

Backgrounders

The Chinese Communist Party

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Introduction

The Chinese Communist Party (CCP) is the founding and ruling political party of modern China, boasting more than eighty-six million members. In 2012, the CCP underwent a pivotal once-in-a-decade power transition that saw its fifth generation of leaders set the future agenda for the second-largest economy in the world. While the party has maintained a political monopoly since its founding, the effects of China's rapid economic growth have triggered increasing social unrest and political destabilization that challenge the country's rise as a global power. A spate of political scandals has also exposed deep power struggles inside the infamously opaque organization. The changeover has done little to affect immediate party policy and direction, however the implications of new leadership sheds some light on how China plans to position itself on the world stage.

Origins and Power Structure

Inspired by the Russian Revolution, the CCP was founded in 1921 on the principles of Marxism-Leninism following a lengthy civil war against the Kuomintang, its primary rival. Despite China's market reforms in the late 1970s, the modern Chinese state remains a purely Leninist system, like those of Cuba, North Korea, and Laos. The party's grip on power relies on three pillars: control of personnel, propaganda, and the People's Liberation Army. Around 77 percent of its members are men, and farmers make up roughly one-third of its membership.

The CCP convenes its National Party Congress (NPC) every five years to set major policies and choose the **Central Committee**, which comprises around 370 members including ministers, senior regulatory officials, provincial leaders, and military officers. The Central Committee acts as a sort of board of directors for the CCP, and its mandate is to select the Politburo, which has twenty-five members.

Washington should resist framing its relationship with China as a competition. Treating China as a competitor or foe merely feeds Xi's anti-Western narrative, undermines those in China pushing for moderation, and does little to advance bilateral cooperation." —Elizabeth Economy, Council on Foreign Relations

In turn, the Politburo elects through backroom negotiations the nine-person Standing Committee, which functions as the epicenter of the <u>CCP's power and leadership</u>. Xi Jinping, who took over from Hu Jintao in 2012, sits atop the system as general secretary; as president and head of the military, he exerts enormous influence in setting parameters for government policy. The premier, Li

Keqiang, heads the State Council, China's equivalent of a cabinet. In Xi's transition to power, he has amassed more power than his predecessors; as the **sole head** of a number of important leading groups, his unilateral decision making has to some extent undermined his party's prior commitment to consensus-based rule.

The Eighteenth National Congress

The new makeup of the Standing Committee, whose numbers were reduced from nine to seven in 2012, was the most watched development at the eighteenth National Congress, in which China's next generation of leaders was chosen. Then vice president Xi Jinping took Hu's place, while Executive Vice Premier Li Keqiang replaced Wen Jiabao. Around 70 percent of the membership of the three most important leadership organs—the Standing Committee, State Council, and Central Military Commission—were replaced, making this leadership turnover the most significant in the past three decades.

Leadership succession is a fairly concentrated process, with positions decided by a very small number of top leaders through secretive negotiations. Some experts split the CCP's power structure into two distinct camps: the "princelings," the children of high-level leaders, and the "tuanpai," those who, like Hu Jintao, come from humbler backgrounds and have risen to power through the Communist Youth League. Other experts see a much more complex power dynamic built from personal alliances and factional loyalties juggled among three groups: retired leaders (in particular Deng Xiaoping, who picked Hu Jintao), incumbents, and the incoming class, according to Minxin Pei, a China expert at Claremont McKenna College. CCP leaders "all have conflicting interests that sometimes overlap," says Pei. "The dynamics can be very fluid in this three-way negotiation process."

Such complex dynamics can be seen in the scandals that have rattled the transition process and Xi's anti-corruption campaign. The scope of Xi's campaign is unprecedented: since 2013, Xi's campaign has targeted a number of **powerful political figures**, including Hu's former aide, **Ling Jihua**, and his brothers; former Chongqing party chief **Bo Xilai** and his wife; **Xu Caihou**, former vice chairman of China's top military body; and **Zhou Yongkang**, a retired Polibuto Standing Committee member and former chief of the law and politics commission of the CCP.

Bo's expulsion from the party and <u>subsequent trial</u> highlighted <u>party infighting</u> and power struggles that plagued the party's transition. The targeting of elite political factions has fueled concerns that political motivations are driving Xi's campaign. The campaign is "one part of a wider effort to <u>destroy his enemies</u>," writes Princeton University Professor Aaron Friedberg, but he adds that the trials are also an acknowledgement that high-level corruption can no longer be ignored.

Challenges in Governance

In recent decades, global events and internal strife have brought the CCP to the brink of collapse several times. The 1989 Tiananmen democracy riots and the collapse of the Soviet Union at the early 1990s triggered a series of existential crises for the party that forced it to reconsider its mandate. The Soviet implosion in particular pushed the CCP to undertake systematic assessments of the causes of regime collapse and institute intraparty reform in order to avoid a similar fate. It determined that an ossified party-state with a dogmatic ideology, entrenched elites, dormant party organizations, and a stagnant economy would lead to failure, according to David Shambaugh's

2008 book China's Communist Party.

Since then, the CCP has shown a technocratic capacity to adapt in response to the developmental stresses of society brought on by China's dizzying economic rise. Today's party "is all about joining the highways of globalization, which in turn translates into greater economic efficiencies, higher rates of return, and greater political security," writes Richard McGregor in his 2010 book *The Party*.

Still, leaders at the top of China's power structure today lack the long-term vision for the party that reformists of the 1980s such as Hu Yaobang possessed; Hu, the former party general secretary, promoted greater party transparency, and **Deng's free-market reforms** modernized China's economy.

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"They're mostly reactive," says Pei of the Chinese government. "The CCP could survive to this point today because of people thirty years ago. Today, they worry about how to get to where they want to be."

Fears of social unrest are persistent. In the spring of 2013, a memo named **Document No. 9** that was distributed within the CCP outlined seven dangers that threatened the party's control, including "Western constitutional democracy," **human rights**, pro-market "neoliberalism," and Western-inspired ideas of media independence and civic participation. The document pointed to internal fears about the party's vulnerability in light of China's economic slowdown and public anger about issues like corruption.

Actual governance of China can be extremely decentralized. While Politburo members retain responsibility for dictating policies and staffing ministries, they do not manage day-to-day portfolios the way a cabinet would. Chinese provinces enjoy tremendous autonomy, and subprovincial officials and leaders, appointed by the central government, have almost total control over governance. Policies can originate "haphazardly" in bureaucracies and ministries, within the committee, inside the NPC, or from think tanks and advisers, says Pei.

This lack of accountability has compounded grievances over income inequality, lack of consumer protection, land grabs, and human rights issues. Many of these have been brought to light across the country by the Internet, which has heavily eroded the CCP's control over political communication. Forced evictions have spiked over the years as debt-laden local governments raised capital by selling seized land to developers. Activists like Chen Guangcheng, a blind lawyer who exposed forced sterilizations, raised public flags around human rights violations stemming from local corruption. And after consumers expressed fury surrounding tainted milk and meat, the central government was forced to act on long-standing concerns about the safety of Chinese food products.

Domestic and Foreign Policy

Perhaps most pressing is the CCP's treatment of the massive income disparity that China's economic boom created; in mid-2012, the CCP announced <u>a new income-distribution</u>

<u>framework</u> set for approval to redress the growing gap. The country's emergence as an economic superpower has heightened governance challenges as China's middle class expands. In particular, the "side effects of rapid economic growth, including the gap between rich and poor, rising prices, pollution, and the loss of traditional culture are major concerns, and there are also increasing worries about political corruption," according to the <u>Pew Research Center</u>.

Health care also has been a major initiative for the party as a vast aging population drives government efforts to broaden insurance coverage. Spending on health care will increase to **\$1 trillion** annually by 2020, according to the consulting firm McKinsey & Company, from the \$357 billion spent in 2011, and medical insurance now covers more than 90 percent of the population, although coverage is often limited.

The party has also moved on energy policy, **releasing a white paper** outlining China's initiatives for the next five years that includes developing clean energy to reduce its carbon footprint. Heavy smog in China prompted a series of reforms to improve air quality and energy use. The government announced in June 2013 **reforms** to restrict air pollution, including the country's first carbon market and an allocation of \$275 billion over the next five years to improve air quality. It also eased prosecution of environmental crimes and increased local accountability for air quality problems. In September 2014, Beijing launched a **resource tax on coal** based on price rather than quantity, in an attempt to reduce carbon emissions and boost energy savings.

China's economic growth, which has slowed since its breakneck double-digit growth in the early 2000s, has also been a point of concern for policymakers who have called for reforms to increase domestic consumption and curb reliance on exports for growth. Beijing, despite facing **waning growth**, has vowed to meet its target of 7.5 percent GDP growth in 2014 and implemented a series of "mini-stimulus" measures.

Meanwhile, China's burgeoning power on the global stage has sparked widespread perceptions of the country as an aggressive, expansionist power. Beijing has protested plans for U.S.-South Korean naval cooperation in the Yellow Sea and reacted vehemently to the U.S. sale of arms to Taiwan. It has staked unwavering claims on islands in the **East and South China Seas**—a move that pits the country against Japan and four other neighbors and has caused a diplomatic rift and stalemate in the immediate region. The bolstering of U.S. defense ties with Asia-Pacific partners— Japan, the Philippines, and Vietnam—has stoked China's maritime assertiveness. China declared an East China Sea **Air Defense Identification Zone** in November 2013 and has conducted oil and gas exploration projects in contested waters. But Beijing has also courted its neighbors: China proposed a **"friendship treaty"** and offered \$20 billion in loans to Southeast Asian states at the 2014 ASEAN summit. And leaders from China and Japan **held formal talks** for the first time in two years on the sidelines of the 2014 Asia-Pacific Economic Cooperation summit, indicating a possible thaw in Sino-Japanese relations.

Some experts contend that while China's relative power has grown significantly with its economic rise, its foreign policy aims remain defensive in nature: destabilizing influences from abroad, avoiding territorial losses, and sustaining economic growth. Unlike before, "China is now so deeply integrated into the world economic system that its internal and regional priorities have become part of a larger quest: to **define a global role** that serves Chinese interests but also wins acceptance from other powers," write Andrew J. Nathan and Andrew Scobell in *Foreign Affairs*.

By and large, the rational objective for the new leadership in China is to move away from an antagonistic relationship with the United States, experts say. But U.S.-China relations could continue to suffer until Beijing adjusts its foreign policy and political structure more radically, starting with the normalization of its regional relationships.

Still,"Washington **should resist framing** its relationship with China as a competition," writes Economy in *Foreign Affairs*. "Treating China as a competitor or foe merely feeds Xi's anti-Western narrative, undermines those in China pushing for moderation, and does little to advance bilateral cooperation."

Additional Resources

The BBC **graphic** outlines the Communist Party's structure and system of rule, including the influence of the Politburo, National People's Congress, and State Council.

Brookings Institute's Cheng Li looks at Xi Jinping's inner circle and his consolidation of power since becoming president in a **series of articles** for *China Leadership Monitor*.

Xi Jinping is profiled in this <u>Foreign Policy exposé</u> detailing his biography, party associations, and political leanings.

This **Economist feature** chronicles Xi's growing power and the leader's budding cult of personality.

This *South China Morning Post* **interactive** offers a guide to the government's crackdown on corrupt officials.

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