” In conclusion, the report gives a ringing endorsement of reform and opening up, saying “Facts have irrefutably proven that reform and opening up is the crucial choice that decides the destiny of contemporary China and is the only way to realize the rejuvenation of the Chinese nation.”

These strong statements of support for reform and opening up—made three decades after the inauguration of the reform period—are incomprehensible except in light of the deep debates that have raged across intellectual and policy circles in recent years. These debates reached a fever pitch in 2004 and 2005, perhaps ironically just as the slogan “harmonious society” entered China’s political vocabulary. That term was officially rolled out at the Fourth Plenary Session of the 16<sup>th</sup> Central Committee, held in September 2004, the plenum at which Jiang Zemin withdrew from the CMC. Not long before that plenary session Larry Lang (Lang Xianping), a Hong Kong economist with a Ph.D. from the Wharton School of Business and a long history of teaching economics in the United States, touched off a storm (quickly dubbed a “whirlwind”) by criticizing sharply the management buyouts (MBOs) that were then taking many of China’s state-owned enterprises private. Specifically, Lang charged that Gu Chulun, chairman of Kelon (Greencool), had profited personally from Kelon’s MBO. Gu responded with a lawsuit, making the case highly public and bringing attention from China’s Securities Regulatory Commission. After an investigation, it was found that the earnings figures stated in Kelon’s 2002, 2003, and 2004 reports were false, and in September 2005, Gu and six other senior figures at Kelon were arrested.<sup>4</sup>

The “Lang Xianping whirlwind” was still swirling when Liu Guoguang, a retired economist from the Chinese Academy of Social Sciences who had long been a senior government advisor, strongly criticized the teaching of economics in China, charging that “neoliberalism” was taking over the profession. If this trend continued, Liu warned, it “will ultimately alter the direction of development of socialism and eliminate the leadership of the Communist Party, or else change its color.”<sup>5</sup> Liu’s article set off sharp debates within China’s economic circles.

Before long a new upsurge of public debate was set off when Gong Xiantian, a professor of law at Beijing University, harshly criticized the draft of a Property Law that was made public in July 2005. The draft, which had gone through many revisions and was to be considered by the NPC in its March 2006 meeting, was intended to provide a legal framework to protect and regulate property rights. In a virulent letter posted on the Internet, Gong denounced the law for not explicitly affirming that “socialist public property is sacred and inviolable” and therefore being in violation of China’s constitution. Gong charged that this oversight was deliberate and reflected the law’s intent to protect private property, not public property. Gong asked provocatively, “Is not privatization the greatest cause of the current instability in China?” He went on to declare that the “masses” were saying that the “communist party” had become the “private property party.”<sup>6</sup>

These sharp criticisms reflected the growing force of the “New Left” in China. Although the term “New Left” is not specific, encompassing as it does a wide range of intellectual and policy concerns, it generally refers to a critique of privatization and “Westernization” that has developed in China since the mid-1990s. It sometimes holds a “Beijing consensus” (itself a very vague term) up against the so-called “Washington consensus,” a term so freighted with emotional weight as to have largely lost its original meaning. “Neoliberalism” has become another term of abuse and it is harshly criticized in New Left, and, increasingly, official, circles. The criticisms of Larry Lang, Liu Guoguang, and Gong Xiantian thus feed into and off of this widespread social critique. Simply stated, this critique held that the privatization of the Chinese economy under the slogan “reform and opening up” had opened up wide gaps in income, created a propertied elite, and undermined social justice. It was time to redress the balance, and critics of reform and opening up, or at least the way it had been implemented, latched on to the slogan “harmonious society” to push a populist agenda.

Mainstream economists and liberal commentators pushed back against this burgeoning New Left critique. For instance, senior economist Wu Jinglian warned that populist efforts to level the social system would have dire consequences for the economy and the society.<sup>7</sup> Most strikingly, in early 2006, Zhou Ruijin, the Shanghai newspaper editor who had drafted the famous “Huang Fuping” commentaries in 1991 in support of the Dengist reforms, wrote a powerful article in *Caijing*, boldly entitled “We Must Not Waver in Reform” (*gaige buke dongyao*).<sup>8</sup>

The reform-minded *Southern Daily* summed up this wide-ranging and virulent debate by saying that “the key difference in understanding in the argument is that one side holds that the problems are caused by the marketizing reforms, and so it is necessary to turn back in an all-round fashion; while the other side holds that the problems are caused by the fact that the reforms are not thought through and are incomplete, hence it is essential to speed up promotion of the reforms, and there can be no wavering over the

direction.”<sup>9</sup> In short, the argument was whether the three-decade pursuit of “reform and opening up” was the cause of the problems or the solution—and arguments do not get more fundamental than that.

So when Hu Jintao’s political report came out so strongly in support of reform and opening up it was taking a strong stance in this debate. There had been major debates in the Party during the drafting process and people aligned with Jiang Zemin plainly came out on top. These people were clearly concerned that populist forces could grow to the point where they could undermine reform and opening up altogether. As one of the drafters of the report put it, it was entirely possible for another Cultural Revolution to be unleashed in China.<sup>10</sup>

This harsh evaluation of the social situation in China was echoed by the Chinese-owned Hong Kong paper *Ta Kung Pao* when it wrote, “Even though the current challenges are not as grim as in 1978, the situation is quite similar. Both then and now, reform and opening up have come to a turning point. Even though the landmark event of the great debate on the theme for emancipation of the mind on ‘practice is the sole criterion of truth’ will not be repeated today, there will at least be a debate on the theme of emancipation of the mind at the 17<sup>th</sup> National Party Congress in order to reach consensus on reform and development and to remove the ideological obstacles to reform and opening up.”<sup>11</sup>

Although Hu’s political report talked about building a harmonious society several times (as does the newly revised Party constitution), the emphasis in the report is on the “scientific development concept” rather than on the notion of a harmonious society, suggesting the Hu Jintao was defeated on an issue closely identified with him. This emphasis is a direct result of the debates outlined above. It was widely felt that the concept of a harmonious society was being used by the “New Left” to criticize reform and opening up and, not incidentally, Jiang Zemin. So those favoring the Dengist line, including those close to Jiang Zemin, emphasized reform and opening up and de-emphasized “harmonious society,” according to delegates attending the congress.

## The Politburo and Its Standing Committee

It is against these debates that the personnel decisions taken at the 17<sup>th</sup> Party Congress (and immediately afterward) need to be read. The most important decisions, of course, revolved around the composition of the Politburo Standing Committee (PBSC), the core of China’s political system. Although the decision to enforce the retirement age of 68 can be read as a sign of growing institutionalization, and perhaps it is, it was nevertheless a decision that reflected a balance of power within the party. It is worth recalling that 10 years ago, at the 15<sup>th</sup> Party Congress, Jiang Zemin imposed a retirement age of 70—an age that forced Qiao Shi to retire—only to have Party elder Bo Yibo appeal for Jiang to stay on despite his being 71 years of age. Jiang consented. Five years ago, the retirement age was lowered to 68, an age that forced Li Ruihuan to retire. So the imposition of a retirement age has, to date at least, a political edge to it.

Perhaps it was logical and uncontroversial to retain the retirement age at 68 at the 17<sup>th</sup> Party Congress. Lowering it by one year would have had the advantage of forcing Jia Qinglin to retire, thus enhancing the credibility of China’s campaigns against corruption,

and opening up an additional seat. But this did not happen, so there were four empty seats on the Politburo Standing Committee, three opened by retirement and one, Huang Ju's, by death. It has long been apparent that Zhou Yongkang, who has been minister of Public Security, was going to move up to take the place of Luo Gan, who has overseen the Political and Legal Leadership Small Group. It was similarly logical, if not necessary, for He Guoqiang, who has been in charge of the Organization Department, to be promoted to the Standing Committee. He will replace Wu Guanzheng as head of the Central Discipline Inspection Commission (CDIC), though the head of the CDIC has not always been a PBSC position (see table 1). Both are close associates of Zeng Qinghong.

**Table 1**  
*Politburo Membership*

Selected in 2002			Selected in 2007		
<i>Standing Committee (in rank order)</i>					
<i>Name</i>	<i>DOB</i>	<i>Position</i>	<i>Name</i>	<i>DOB</i>	<i>Position</i>
Hu Jintao	1942	General Secretary	Hu Jintao	1942	General Secretary
Wu Bangguo	1941	NPC	Wu Bangguo	1941	NPC
Wen Jiabao	1942	Premier	Wen Jiabao	1942	Premier
Jia Qinglin	1940	Chair, CPPCC	Jia Qinglin	1940	CPPCC
Zeng Qinghong	1939	Secretariat	Li Changchun	1944	Propaganda
Huang Ju	1938	Vice Premier	Xi Jinping	1953	Secretariat
Wu Guanzheng	1938	CDIC	Li Keqiang	1955	Executive Vice Premier?
Li Changchun	1944	Propaganda	He Guoqiang	1943	CDIC
Luo Gan	1935	Political-Legal Affairs	Zhou Yongkang	1942	Political-Legal Affairs
<i>Other Full Members (Listed Alphabetically)</i>					
<i>Name</i>	<i>DOB</i>	<i>Position</i>	<i>Name</i>	<i>DOB</i>	<i>Position</i>
Cao Gangchuan	1935	Vice Chair, CMC	Bo Xilai	1949	Chongqing CCP Secretary
Chen Liangyu	1946	Shanghai CCP Secy.	Guo Boxiong	1942	Vice Chair, CMC
Guo Boxiong	1942	Vice Chair, CMC	Hui Liangyu	1944	Vice Premier
He Guoqiang	1943	Organization	Li Yuanchao	1950	Organization
Hui Liangyu	1944	Vice Premier	Liu Qi	1942	Beijing CCP Secretary
Liu Qi	1942	Beijing CCP Secretary	Liu Yandong	1945	Position not yet assigned
Liu Yunshan	1947	Propaganda	Liu Yunshan	1947	Propaganda
Wang Lequan	1944	Xinjiang CCP Secretary	Wang Gang	1942	Vice Chair, CPPC?
Wang Zhaoguo	1941	United Front	Wang Lequan	1944	Xinjiang CCP Secretary
Wu Yi	1938	Vice Premier	Wang Qishan	1948	Beijing Mayor
Yu Zhengsheng	1945	Hubei CCP Secretary	Wang Yang	1955	Guangdong CCP Secretary
Zeng Peiyan	1938	Vice Premier	Wang Zhaoguo	1941	United Front
Zhang Dejiang	1941	Guangdong CCP Secy.	Xu Caihou	1943	Vice Chair, CMC
Zhang Lichang	1939	Tianjin Mayor	Yu Zhengsheng	1945	Shanghai CCP Secretary
Zhou Yongkang	1942	Public Security	Zhang Dejiang	1941	Vice Premier?
			Zhang Gaoli	1946	Tianjin CCP Secretary
<i>Alternate</i>					
Wang Gang	1942				

Thus, there were only two open seats left, and the two logical candidates were Xi Jinping and Li Keqiang. For months there has been intense speculation that Hu Jintao

very much desired to promote his fellow CYL veteran Li Keqiang as his heir apparent. There is probably a basis for this speculation, but outside observers must be cautious in accepting what circulates in the rumor mill. If Hu did want to name his own successor, his hand was necessarily weak. Not only could such a move be denounced as “feudal” (the term Deng Xiaoping used in his 1980 interview with Oriana Fallaci to explain the eclipsing of Hua Guofeng), but Jiang Zemin had not been able to select his own successor. On what basis could Hu claim the right to do so?

Although “inner-party democracy” is a term more closely identified with Hu Jintao than Jiang Zemin, it seems apparent that the practice was used as a way to justify the promotion of Xi Jinping. Xi’s name rose to the top in a meeting of the 16<sup>th</sup> Central Committee held on June 25, the day Hu gave his speech to the Central Party School outlining the major themes that would be included in the political report to the 17<sup>th</sup> Party Congress. The 400-some full and alternate members of the 16<sup>th</sup> Central Committee, a body necessarily weighted with more people promoted by Jiang Zemin than the 17<sup>th</sup> Central Committee would be, considered the names of people to be named to the 17<sup>th</sup> Central Committee, an odd procedure considering that this is the task of the delegates to the Party congress. Nevertheless, it was at this meeting that Xi’s name came out on top. One need not envision this meeting as a democratic test of Xi’s popularity; Xi’s supporters no doubt lobbied strongly for his elevation. Much persuasion appears to accompany inner-party democracy.<sup>12</sup>

The same characteristics that made Xi an attractive candidate to replace Chen Liangyu as Shanghai Party secretary made him viable as the probable general secretary of the future. He is not identified with either the CYL or the “Shanghai Gang” and brings his own formidable political weight to the table. His father, Xi Zhongxun, suffered during the Cultural Revolution, was close to Deng Xiaoping and Hu Yaobang, and, as Party secretary of Guangdong, made some of the critical early decisions in reform and opening up. Xi Jinping’s status as a “princeling” (*gaogan zidi*) makes it clear that he is one of the Party “royalty,” while his personal experiences and personality distance him from the arrogance that is sometimes associated with *gaogan zidi*. Xi’s management of two coastal provinces, Fujian and Zhejiang, make it clear that he understands how to develop the economy, especially the private economy, while his support for inner-party democracy and other consultative political forms while serving as Party secretary of Zhejiang makes him attractive as a reformer. His wife, Peng Liyuan, is a popular singer and will bring a new look to China’s “first family,” if Xi indeed becomes general secretary. It is difficult to imagine Xi Jinping supporting a New Left agenda.

## The Secretariat

The composition of the Secretariat reflects the same kind of appointment by position and balancing of political interests visible elsewhere in the political system (see table 2, next page). Xi Jinping will head the Secretariat, while Li Yuanchao, Hu’s colleague from the CYL and his choice to head the Organization Department, will provide balance, as will Ling Jihua, Hu’s former secretary, and Wang Huning, who was brought to Beijing by Jiang Zemin but has emerged in recent years as a close policy advisor and speechwriter for Hu. Politburo member Liu Yunshan, who has headed the Propaganda Department

since 2002, will continue on the Secretariat, as will He Yong, deputy secretary of the CDIC. The implications of the PLA not having a representative on the Secretariat are not clear, but it stands in stark contrast to past practice.

**Table 2**  
*The Secretariat*

<i>16<sup>th</sup> Party Congress</i>	<i>17<sup>th</sup> Party Congress</i>
Zeng Qinghong	Xi Jinping
Liu Yunshan	Liu Yunshan
Zhou Yongkang	Li Yuanchao
He Guoqiang	He Yong
Wang Gang	Ling Jihua
Xu Caihou	Wang Huning
He Yong	

## The Central Committee

When one looks at the rest of the Politburo and Central Committee, it is apparent that *gaogan zidi* did better at this congress than in previous years. Joining Xi Jinping on the Politburo are fellow *gaogan zidi* Bo Xilai, Li Yuanchao, Wang Qishan, Liu Yandong, and Yu Zhengsheng. Deng Xiaoping's daughter, Deng Nan, made the Central Committee (as first secretary of the Secretariat of the China Association for Science and Technology, a position not normally meriting a position on the Central Committee), as did Chen Yun's son, Chen Yuan (governor, China Development Bank); Zhou Jiannan's (a former minister of construction) son, Zhou Xiaochuan (governor, People's Bank of China, a position surely earned through merit rather than family background); and Liu Shaoqi's son, Liu Yuan (as the Political Commissar of the Academy of Military Sciences; at the 16<sup>th</sup> Party Congress, the president of that academy, Zhang Dingfa, was named to the Central Committee, but the political commissar was not appointed to the Central Committee). The promotion of so many *gaogan zidi* contrasts strongly with the atmosphere at the 15<sup>th</sup> Party Congress 10 years ago when only Xi Jinping, Wang Qishan (son-in-law of Liu Huaqing), and Deng Pufang (son of Deng Xiaoping) made the list, and then only as alternates. Bo Xilai and Zhou Xiaochuan were named to the 16<sup>th</sup> Central Committee, but Chen Yuan only made the Central Committee as an alternate in 2002. In short, the anti-*gaogan zidi* atmosphere that prevailed in 1997 started to retreat in 2002, and appears to have largely disappeared at this Party Congress.

In addition to these progeny of party elites, one finds a number of economic elites making it to the Central Committee. Chen Yuan and Zhou Xiaochuan are joined on the Committee by the head of Sinopec, Li Yizhong; the head of PetroChina, Su Shulin; the head of the Industrial and Commercial Bank of China, Jiang Jianqing; and the general manager of the China National Nuclear Corporation, Kang Rixin. In contrast, there was little discussion of the role of private entrepreneurs, either as delegates to the congress or as members of the Central Committee. At the 16<sup>th</sup> Party Congress, Zhang Ruimin, CEO of Hai'er Corporation, was named as an alternate member of the Central Committee; no such person was named to the Central Committee this time.



Between the elevation of *gaogan zidi* and key economic elites, the 17<sup>th</sup> Party Congress appears to have consolidated the position of a socioeconomic elite within the political system. This is not to say that people without special backgrounds cannot advance in China's political system (neither Hu Jintao nor Wen Jiabao has any such special background), but that the promotion of an economic-political elite as *part* of the system seems to be a more prominent feature of Chinese politics than in previous years. In this regard, the 17<sup>th</sup> Party Congress appears to have come out strongly in favor of the status quo. Hu Jintao's calls for establishing a "scientific development concept" and sustainable development were reaffirmed, whereas his more populist call for building a harmonious society was de-emphasized. Combined with the decision to promote Xi Jinping as the heir apparent (though not yet formally designated as such), the congress signaled that Hu will have power, but that that power will be balanced.

## Portfolios Worth Fighting For

Although we probably should not put too much weight on who occupies what position, there are alignments that strongly suggest both that there is a careful balancing of interests within the Party as well as efforts by different political interests to control important portfolios. Thus, the promotion of Xi Jinping was balanced not only by the elevation of Li Keqiang (who appears in line to succeed Wen Jiabao as premier) but also by the naming of Li Yuanchao as head of the Organization Department (as well as to the Secretariat). Li Yuanchao's appointment is likely to help Hu shape the party elite over the next five years. Ironically, the 18<sup>th</sup> Party Congress might see more protégés of Hu Jintao promoted than this party congress.

Perhaps even more noteworthy than this balancing of interests in the central Party apparatus is the pattern that has developed in the public security apparatus. As noted above, Zhou Yongkang, a confidant of Zeng Qinghong's has taken over Luo Gan's position as head of the Political and Legal Leadership Small Group, and He Guoqiang, also closely associated with Zeng, has taken over the CDIC from Wu Guanzheng. On 28 October Xinhua announced that Meng Jianzhu, who had been a vice mayor of Shanghai before becoming Party secretary of Jiangxi Province in 1997, had been appointed minister of Public Security. That means that the top three internal investigative organs are now headed by people closely associated with Zeng Qinghong. (The new minister of State Security, Geng Huichang, appears to be a professional intelligence official, rising as he did from the China Institute of Contemporary International Relations, and the Ministry of State Security appears to have no involvement in inner-Party affairs). One has to wonder whether the "Shanghai Gang" is taking steps to protect itself from another investigation of the sort that felled Chen Liangyu.

## Conclusion

Hu Jintao did not emerge from the 17<sup>th</sup> Party Congress as strong as he no doubt had hoped to be. The retirement of Zeng Qinghong, a formidable political figure, is almost certainly good for Hu, though it came at the cost of the promotion of two close associates

of Zeng (Zhou Yongkang and He Guoqiang) to the Politburo Standing Committee. Hu was not able to pick his own successor, and there is anecdotal evidence that he failed to get some of his other supporters onto the Central Committee. Hu's efforts to promote a more populist agenda under the rubric of building a "harmonious society" were certainly defeated not only in the drafting of the political report but by the promotion of so many *gaogan zidi*.

Nevertheless, Hu can point to some important successes. Li Keqiang was promoted to the PBSC and three close associates were named to the Secretariat. The Political Report endorsed Hu's "scientific development concept," which was written into the Party constitution as well. Many of Hu's favorite themes, including environmental protection and inner-party democracy, were endorsed by the congress. Indeed, getting one's pet ideological formulation into the Party constitution in only five years is remarkably rapid (Jiang Zemin had been general secretary for 13 years before an ideological concept associated with him, the "three represents," was written into the Party charter). On balance, Hu emerged from the 17<sup>th</sup> Party Congress in a stronger position than he did from the 16<sup>th</sup> Party Congress, and he has been able to exert leadership fairly successfully over the last five years.

Overall, the 17<sup>th</sup> Party Congress reflected a political situation in which important institutional rules (retirement age, distribution of seats) mix uneasily with efforts by political forces (more than factions) to advance their interests, a need to carefully balance different interests in the Party, and efforts by different political interests to control particular institutions. Efforts by one leader or another to "wire" the system in favor of his supporters are necessarily undertaken a decade or more in advance. Thus, Jiang Zemin's efforts to promote his supporters to the Politburo (and Jiang seems to have engaged more openly in factional activity than Hu Jintao has) were so successful that it was necessary to go outside of the institutional framework to promote two people to positions from which they could reasonably assume overall responsibility for Party and state affairs in five years.

Precisely because checks and balances are built into the political system, major policy initiatives are likely to take a long time to formulate and implement. This might be a good thing if one is thinking about preserving the stability of the Party elite. It might not be such a good thing if one is thinking in terms of responding quickly to external economic issues (such as the re-evaluation of the renminbi) or making rapid institutional changes (such as implementing inner-party democracy in a significant way).

Precisely because of this political structure and the apparent success of the economic-political elite (the *gaogan zidi* and economic elites), it appears that China's status quo will change only slowly. One can expect efforts to ameliorate the conditions of the disadvantaged in China to continue and perhaps even accelerate (the center has money!), but it also seems likely that the coastal provinces will continue to race ahead economically. Will this new economic development be sufficient to absorb those who have been left behind or will it only exacerbate differences, leading to a buildup of populist pressures? That may be the central political question over the next five years.

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## Notes

<sup>1</sup> There is always ambiguity in counting such positions. Not only are some positions overlapping (premier and vice premiers head the State Council system but they are also members of the Politburo and thus members of the Central Party apparatus), but people change positions, especially right after the conclusions of Party congresses. Thus, it has just been announced that Bo Xilai, who was minister of Commerce, will move to Chongqing Municipality to replace Wang Yang. Wang, in turn, was transferred to Guangdong to replace Zhang Dejiang. Although not yet officially announced, it is widely believed that Zhang Dejiang will be named a vice premier at the March 2008 meeting of the NPC.

<sup>2</sup> This and subsequent references to Hu Jintao's political report come from "Hu Jintao zai Zhongguo gongchandang di shiqi ci quanguo daibiao dahui shang de baogao (quanwen)" [Hu Jintao's report to the seventeenth national delegates congress of the Chinese Communist Party], retrieved from <http://cpc.people.com.cn/GB/64162/64168/106155/106156/6430009.html>.

<sup>3</sup> Hu Shuli, "Lijie 'jiefang sixiang'" [Understand 'Emancipating the mind'], *Caijing*, no. 189 7 (July 7 2007).

<sup>4</sup> Hu Yuanyuan, "CSRC: Kelon Chief Did Wrong," *China Daily*, 4 August 2005; and Hu Yuanyuan, "Kelon Gets fined for Accounting Fraud," *China Daily*, 6 July 2006.

<sup>5</sup> Liu Guoguang, "Jingjixue jiaoxue he yanjiu de yixie wenti" [On certain issues in teaching and researching economics], in *Jingji yanjiu*, no. 10 (October 2005):4–11.

<sup>6</sup> Gong Xiabtian, "Yibu weibei xianfa he beili shehui zhuyi jiben yuanze de 'wuquanfa (cao'an)'" [A '(draft) property law' that violates the constitution and deviates from the fundamental principles of socialism], retrieved from <http://www.wyzxsx.com/xuezhe/gongxiantian/ShaArticle.asp?ArticleID-62>.

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