

New Provincial Chiefs: Hu's Groundwork for the 17th Party Congress

Cheng Li

Understanding the kinds of leaders Hu Jintao currently promotes also reveals the political and socioeconomic objectives he will most likely pursue in the future. Throughout 2004, especially after Hu consolidated his power at the Fourth Plenum of the 16th Central Committee in September, China's provincial leadership underwent a major reshuffling. Most of the newly appointed provincial chiefs (party secretaries and governors) advanced their political careers primarily through the Chinese Communist Youth League (CCYL), received postgraduate education (usually in economics and management), and were leaders in less developed inland provinces. Their recent promotions are attributable not only to their political ties with Hu, but also to the fact that they share Hu's populist vision for China's development. Some of these provincial chiefs will be Hu's nominees for Politburo seats at the next party congress. They will likely become part of Hu's team to carry out political reform and socioeconomic policies in line with Hu's perceived mandate.

Deciphering Hu's Leadership

Ever since becoming general secretary of the Chinese Communist Party (CCP) at the 16th Party Congress, Hu Jintao has demonstrated his political wisdom and skill by making major policy moves while deliberately confusing potential critics both at home and abroad.¹ Examples abound:

- While he presents himself as a populist leader who represents the interests of the Chinese people, Hu's main political agenda is to consolidate what the Chinese call inner-party democracy, which is "democracy" enjoyed only by party elites and not the general public.
- Hu has repeatedly stated that China will not follow the model of Western democracy. But at the same time, he invited Chinese scholars to lecture at Politburo study sessions on Western culture, social welfare systems, and political institutions. Such study sessions would have been inconceivable only a decade ago because they would have been criticized as "spiritual pollution" and "bourgeois liberalization" in the Politburo. Hu also endorses the Western concept that "power corrupts and absolute power corrupts absolutely."
- Under Hu's initiatives, the Central Committee of the CCP decided to enhance the transparency of the decision-making process. Party and government agencies have

been encouraged to make information more accessible to the press and the public through a new system of spokespersons for various government organs, as well as regular press conferences.² But at the same time, Hu has not allowed expressions of discontent in what he perceives to be sensitive issue areas. In 2004, several editors of newspapers and magazines were fired, and their media outlets were banned.

- Like his predecessor Jiang Zemin, Hu Jintao has been pushing for the modernization of China's military. He has unambiguously urged the People's Liberation Army (PLA) to prepare for war with Taiwan in the event the island should declare independence. But at the same time, he has adopted the so-called theory of China's peaceful rise to characterize his vision of China's strategic interests.

These seemingly contradictory statements and actions do not mean Hu Jintao is an opportunist who lacks a sense of the direction needed for the country. On the contrary, he understands his mandate very well and is quite articulate about his new vision for the People's Republic of China (PRC). Over the past two years, Hu Jintao has already brought China's course of development in line with his perceived mandate. Unlike his predecessors—who single-mindedly focused on coastal development at the expense of progress in the vast inland region and were obsessed with gross domestic product (GDP) growth without regard for employment, the environment, and social issues—Hu Jintao has stressed the need to achieve more-balanced regional economic development, social fairness, and government accountability.

Hu's confusing signals make sense if one considers two factors. First, the most daunting challenge for Zhongnanhai's new boss is arguably not a specific one, but a general test to see whether he has the leadership skills required to achieve the best possible equilibrium between China's contradictory needs and concerns. The new leaders need to accelerate the market reforms required by China's growing integration into the global economy, but at the same time use policy mechanisms to assist vulnerable areas and establish a social safety net. They need to deal seriously with rampant official corruption, but at the same time not undermine CCP rule. They need to broaden the power base of the CCP by recruiting entrepreneurs, but at the same time avoid portraying the party as an elitist body that represents only the interests of the rich and powerful. They need to dismiss the pessimistic forecasts of internal tensions and external pressures giving rise to chaos, but at the same time smother the arrogant and ultranationalistic views of emerging Chinese militarists.

Second, although Hu Jintao has quickly moved out of Jiang's shadow and smoothly pushed his predecessor aside during the past two years, Hu is still surrounded by Jiang's protégés in the Standing Committee of the Politburo. Among the nine current members of the Standing Committee, the highest decision-making body in the country, six have strong ties with Jiang. They are Zeng Qinghong, Wu Bangguo, and Huang Ju, who are members of the Shanghai Gang; Jia Qinglin and Luo Gan, who used to work with Jiang at the First Ministry of the Machine Building Industry several decades ago; and Li Changchun, who was Jiang's political ally during the factional battles of the 1990s.

Hu Jintao's authority and influence have been largely based on his appealing public image during crises such as the 2003 severe acute respiratory syndrome (SARS) epidemic and on his political coalition with Wen Jiabao, another extremely popular leader in the country, rather than on political networks. This formula was enough to secure Hu's leadership position, but not enough to allow him to launch any substantial political reforms in the country. Hu needs to establish his own team within the national leadership, especially in the next Politburo, which will be formed at the 17th National Congress of the CCP in 2007.

Under these circumstances, the recent choices for appointment as provincial chiefs (party secretaries and governors) have been strategically important for Hu Jintao. The top leadership positions in China's provinces and major cities are the primary stepping-stones to national political offices in the country; approximately 83 percent of the current Politburo members previously served as provincial chiefs or deputy chiefs.³ Today's young provincial chiefs will most likely be the front-runners for membership seats on the 17th Politburo. These new provincial chiefs can gain much-needed administrative experience and political credentials over the next two or three years. Those who were appointed as provincial chiefs in 2004 have an advantage for further promotion at the 17th Party Congress over those who may be appointed to equivalent posts in the intervening years.

Provincial Chiefs Appointed since 2004

Since the Fourth Plenum of the 16th Central Committee, held in September 2004, Hu Jintao has made an apparently important political move by appointing his own allies to important leadership positions. The consolidation of Hu's power was particularly evident in the appointments of provincial chiefs. Many of Hu's longtime associates, especially those who advanced their careers through the CCYL, were the most prominent appointees. Among the total of 62 province-level top leaders, 15 were appointed in 2004 (see table 1).⁴ Among these 15 newly appointed provincial chiefs, 9 (60 percent) had substantial leadership experience in CCYL organizations at the municipal or provincial levels or above.

CCYL Ties with Hu Jintao

Liaoning Party Secretary Li Keqiang, Shaanxi Party Secretary Designate Yuan Chunqing, and Shanxi Governor Zhang Baoshun all worked in CCYL central organizations under Hu Jintao in the early 1980s when Hu was secretary of the CCYL Central Committee. Li and Yuan were in charge of the college affairs department under the CCYL Central Committee, and Zhang was in charge of the young worker affairs department under the CCYL Central Committee. All three also served on the secretariat of the CCYL; Li and Zhang were directly under Hu's leadership in the 1980s. Meanwhile, Guangxi Party Secretary Designate Liu Qibao, Neimenggu Governor Yang Jing, Fujian Governor Huang Xiaojing, and Qinghai Governor Song Xiuyan worked as heads of CCYL provincial and

Table 1
Top Provincial Leaders in China (February 2005)

Province/City	Position	Name	Native	Year born	Year appointed	Previous position	16th CC	Education level	Academic major	Political network
Beijing	Party secretary	Liu Qi	Jiangsu	1942	2002	Beijing mayor	Politburo	M.A.	Engineering	
	Mayor	Wang Qishan	Shandong	1948	2003	Hainan party secretary	Member	College	History	Princeling
Tianjin	Party secretary	Zhang Lichang	Hebei	1939	1997	Tianjin mayor	Politburo	Jr. college	Management	
	Mayor	Dai Xianglong	Jiangsu	1944	2002	Governor, People's Bank	Member	College	Economics	
Hebei	Party secretary	Bai Keming	Hebei	1943	2002	Hainan party secretary	Member	College	Engineering	Princeling
	Governor	Ji Yunshi	Jiangsu	1945	2002	Jiangsu governor	Member	College	Physics	CCYL
Shanxi	Party secretary	Tiang Chengping	Hebei	1945	1999	Qinghai party secretary	Member	College	Engineering	Qinghua, oil industry
	Governor	Zhang Baoshun	Hebei	1950	2004	Shanxi deputy secretary	Alternate	M.A.	Economics	CCYL
Neimenggu	Party secretary	Chu Bo	Anhui	1944	2001	Hunan governor	Member	College	Engineering	
	Governor	Yang Jing	Neimenggu	1953	2004	Huhehaote party secretary	Alternate	Jr. college	Chinese	CCYL
Liaoning	Party secretary	Li Keqiang	Anhui	1955	2004	Henan party secretary	Member	Ph.D.	Economics	CCYL
	Governor	Zhang Wenyue	Fujian	1944	2004	Liaoning deputy secretary	Alternate	College	Geology	Wen Jiabao's friend
Jilin	Party secretary	Wang Yunkun	Jiangsu	1942	1998	Jilin governor	Member	College	Engineering	
	Governor	Wang Min	Anhui	1950	2004	Suzhou City party secretary		Ph.D.	Engineering	
Heilongjiang	Party secretary	Li Zhanshu	Hebei	1950	2004*	Heilongjiang vice governor	Alternate	College	Politics	CCYL
	Governor	Zhang Zuoyi	Heilongjiang	1945	2003	Labor minister	Member	College	Russian	
Shanghai	Party secretary	Chen Liangyu	Zhejiang	1946	2002	Shanghai mayor	Politburo	College	Engineering	Shanghai Gang
	Mayor	Han Zheng	Zhejiang	1954	2003	Shanghai vice mayor	Member	M.A.	Economics	Shanghai Gang
Jiangsu	Party secretary	Li Yuanchao	Jiangsu	1950	2002	Jiangsu deputy secretary	Alternate	Ph.D.	Law	CCYL, Shanghai Gang
	Governor	Liang Baohua	Jiangxi	1945	2003	Jiangsu vice governor	Alternate	College	Journalism	
Zhejiang	Party secretary	Xi Jinping	Beijing	1953	2002	Fujian governor	Member	Ph.D.	Law	Princeling, Qinghua
	Governor	Lu Zushan	Zhejiang	1946	2003	Zhejiang vice governor	Alternate	M.A.	Party affairs	
Anhui	Party secretary	Guo Jinlong	Jiangsu	1947	2004	Tibet party secretary	Member	College	Physics	
	Governor	Wang Jinshan	Jilin	1945	2003	Anhui vice governor	Member	M.A.	Economics	
Fujian	Party secretary	Lu Zhangong	Zhejiang	1952	2004	Fujian governor	Member	College	Engineering	
	Governor	Huang Xiaojing	Fujian	1946	2004	Fujian vice governor		College	Engineering	CCYL
Jiangxi	Party secretary	Meng Jianzhu	Jiangsu	1947	2001	Shanghai deputy secretary	Member	M.A.	Engineering	Shanghai Gang
	Governor	Huang Zhiquan	Zhejiang	1942	2001	Jiangxi vice governor	Member	College	Engineering	
Shandong	Party secretary	Zhang Gaoli	Fujian	1946	2002	Shandong governor	Member	College	Economics	
	Governor	Han Yuqun	Jiangsu	1943	2003	Shandong vice governor		College		
Henan	Party secretary	Xu Guangchun	Zhejiang	1944	2004	Radio, Film, & TV director	Member	College	Journalism	Shanghai Gang
	Governor	Li Chengyu	Ningxia	1946	2003	Henan vice governor	Alternate	Jr. college	Party affairs	

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Hubei	Party secretary	Yu Zhengsheng	Zhejiang	1945	2001	Construction minister	Politburo	College	Engineering	Princeling
	Governor	Luo Qingquan	Hubei	1945	2003	Hubei vice governor	Member	M.A.	Party affairs	
Hunan	Party secretary	Yang Zhengwu	Hunan	1941	1998	Hunan governor	Member	Jr. college	Party affairs	
	Governor	Zhou Bohua	Hunan	1948	2003	Hunan vice governor		M.A.	Party affairs	
Guangdong	Party secretary	Zhang Dejiang	Liaoning	1946	2002	Zhejiang party secretary	Politburo	College	Economics	
	Governor	Huang Huahua	Guangdong	1946	2003	Guangdong vice governor	Member	M.A.	Party affairs	CCYL
Guangxi	Party secretary	Liu Qibao	Anhui	1953	2004*	Guangxi deputy secretary	Alternate	M.A.	Economics	CCYL
	Governor	Lu Bing	Guangxi	1944	2003	Guangxi deputy secretary		College	History	
Hainan	Party secretary	Wang Xiaofeng	Hunan	1944	2003	Hainan governor	Member	College	Engineering	
	Governor	Wei Liucheng	Henan	1946	2003	CEO, China Oil Corporation	Alternate	College	Engineering	Oil industry
Chongqing	Party secretary	Huang Zhendong	Jiangsu	1941	2002	Transportation minister	Member	College	Engineering	
	Mayor	Wang Hongju	Chongqing	1945	2003	Chongqing vice mayor	Member	College	Mathematics	
Sichuan	Party secretary	Zhang Xuezhong	Gansu	1943	2002	Personnel minister	Member	College	Chinese	Hu Jintao's friend
	Governor	Zhang Zhongwei	Sichuan	1942	2002	Sichuan vice governor	Member	Jr. college	Party affairs	
Guizhou	Party secretary	Qian Yunlu	Hubei	1944	2001	Guizhou governor	Member	College	Economics	CCYL
	Governor	Shi Xiushi	Henan	1942	2001	Guizhou vice governor	Member	College	Engineering	
Yunnan	Party secretary	Bai Enpei	Shaanxi	1946	2001	Qinghai party secretary	Member	College	Engineering	
	Governor	Xu Rongkai	Chongqing	1942	2002	Yunnan deputy secretary	Member	College	Engineering	Qinghua
Tibet	Party secretary	Yang Chuantang	Shandong	1954	2004	Qinghai governor	Alternate	M.A.	Economics	CCYL
	Governor	Qiangba Puncog	Tibet	1947	2003	Tibet deputy secretary	Alternate	College	Engineering	
Shaanxi	Party secretary	Yuan Chunqing	Hunan	1952	2004*	Shaanxi deputy secretary	Alternate	Ph.D.	Economics	CCYL
	Governor	Chen Deming	Shanghai	1949	2004	Shaanxi vice governor		Ph.D.	Management	
Gansu	Party secretary	Su Rong	Jilin	1948	2003	Qinghai party secretary	Member	M.A.	Economics	
	Governor	Lu Hao	Hebei	1947	2001	Lanzhou City party secretary	Member	College	Engineering	
Qinghai	Party secretary	Zhao Leji	Qinghai	1957	2003	Qinghai governor	Member	College	Philosophy	
	Governor	Song Xiuyan	Tianjin	1955	2004	Qinghai deputy secretary	Alternate	M.A.	Party affairs	CCYL
Ningxia	Party secretary	Chen Jianguo	Shandong	1945	2002	Shandong deputy secretary	Member	Jr. college	Economics	
	Governor	Ma Qizhi	Ningxia	1943	1998	Ningxia deputy secretary	Member	College	History	CCYL
Xinjiang	Party secretary	Wang Lequan	Shandong	1944	1995	Xinjiang deputy secretary	Politburo	M.A.	Party affairs	CCYL
	Governor	Simayi Tielwaerdi	Xinjiang	1944	2003	Xinjiang deputy secretary	Alternate	College	Mathematics	

SOURCES AND NOTES: The CCP Organization Department and the Research Institute of CCP History under the Central Committee of the Chinese Communist Party, comp., *Zhongguo gongchandang lijie zhongyang weiyuan dacidian* (Who's who in the Central Committees of the Chinese Communist Party, 1921–2003) (Beijing: The CCP Archive Press, 2004), and <http://www.xinhuanet.com>, February 12, 2005. The boldfaced lines denote leaders who were appointed in 2004. * The appointments of Yuan Chunqing, Li Zhanshu, and Liu Qibao are based on a nonofficial Chinese media outlet, <http://www.chinesenewsnet.com>, December 10, 2004. These three appointments should be subject to verification from official Chinese sources.

municipal organizations in the early 1980s. These leaders' contacts and work relationships with Hu Jintao most likely began during that period.

This reshuffling of provincial chiefs demonstrates a favoritism in elite recruitment that Hu Jintao had previously tried to avoid. These appointments, however, are not inconsistent with the political and institutional norms of the CCP. With the exception of Huang Xiaojing, all eight other newly appointed leaders who had CCYL ties with Hu were already on the 16th Central Committee of the CCP (Li Keqiang as a full member, the others as alternates). Most of them worked in the provincial-level leadership for many years before being appointed to their current positions as provincial chiefs. Thus, their appointments are not perceived by the political establishment and the public as "helicopter-like" promotions.

Some of these leaders with CCYL origins also had leadership experience in other important areas. Shaanxi Party Secretary Designate Yuan Chunqing worked in the field of law and party disciplinary affairs in some important national leadership bodies for many years. Guangxi Party Secretary Designate Liu Qibao worked as deputy editor-in-chief of *People's Daily* in the mid-1990s and as deputy chief of staff of the State Council between 1994 and 2000. Shanxi Governor Zhang Baoshun worked as deputy director of Xinhua News Agency between 1993 and 2001 before being given a provincial leadership position in Shanxi. Both Heilongjiang Party Secretary Designate Li Zhanshu and Qinghai Governor Song Xiuyan were in charge of party organization at the provincial level of leadership. This previous leadership experience also makes them candidates for top positions in legal and party disciplinary affairs, the State Council, propaganda, and CCP organization affairs in the years to come, which would constitute an ideal base for Hu's national team on the 17th Central Committee and at the 11th National People's Congress (NPC).

Demographic Backgrounds

The nine new provincial chiefs with CCYL leadership backgrounds are relatively young. All of them, with the exception of Huang Xiaojing, were born in the 1950s, making them much younger than the average for provincial chiefs in 2001 (58 years old) and for current provincial chiefs (59 years old).⁵ Li Keqiang and Song Xiuyan are only 50 years old. Song is also the only woman among 62 provincial chiefs in China today. Six of these nine provincial chiefs with CCYL backgrounds have postgraduate degrees, including two doctorates in economics, three master's degrees in economics, and one master's in party affairs. All these degrees are considered valuable educational credentials for further promotion. Based on their ages, their educational backgrounds, and the important leadership positions they currently hold, these provincial chiefs are in very competitive positions for further political advancement.

Also, all the provincial chiefs with CCYL backgrounds, with the exception of Huang Xiaojing, currently serve in either the inland or northeastern provinces. This geographic distribution reaffirms the fact that China's less developed inland region is Hu's power base. The fact that Hu's associates have been appointed as provincial chiefs

earlier than their counterparts in the coastal region prior to the 17th Party Congress may indicate that leaders from the inland provinces will occupy more seats in the next Politburo.

In contrast, protégés of Jiang and Zeng Qinghong did not fare well in the provincial leadership reshuffling of 2004. None of these 15 appointees was transferred directly from Shanghai. Only one new provincial chief, Henan Party Secretary Xu Guangchun, is a member of the Jiang-Zeng faction. Xu worked in Shanghai as director of the Shanghai Branch of Xinhua News Agency between 1985 and 1988 when Jiang was mayor and party secretary of the city. Xu later moved to Beijing, where he served as director of the Beijing Branch of Xinhua News Agency, chief editor of *Guangming Daily*, deputy director of the CCP propaganda department, and director of the State Bureau of Radio, Film & Television, consecutively. He also served as a spokesperson for the organization committee at the 15th Party Congress in 1997, working very closely with Jiang and Zeng. While his appointment as party secretary of China's most populous province could be interpreted as a promotion, Xu's age will deter him from becoming a front-runner for a Politburo seat at the next party congress.

The Suzhou Phenomenon

An interesting outcome of the recent reshuffling of the provincial leadership was that two former party secretaries of Suzhou City, Chen Deming and Wang Min, were appointed to the posts of Shaanxi governor and Jilin governor, respectively. In addition, Jiangsu Governor Liang Baohua also served as party secretary of Suzhou before being promoted to his current position. Hebei Governor Ji Yunshi also advanced his political career in Suzhou, where he served as director of the industrial development bureau of the municipal government. The high proportion of current provincial chiefs with ties to Suzhou has received much attention in the Chinese media, with some observers calling it the "Suzhou phenomenon" in the selection of political elites.⁶

This phenomenon is not entirely coincidental. It reflects the intention of the Hu-Wen administration to transfer capable and experienced leaders who have expertise, particularly in the areas of foreign trade and market reform, from the rich coastal region to the less developed inland region, where they will be expected to replicate "economic miracles." But meanwhile, it is not in Hu's best interest for some capable leaders from Shanghai to serve in top positions in other provinces. The fact that these leaders who have been transferred are from Suzhou rather than Shanghai, Jiang's power base and his showcase for China's development, may be indicative of the declining political influence of the Shanghai Gang.

The factional identity of both Chen Deming and Wang Min is unclear. The rumor that Chen Deming is a brother of Chen Zhili, state councillor and a prominent member of the Shanghai Gang, cannot be verified. It is most likely that these two leaders from Suzhou do not have strong factional ties. Neither Chen nor Wang currently serves on the 16th Central Committee of the CCP. Both spent their earlier careers exclusively in Jiangsu. Both hold doctoral degrees and speak English. Chen studied as a part-time

student for his master's and doctorate in economics at Nanjing University's International Business School while working as deputy chief of staff of the Jiangsu provincial government. Serving as mayor and then party secretary from 1997 to 2002, Chen was instrumental in the development of Suzhou industrial park and in the growth of economic cooperation between Suzhou and Singapore.

Wang worked as a farmer and worker during the Cultural Revolution, received a doctorate in mechanical engineering from the prestigious Nanjing University of Aeronautics and Astronautics, studied at Hong Kong University of Science and Technology as a visiting scholar for two years in the late 1980s, and served as vice president of Nanjing University of Aeronautics and Astronautics before working for the government of Jiangsu. In 2002, he served as party secretary of Suzhou City. Under his leadership, Suzhou experienced a remarkable surge in foreign investment. In 2004, Suzhou registered \$8.7 billion in foreign investment, which was much more even than Shanghai, the second-greatest recipient city in the country with \$6.1 billion in recorded foreign investment.

Shaanxi and Liaoning: Two Pivotal Provinces for the New Leadership

The Hu-Wen administration apparently places a great deal of importance on the leadership changes in Shaanxi and Liaoning—the pivotal provinces of China's western development and northeastern rejuvenation, respectively. Premier Wen has characterized the western development program and the northeastern rejuvenation scheme—two major strategic plans of the current administration—as the “two wheels” that will propel China's economic growth in the new century.⁷ This new phase of China's economic development will be crucial for the credibility and legitimacy of the Hu-Wen administration. Hu and Wen understandably want their trusted friends to be in charge of Shaanxi and Liaoning, since they hope these two provinces will become showcases for China's development.

Like his colleague Governor Chen Deming, Shaanxi's new party secretary designate, Yuan Chunqing, holds a doctoral degree in economics. Shaanxi is thus the first province in history of the PRC to be run by two Ph.D.s. Yuan began his career as a clerk at a police station in Changde, Hunan Province. Yuan studied law at Beijing University between 1977 and 1980, during which time he also served as a deputy secretary of the CCYL and president of the student union there. Yuan spent the next 17 years working on the CCYL Central Committee. During that period, he attended a master's program in law at China's University of Politics and Law, a midcareer training program at the Central Party School, a doctoral program in economic management at the International Business School of Hunan University, and a two-year-long postdoctoral program in economics at Beijing University, consecutively. An author of several books on China's economic reform, Yuan has been particularly interested in the role of small businesses in China's economic development.

On the strength of his training in law, Yuan served as executive vice chair of the social and legislative committee of the Chinese People's Political Consultative

Conference (CPPCC) between 1993 and 1998. A member of the standing committee of the 15th Central Discipline Inspection Commission (CDIC) of the CCP, Yuan also served as chief of staff of the CDIC for four years before starting work in Shaanxi as deputy party secretary in 2001. This breadth of experience, in addition to the current provincial leadership experience he is gaining in Shaanxi, indicates that Yuan will likely be a prominent member of Hu's national team in the years to come.

As the result of the recent reshuffling, the two provincial chiefs of Liaoning are Hu's confidant, Party Secretary Li Keqiang, and Wen's longtime friend, Governor Zhang Wenyue. These appointments send a clear message that Hu and Wen have a strong interest in the development of the province. Li began his career as a "sent-down youth" doing farm work in Fengyang, Anhui Province, in the mid-1970s. He was enrolled in the law department at Beijing University between 1978 and 1982, during which time he also served as the head of the student union at the university. After graduation, he remained at Beijing University and served as secretary of the CCYL committee there. At the age of 28, Li was appointed alternate secretary of the CCYL Central Committee. Over the next 16 years, he worked on the CCYL Central Committee, including tenure as the first secretary between 1993 and 1998. Under his leadership, the CCYL launched the young volunteer program to help poverty relief in rural China. Li also studied economics at Beijing University as a part-time graduate student between 1988 and 1994. Li received a doctorate in economics under the guidance of the well-known economist Li Yining.

There are several similarities between Li Keqiang and his mentor Hu Jintao: both come from humble family backgrounds, both are natives of Anhui, both were student leaders in their college years, both served as provincial party secretaries at a relatively young age, both were considered as candidates for top national leadership posts for a long time, both have photographic memories when giving public speeches, and both have low-profile personalities and usually do not lose their tempers under various circumstances. Li Keqiang's political career, however, has not been as smooth as Hu's. It was widely speculated that Li was nominated for a membership seat on the 16th Politburo, but that it did not work out due to his lack of achievement in Henan. His recent appointment as party secretary in Liaoning gives him another invaluable chance to advance his political career.

The friendship between Liaoning Governor Zhang Wenyue and Premier Wen Jiabao can be traced back to the 1960s, when both attended the Beijing Institute of Geology. Both joined the CCP while at school in 1965. After graduation, both went to work in the difficult field of geological research (Zhang in western Sichuan and Wen in Gansu). Zhang and Wen advanced their professional and political careers step-by-step as technicians, engineers, team leaders, and bureau chiefs. It is reported that when he was vice minister of geology and mineral resources, Wen promoted Zhang to become director of the bureau of geology and mineral resources in Sichuan.⁸ Not surprisingly, Wen now has entrusted his close friend to be a major player in the northeastern rejuvenation—arguably the most important challenge for Wen. Unlike Li Keqiang, who has political ambitions for further promotion, Zhang probably is mainly interested in simply rejuvenating the northeastern region, thereby helping his friend.

It is too early to assess the success or failure of the northeastern rejuvenation scheme, since it started only two years ago. There have, however, been some encouraging signs even within the last two years. In 2004, the region attracted an unprecedentedly high rate of capital inflow. Approximately \$7.04 billion was invested in the northeastern provinces, two-thirds of which went to Liaoning's two major cities, Shenyang and Dalian. Liaoning Province had a total of 2,499 new foreign investment projects in 2004 totaling \$5.4 billion, about a 91.5 percent increase over the previous year.⁹ The rapid increase of foreign direct investment in Liaoning last year, of course, should not be attributed to Li and Zhang, since they have just arrived in the province. It can be expected, however, that the trend will likely accelerate under the new leadership.

Another encouraging sign for the northeastern region is that since 2004, the Hu-Wen administration has made important progress in dealing with corruption scandals in the region. Most high-profile official corruption cases during the year were related to the northeastern region, and most high-ranking leaders who were arrested came from the area. For example, former Hubei governor Zhang Guoguang previously served as governor of Liaoning, former minister of land resources Tian Fengshan was governor of Heilongjiang, and former Liaoning vice governor Liu Ketian was sentenced on corruption charges in 2004. It was widely noted that five vice-governor-level officials in Heilongjiang were arrested at the same time on corruption charges. Hu and Wen's interest in tackling corruption issues in the northeastern provinces is a wise political move. During the past decade, the northeastern region has been particularly known for its rampant official corruption and the emergence of mafia-type crime syndicates. The Hu-Wen administration's recent anticorruption endeavors in the northeastern provinces have paved the way for the upcoming economic rejuvenation of the region. Hu and Wen will most likely continue to appoint their own people to occupy other important leadership positions there.

New Provincial Appointees and New Sociopolitical Initiatives

An analysis of the backgrounds of these 15 newly appointed provincial chiefs shows that none of them are princelings, individuals who come from high-ranking official families. Most of these officials advanced their careers from less developed inland provinces. With the exceptions of new Shaanxi Governor Chen Deming and new Jilin Governor Wang Min, most of the new appointees have not been known for their leadership experience or credentials in economic affairs and foreign trade. Instead, they have strong backgrounds in dealing with sociopolitical issues. Most of them have worked in grassroots organizations for a long time. Li Keqiang, Wang Min, and Tibet Party Secretary Yang Chuantang were all "sent-down youths" who worked as farmers for many years during the Cultural Revolution. Shanxi Governor Zhang Baoshun started his career at age 18 as a dockworker. Anhui Party Secretary Guo Jinlong, Heilongjiang Party Secretary Designate Li Zhanshu, Neimenggu Governor Yang Jing, Fujian Party Secretary Lu Zhangong, and Fujian Governor Huang Xiaojing all served as county heads and have leadership experience in the areas of agriculture and rural development.

These characteristics of the newly appointed provincial chiefs reveal the strategic shift in policy priority under the Hu-Wen administration. As a matter of fact, Hu and Wen have already changed the course of China's development during the past two years. Turning away from the single-minded focus on coastal development at the expense of the vast inland region and from the obsession with GDP growth without regard for social issues—both of which characterized Jiang Zemin's elitist approach—Hu and Wen have stressed the need for economic equality and social fairness. Hu and Wen have promoted the establishment of a "harmonious society" (*hexie shehui*)—a term coined by the new leaders to refer to the need to reconcile the growing tensions between social groups in China, especially the need to be more compassionate toward so-called weaker groups such as farmers, migrant workers, and the urban unemployed. Hu and Wen need a group of like-minded leaders, especially in the provincial and national governments, to help them carry out their policy initiatives.

While many critics both in China and abroad are suspicious of how much the Hu-Wen administration can really achieve, very few doubt the necessity for these new initiatives. A quarter-century-long economic reform has not only created a wealthy entrepreneurial class, but also produced many "losers" in China. The number of losers has, in fact, increased in recent years, and economic disparity in various forms has become one of the most important issues in Chinese society.

Among China's 100 wealthiest counties in 2004, 92, including the whole top 10, were located in the coastal region. In 2003, the average revenue of the 8,477 towns in the east coast region was 28.3 million yuan, in contrast to only 4.8 million yuan on average for the 5,748 towns in the western region.¹⁰ The ratio of GDP per capita between the coast and inland regions increased from 1.86 in 1991 to 2.33 in 2000 to 2.52 in 2003. The ratio of GDP per capita between Zhengjiang and Guizhou increased from 2.7 in 1991 to 5.6 in 2003.¹¹ The ratio of GDP per capita between Shanghai and Guizhou increased from 7.3 in 1990 to 13 in 2003.¹² In contrast, the ratio of GDP per capita between the highest and lowest of the 24 regions of the European Union (EU) was 2.4 in 2002, a statistic that produced an incentive for the EU to act to reduce the gap.¹³

During the past decade, China has been engaged in what has probably been the largest "enclosure" movement (*quandi yundong*) the world has ever seen. A vast area of agricultural land has been enclosed for commercial and industrial uses. The land lease for foreign companies, infrastructure and transportation projects, and real estate development have forced a large number of people, in both urban and rural areas, to relocate. The recent wave of new "university cities" has also driven many farmers out of their homelands. According to a Chinese official source, from 1996 to 2004 China's arable land decreased by 150 million *mu*, about 5 percent of the country's total arable land.¹⁴ Meanwhile, about 40 million people have become landless migrants.

The compensation for displaced residents, however, has often been astonishingly inadequate. Zhang Xiaoshan, director of the Rural Development Research Institute of the Chinese Academy of Social Sciences (CASS), has observed that when capitalists exploit laborers, the Chinese government does not play the role of mediator or coordinator, and certainly does not become the protector of weaker groups. Instead, the Chinese

government often sides with stronger groups such as foreign companies and real estate developers.¹⁵ Zhang's observation seems to accord with the fact that the representation of workers and farmers in the National People's Congress decreased from 27 percent and 21 percent, respectively, in the early 1980s to 11 percent and 8 percent, respectively, in the late 1990s.¹⁶

Furthermore, based on recently released Chinese official data, the migrant labor group includes 114 million people, accounting for 23 percent of all rural laborers and 50 percent of urban workers in the country, respectively.¹⁷ This large social group, however, does not have representation in the decision-making bodies of the country. Wang Chunguang, a research fellow at CASS, has argued that migrant laborers are unique in the Chinese context—they are considered “workers in occupation” and “farmers in identity.” Like all citizens, they want to have decent salaries, a safe work environment, basic social welfare rights, education for their children, and respect from society. But in reality, they can get hardly any of these.¹⁸ As described by some Chinese scholars, they are second- or even third-class citizens in the PRC.¹⁹

Liu Kaiming, director of the Shenzhen social research institute, has observed that China's migrant laborers are also experiencing a generational change. The new generation of migrant laborers is better educated and more conscientious about protecting their interests.²⁰ They often use cell phones to disseminate information, and they are potentially more interested in political participation. They were, in fact, the main participants in worker strikes in Shenzhen and other coastal cities in 2004. According to the official Chinese media, Shenzhen had three major worker strikes, each of which involved more than 2,000 strikers.²¹

The number of public protests calling for social justice and fairness has increased significantly. *Outlook*, a leading official Chinese magazine, reported in 2004 that there were about 58,000 protests in China in 2003, or 169 protests per day on average—an increase of about 15 percent over the number for 2002. The number of public protests increased further in 2004, and some of them involved a large number of participants.²² For example, it was reported that about 50,000–100,000 peasants in Sichuan Province's Hanyuan County participated in a protest in October 2004 demanding fair compensation for land use.²³ The total number of protest participants nationwide increased from some 740,000 in 1994 to 3,070,000 in 2003. The number of protests that targeted the party and government organizations increased from some 2,700 in 2000 to 3,700 in 2003. There were 3,100 public protests that blocked highways and railroads in 2003 alone. These official sources also stated that most of the protests were the result of unfair treatment of weaker groups.²⁴ It has become clear to the new Chinese leaders that unless some policy changes are made, the country is on the verge of social revolution instigated by disadvantaged social groups.

It should be noted that all these incidents and statistics made headlines in the Chinese media in 2004. Issues concerning government accountability, economic equality, and social justice dominated political discourse among Chinese public intellectuals throughout the year.²⁵ Such phenomena were inconceivable only a few years ago, because some of these statistics would have been classified as state secrets. As

a matter of fact, good news for China in 2004 abounds—this was a year of China's highest recorded foreign trade revenue (\$1,100 billion), highest recorded foreign reserves (\$540 billion), highest recorded tax revenue (2,550 billion yuan, an increase of 500 billion yuan over 2003), and 9 percent GDP growth—but these successes have not been highlighted in the official media.²⁶

The growing public awareness of these challenging issues not only reflects that economic and sociopolitical problems within Chinese society are now acknowledged, but also suggests that Hu, Wen, and other new leaders are committed to dealing with these problems. During the past two years, Hu and Wen have made some progress. For example, in the beginning of 2004, the Central Committee of the CCP issued an order that local governments make a concerted effort to reduce taxes and other burdens on farmers. In addition, Premier Wen stated in March 2004 that China would reduce or waive the agriculture tax for five years.²⁷ Although the policy was only recently implemented, it has already had some positive effects. In the first three quarters of 2004, the average income of Chinese farmers increased 11.4 percent, the highest rate of increase since 1997.²⁸

On Premier Wen's instigation, the State Council recently ordered business firms and local governments to pay debts to migrant workers. The central government also plans, over the next 10 years, to establish special funds to provide occupational training for job-seeking migrants so that they will have better chances of finding jobs in urban areas. During the past two years, especially since 2004, the central government ordered a reduction in land leases for commercial and industrial uses. In addition, the number of special economic zones, which often receive favorable tax breaks and other benefits, has dropped significantly. A total of 4,735 special economic zones were abolished in 2004, accounting for 70.2 percent of the total number of special economic zones in the country.²⁹

Conclusion

With a populist approach that differs profoundly from that of his predecessor Jiang Zemin, Hu Jintao has laid the groundwork for the consolidation of his power. Although Hu's power is balanced and constrained by the influence of Jiang's protégés on the Politburo, Hu is no doubt in charge. The groundwork Hu Jintao has laid for the 17th Party Congress has also consisted of his recent appointment of long-term associates and like-minded colleagues as provincial chiefs in some of the most important inland provinces in the country. These newly appointed provincial chiefs not only will be the front-runners for the next Politburo, but are also likely to further help Hu carry out his economic and sociopolitical policies in his second term.

Hu's perceived mission, of course, is not to end one-party rule in China, but instead to improve the image of the CCP, reinforce its legitimacy, enhance the transparency of decision-making organizations, and make the Chinese political system more responsive and accountable. No one knows whether Hu and his colleagues can handle the serious problems plaguing the CCP—rampant official corruption, ideological

incoherence, bureaucratic inertia, and other common symptoms of a decaying Leninist party under an authoritarian regime. However, the fact that the new leaders are fully aware of these challenges and are interested in dealing with them seriously may help them forestall a collapse of the one-party regime. Hu's success in laying an effective groundwork for the 17th Party Congress between now and 2007—in terms of both policy initiatives and power consolidation—is a crucial benchmark from which the outside world can try to assess the trajectory of China's future.

Notes

- ¹ The author thanks Sally Carman and Jennifer Schwartz for suggesting ways to clarify this article.
- ² For example, in 2004 the government publicized a list of 75 spokespersons for 62 departments under the State Council. *China Daily*, December 29, 2004, 1.
- ³ Cheng Li and Lynn White, "The Sixteenth Central Committee of the Chinese Communist Party: Hu Gets What?" *Asian Survey* 43, no. 4 (July/August 2003): 573.
- ⁴ The appointments of Yuan Chunqing, Li Zhanshu, and Liu Qibao are based on a nonofficial Chinese media outlet, <http://www.chinesenewsnet.com>, December 10, 2004. These three appointments should be subject to verification from official Chinese sources.
- ⁵ Cheng Li, "After Hu, Who? China's Provincial Leaders Await Promotion," *China Leadership Monitor* 1 (winter 2002).
- ⁶ *Nanfang zhoumo* (Southern weekly), November 18, 2004, sec. A, pp. 1–2.
- ⁷ See <http://www.sina.com.cn>, September 12, 2003.
- ⁸ *Shijie ribao* (World journal), February 18, 2004, sec. C, p. 1. See also Cheng Li, "Hu's New Deal and the New Provincial Chiefs," *China Leadership Monitor* 10 (spring 2004).
- ⁹ *Shijie ribao*, February 1, 2005, sec. C, p. 7.
- ¹⁰ *2005 Zhongguo shehui xingshi fenxi yu yuce* (Analysis and forecast on China's social development, 2005), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Social Sciences Academic Press, 2004), 7.
- ¹¹ *Ibid.*, 86.
- ¹² *Ibid.*, 180.
- ¹³ *Ibid.*
- ¹⁴ *Liaowang dongfang zhouban* (Oriental outlook), December 30, 2004, 35.
- ¹⁵ *Shangwu zhouban* (China business week), December 20, 2004, 35.
- ¹⁶ *2005 Zhongguo shehui xingshi fenxi yu yuce*, 234.
- ¹⁷ *Ibid.*, 184–85.
- ¹⁸ *Zhongguo xinwen zhouban* (China newsweek), December 28, 2004, 1.
- ¹⁹ See <http://www.chinesenewsnet.com>, December 28, 2004.
- ²⁰ *Zhongguo xinwen zhouban*, December 28, 2004, 1.
- ²¹ *Zhongguo xinwen zhouban*, December 28, 2004.
- ²² *2005 Zhongguo shehui xingshi fenxi yu yuce*, 5. Also see Voice of America news, November 4, 2004, <http://www.voagov>.
- ²³ *Shijie ribao*, November 2, 2004, sec. C, p. 1.
- ²⁴ *2005 Zhongguo shehui xingshi fenxi yu yuce*, 235.
- ²⁵ For example, Sun Liping, professor of sociology at Qinghua University, argues that the Chinese government should improve its institutional mechanism for economic redistribution. The state's enterprise tax, income tax, and investment in social welfare should all be improved. "Special Report on the World and China, 2005," *Caijing* (Economy and finance), January 2005, 71.
- ²⁶ *Liaowang dongfang zhouban*, December 30, 2004, 44, and <http://www.xinhuanet.com>, December 28, 2004.
- ²⁷ *Lianhe zaobao* (United morning news), December 28, 2004.
- ²⁸ *Liaowang dongfang zhouban*, December 30, 2004, 39.
- ²⁹ *Liaowang dongfang zhouban*, December 30, 2004, 25.