



# Understanding China's Political System

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## Summary

Opaque and shrouded in secrecy, China's political system and decision-making processes are mysteries to many Westerners. At one level, China is a one-party state that has been ruled by the Chinese Communist Party (CCP) since 1949. But rather than being rigidly hierarchical and authoritarian, which is often the assumption, political power in China now is diffuse, complex, and at times highly competitive. Despite its grip on power, the Party and its senior leaders (the Politburo and its Standing Committee) are not always able to dictate policy decisions as they once did. Instead, present-day China's political process is infused with other political actors that influence and sometimes determine policy.

Three other main actors co-exist with the Party at the top of China's political system. Chief among these is the muscular state government bureaucracy, whose structures closely parallel the Party's throughout China, operating in a largely separate but interlocking way to implement and administer state business. Another key institution is the People's Liberation Army, operating again largely separately and with a tenuous distinction between civilian, military, and Party leadership. Completing the top political institutions is the National People's Congress, constitutionally the highest organ of state power but in practice the weakest of the top political institutions.

Other political actors in China include: provincial and local officials; a growing body of official and quasi-official policy research groups and think tanks that feed proposals into the policy process; a collection of state sector, multinational, and even private business interests exerting pressure on policy decisions; a vigorous academic and university community; a diverse media that informs public opinion; and an increasingly vocal and better-informed citizenry that are demanding more transparency and accountability from government. New forms of communication and information availability also have pressured the PRC government to make changes in its political system, and have provided the Party with new means of maintaining political control. The political story in China today is the extent to which these multiple actors and changing circumstances have helped blur the communist regime's lines of authority.

Chinese politics is further complicated by other factors. In the absence of a more formalized institutional infrastructure, personal affiliations can play a significant role in political decisions, adding unpredictability to an already murky process. In addition, discipline between the different levels of party and government structure can be tenuous, leading to ineffective implementation of policy and, in some cases, serious problems with corruption.

Despite its internal problems, the PRC's Communist Party-led political system has proven exceedingly resilient to past and current challenges, but nevertheless is under stress and undergoing reluctant transition. Ironically, the Party's commitment to remaining in power appears to be forcing it to adapt continually to changing circumstances and to make incremental compromises with other participants in the political process when it is pragmatic to do so. A better understanding of how China's political system functions, as well as what are its strengths and weaknesses, may help U.S. lawmakers make more effective policy decisions that directly benefit U.S. interests.

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## Introduction and Overview

Analyzing the political system of the People's Republic of China (PRC) is difficult for many reasons. The inner workings of China's government have been shrouded in secrecy, and formal institutions can mask the underlying dynamics of political power. In addition, because of China's Leninist history, it is easy to assume that politics in China is rigidly hierarchical and authoritarian, whereas in reality, political power in China is diffuse, complex, and at times highly competitive.

Since the victory of Mao Ze-dong's communist forces in 1949, the Chinese mainland has been a communist state ruled by the Chinese Communist Party (CCP). Although other minor political parties exist, they are authorized by the CCP, operate under its leadership, and are effectively powerless. No independently organized and established political parties are tolerated, effectively making the PRC a one-party state.

Despite its position at the nexus of Chinese political life, the CCP<sup>1</sup> and its leadership are not always able to dictate policy decisions. Instead, the Chinese political process is infused with a number of bureaucratic and non-central government actors that both influence and sometimes determine government policy. These political actors include a muscular ministerial bureaucracy; provincial and local officials; a growing body of official and quasi-official policy research groups and think tanks that feed proposals directly into the policy process; a collection of state sector, multinational, and even private business interests that bring more pressure to bear on policy decisions; a vigorous academic and university community; a diverse media that increasingly brings issues of official malfeasance to light; and an increasingly vocal and better-informed citizenry who are demanding more transparency and accountability from government. In addition, China's approximately 3,000-member National People's Congress (NPC), largely a symbolic organization for much of its existence, has become somewhat more assertive in recent years, although it still cannot veto basic Party policies. To a great extent, the fragmentation of process and decision making has blurred lines of authority in China.

Chinese politics is further complicated by other factors. One is the role that personal, ideological, or geographical affiliations can play in political decisions in the absence of a more formalized institutional infrastructure. Individuals located in different arms of China's institutional political system may form political alliances on issues based on a history of personal friendship, shared doctrines, or common regional ties. As the issue at hand changes, these affiliations also can change, sometimes resulting in allies on one issue being opponents on another issue.

Another complicating factor is the propensity of PRC officials at all levels of government to render Machiavellian interpretations of provisions in the national constitution.<sup>2</sup> Officially considered the highest law in the land, the PRC constitution lays out a series of universally-accepted principles, a number of which appear to suffer seriously in implementation. Among noted examples are provisions setting up the relatively acquiescent NPC as the "highest organ of state power"; and provisions guaranteeing freedom of religious belief as well as "freedom of

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<sup>1</sup> China's ruling party is sometimes referred to as the Chinese Communist Party (CCP) and sometimes as the Communist Party of China (CPC). This report will generally use the former.

<sup>2</sup> The current version, adopted in 1982, has been further revised on four occasions, in 1988, 1993, 1999, and 2004. See <http://english.people.com.cn/constitution/constitution.html>.

speech, of the press, of assembly, of association, of procession and of demonstration.”<sup>3</sup> PRC officials routinely justify actions to inhibit such freedoms by citing other constitutional articles requiring citizens to keep “state secrets” and not take acts detrimental to “the security, honour and interests of the motherland.”<sup>4</sup> What constitutes a state secret or an act detrimental to national interests is left wholly undefined. This opaqueness leaves citizens at the mercy of whatever definition suits a presiding Chinese official on any given occasion, allowing the state easily to prosecute individuals for a wide range of politically related activities.

This report provides an overview of contemporary PRC politics by analyzing the main institutional actors and their interactions. The goal is not so much to provide the definitive study of the current political dynamics in China, but to offer a framework for examining and understanding PRC politics as they play out with respect to particular policies or issues.

## China's Preeminent Political Institutions

The main political structure of the PRC is comprised of two vertically integrated, but interlocking institutions: the Chinese Communist Party (CCP, or Party), headed by the Party Politburo and its Standing Committee; and the state government (State, or Government) apparatus, headed by the Premier who presides over the State Council, a de-facto cabinet. Throughout China, Party and Government structures closely parallel one another, with Party committees and representatives present not only in government agencies, but also in most organizations and institutions, including universities and foreign-owned enterprises. The nominal leader of the CCP is the General Secretary, but control of the Party is held collectively by its Standing Committee. China's Government is managed by the State Council, which is headed by its Premier. China's current Party General Secretary is Hu Jin-tao; the Premier of the State Council is Wen Jia-bao.<sup>6</sup>

### Deng Xiao-ping's Political Reforms

The dynamic between the Party and the Government began to change in the 1980s under a political coalition led by Deng Xiao-ping. A contemporary of Chairman Mao, Deng had been purged from leadership positions several times under Mao for his reformist views. After Mao's death in 1976, Deng was able to gain enough support from other reform-minded colleagues to initiate economic and political reforms. In 1982, the Party eliminated the position of Chairman, instead making the General Secretary the Party's highest-ranking official. To inject more pragmatism, practical experience, and efficiency into decision making processes, reformers in the 13<sup>th</sup> Party Congress in 1987 instituted political reforms aimed at separating Party and Government structures and removing the Party from most administrative duties, while allowing the Party to retain its supremacy in defining broad policy goals and making final decisions on “sensitive” issues.<sup>5</sup>

Two other major institutions play a role in Chinese politics. One is the National People's Congress (NPC). According to Article 57 of China's constitution, “The National People's Congress of the People's Republic of China is the

<sup>3</sup> For the fundamental rights and duties of citizens, see PRC Constitution, Chapter II, Article 35 (freedom of speech) and Article 36 (freedom of religious belief); for the status of the NPC, see Chapter III, Article 57.

<sup>4</sup> See PRC Constitution, Chapter III, Articles 51, 53, and 54.

<sup>5</sup> How an issue becomes “sensitive” in China is not clearly understood. It may be an issue of vital importance to the Chinese leadership (such as the Taiwan issue) or anything involving a major country or trading partner (such as Russia) or anything involving U.S.-China relations. It may also be an issue that the leadership perceives as having an impact on either the party's legitimacy or on an individual leader or group of leaders, such as the Falun Gong spiritual movement.

<sup>6</sup> There are several conventions used to Romanize Chinese names, differing in the spelling, order and division of the names. This report will use Pinyin for spelling, follow Chinese convention in the order by presenting the surname first, and separate the given names with a hyphen to clarify where to split the given names.

highest organ of state power.” Its highest officers are the President and Vice-President of the NPC, which are directly elected by the members of the NPC. Articles 85 and 92 of China’s constitution state that the State Council is the executive arm of the government and reports to the NPC. As will be described in more detail below, in reality, for all of the PRC’s 60 year history, the NPC has been subordinate to the State Council and the Party Standing Committee.

The other key institution in Chinese politics is the People’s Liberation Army (PLA). The distinction between civilian and military leadership in the PRC is tenuous. There are, for instance, two authoritative bodies ostensibly tasked with authority over military policy and decisions: the Central Military Commission of the PRC, a state entity; and the Central Military Commission of the Communist Party, a party organ. Although the former is nominally considered to be in supreme command of military and defense affairs, including the formulation of military strategy, in reality it is the Party-controlled Central Military Commission (CMC) that exercises command and control over the PLA. Since the membership of the two eleven-member commissions is usually identical, it has become customary to refer to the CMC alone without distinguishing between the two. The CMC is chaired by the Party General Secretary, emphasizing that leadership of the military is a Party prerogative.

The diffusion of political power between the Party and Government, and to a lesser degree, to the NPC and the PLA, can make it a difficult and complex proposition to determine who has authority to set and/or implement specific policies. The dominance of economic players, a proliferation of research groups and other actors in the political system, and the explosion of the Internet and other alternative sources of information have further decentralized policy and administrative processes and diffused power.

## **The Chinese Communist Party**

To a certain extent, the Chinese Communist Party (CCP) has never rid itself of its revolutionary roots.<sup>7</sup> Formally established in Shanghai on July 20, 1921, the CCP began as an underground, Marxist-Leninist party organized into smaller groups (often referred to as “cells”) that operated based upon the principle of “democratic centralism.” In theory, the CCP’s democratic centralism allows for debate and discussion of policy among Party members, but requires unquestioning support of policy once a decision is made. In practice, democratic centralism has created a hierarchal political dynamic where senior Party officials expect disciplined compliance from junior officials, but junior officials are allowed to comment on policy proposals before decisions have been made. The Party’s most powerful policy- and decision-making entity is the Politburo and its Standing Committee, comprised of the Party’s two dozen or so most powerful senior officials.

The rest of the Party’s formal structure consists of layers of local, municipal, and provincial party congresses and committees. The most important body in this structure of congresses is the National Party Congress, a key meeting that the Party convenes in Beijing once every five years

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<sup>7</sup> For background, see works such as: Brandt, Conrad; Schwartz, Benjamin; Fairbank, John King, *A Documentary History of Chinese Communism*, George Allen & Unwin, Ltd., London, 1952; Barnett, Doak, ed., *Chinese Communist Politics in Action*, University of Washington Press, Seattle & London, 1969; Uhalley, Stephen, *A History of the Chinese Communist Party*, Hoover Institution Press, 1988; Shambaugh, David, *China’s Communist Party: Atrophy and Adaptation*, University of California Press, 2009.

to set the country's overall policy direction and choose the members of the Party's Political Bureau (Politburo) and other senior Party officials. Lower party organizations are subordinate to higher organizations, but the members of higher party congresses are selected by lower party committees. The result is an interactive relationship where senior party officials obtain and retain political power by maintaining the loyalty or support of lower party organizations.

The contemporary CCP is organized into an expansive, hierarchal network of organizations that reach into many aspects of society. A wide variety of institutions—including universities and schools, think tanks, state-owned enterprises, private corporations, and foreign-owned companies—frequently have a party committee.<sup>8</sup> Depending on the attitude of their leadership, these party committees often wield significant power within the institution, even though they may not have any formal authority.

## **The Political Bureau (Politburo)**

At the top of the Chinese Communist Party's political structure is its Political Bureau (Politburo), generally regarded as the most important formal political institution in China. The official head of the Politburo is the Party's General Secretary. The size and membership of the Politburo changes with each Party Congress, a major meeting of the Communist Party held approximately every five years. When the last (17<sup>th</sup>) Party Congress met from October 15-21, 2007, it announced the selection of the current 25-member Politburo, including 9 new members.<sup>9</sup>

Although officially the Politburo is the chief political decision-making body, its relatively unwieldy size and its lack of a known formalized meeting schedule have suggested that the full body is involved in decision-making only when the stakes are high—as when considering major policy shifts, dealing with matters of immediate urgency, or when a higher level of legitimization of a particular policy direction is necessary. However, some analysts maintain that broader Politburo participation appears more likely under the increasingly collective leadership that the PRC has been moving toward since the Deng reforms of the 1980s.<sup>10</sup>

One notable factor in the establishment of the current Politburo was the retirement at the 17<sup>th</sup> Party Congress of four very senior Politburo members, all born before 1940.<sup>11</sup> The retirements of these four senior officials demonstrated the Party's continued willingness to adhere to agreements for mandatory retirement for Politburo members at the age of 68—one of the by-products of the Deng-era reforms. In the absence of statutory discipline or electoral fiat, then, the Party appears to be counting on precedent and its own internal discipline to try to institutionalize leadership succession issues and avert potentially divisive power struggles.

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<sup>8</sup> According to the Party's webpage, "Primary Party organizations are formed in China's mainland enterprises, rural areas, government departments, schools, scientific research institutes, communities, mass organizations, intermediaries, companies of the People's Liberation Army and other basic units, where there are at least three full Party members."

<sup>9</sup> A list of the current members of the Politburo at its Standing Committee is provided in **Appendix A** of this report.

<sup>10</sup> Remarks by Jing Huang at The Brookings Institution, "China's 17<sup>th</sup> Party Congress: Looking Ahead to Hu Jintao's 2<sup>nd</sup> Term," October 30, 2007.

<sup>11</sup> They included Wu Yi, a frequent contact for U.S. government officials and named by *Forbes* in 2007 as the world's second most powerful woman; Zeng Qing-hong, China's then Vice-President; Wu Guan-zheng, primarily responsible for China's anti-corruption work; and Luo Gan, the only remaining protégé of former Premier Li Peng (the public face of the 1989 Tiananmen Square crackdown) in the Politburo.

## **The Politburo Standing Committee (PSC)**

Of more significance than the full Politburo is its Standing Committee, the smaller group of elite Party members that wields much of the political power in China. The Politburo Standing Committee (PSC) that emerged from the 17<sup>th</sup> Party Congress has nine members, including five returning members and four new members. Two of the latter group—Xi Jin-ping and Li Ke-qiang—have been tipped as frontrunners to be Hu Jin-tao's successor as Party Secretary at the 18<sup>th</sup> Party Congress in 2012. The two are the only PSC members to have been born in the 1950s, making them the first of the “fifth generation” of China's potential leadership to rise to this level.<sup>12</sup> If the accepted retirement age of 68 holds true, only these two will be young enough to remain in the Politburo after the 18<sup>th</sup> Party Congress; all others will have to retire.

One expert holds that Xi and Li each sit at the pinnacle of what effectively is an equal PSC split between two distinct leadership camps: the “populist” group, represented by Li Ke-qiang, and the “elitist” group, represented by Xi Jin-ping, one of the so-called “princelings”—meaning a child of one of the early senior CCP officials and thus someone with elite personal connections.<sup>13</sup> According to this analyst, the “populist” group favors balance in economic development, focus on improving the lots of the poor and disenfranchised, and an emphasis on the principles of “harmonious society.” The “elitist” group favors continued rapid economic development, less emphasis on social issues, and seeks to nurture China's growing capitalist and middle-class populations.

## **The Secretariat**

Another important political institution for the Chinese Communist Party is its Secretariat. Officially listed under the Politburo, the Secretariat is described in China's constitution as an administrative rather than a decision-making body. Its role is to oversee the daily operation of the Party and implement the decisions made by the Politburo and its Standing Committee.

## **Party Discipline**

The CCP has over 66 million members involved in over 3.5 million organizations.<sup>14</sup> Membership in the CCP is open to any Chinese citizen over the age of 18 who is willing to accept and abide by the Party's constitution and policies. An applicant for Party membership must fill in an application form and be introduced by two Party members. Every Party member, irrespective of position, must be organized into a branch, cell, or other specific unit of the Party to participate in the regular activities of the Party organization. While joining the Party was once a wholly ideological act, it is thought now that many young people join the Party to make the personal connections important for career advancement.

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<sup>12</sup> Chairman Mao Zedong was considered the head of the “first generation” of PRC leaders; Deng Xiao-ping the second; Party Secretary Jiang Ze-min the third; and Party Secretary Hu Jin-tao the fourth.

<sup>13</sup> Cheng Li, *ibid.* Xi Jin-ping's father was Xi Zhong-xun, a top government official in early Communist China. The elder Xi served as Vice-Premier, State Councilor, Deputy Premier (1959-1962), and Governor of Guangdong Province (1979-1981).

<sup>14</sup> Data in this section from an official webpage for the CCP: <http://english.cpc.people.com.cn/>.

The CCP's "Chinese-style" meritocracy is somewhat reminiscent of China's governance system in imperial times before the 20<sup>th</sup> century. Promotion within the Party is based on a combination of support from senior officials and one's effectiveness in performing one's duties. Loyalty to officials higher in the Party organization can be crucial to a person's career and, at the same time, having loyal junior party officials can bolster the political power of a senior official. As a result, successful and efficient party officials are frequently given more prestigious jobs in preferred locations, while unsuccessful or difficult party officials are transferred to less desirable jobs in less desirable locations. An example of the Party's meritocracy and political correctness at work was the career of Zhao Zi-yang (see textbox at right.)

However, the CCP's meritocracy frequently breaks down when dealing with the children and relatives of senior party officials. Some CCP leaders use their influence to secure positions of authority for their family members, regardless of their abilities, training, or experience. To many in China, this constitutes a low-level form of corruption that has from time to time led to more blatant and serious cases of corruption. Dubbed "princelings" (taizi) in colloquial Chinese, the relatives of senior officials have become a significant political force in China.

Party policy is communicated down the layers of the Party organization by means of directives and Party committee meetings. At these meetings, Party members review and discuss the directives. In many cases, the directives do not give specific guidance on how to implement the new policies, thereby allowing the committee to develop a plan of action compatible with local conditions. However, this also provides lower level Party organizations with the power to passively or actively resist or reinterpret Party policy.

In cases where lower-level Party organizations are viewed as being ineffective or non-compliant, the Standing Committee may send out a "work team" to assist the local organization in carrying out Party policies or to carry out investigations.<sup>15</sup> However, the political, economic, and social

### The Rise and Fall of Zhao Zi-yang

Zhao Zi-yang rose through the ranks of the CCP to its highest post—General Secretary—only to be removed from office because of his failure to prevent and suppress the Tiananmen Square protests of 1989. His career is an example of how the CCP selects, rewards, and punishes Party officials for positions of power.

Zhao joined the CCP in 1932 and fought during China's revolution. Following the establishment of the PRC in 1949, he worked for the Party in Guangdong Province, rising to the position of provincial Party Secretary in 1965. A protégé of "rightist" Liu Shao-qi, Zhao was sent to work in a factory during the Great Proletarian Cultural Revolution (1966-1976), a period of enormous political upheaval in China.

In 1972, Zhao was "rehabilitated" by then-Premier Zhou En-lai and was appointed to the Party's Central Committee and assigned to head up the Party in Inner Mongolia. Over the next three years, Zhao held senior Party positions in Guangdong Province, the Chengdu military region, and Sichuan Province.

Based on his successful agricultural reforms in Sichuan Province, Zhao was made an alternate member of the Politburo in 1977 and a full member in 1979, the year in which a political coalition led by another "rightist," Deng Xiao-ping, consolidated power and initiated a major shift in economic policy. In 1982, Zhao was chosen as a member of the Politburo's Standing Committee.

In 1980, Zhao was selected to replace the discredited Hua Guo-feng as Premier, the nominal head of the Government. He remained in this position until 1987, when he was chosen as the Party's General Secretary to replace Hu Yao-bang, who had been forced to resign.

After the 1989 Tiananmen Square protests, Zhao was subjected to the harshness of Party discipline when he was removed from office and placed under house arrest. He remained under house arrest until his death in 2005.

<sup>15</sup> In March 2009, for instance, the State Administration of Work Safety (SAWS) sent a work team from Beijing to investigate an explosion in China's Jiangsu Province. According to a news account, the team would "work with local officials" to determine the cause of the blast. "Work safety team dispatched to investigate fatal blast," China.org.cn, citing *Xinhua News Agency*, March 12, 2009.

costs of taking such actions can be high. Party officials who are unsuccessful in securing the support of lower levels of the Party organization are frequently dismissed or demoted. In addition, factional and bureaucratic politics are still a potent force in behind-the-scenes maneuvering, providing a further variable that keeps the CCP's decision-making processes fluid, unpredictable, and a mystery to outsiders.

## **The Chinese Government**

The second major institution of the Chinese political structure is the entire governmental apparatus. China's government is effectively divided into two parts—a system of ministerial organizations and a system of geographic organizations. China's ministerial system is generally organized by the type of activity, such as the Ministry of Communications, Ministry of Commerce, the Ministry of Foreign Affairs, and the Ministry of Public Health.<sup>16</sup> In addition, the ministerial arm of the PRC government includes many special agencies and commissions, including bureaus such as the General Administration of Customs; the National Tourism Administration, the State Education Commission; the Hong Kong and Macao Affairs Office; and the China Welfare Fund for the Handicapped.

The other arm of the Chinese government consists of the layers of provincial, municipal, county, township, and village governments. Their role in China's political system is discussed in a separate section later in this report (see "Provincial, Municipal, and Local Governments").

## **The State Council**

Under China's constitution, the highest government administrative body is the State Council. The State Council functions essentially as the Cabinet of the PRC government. The current State Council is composed of its Premier, Vice Premiers, and State Councilors; the State Council's Secretary General; the Ministers in charge of ministries and commissions; the Governor of the People's Bank of China; and the Auditor General of the National Audit Office.<sup>17</sup> The official head of the State Council is the Premier. The body itself purportedly meets about once a month.

Given the size of the State Council—about 50 people—the daily administration of the government is generally handled by the State Council's Standing Committee (SCSC). The SCSC includes the Premier, four Vice Premiers, the five State Councilors, and the State Council's Secretary General. The SCSC generally meets twice a week. Each Vice Premier and State Councilor oversees different aspects of the administration of the Government.

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<sup>16</sup> See <http://english.peopledaily.com.cn/data/organs/statecouncil.shtml>.

<sup>17</sup> A list of the current members of the State Council is provided in **Appendix B** of this report.

## The Ministries

A broader definition of China's government apparatus would include not only the State Council itself, but all of China's government ministries. Despite their effective subordination to the State Council and CCP, the ministries wield decisive tactical influence over policy by virtue of their role in interpreting, implementing, and overseeing what central leaders often broadly and somewhat ambiguously define as Chinese policy goals.<sup>18</sup>

Like the Party, the ministries are organized into hierarchical layers with offices at the provincial and local levels. Ministries are often also divided according to areas of responsibility. For example, the Ministry of Agriculture is divided into 18 departments, including the Department of Animal Husbandry and the Bureau for Agricultural Food Quality and Safety. Depending on the nature of the policy or issue in question, the Minister will direct the appropriate department or regional office to oversee implementation.

Government ministries often function like independent operators, with the Minister functioning like a Chief Executive Officer over his or her agency. Because the political future of a ministerial official is closely tied to her or his effectiveness as an administrator, China's ministries and their sub-offices are often very protective of the perceived interests and goals of the ministry. For example, the Ministry of Agriculture may oppose or resist policies that could be harmful to China's agricultural sector. However, Ministers are still answerable ultimately to the Government's "board of directors"—the Politburo—and must frequently contend with the secretaries of the ministerial Party Committees when establishing and carrying out policies.

### The Rise of Zhu Rong-ji

The career of Zhu Rong-ji, one of China's most influential figures from the 1980s to the early 2000s, is an example of how a successful government official can rise from a junior position to a leadership role.

Zhu Rong-ji joined the CCP in 1949 and graduated in 1951 from the prestigious Tsinghua University, where he majored in electrical engineering. From 1952 to 1958, he worked at the State Planning Commission as deputy division chief. He was purged from the CCP for criticizing China's economic policies in the 1950s and was sent to teach at a Party school. In 1962, he was "pardoned" and assigned to work as an engineer at the State Planning Commission's National Economic Bureau.

From 1970 to 1975, Zhu was sent to a farm to be "re-educated" as part of the Great Proletarian Cultural Revolution. From 1975 to 1979, he worked first as an engineer for the Ministry of Petroleum Industry and later as a director of the Chinese Academy of Social Sciences' Industrial Economics Institute. Zhu was then transferred to the State Economic Commission, where he worked for three years.

In 1982, Zhu was promoted to be a member of the State Economic Commission, and then in 1987, he was reassigned to become the mayor of Shanghai. From 1989 to 1991, Zhu oversaw the development of Shanghai's Pudong District. Based on the success of the Pudong project, he was made a Vice Premier of the State Council in 1991. In 1993, he was selected as a member of the Politburo's Standing Committee, as well as Governor of the People's Bank of China. In 1998, Zhu was chosen as China's 5<sup>th</sup> Premier, in part because of the success of his macroeconomic policies during the 1990s.

Zhu stepped down as Premier in 2003 and was succeeded by Wen Jia-bao.

<sup>18</sup> In a conference paper presented in 1998, one scholar cited the 1982 example of then-Party Secretary Hu Yao-bang's pronouncement at the 12<sup>th</sup> Party Congress that China would pursue "an independent foreign policy" and make decisions based on the merits of various international issues. It was up to the Ministry of Foreign Affairs to interpret that general pronouncement and turn it into an effective, sustainable policy. Paper by Lu Ning (*The Business Times*, Singapore), entitled "Supraministry Coordinating Bodies, State Council Ministries, and Party Departments," presented at a conference, "The Making of Chinese Foreign and Security Policy in the Era of Reform: 1978-2000," February 27-March 1, 1998.

## **Government Control**

The personnel working for the Government are civil servants. While most senior government officials are CCP members, it is not a requirement for higher government positions. Advancement within China's civil service is generally based on performance, which is measured by how effectively civil servants carry out their responsibilities and achieve their specified goals. As a result, one of the Government's main means of political control is the evaluation of its personnel.

The evaluation of Chinese civil servants can be a complex process, involving performance assessments with respect to many specific goals and objectives. China's meritocracy is far from perfect, but has a record of finding and selecting individuals who rise through the government bureaucracy and emerge as national leaders. An example of China's meritocracy at work (although lots of political maneuvering was also involved) was the rehabilitation and ascendancy Zhu Rong-ji (see textbox, "The Rise of Zhu Rong-ji").

## **The National People's Congress**

The National People's Congress (NPC) is China's unicameral legislative body and, according to the constitution, the ultimate power of the Chinese government. Its approximately 3,000 deputies meet annually for about 15 days to officially set government policy and select China's leadership. In part because of the short duration of its sessions and despite the stature accorded to the NPC in China's constitution, analysts have generally regarded the NPC as having very little political power.

The NPC is not China's sole legislative body, but it is the uppermost layer of a nation-wide system of "people's congresses" at various levels of government in the PRC. These congresses are loosely linked together in process and function. The NPC's deputies are not popularly elected, but instead are selected for five-year terms by the next lower tier of "people's congresses"—deputies at the provincial and municipal level, as well as by members of the armed forces. The candidate pool for these elections is a list of candidates approved by the Party, and the entire process being overseen by CCP "election committees." Deputies in the people's congresses at the provincial and municipal levels, in turn, are selected by people's congress deputies at the county and township level. Deputies for the lowest level of people's congresses are directly elected. Candidates for the lower levels of people's congresses are also subject to approval by party officials.

The full NPC officially selects the PRC's President, Premier, and cabinet-level officials, allowing the PRC government to assert that these officials have been vetted through "elections" by representatives of the Chinese people. For much of its existence, the NPC has simply "rubber-stamped" leadership decisions made earlier and in secret by senior Party officials after a lengthy process of negotiation and maneuvering. Although this is largely still true in many respects—an outright NPC rejection of a candidate at this level, for instance, would be unthinkable—NPC delegates and the various people's congresses in recent years have become more assertive and independent. This trend is most noticeable at local and provincial levels, where officially sanctioned candidates indeed, occasionally, have been rejected.<sup>19</sup>

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<sup>19</sup> The move toward more autonomy also is occurring more often within the NPC. At the March 2008 NPC session, (continued...)

## The People's Liberation Army

According to some analysts, the People's Liberation Army (PLA) is as crucial to Chinese politics as the Party and the Government. Other analysts, however, contend that organizational and administrative reforms have at least partially transformed the PLA into a professional military which is less involved in politics.

The PLA is China's unified military organization, responsible for all air, land, and sea forces. The PLA is divided into five main service branches: air force; ground forces; naval force; the reserve force; and the second artillery command (responsible for nuclear and missile weaponry). There are currently approximately 3 million people serving in China's military.

Officially, the PLA reports to the eleven-member government Central Military Commission (CMC).<sup>20</sup> In practice, the Party CMC and the government CMC are effectively the same group of people, and the Party Standing Committee selects the people to serve on the CMC. The CMC is believed to meet regularly to address routine administrative matters and to formulate policies.

Although the offices of the CMC are housed in the Ministry of Defense, the principal state bureaucracy for dealing with foreign militaries, the Ministry is considered a weaker authoritative body that is subordinate to the CMC. Apart from its policy formulation and decision making roles for military affairs, key members of the CMC also serve a bridging function between the PLA and the leadership of the CCP and the Government.<sup>21</sup>

## Relationships Among Leaders

While systems of power in China appear distinct, many in China's central leadership wear multiple hats, holding positions concurrently in all three systems—the Party, the Government, and the Military. This adds to the difficulty of knowing more about the process of PRC decision making. In addition, even supreme decision making bodies at the highest level are hierarchical on an informal level; their members are not necessarily of equal status, but hold authority and influence derived from a range of intangible factors apart from their actual position. These intangible factors include experience, seniority, personal connections, degree of expertise, and, to some extent, their association with past “successful” policies, particularly in the economic realm. This informal power hierarchy may be well-known to the respective parties involved, although it is not necessarily apparent to outside observers.

Illustrating the inter-linkages between the three tiers, China's current foremost leader, Hu Jin-tao, sits at the top of all three pillars. As Party Secretary he heads the Chinese Communist Party and

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(...continued)

each candidate for higher office received at least a few “no” votes.

<sup>20</sup> The current members of the CMC are listed in **Appendix C** of this report.

<sup>21</sup> For instance, one Chinese-language article on military leadership issues in China, in referring to past CMC vice-chairman Zhang Wan-nian, said he would “mainly be in charge of the work within the Army and, as member of the secretariat of the CPC Central Committee, will communicate the Army's internal affairs to the center and receive relevant instructions from the latter.” See Kuan Cha-chia, “Beijing Holds Enlarged Meeting of Central Military Commission ...,” *Foreign Broadcast Information Service (FBIS)*, December 22, 1997 (FBIS online).

presides over the Party Politburo. As President of the country, he is the titular head of the state government, although practically speaking, the state government apparatus is presided over and run by Premier Wen Jia-bao. Hu Jin-tao also is Chairman of the Central Military Commission, and thus formally the head of the PLA. Hu is, in fact, the only Politburo Standing Committee member on the CMC, which includes only two other Politburo members (Executive Vice Chairman General Guo Boxiong, and Vice Chairman General Xu Caihou).

In what some see as significant development given the PLA's status, neither of the two "heirs apparent" to Hu Jintao—Xi Jin-ping or Li Ke-qiang—have yet been named to the CMC as of December 2009, leaving them without significant military contacts or experience during their ostensible apprenticeship to senior status. For some, the absence of stronger connections between the military and the younger generation on the Politburo raises questions about the strength of the formal lines of communication between the PLA and the rest of the Party and the government as well as the political clout and role of the PLA in the near future.

## **Other Important Political Actors**

In addition to the more formal institutions of government and party power, the PRC political system is influenced greatly by other political actors. These include a growing body of official and quasi-official policy research groups and think tanks; a collection of state sector, PRC multinational, and even private business interests that attempt to influence policy decisions; an academic and university community that comments with greater vigor on various policy problems and leadership decisions; a diverse media that is becoming more adept at escaping the party's control; and an increasingly vocal and better-informed citizenry who are demanding more transparency and accountability from government. At times, these influential actors operate opaquely and behind the scenes, making it difficult to determine the exact extent of their influence on any given policy issue. In other cases, these actors are playing an increasingly visible role in debating, recommending, and influencing particular policy actions.

## **Leading Small Groups**

As explained earlier, the components of the PRC's central political system—the Party, the Government, and to a lesser extent, the Military—are largely separate though sometimes redundant interlocking structures. Leading Party Members' Groups, or "Leading Small Groups" (LSGs) as they often are translated, are supra-ministerial bodies created to facilitate consensus-building and coordination among these separate Party, Government, and Military structures in ways that the official bureaucratic structure cannot.<sup>22</sup> In some respects, they are similar in function and design to interagency bodies in the United States. Although they date back to the 1950s, LSGs since the 1990s have become more important in policy coordination and guidance in the PRC. They operate within the Party, within the State Council and its government ministries, and within the PLA. The authority for LSGs is contained in Chapter IX of the Party's constitution.<sup>23</sup>

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<sup>22</sup> In pin-yin, "ling-dao xiao-zu."

<sup>23</sup> For the full text of the Constitution of the Communist Party of China, see [http://news.xinhuanet.com/english/2007-10/25/content\\_6944738.htm](http://news.xinhuanet.com/english/2007-10/25/content_6944738.htm).

LSGs are the embodiment of opaqueness in China's political system. Despite their evidently critical policy role, they never appear on public organizational charts of the current PRC leadership. They do not publicize their membership. They are rarely referred to in the media. They do not appear to have permanent staff. Only recently has the Party begun to publish lists of LSGs that have existed in the past, along with their memberships, but little still is known about the workings and membership makeup of current LSGs. Scholars only derive conclusions about the very existence and/or makeup of an LSG by combing through vast quantities of press accounts in search of the occasional reference.

According to one noted scholar on the subject, LSGs can come and go—some function more or less as task forces—but it is thought that there currently are eight “primary,” and more or less permanent, LSGs, each thought to be headed by a member of the Politburo Standing Committee.<sup>24</sup> These include LSGs on: Finance and Economy; Politics and Law; National Security; Foreign Affairs; Hong Kong and Macau; Taiwan Affairs; Propaganda and Ideology; and Party-Building. An LSG's relative importance in the hierarchy can be determined by who heads it: in recent years, the Foreign Affairs and the National Security LSGs have been headed by the Party Secretary. If the data and scholarship on LSGs are accurate, recent trends suggest that Politburo Standing Committee members who are being groomed to succeed the current Party Secretary or Premier may first follow the same trajectory of leadership in the LSGs as did their predecessors.<sup>25</sup> If true, this could provide observers with a small kernel of information about the future identities of the PRC's top two leaders.

## Government-Sponsored Research Institutions

Think tanks and other research institutions, usually sponsored by and often linked to various government entities, have proliferated greatly in China in recent years. There appear to be several forces driving this trend. Not the least of these is the need for officials to have access to greater professional expertise as they wrestle with policy decisions that have become increasingly complex and sophisticated. More recently, according to China's official news agency, the formation of think tanks has come to be regarded as a method of extending the “sustainable utility” of senior retired or semi-retired PRC officials.<sup>26</sup>

Although there are many think tanks and research institutions in China, the text box “Top Ten Prominent PRC Think Tanks” lists what PRC authorities in 2006 considered to be the most prominent.<sup>27</sup> With one exception, all are in Beijing. They are all long-standing institutions, and all are sponsored by a state entity. The China Institute of Contemporary International Relations (CICIR), for instance, is operated by the Ministry of State Security. For the most part, China's think-tank world is more transparent and operates with greater visibility than other parts of the

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<sup>24</sup> For a discussion of the history of Leading Small Groups and their current role, see the work of noted scholar Alice Miller, “The CCP Central Committee's Leading Small Groups,” in the *China Leadership Monitor*, No. 26. Additional work on LSGs has been done by Lu Ning, “The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments,” in David M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in an Era of Reform*, Stanford University Press, 2001.

<sup>25</sup> Miller, *ibid.*

<sup>26</sup> Cited by Cheng Li, “China's New Think Tanks: Where Officials, Entrepreneurs, and Scholars Interact,” in *China Leadership Monitor*, No. 29. Much of the information on government think-tanks in this section is based on the work of this noted scholar of PRC leadership.

<sup>27</sup> Cheng Li, *ibid.* p. 6.

PRC government. Researchers and scholars from these institutions make themselves widely accessible. They often meet, both in China and in the United States, with foreign scholars, officials, and visitors from the U.S. Congress. They attend international conferences, publish papers and journal articles on issues in their fields, and in other ways play a crucial role in informing the policy discourse and proposing alternative courses of action for PRC policymakers.

PRC think tanks received renewed attention in March 2009, when the State Council approved the founding of a new think tank in Beijing, the China Center for International Economic Exchanges (CCIEE – operating under the auspices of the PRC’s National Development and Reform Commission). The formation of the CCIEE reinforces what some scholars see as an emerging trend in China’s research institutions: a concerted effort to facilitate broad domestic and international policy discussion by knitting together and drawing on the expertise of government officials, private entrepreneurs, and internationally renowned scholars, as well as Chinese students and scholars returning from overseas study.<sup>28</sup> The first international conference organized by the CCIEE, held shortly after the institute’s founding, attracted approximately 900 attendees, including former and current government officials, journalists, business people, and scholars from around the world.

China’s think tanks serve multiple roles for the government. As described above, they can function as intelligence-gathering bodies for government officials and agencies. They also provide analysis and recommendations on potential new policies, laws, and regulations—including, on occasion, actually drafting the proposed legal documents to be considered by government leaders. Because many think tanks are closely associated with a particular government entity, they also provide assessments of new policies or recent events on their government “sponsor.” In addition, think tank scholars often serve as unofficial “messengers” for the government, presenting China’s views on various subjects at conferences, seminars, and meetings around the world.

**Top Ten Prominent PRC Think Tanks**

- Chinese Academy of Social Sciences (CASS)
- Development Research Center of the State Council
- Chinese Academy of Sciences (CAS)
- Academy of Military Science
- China Institute of International Study
- China Institute of Contemporary International Relations (CICIR)
- China National Committee for Pacific Economic Cooperation
- China Association for Science and Technology
- China International Institute of Strategic Society
- Shanghai Institute for International Studies (SIIS)

**Source:** PRC authorities ranked these institutions as China’s top ten at the “First Forum on China’s Think Tanks,” held in Beijing in 2006.

## Central Party School

The Chinese Communist Party (CCP) maintains a large system of Party schools, serving as training facilities for the Party elite. Within this system, the Central Party School (CPS) in Beijing is the most prestigious and important, although since 2005 it has seen competition from the

<sup>28</sup> Cheng Li, *ibid.*, p. 1. According to this scholar, nearly 1.4 million Chinese nationals have pursued studies overseas since 1978, and many are returning to China. The returnees, dubbed the “sea turtles,” are becoming increasingly prominent in PRC think tanks.

establishment of three new CCP “cadre academies” elsewhere in China.<sup>29</sup> Originally established in 1933 as the Marx School of Communism (now commonly known as the Central Party School, or CPS), the CPS is the highest institution of learning for Communist Party officials in China.<sup>30</sup> The school’s curriculum includes a wide range of subjects, including Western political theory and cutting-edge issues in economics, law, military affairs, and science and technology. All high-ranking Party officials must attend some course of training at the Central Party School. In keeping with its crucial role for the Party, security at the CPS is tight, and it is not readily accessible by outsiders.

Apart from its educational mission, the CPS also plays a crucial role, in the words of one U.S. scholar, as the “primary think-tank for generating new ideas and policies concerning political and ideological reform.”<sup>31</sup> It reportedly has played a crucial role in preparing content and speeches for past Party Congresses, and many policy initiatives are said to originate in the CPS. Despite its Party affiliation, those who have visited the CPS and attended conferences on its campus have found its students and professors to demonstrate some of the most creative and unfettered thinking in China.

## **The “Princelings”**

An important but informal politically influential group in China are the so-called “princelings.” This group consists of relatives (most frequently, the sons and daughters) of senior Chinese government officials who use their family relationship to obtain access to privilege, positions of power, and wealth—often by circumventing the official channels and procedures. For many people in China, the “princelings” represent that type of “class privilege” that the Cultural Revolution was supposed to eradicate. Because their access to power and privilege is seen not necessarily to be based on merit, some view the “princelings” at least as a minor source of corruption and at worst as a serious threat to the Party’s legitimacy with the public.

The “princelings” have chosen different avenues to power in China. Some have used their access to better education and job opportunities to become important figures within the Party or the Government. Others chose to focus their energies on obtaining economic power by establishing private companies (often by securing special loans from state-run banks) or being appointed the leading officials of important state-run enterprises.<sup>32</sup>

Although some of the “princelings” have used their preferential access to power for social causes, some have been accused of serious corruption. Deng Pu-fang, son of Deng Xiao-ping and himself a paraplegic,<sup>33</sup> is widely known in China as a leading advocate for the rights of the handicapped. Hu Hai-feng—son of President Hu Jin-tao and party secretary for Tsinghua Holdings, a multi-billion dollar state-owned conglomerate—was accused of bribery by the Namibian government during the summer of 2009.

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<sup>29</sup> Shambaugh, David, “Training China’s political elite: the Party School system.” *The China Quarterly*, Vol. 197, December 2008, pp. 827-844.

<sup>30</sup> The official current title of the school is the Party School of the Central Committee of the People’s Republic of China

<sup>31</sup> Shambaugh, *ibid.*, p. 841.

<sup>32</sup> According to various reports, over 90% of China’s billionaires are children of senior government officials.

<sup>33</sup> The circumstances surrounding Deng’s loss of the use of his legs are a matter of contention. The current official account states that he was thrown out of a window by Red Guards during the Cultural Revolution. However, accounts at the time of the event stated that he jumped.

## Provincial, Municipal, and Local Governments

A more complete understanding of China's political system requires an examination of the relationship between the central government and the numerous provincial, municipal, and local governments spread across the country. China officially has 34 provincial-level governments;<sup>34</sup> over 300 prefecture-level governments; nearly 3,000 county-level governments; and over 40,000 township-level governments. As was the case with the central government, virtually all of the lower tier governments contain a parallel Party administration (headed by the Secretary of the Party Committee) and a governmental body (headed by the Governor, Mayor, or County Head).

Unlike the United States, China's constitution does not provide for a division of power among the various tiers of government. Officially, each successive tier of government down from the top reports to the preceding tier above it. Although all political power resides with central government, the constitution does allow local governments to "conduct the administrative work concerning the economy, education, science, culture, public health, physical culture, urban and rural development, finance, civil affairs, public security, nationalities affairs, judicial administration, supervision and family planning in their respective administrative areas." In practice, each tier of government exercises varying degrees of autonomy.

The relationship between the local Party leader and the local top government official is critical to the effectiveness of the local government. At the provincial level, these are almost always two separate people; at the county level, one person may serve both roles. It is the usual practice of the central government to appoint provincial leaders who are not from the province, and to rotate them with some regularity. This is done to avoid an individual developing too strong a local political base, to reduce the risk of corruption, and to promote provincial leaders who are considered successful. County officials, by contrast, are generally from the region, and are less likely to be removed from their local office unless they are promoted or dismissed.

Whereas the Party Standing Committee or the State Council can use their authority over the local party or government leader, the Ministries have less direct control over the actions of lower tiers of government. In general, the Ministries rely on local authorities to implement national laws and regulations. Because of a lack of personnel, local officials frequently are responsible for carrying out the policies of the Party, the central government, and multiple ministries—often forcing them to prioritize among competing requirements and restrictions.<sup>35</sup> The maintenance of local party discipline has long been perceived as a major challenge for the Chinese government.

Another major challenge for the Chinese government is local government corruption. Because local government officials are generally from the region, infrequently rotated, and on occasion serve as both party and government leader, the potential for abusing power is comparatively high. Many of the complaints about government corruption in China are allegations against county and municipal officials, rather than provincial and central government leaders. Local corruption takes many forms from the lack of enforcement of laws and regulations to cases where officials have treated the local community like their own private fiefdom.

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<sup>34</sup> This includes 23 provinces (sheng) (including Taiwan), five autonomous regions (zizhiqu), four municipalities, and two special administrative regions (tèbié xíngzhèngqū).

<sup>35</sup> The lack of dedicated local personnel is a common issue for local enforcement. For example, during a recent trip to China, one of the authors met with one of the three government officials responsible for IPR protection in a city of over 3 million people.

## Trends and Idiosyncrasies of China's Political System

There are several aspects of China's current political system that make it distinctive and/or are important to understanding recent trends. Contrary to a common misperception, China has a long history of political reforms, dating back to its early days in the 1950s, but the goals and values of the Chinese government are fundamentally different from those in the United States. In addition, China has long struggled to find an efficient and effective means to coordinate governance between the central and local governments—a problem that remains unresolved to the satisfaction of top political figures. Also, despite its appearance as a “one-party state,” Chinese politics is rife with a fluid form of factionalism. Finally, the invention of new communications technology over the years—including fax machines, cell phones, text messaging, and the Internet—have both challenged China's political system and created new tools for maintaining control.

### China's View of Democracy and Political Reform

Although it is a broad U.S. perception that little or no political liberalization has taken place in the PRC since its creation in 1949, PRC leaders have periodically experimented with incremental reforms in the country's Party and government systems, often followed by periods of anti-reform activity during which the Party strives to regain control and power. However, in contrast to the United States where democracy is viewed as a goal, China has generally seen democratic reforms as a means to an end or ends.

For example, the Chinese government began experimenting with limited village elections in the 1980s and has continued to allow some form of local elections to this day. Under the reforms, local officials were to be selected by secret ballots and universal suffrage among the adult population of the community, with competing candidates who may or may not be party members. However, in many cases, local party officials and higher-tier government officials had the authority to disallow candidates from being listed on the ballot.

The reasons given for the experimentation with local elections were varied, but generally did not present democracy as a goal in its own right. Arguments to support local elections included: fostering greater support for local leaders

#### The Issue of Timing in the Selection of Leadership

Under the PRC constitution, officials of the Chinese government are chosen by the National People's Congress (NPC), which meets only annually—generally in March—for approximately two weeks. As a consequence of the different timetables by which the five-year Party Congress and the NPC meet, PRC leadership transitions can be oddly bifurcated, with senior Party leaders chosen for five-year terms in the Fall and senior government leaders, including president, vice-president, and premier, not chosen for five-year terms until the following spring.

This was the case, for instance, between the Party Congress in October 2002 and the National People's Congress meeting in March 2003, which left the transition to a new generation of leaders frozen part-way through the process. During that four-month period, neither the head of the military, the president of the country, nor most of the PRC's still-serving senior government officials were members of the newly selected Politburo, the Party's most powerful decision-making body. In addition, that particular leadership transition period coincided with the outbreak in China of SARS (Severe Acute Respiratory Syndrome) which surfaced in China in November 2002 and reached its apex in March-April 2003. The SARS outbreak presented a serious crisis to the PRC central government at a time when the country's overall leadership structure was least equipped to respond because of the structure of its leadership selection process.

among the community; creating incentives for more effective local governance; and providing a disincentive for local government corruption.

Another area where China has experimented with democratic reforms is in factory management. In the 1950s, China tentatively allowed some factories to elect their top management to foster workers support for the new government, identify better managers (based on the assumption that workers knew who were the capable managers), and improve the quality of factory operations (under the assumption that elected managers would be more concerned about effective management, or risk losing their positions). Although this experiment with workplace democracy was largely abandoned, it reappeared for a limited period of time in the 1980s for virtually the same reasons—workplace democracy was viewed as a means of improving production efficiency.

China's political reforms have not been limited to experiments with democratic local elections. Among other changes, the PRC leadership has implemented the following:

- “term limits” for top-level positions in the Party and Government;
- unofficial retirement age requirements for Party cadres at senior levels of leadership;
- regular rotation of provincial and military leaders;
- equal representation and voting status for each province on the CCP Central Committee;
- “decisions by votes” (*piaojuezhi*); and
- multiple-candidate choices for some Party and governmental seats.<sup>36</sup>

More recently, the Party has implemented changes in the selection of senior party officials that purportedly introduce limited competition.<sup>37</sup> Referred to as “intra-Party democracy” (*dangnei minzhu*), the system operates by allowing more candidates than there are open positions (in Chinese, this is called *cha'e xuanju*). Like local elections, intra-Party democracy is seen as a means of solidifying the legitimacy of the CCP, providing for “checks and balances” among top officials, and improving government management.

Although these and other political reforms have brought more rationality to the political process, they have their limitations. They have not, for instance, led to the establishment of opposition political parties, opened political and policy processes to broader public debate, or provided predictable and regularized methods for selecting the next top leaders. Despite the above reforms, then, the process of political succession in the PRC is still characterized by uncertainty. Decisions often are made through a combination of internal campaigning, behind-the-scenes manipulation, negotiation, and compromise among approximately 30 top senior leaders.

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<sup>36</sup> Cheng Li, Professor of Government, Hamilton College, “China's Political Succession: Four Mis-perceptions in the West,” a paper delivered at the Woodrow Wilson Center, Washington, DC, February 21, 2001.

<sup>37</sup> For more on China's experiments with intra-Party democracy, see Cheng Li, “Intra-Party Democracy in China: Should We Take It Seriously,” *Leadership Monitor*, No. 30, Brookings Institute, Fall 2009.

## Coordination of Central and Local Governments

In a country with over 1.4 billion people and tens of thousands of government entities, it is a daunting task to coordinate policy and effectively administer the country's laws and regulations. Officially, China's political system remains highly centralized and hierarchal, with lower levels of government reporting to higher level officials. In reality, it is impossible for higher officials to fully monitor the activities of lower-level officials, and it is equally impossible for lower-level officials to fully comply with the instructions from their superiors. As a result, there is a fair amount of policy slippage between the directives of the central government and the actions of local officials.

This relationship is further complicated when directives from higher officials create a contradiction for junior officials (see the text box about the SARS outbreak). Faced with an apparent dilemma, local officials will frequently choose to comply with one directive and ignore the other, based on their own criteria of which policy should take priority. This decision may be based on the best of intentions or on pure self-interest. In either case, the goals and objectives of the central authorities may not be adequately reflected in the local situation.

### China's SARS Outbreak of 2002-2003

One can glimpse the strains and contradictions in the PRC's political system by reviewing the case of the outbreak of Severe Acute Respiratory Syndrome (SARS) in China in 2002-2003. The official response to the SARS outbreak illustrates that the universe of what effectively can be controlled by the PRC's core central elite today is shrinking, while the capacity of non-central actors to manage, influence, inform, and interfere in political decisions and day-to-day activities is expanding.

Harkening back to an earlier era in its history when central government powers were more comprehensive, PRC officials in 1996 reportedly adopted a law, the text of which does not appear to be available, that serious infectious diseases shall be considered state secrets unless and until the government makes an official public announcement about the disease.<sup>38</sup> The definition of what are "state secrets" and who is entitled to know them is vague and arbitrary, as evidenced by the general description contained in Article 2 of the state secrets law:

State secrets shall be matters that have a vital bearing on state security and national interests and, as specified by legal procedure, are entrusted to a limited number of people for a given period of time.<sup>39</sup>

Theoretically, PRC Party and government officials should have had extensive power to control and manage developments in the SARS outbreak, and PRC officials attempted to do so. The first official announcement about the disease was made by the Guangdong Provincial Health Bureau on February 11, 2003, which reported limited cases of a mysterious illness. The following day, the official Xinhua News Agency announced that the mysterious illness had been "brought under control" and no new cases had been reported. Despite reports that millions of text messages were reporting daily on the progress of the disease, PRC officials struggled to maintain this official story through mid-March 2003, when officials from all over China attended the week-long first plenary session of the 10<sup>th</sup> National People's Congress (NPC) in Beijing.<sup>40</sup> On the second day of the NPC, a state-owned newspaper in Guangdong

<sup>38</sup> Internal report prepared by the Library of Congress Asian Law Division, 2003.

<sup>39</sup> The Congressional-Executive Commission on China provides the text of the "Law of the People's Republic of China on Guarding State Secrets," at <http://www.cecc.gov/pages/newLaws/protectSecretsENG.php>.

<sup>40</sup> The number of text messages was attributed to a report by a PRC publication, *Southern Weekend*, that on February 8, 2003, the text message "Fatal flu occurring in Guangdong" was sent 40 million times, and was repeated 86 million times more over the next two days. McDonald, Joe, "China Cracks Down on High-Tech SARS Rumors," in *Associated Press*, AP Online, May 14, 2003.

Province reportedly incurred the wrath of the Guangdong Party Secretary by violating the official blackout on SARS reporting.<sup>41</sup>

Government officials appeared unable to prevent mass migrations from SARS-affected areas, prompting the Supreme People's Court to announce new measures threatening to jail and even execute citizens who did not comply with quarantine and travel restrictions.<sup>42</sup> Villages and townships took independent action not authorized or coordinated by Beijing, putting up barricades to keep travelers out. Statements and actions by various PRC officials were uncoordinated and contradictory. On April 3, 2003, PRC Minister of Health Zhang Wen-kang, despite evidence to the contrary, reported that the disease had been contained and urged people to proceed with their plans to travel to China despite a World Health Organization travel advisory. It was not until April 20, 2003, that PRC officials, faced with overwhelming evidence of a SARS epidemic, apologized publicly for their "leadership failure" and began reporting on SARS cases.

## Factionalism

As previously discussed, there are currently differences in opinion among the Party's top leadership concerning the best path for future development that can be roughly divided into the "populists" and the "elitists" (see "The Politburo Standing Committee"). This sort of factionalism is common within Chinese politics, but is distinctive in two ways.

First, coalitions may be based on multiple factors in addition to similar political ideologies. Place of birth, familiar ties, political mentorship, and common educational history may also lead individuals to form political alliances, regardless of their political views. For example, the "Shanghai Clique" rose to prominence during the presidency of Jiang Ze-min. One of the major ties binding together this faction was that they all had been senior officials in the Shanghai municipal government.

Second, political factions in China are comparatively unstable. Individuals may be allies on one issue and opponents on another issue. One of the factors contributing to the instability of factions is the history of informal decision-making, which can force individuals to shift loyalty or risk loss of power. One recent description of shifting political alliances in Chinese history is Zhao Ziyang's recounting of the dynamics among China's top leaders during the Spring Uprising of 1997 in his memoirs, "Prisoner of the State: The Secret Journal of Premier Zhao Ziyang."

## Modern Media

The introduction of new forms of communication have both pressured the Chinese government to make changes in its political system, as well as provided the Party with new means of maintaining political control. Such technical developments as the fax machine, the cell phone, the Internet, blogs, and text messaging have altered the speed and ease of communication in China. At times, the new technologies have been used to question and/or challenge the Party's political power. At other times, the Chinese government has used the communications breakthroughs as an instrument of political control.

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<sup>41</sup> *Washington Post* foreign correspondent Philip Pan, in *Out of Mao's Shadow The Struggle for the Soul of a New China*, Simon & Schuster, 2008. The Guangdong paper was the *Southern Metropolis Daily*.

<sup>42</sup> The Supreme People's Court and Supreme People's Procuratorate announced the new measures on May 14, 2003.

In the spring of 1997, as demonstrations spread across China, local organizers used the relatively new technology of fax machines to communicate with each other. The fax machines not only allowed people to share news and information, it also provided a low-cost means of distributing announcements or official documents that were potentially damaging to Chinese officials. At the time, the Chinese government had not gathered information on the locations of fax machines, making it difficult to control the dissemination of information about the protests.

More recently, the widespread use of cell phones—especially phones that take photos or videos—has allowed people to take images and broadcast information about perceived government abuse of power. In some cases, these images and messages quickly become viral, spreading across the China and Hong Kong's web space (via blogs and web pages like YouTube or its Chinese version, You Ku) rendering it difficult for Chinese officials to suppress awareness of events. This dissemination of information about party corruption is supposed to be a significant factor in popular dissatisfaction with the CCP and the Chinese government.

At times, Chinese officials have used these new communications systems to help in its governance. For example, there are reports that some Chinese officials monitor reports of local government officials' abusing power as a means of regulating lower level officials and preventing corruption. In addition, the Chinese government allegedly has supported both formal and informal use of blogs, chat rooms, and other Internet techniques to present its views of recent events. One supposed such group is the "Fifty Cent Party" (Wumaodang), an informal group of "netizens" reportedly paid 50 cents each time they post a positive statement about Chinese government policy on the Internet. President Hu Jin-tao reportedly referred to the Fifty Cent Party as "a new pattern of public-opinion guidance." □

## **Implications for Congress**

Because the inner workings of China's government has been shrouded in secrecy, it would be easy to presume that a "one-party state" would think, speak, and act with one mind, one voice, and one purpose. This report has attempted to challenge this line of reasoning by providing a glimpse behind China's curtain of secrecy and into the internal dynamics of Chinese politics.

At a very basic level, the report is designed to provide the reader with a more sophisticated perspective on contemporary Chinese politics and a means by which to analyze the statements and actions of Chinese officials. For example, the report may be useful for Members of Congress when they meet with Chinese government officials or think tank scholars by offering a way to understand the content of the meeting, the bureaucratic connections of the scholars involved, and the degree and manner to which the statements by the Chinese visitor may or may not reflect official Chinese policy. In addition, the report offers a method for determining the relative position or significance of a visiting delegation from China or the officials hosting a meeting in China.

Moving beyond the basics, the analysis in this report may prove useful in ascertaining where and how the United States could possibly influence Chinese policies and practices in several ways. For example, the report may help identify individuals who may have unknown influence on China's political decision. In addition, it might help in the evaluation of the importance of the statements of Chinese officials with respect to official policy.

## **Appendix A. Official Members of the CCP's Political Bureau (Politburo) and its Standing Committee**

(as selected at the CCP's 17<sup>th</sup> National Congress on October 22, 2007)

- Bo Xi-lai
- Guo Bo-xiong
- *He Guo-qiang*
- *Hu Jin-tao*
- Hui Liang-yu
- *Jia Qing-lin*
- *Li Chang-chun*
- *Li Ke-qiang*
- Li Yuan-chao
- Liu Qi
- Liu Yan-dong
- Liu Yun-shan
- Wang Gang
- Wang Le-quan
- Wang Qi-shan
- Wang Yang
- Wang Zhao-guo
- *Wen Jia-bao*
- *Wu Bang-guo*
- *Xi Jin-ping*
- Xu Cai-hou
- Yu Zheng-sheng
- Zhang De-jiang
- Zhang Gao-li
- *Zhou Yong-kang*

Note: Standing Committee members in *italics*.

## **Appendix B. Official Members of China's State Council (by title)**

**(as of November 2, 2009)**

- Premier: Wen Jia-bao
- Vice Premiers: Huang Ju, Hui Liang-yu, Wu Yi, Zeng Pei-yan
- State Councilors: Cao Gang-chuan, Chen Zhi-li, Hua Jian-min, Tang Jia-xuan  
Zhou Yong-kang
- State Council Secretary General: Hua Jian-min (concurrent position)
- Ministers and Other Members
  - Ministry of Agriculture: Minister Du Qing-lin
  - Ministry of Civil Affairs: Minister Li Xue-ju
  - Ministry of Commerce: Minister Bo Xi-lai
  - Ministry of Communications: Minister Li Sheng-lin
  - Ministry of Construction: Minister Wang Guang-tao
  - Ministry of Culture: Minister Sun Jia-zheng
  - Ministry of Education: Minister Zhou Ji
  - Ministry of Finance: Minister Jin Ren-qing
  - Ministry of Foreign Affairs: Minister Li Zhao-xing
  - Ministry of Health: Minister Gao Qiang
  - Ministry of Information Industry: Minister Wang Xu-dong
  - Ministry of Justice: Minister Zhang Fu-sen
  - Ministry of Labour & Social Security: Minister Zheng Si-lin
  - Ministry of Land & Resources: Minister Sun Wen-sheng
  - Ministry of National Defense: Minister Cao Gang-chuan (concurrently)
  - Ministry of Personnel: Minister Zhang Bo-lin
  - Ministry of Public Security: Minister Zhou Yong-kang
  - Ministry of Railways: Minister Liu Zhi-jun
  - Ministry of Science & Technology: Minister Xu Guan-hua
  - Ministry of State Security: Minister Xu Yong-yue
  - Ministry of Supervision: Minister Li Zhi-lun
  - Ministry of Water Resources: Minister Wang Shu-cheng

- National Audit Office: Auditor-General: Li Jin-hua
- People's Bank of China: Governor Zhou Xiao-chuan
- State Commission of Science, Technology & Industry for National Defense: Minister Zhang Yun-chuan
- State Development and Reform Commission: Minister Ma Kai
- State Ethnic Affairs Commission: Minister Li Dek Su (Korean)
- State Population & Family Planning Commission: Minister Zhang Wei-qing

## **Appendix C. Current Members of Central Military Commission**

**(as selected at the CCP's 17<sup>th</sup> National Congress on October 22, 2007)**

- Hu Jin-tao, CMC Chairman
- General Guo Bo-xiong, CMC Vice Chairman
- General Xu Cai-hou, CMC Vice Chairman
- Air Force General Xu Qi-liang, Commander of the PLA Air Force
- General Chang Wan-quan, Director of the General Armament Department
- General Chen Bing-de, Chief of General Staff of the People's Liberation Army
- General Jing Zhi-yuan, Commander of the Second Artillery Corps
- General Li Ji-nai, Director of the General Political Department
- General Liang Guang-lie, Minister of the Ministry of National Defense
- General Liao Xi-long, Director of the General Logistics Department
- Navy General Wu Sheng-li, Commander of the PLA Navy

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