

The 10th National People's Congress and China's Leadership Transition

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The 10th National People's Congress (NPC) completed the succession of China's top leaders that began with the Chinese Communist Party's (CCP) 16th Party Congress in fall 2002 and has preoccupied China's politics for more than a year. The NPC's appointment of new leaders to most top state posts has ended the suspense regarding the leadership transition, but it has not done much to clarify ambiguities about their power relative to each other. Nevertheless, initiatives by the new leadership under party General Secretary and now People's Republic of China (PRC) President Hu Jintao have made it clear that China's leaders do not intend a conservative, status quo approach to the country's political issues and policy problems, but rather have already embarked on a clearly activist agenda.

Leadership Turnover

The changes in the top posts of the PRC state hierarchy made at the 10th NPC, held in Beijing March 5–18, 2003, confirmed widely held expectations. As could be inferred from party rankings, Hu Jintao replaced Jiang Zemin as PRC president, Wu Bangguo succeeded Li Peng as NPC chairman, and Wen Jiabao replaced Zhu Rongji as State Council premier. Jiang Zemin's reappointment as chairman of the party Central Military Commission in fall 2002 was replicated by his reappointment to the parallel chairmanship of the state Central Military Commission at the NPC. In the only appointment marked by real suspense, Zeng Qinghong was appointed PRC vice president, capping his spectacular ascent over the past year.

Taken together with the changes made at the 16th Party Congress in November 2002, the NPC appointments complete a sweeping turnover of leaders. The CCP has a new general secretary and a new chairman of the Central Discipline Inspection Commission. The PRC has a new president, vice president, NPC chairman, and State Council premier. Only the party and state Central Military Commissions' top leader—Jiang Zemin—retained his post.

Beneath this top level of the leadership, the party congress and NPC brought about turnover of comparable sweep. As of the closing of the NPC on March 18:

- Sixteen of 25 members of the party Politburo are new to that body.
- On the Politburo Standing Committee—the party's core decision-making group—eight of nine members are new.
- Seven of eight members of the party Secretariat, which coordinates and oversees implementation of Politburo decisions, are new.

- Most of the heads of the party Central Committee are new.
- In the State Council, four of four vice premiers and five of five state councillors are new to those posts.
- Only three of eight members of the Central Military Commissions (their respective memberships are normally identical) are new as a consequence of the party and people's congresses, but that statistic obscures the promotion of three men as successors to retiring members ahead of the congresses.
- Eighteen of 28 State Council ministers are new as a result of the NPC.
- In the provinces, thanks to the rounds of provincial party and provincial people's congresses held over the past year, 11 of 31 province party secretaries and 15 of 31 governors are new to their posts.

Hu Jintao and Jiang Zemin

Hu Jintao's assumption of the presidency makes him China's head of state, and treatment of his activities in Chinese media has reflected his elevated status since the NPC. Prior to the NPC, Hu's activities as party general secretary and as PRC vice president routinely gave him prominence on the front page of the party newspaper, *People's Daily* (*Renmin ribao*). Nevertheless, Jiang Zemin, even though outranked by Hu in the party pecking order, was accorded higher standing. Leadership lineups at public events routinely listed Jiang first and Hu second, and accounts of Jiang's activities as PRC president normally received pride-of-place positioning in the upper right quadrant of *People's Daily's* front page.

Since the NPC, Hu's activities as PRC president have also been reported in the upper right quadrant of the newspaper's front page. On March 19, for example, *People's Daily* reported in that space Hu's receipt of congratulatory telegrams from U.S. President Bush, Russian President Putin, and French President Chirac. Xinhua News Agency reports of Hu's meetings with visiting heads of state received similar treatment, as did reports of Jiang's activities before the NPC.

Nevertheless, ambiguity about Hu's standing relative to Jiang persists in the wake of the NPC. On March 20, for example, Xinhua reports of both Jiang's meeting with the visiting Tajikistani president and Hu's meeting with the chief executives of Hong Kong and Macao were placed together in the upper right portion of the newspaper, but the account of Jiang's meeting came first. Similarly, on March 6, *People's Daily* published an account of the top leadership planting trees outside Beijing—an annual exercise in recent years—the previous day, together with a picture of the entire Politburo Standing Committee and Jiang Zemin with shovels in hand. In both the story and its headline, Hu Jintao was listed first, followed by Jiang Zemin and then by the eight other Politburo Standing Committee members. Nevertheless, the photograph showed the top leadership posed in a lineup that ranked Jiang Zemin first, placing both him and

Hu at the center but with the Politburo Standing Committee posed in descending party rank on either side of them in an order that clearly privileged Jiang's status.

Jiang's retention of the top military posts at age 77 makes him stand out in the midst of a sweeping turnover of all the other party and state leadership posts that has significantly rejuvenated the leadership (the Politburo members now average 61 years old). Some PRC media commentary since the NPC has sounded a strikingly defensive note regarding Jiang's continuing tenure on the Central Military Commission. On March 16, for example, the PRC-controlled Hong Kong newspaper *Wen wei po* noted that Jiang had proposed his retirement at a Central Military Commission meeting prior to the 16th Party Congress, but the overwhelming majority of the People's Liberation Army (PLA) brass urged that he stay on. The commentary rebutted "foreign" speculation about a split between the civilian party leadership and the military brass, and it dismissed the fact that some 200 of the 2,900 delegates to the NPC had voted against Jiang's retention of his post as a "normal" occurrence in NPC voting in recent years that would "not adversely affect stability" in the PLA. It rejected concerns that Jiang is too old as "groundless," and predicted that the PLA would benefit from continuity in leadership and commitment to defense modernization.

Zeng Qinghong

The most intriguing appointment at the NPC was that of Zeng Qinghong as PRC vice president. At the 16th Party Congress in November, Zeng helicoptered from his position as Politburo alternate to become the fifth-ranked leader on the Politburo Standing Committee and executive secretary of the party Secretariat. In December, Zeng replaced Hu Jintao as president of the Central Party School, the institution that provides advanced education to rising party leaders in the capital and the provinces. That new position gives Zeng a tried-and-true means to expand his political ties among the current and rising generations of party leaders. Now, as PRC vice president, Zeng has added visibility on the international stage, since his prominent state post entitles him to receive high-level visiting official delegations and to travel as China's second-ranked state leader.

With his appointment as PRC vice president, Zeng has nearly recapitulated the array of posts held by Hu Jintao before Hu succeeded Jiang Zemin as party and state leader at the 16th Party Congress and at the 10th NPC. The only posts that Hu held prior to the leadership turnover that Zeng currently does not hold are the vice chairman positions on the two Central Military Commissions, posts that Hu continues to hold under Jiang's continuing tenure as chairman. Conceivably, if Hu replaces Jiang as Central Military Commission chairman in the next two to three years, as some speculation has it, it seems likely that Zeng will be added as vice chairman.

Hu's acquisition of the posts of Politburo Standing Committee member, executive secretary of the Secretariat, head of the Central Party School, PRC vice president, and Central Military Commission vice chairman through the 1990s was intended to prepare the way for his succession to Jiang in the recent leadership turnover. In Zeng's case, since Hu and Zeng are nearly the same age (Zeng is three years older), the intention does not appear to be that Zeng is being prepared to replace Hu through a process of generational succession. Instead, Zeng appears to have been positioned to take the top party and state posts should Hu slip from power. In the meantime, Zeng is well placed both to assist Hu in his roles as top party and state leader—as Hu did Jiang in the 1990s—and to shadow Hu on behalf of his mentor, Jiang Zemin.

Role of Elders

The NPC, together with the party congress last fall, added 11 retired party and state leaders to the pool of elders who, by experience and seniority, will kibitz in the decision making of the new Hu leadership. These leaders include outgoing NPC Chairman Li Peng and outgoing Premier Zhu Rongji, men of strong, and strongly contrasting, political predilections. How much their influence may be felt in the deliberations of the new leadership is still unclear, and PRC media have been silent about their activities since their retirement at the NPC, except for accounts of their appearances at ceremonial occasions.

Constitutional Revision and State Council Reform

As expected, the NPC deferred amending the 1982 PRC constitution until the 10th NPC's Second Plenary Session in 2004 so that the current session could focus on reform of the State Council. The last effort to amend the constitution had been similarly deferred until the Ninth NPC's Second Plenum in 1999. In his inaugural remarks to the first session of the 10th NPC Standing Committee on March 19, the day following the close of the NPC, new NPC Chairman Wu Bangguo indicated that revisions would, in part at least, parallel the amendments to the CCP constitution that incorporated the "three represents" at the 16th Party Congress in November 2002.¹ The contemplated revisions may, however, amount to more than that thematic adjustment. They may also include changes intended to facilitate "governing the country according to law"—a theme that has received new media attention since Hu Jintao emphasized it in his remarks to a Politburo meeting devoted to studying the constitution, a meeting publicized by Xinhua on December 26.

State Council revision was expected to be the focus of the NPC. Every NPC since 1983 has authorized revision of the State Council to facilitate ongoing changes in China's economy under reform. On the eve of the 10th NPC, PRC media emphasized a new round of changes designed to facilitate new reform of the state-owned enterprise sector and to

accommodate the changes brought about by China's entry into the World Trade Organization (WTO), and some of the changes underscore those purposes:

- In an effort to realize the long-declared goal of “separating government and enterprise,” a new State Assets Regulatory Commission (SARC) was authorized to administer the state's stake in reformed state-owned enterprises and other entities in the increasingly diverse economic order. Constructed out of components of the former State Economics and Trade Commission (SETC) and headed by former SETC Minister Li Rongrong, the SARC began operation on April 6 as the state's “investor” and “supershareholder” that seeks to enhance the value of state shares in state-owned enterprises but that has no authority to “interfere directly in enterprise production and other operations.”²
- A new Ministry of Commerce was created to oversee both domestic commerce and foreign trade, and the former Ministry of Foreign Trade and Economic Cooperation was abolished.

Nevertheless, at first glance, the State Council reforms set out at the NPC seemed to disappoint. Several media commentaries since the turn of the year had intimated that the number of State Council ministries and state commissions would be reduced from 29 to 21 or 22. One commentary, appearing in the PRC-owned Hong Kong newspaper *Wen wei po* two days before the NPC opened, also predicted that the NPC would create six new ministry-level state commissions—including a State Agriculture Commission, a State Energy Commission, and a State Electricity Regulatory Commission.³ Earlier, on February 20, the same newspaper had predicted contrarily that the NPC would focus on eliminating overlapping functions among the State Council's ministries and commissions rather than simply streamlining their number.⁴ In the end, neither the predicted reduction in the overall number of State Council ministries nor the expansion of state commissions occurred at the NPC as precisely foreshadowed. Instead, the NPC endorsed a State Council reorganization that trimmed the number of ministry-level bodies under the State Council to 28. Among the four state commissions on the new State Council roster, the only new state commission is the State Development and Reform Commission (SDRC), which is in fact the former State Development Planning Commission reorganized and renamed.

Part of the discrepancy may lie in the fact that two new state commissions—the SARC and the China Banking Regulatory Commission (CBRC)—were authorized but not formally established at the NPC, which instead deferred that task to review and implementation by the new State Council after the NPC. On March 26, Xinhua reported Premier Wen Jiabao presiding over a State Council Executive Committee meeting that reviewed the structure and staffing of the new SARC, and on April 7, Xinhua reported that the new commission had commenced work the day before.⁵

Confusing the picture further, Xinhua reported that a new State Electricity Regulatory Commission (SERC)—one of the new commissions predicted to be established at the NPC—had begun operation on March 25 under the direction of Chai Songyue, previously governor of Zhejiang Province. Xinhua stated that the commission had been established in December 2002

to “supervise and regulate market competition in the electricity industry.” Chai had been named to head and establish the new commission in October 2002.⁶

PRC media have yet to clarify the standing and relationships of these new commissions. But, it seems probable that the new State Assets Regulatory Commission, the State Electricity Regulatory Commission, and the China Banking Regulatory Commission are not considered ministry-level bodies. Paralleling the standing of the China Securities Regulatory Commission established in 2000, they presumably will not count against the State Council’s roster of 28 ministries and state commissions.

In addition, the anticipated reduction in State Council ministries may yet occur in both the short and long terms. The State Council changes endorsed at the NPC were described as a first step that will be followed by subsequent revisions at subsequent NPCs over the next 15 years. These reforms together, according to some commentary, are informed by a grand vision of fulfilling the long-advertised ambition to create a regulatory state administration that fundamentally transforms and limits the roles and reach of government and that uses only indirect levers to guide a largely autonomous market economy. As elaborated in commentary both preceding and following the NPC, these reforms seek to “build a new type of government” that “reflects China’s absorption of the experiences of Western governments under a market economy.” This new “government with limited powers” will separate the “three powers” of “decision making, execution, and supervision.”⁷ The overall State Council reorganization bears the strong imprint of Wen Jiabao, whose 16-character formula has been widely described as the basis for the reform.

The clearest winner in the reorganization is the SDRC, formerly the State Development Planning Commission (SDPC), which was created by incorporating functions of the SETC and the State Economic Restructuring Commission (SERC), both of which were dismantled at the NPC. Before the NPC, the SDPC was headed by Zeng Peiyan, who was promoted to membership on the Politburo in November 2002 and who was made a vice premier at the NPC. The new commission takes on expanded planning and regulatory roles and, in the hands of Zeng’s protégé Ma Kai, seems poised to play a supraministerial role.

The clearest losers were the SETC and SERC, each of which has had a checkered past. The SETC was originally the State Economic Commission, established in 1956 under now-retired elder Bo Yibo, who directed it through the onset of the Cultural Revolution. It resumed full operation in the 1980s but was abolished altogether at the Seventh NPC in 1988, when Li Peng became premier. It was reestablished under Zhu Rongji, shortly after his move to Beijing from Shanghai, as the State Council Production Office in 1991, and renamed the State Council Economic and Trade Office in 1992. Finally, it was restored altogether as the State Economics and Trade Commission at the Eighth NPC in 1993 under the direction of Zhu associate Wang Zhongyu, who became State Council secretary-general when Zhu became premier. Because of its continuing association with Zhu Rongji, the SETC was sometimes referred to as the “little State Council.”

Similarly, the SERC was created in 1982 to advance economic reform by then-premier Zhao Ziyang, who served concurrently as its director. When Zhao became party general secretary in 1987, the commission was headed for a year by now-retired Politburo leader Li Tieying. The commission was taken over in 1988 by Zhao's successor as premier, Li Peng, and appeared to go into eclipse when Li handed its leadership over to a lower-ranking leader, Chen Jinhua. Eventually, in the State Council reorganization endorsed at the Ninth NPC in 1998, the SERC was downgraded to an office of the State Council.

An Open and Activist Leadership?

Since Wen Jiabao became premier, PRC media have expanded their reporting on State Council decision making. Before the NPC, Xinhua had occasionally reported meetings of the State Council's Executive Committee and of the broader State Council itself, but such reports had normally been terse, providing only skimpy details. Since Wen took over, Xinhua has begun carrying lengthier accounts of State Council and Executive Committee meetings, their agendas, and their decisions.

The more open approach of the Wen leadership over the State Council comports with themes of increased transparency, government accountability and responsiveness to the "interests of the people," and leadership collectivity pressed by Hu Jintao since the party congress in 2002. Steps in these directions by the party leadership have continued:

- PRC media continue to report on routine meetings of the party Politburo—and on occasion its Standing Committee—and on Politburo "study sessions" on timely topics.
- On March 4, Xinhua spotlighted the "unprecedented" reporting of the selection of descendants of earlier PRC leaders to take up posts in the Chinese People's Political Consultative Conference (CPPCC)—the broad umbrella organization that unites civic, religious, professional, and other groups in Chinese society and that meets concurrently with the NPC—as a manifestation of a more open politics. This new "open politics," also manifested in the immediate reporting in PRC media of bomb blasts on university campuses in Beijing in late February, derived, Xinhua said, from "democratic principles" that "the people have a right to know."

The "right" of the people to know, of course, was put to immediate test with the outbreak of the severe acute respiratory syndrome (SARS) epidemic in Beijing itself, to the evident embarrassment of the new party and state leadership. After a Politburo meeting on the SARS crisis on April 17, the Hu-Wen leadership has asserted itself to get in front of the crisis and make the crisis an example of the leadership's emerging hallmark themes of openness and decisiveness on behalf of the people's interests. (For an analysis of the politics of the SARS crisis, see the article by Joseph Fewsmith in this issue.)

Notes

¹ Xinhua News Agency, March 19, 2003, in World News Connection (WNC), March 20, 2003, FBIS CPP-2003-0319-000173.

² Tang Yuan, "Taking Up the Burden of State Assets," *Beijing Review*, May 8, 2003, 20–21.

³ *Wen wei po*, March 3, 2003, in WNC, March 4, 2003, FBIS CPP-2003-0303-000056.

⁴ *Wen wei po*, February 20, 2003, in WNC, February 24, 2003, FBIS CPP-2003-0220-000034.

⁵ Xinhua News Agency, March 26, 2003, in WNC, March 27, 2003, FBIS CPP-2003-0326-000178, and Xinhua News Agency, April 7, 2003, in WNC, April 9, 2003, FBIS CPP-2003-0407-000067.

⁶ Xinhua News Agency, March 25, 2003, in WNC, March 26, 2003, FBIS CPP-2003-0325-000172, and Xinhua News Agency, November 21, 2002, in WNC, November 25, 2002, FBIS CPP-2002-1121-000067.

⁷ *Ta kung pao*, February 21, 2003, in WNC, February 26, 2003, FBIS CPP-2003-0221-000031, and "State Council Reform Forges Ahead," *Beijing Review*, March 20, 2003, 20–22.