

# **China's Domestic Politics and Foreign Policy after the 19th Party Congress**

*Paper presented to  
Japanese Views on China and Taiwan: Implications for U.S.-Japan Alliance*

March 1, 2018  
Center for Strategic & International Studies  
Washington, D.C.

Akio Takahara  
Professor of Contemporary Chinese Politics  
The Graduate School of Law and Politics, The University of Tokyo

## **Abstract**

At the 19<sup>th</sup> Party Congress Xi Jinping proclaimed the advent of a new era. With the new line-up of the politburo and a new orthodox ideology enshrined under his name, he has successfully strengthened further his power and authority and virtually put an end to collective leadership. However, the essence of his new “thought” seems only to be an emphasis of party leadership and his authority, which is unlikely to deliver and meet the desires of the people and solve the contradiction in society that Xi himself acknowledged. Under Xi’s “one-man rule”, China’s external policy could become “soft” and “hard” at the same time. This is because he does not have to worry about internal criticisms for being weak-kneed and also because his assertive personality will hold sway.

## **Introduction**

October 2017 marked the beginning of the second term of Xi Jinping's party leadership, following the 19th National Congress of the Chinese Communist Party (CCP) and the First Plenary Session of the 19th Central Committee of the CCP. Although the formal election of the state organ members must wait until the National People's Congress to be held in March 2018, the appointees of major posts would already have been decided internally by the CCP.

General Secretary Xi proclaimed the dawn of a new era and had the new "thought" crowned with his name enshrined in the official ideology of the CPC. In the address at the 19th Party Congress, he put himself on a par with his celebrated predecessors by claiming that Ma Zedong founded China, Deng Xiaoping made it richer, and now Xi himself is making it stronger. Deng Xiaoping led the effort to abolish party chairmanship in 1982 in the wake of the Cultural Revolution. He and his followers instituted in its place a collective leadership structure. The 19th Congress is historic in that this institution practically ceased to function in favor of the resurrection of leadership by a strong man. This paper studies the process of the re-emergence of “one-man rule” by Xi Jinping and discusses its implications for China’s domestic politics and foreign policy.

### **1. The centralization of power under Xi Jinping in the first term**

It now sounds hard to believe, but Xi was believed to be a weak leader when compared to his immediate predecessors, namely Jiang Zemin and Hu Jintao. This prediction came from the differences in political upbringing. Jiang and Hu each had built a solid foundation rooted in their career in powerful departments or localities before climbing to the top job. For instance, Jiang worked for the First Machine-Building Industry Ministry and also worked in Shanghai; Hu cultivated a network during his tenure at the Communist Youth League. By contrast, Xi never had such a base among the central party or government departments to which he could turn and, instead, spent many years in the politically insignificant localities.

However, once in the office of General Secretary Xi managed to amass power and authority in his hands within the first few years, whose extent surpasses both that of Jiang and of Hu. I argue that four factors contributed to Xi's rise.

First, Xi's political support has been rooted in groups of individuals known as the "Second Red Generation" or the "Princelings." These groupings denote the descendants of the leaders from the revolutionary era. The word "Princelings" has a connotation that this group of people work together in pursuit of their own political and economic gains. By contrast, the "Second Red Generation" implies they are the heirs of the revolutionaries that carry on the revolutionary spirit. Members of this group include Xi Jinping, whose father is Xi Zhongxun, former vice premier; Wang Qishan, Secretary of the Central Commission for Discipline and Inspection, who is the son-in-law of Yao Yilin, formerly a member of the Politburo Standing Committee. In addition, there are officers of the People's Liberation Army (PLA), including Liu Yuan, a son of Liu Shaoqi, the former state president. These individuals identify themselves as members of the "founding families" and have a strong sense of ownership over the ruling system of the CCP. They are determined to support Xi Jinping and revamp the existing institutions, a task that they regard impossible to be accomplished by "employees" such as Jiang Zemin and Hu Jintao.

Second, the Second Red Generation used the anti-corruption campaign as an effective leverage. This group had a strong resolve to topple corrupt, influential figures of the previous leadership, including Zhou Yongkang, who was a member of the Politburo Standing Committee on public security and had strong ties with Jiang, Guo Boxiong and Xu Caihou, who each served as vice chairman of the Central Military Commission, and Ling Jihua, who served Hu closely. There was no doubt that the anti-corruption campaign was also a tool in the power struggle.

Third, since the Third Plenary Session of the 18th Central Committee in 2013 Xi Jinping effectively tightened his grip on power by creating new organizations over which he presides. The theme of this plenary was to accelerate reform on every front. It was decided then that new organizations, such as the Central Leading Small Group for Comprehensively Deepening Reforms and the National Security Commission (later renamed the Central National Security Commission), were to be installed as umbrella organizations designed to oversee various departments. Xi appointed himself as the leader of these organizations. This reform allowed him to directly order and render decisions to some areas, for example public security and social management, which were nominally governed by other members of the Standing Committee.

Fourth and finally, Xi's centralization of authority became possible due in part to the lessons from the recent past. For instance, when Hu Jintao came to power, Jiang Zemin did not vacate the position of the chairman of the Central Military Commission. Jiang insisted that Hu benefit from someone like him who can take charge and manage, and that he could help Hu transition smoothly.<sup>1</sup> As a result, there was confusion about who was in charge as the governing body had

---

<sup>1</sup> Robert Lawrence Kuhn, *The Man Who Changed China: The Life and Legacy of Jiang Zemin (Chinese Edition)*, Shanghai, Shanghai Translation Publishing House, 2005, p. 436.

two centers of power. Moreover, collective leadership allowed the stovepiping of bureaucracies, in which the responsible member of the Standing Committee reigned as the "king" of the assigned bureaucracy. This structure gave strong incentives for corrupt behavior. Hu probably was aware of these weaknesses, which explains why he gave up the post of the chairman of the Central Military Commission to Xi Jinping when he stepped down as general-secretary.

Taken together, these four factors account for the centralization of power under Xi Jinping, which proceeded in a generally tense atmosphere. The process of centralization had several major obstacles, to which I now turn.

## **2. 2016 -- the year of upheaval: challenges to Xi Jinping's power and authority**

Xi Jinping made an announcement at the end of 2015 about the transformation of the PLA. The news almost coincided with the emergence of provincial leaders around January 2016 calling Xi the "core of the party center". In the wake of the 1989 Tiananmen Incident, Deng Xiaoping called Jiang Zemin the "core" of the third-generation central leadership to give credence to Jiang's authority. By contrast, Jiang himself refused to let his successor, Hu Jintao, be called the same. Senior cadres understood Xi's attempt at consolidating power by gaining the "core" label. Whether to invoke this label became, in effect, a litmus test among the senior provincial leaders across the country. By the end of February, approximately two-thirds publicly declared Xi as the core. Yet this attempt failed to win unanimous support, which gave Xi's authority a huge blow according to party cadres in Beijing.<sup>2</sup>

Critics of Xi's struggle for greater authority also came from the private sector. In February, real estate mogul Ren Zhiqiang wrote on his popular blog his view against Xi's order to the mass media to follow the party line more strictly. He had his blog shut down after some official media accused him of constituting an "anti-party element." Curiously, accusations against him quickly dissipated. On March 1, the Central Commission for Discipline and Inspection posted an article on its website titled, "Blind obeisance by a thousand people does not amount to a direct comment by a single person." Some interpreted it as having an underlying message reproaching Xi.<sup>3</sup>

Furthermore, an open letter was posted on the internet on the early morning of March 4 that urged Xi to resign. That website could be classified as a medium in the "official domain." The letter offered a litany of charges against Xi's failed policies, including the centralization of authority, the interference with the economy, diplomatic isolation, mismanagement on Hong Kong and Taiwan, excessive press regulations, lethargy among bureaucrats caused by the anti-corruption campaign.<sup>4</sup> A dissenting voice also came from inside the party. The National People's Congress started the day after the infamous letter. In a press conference he held during the Congress, Zhang Chunxian, party secretary of the Xinjiang-Uyghur Autonomous Region, when

---

<sup>2</sup> Interview in Beijing, February 2016.

<sup>3</sup> Lei Si, "Blind obeisance by a thousand people does not amount to a direct comment by a single person" (in Chinese), *China Discipline Inspection News*, February 29, 2016, available on the website of the Central Commission for Discipline and Inspection at [http://csr.mos.gov.cn/content/2016-02/29/content\\_28043.htm](http://csr.mos.gov.cn/content/2016-02/29/content_28043.htm). It is worth noting that Wang Qishan, the Secretary of the commission, approached and conversed with Xi Jinping on the podium of the opening ceremony of the Chinese People's Political Consultative Committee held on March 2. It was believed on Wang's part to show that he is still on good terms with Xi.

<sup>4</sup> Creaders.net, "An open letter by a loyal party member urging Xi Jinping to resign (full text)" (in Chinese), March 3, 2016, accessed at <http://news.creaders.net/china/2016/03/05/1647666.html>.

asked if he would support Xi Jinping's leadership, replied, "let's talk later."<sup>5</sup> Observing these developments, cadres in Beijing recognized that Chinese politics had entered a period of upheaval.<sup>6</sup> It was announced on 1 May that Ren Zhiqiang will be put on probation for a year. In addition, disagreements among the leadership on economic policies became public in early May.<sup>7</sup>

Xi Jinping rolled back. In August, Zhang Chunxian was sacked from the Secretary post in Xinjiang. This event sent a strong signal across the Chinese leadership with regard to who won the power struggle. Xi finally secured the title of the "core of the party center" at the Plenary Session of the Central Committee held in the fall. Since summer, many of Xi's former subordinates in Zhejiang and Fujian provinces began to occupy key positions in the localities. The trend in the political situation clearly changed, and Xi maintained the momentum in the preparation for the Party Congress in 2017.

### **3. New top leadership appointments after the 19th Congress**

The appointments of the new leading cadres strongly reflected Xi's intentions as he had tightened his grip on power. Of the new members of the Politburo Standing Committee, General Secretary Xi and second-in-command, Li Keqiang, will remain, respectively, as state president and premier. Li Zhanshu, the third in order, is expected to take the chair of the Standing Committee of the National People's Congress. The fourth in rank, Wang Yang, is predicted to serve as the chair of the Chinese People's Political Consultative Committee. Wang Huning, ranked the fifth, leads the Secretariat of the CCP and also responsible for party work including ideology, education and media. Zhao Leji, who is the sixth in rank, has already taken the position of the Secretary of the Central Commission for Discipline and Inspection. Finally, Han Zheng, the seventh in rank, will likely serve as the senior vice premier of the State Council.

What do these appointments mean? First, these top leaders are all sixty years old or above, suggesting that no successor to Xi's position was nominated from the next generation. This arrangement is likely historic: Xi Jinping aims to stay in power for the third term after the next Party Congress, because any successor who could serve two full terms ought to be in the mid-50s (or younger) now.

Non-democratic regimes are prone to succession crisis, because of the absence of institutions for power succession. In recent years, China has managed to avoid a crisis by introducing a succession norm. It started when Hu Jintao succeeded Jiang Zemin: at the Party Congresses the CCP designated likely successors from among the younger generation as members of the Politburo Standing Committee. Hu was only 49 when appointed by Deng Xiaoping to join the Politburo Standing Committee at the 14th Congress in 1992. Until he took the helm in 2002, Hu was groomed as the "crown prince" for a decade. He, in turn, appointed Xi Jinping and Li Keqiang as Politburo members at the 17th Congress in 2007. Xi was 54 at the time. He then took over from Hu Jintao as General Secretary at the 18th Congress in 2012. Chinese leaders built the Party Congress into a mechanism for power succession to prevent a naked and potentially destabilizing power struggle.

---

<sup>5</sup> ChinaGate, "Asked if he supports Xi Jinping's leadership or not, Zhang Chunxian answered, let's talk later" (in Chinese), March 10, 2016, accessed at <http://www.wenxuecity.com/news/2016/03/10/5044871.html>.

<sup>6</sup> My interview with a member of the Second Red Generation, in Tokyo.

<sup>7</sup> *People's Daily*, "An authoritative insider discusses the current Chinese economy" (in Chinese), May 9, 2016, accessed at <http://politics.people.com.cn/n1/2016/0509/c1001-28333725.html>.

Hu Jintao attempted to further institutionalize the succession process. At the Party Congress in 2007 and 2012, he asked about two hundred Central Committee-level senior cadres to vote on who should serve as the next Politburo members.<sup>8</sup> To be sure, the appointments were made not solely based on the votes, but Hu and other top leaders, including the retired party elders, took them into consideration upon making the final decision. Hu took pride in this institutional change as an important step in the democratization of the party. It seems that by 2012 the Central Committee bore a more transparent and systemic bureaucratic structure, in which it was composed of ministers of the State Council, secretaries and governors of provinces, and party officials and military officers at equivalent levels.

The appointments at the 19th Congress did not follow the succession norm, and the trend for institutionalization and intra-party democratization was reversed. Xi Jinping does not like voting. This preference might as well be originated in the fact that he barely won the election for the alternate members of the Central Committee by receiving the least winning votes among the elected at the 15th Congress in 1997. Xi also relegated the importance of the vote and exams for the selection and appointment of cadres, the scheme developed under the auspices of Li Yuanchao who was the head of the Organization Department under Hu Jintao.<sup>9</sup> An official media report pointed out after the 19th Party Congress that individuals such as Sun Zhengcai, who was unexpectedly decommissioned prior to the Congress due to corruption, and Zhou Yongkang and Ling Jihua, bought votes. This time, in lieu of the vote, members of the central leadership interviewed 258 cadres and heard their views on who should constitute the new Politburo and its Standing Committee.<sup>10</sup>

What was emphasized as the condition for the central leadership position was support of the authority of the party center with Xi Jinping as its core, and obedience to its leadership. One can imagine that the interviews involved the discussion not only about who should serve in the Politburo but also who should not. This hypothesis helps explain why Sun Zhengcai, Fang Fenghui and Zhang Yang, two important members of the Central Military Commission, stepped down in the summer prior to the Congress. Zhang Yang committed suicide by hanging, which was reported in the *Xinhua* news on November 28.<sup>11</sup> He had been under house arrest since August 28 and being interrogated of bribery charges.

Interestingly, Xi Jinping had interviews himself with a total of 57 current and former leaders. According to an official media report, the interviews spanned two months from April and June 2017.<sup>12</sup> These 57 could have included Politburo members who were eventually elected, though this is yet to be confirmed. If true, these interviews would have taken place as if they were an Imperial Examination, in which the Emperor interviewed the candidates at the final stage.

#### **4. The end of the post-Mao Zedong era**

---

<sup>8</sup> *People's Daily*, "Report on the Birth of the New Central Leading Organs of the Party" (in Chinese), October 24, 2007; *Xinhua Net*, "Report on the Birth of the New Central Leading Organs of the Party" (in Chinese), November 15, 2012, accessed at [http://www.xinhuanet.com/18cpcnc/2012-11/15/c\\_113700375.htm](http://www.xinhuanet.com/18cpcnc/2012-11/15/c_113700375.htm).

<sup>9</sup> Akio Takahara, "The CCP's Meritocratic Cadre System", in Lam, Willy Wo Lap (ed.), *Routledge Handbook of the Chinese Communist Party*, Routledge, 2017, pp.153-64.

<sup>10</sup> *Xinhua Net*, "Report on the Birth of the New Central Leading Organs of the Party" (in Chinese), October 26, 2017, accessed at [http://www.xinhuanet.com/politics/19cpcnc/2017-10/26/c\\_1121860147.htm](http://www.xinhuanet.com/politics/19cpcnc/2017-10/26/c_1121860147.htm).

<sup>11</sup> *Xinhua Net*, November 28, 2017, accessed at [http://www.xinhuanet.com/2017-11/28/c\\_1122023059.htm](http://www.xinhuanet.com/2017-11/28/c_1122023059.htm).

<sup>12</sup> See Footnote 10 for the reference.

Another point worth noting is the fact that not all new members of the Politburo Standing Committee had strong ties with Xi Jinping. Most have been promoted for working for him over the past five years with the exception of Li Zhanshu. Even Wang Qishan, who has been a long-standing ally of Xi and the former secretary of the Central Commission for Discipline and Inspection, did not get a post because he was 69 and beyond the eligibility age. The appointment of individuals such as Wang Yang and Han Zheng perhaps was Xi's attempt to strike a balance of power among the party factions. One could also surmise that Xi only had a small pool of trusted subordinates capable enough of taking up the top positions of the party, because he spent a long time in the countryside and did not have strong connections with the center.

Among the newly appointed, Wang Huning stands out as since the appointment of a theorist happens for the first time since 1976 when the so-called Gang of Four were arrested. Subsequent leaders such as Deng Xiaoping and Chen Yun valued practice over theory. Another reason for Wang Huning's promotion is that Xi Jinping has few other trusted and qualified candidates to turn to. As for Wang Qishan, he is rumored to be appointed vice-president of the PRC at the National People's Congress to be held in March 2018 and be treated as one with the rank of a member of the Politburo Standing Committee. If so, he is likely to retain his influence and play an important role as a close ally of Xi.

Many of the eighteen new Politburo appointees, save the seven members of the Standing Committee, are selected from the former subordinates and classmates of Xi Jinping. In particular, the so-called "New Zhijiang Army", an umbrella label applied to the group of protégés who used to work for Xi when he was party secretary of Zhejiang province, stand out. These include Cai Qi, party secretary of Beijing, Li Qiang, party secretary of Shanghai, and Chen Min'er, party secretary of Chongqing; they each hold the top post of an important province. In a similar vein, Li Xi, currently party secretary of Guangdong succeeding Hu Chunhua, used to serve as the secretary of Yan'an of Shaanxi province and is seen as a confidant of Xi. Zhao Leji is from Shaanxi, the home province of Xi Zhongxun and where Xi Jinping himself was forcibly sent during the Cultural Revolution. Li Hongzhong, party secretary of Tianjin, has been expressing his loyalty to Xi loudly upon his move from his previous position as the party secretary of Hubei province. It has been said that one of the largest challenges for Xi is to reign over the local leaders, and now he has succeeded in filling the leading positions of important localities with his subordinates and promoted them into the politburo.

Furthermore, Chen Xi, who shared the dorm room with Xi Jinping when they studied at Tsinghua University, became head of the Central Organization Department, the office in charge of personnel affairs, and Huang Kunming, who served Xi for many years in Fujian, has been promoted to lead the Central Propaganda Department from its deputy. Finally, Ding Xuexiang landed the director of the General Office by replacing Li Zhanshu. Ding worked as a personal secretary for Xi Jinping when the latter was party secretary of Shanghai.

These appointees represent what one might call the "Xi Jinping faction" and form the great majority of the newly appointed members of the Politburo. By contrast, notables such as Vice President Li Yuanchao, former director of the Propaganda Department Liu Qibao, and Zhang Chunxian, former party secretary of the Xinjiang-Uyghur Autonomous Region, lost trust from Xi Jinping and were decommissioned from the Politburo. Li Yuanchao was not selected to serve the Central Committee even when he was under the age limit. Similarly, Yang Jing was unseated from the Central Committee, although he was a close staff of Li Keqiang and held the key position as State Councilor and Secretary-General of the State Council. Eventually on 24 February 2018, it was officially announced that he was demoted from all the administrative posts

because of corruption.<sup>13</sup> Xi Jinping made clear what will happen to those who did not express loyalty.

This is not to say that Xi Jinping has completely monopolized power. There was some debate since the summer of 2016 over whether to restore the chairmanship of the CCP, only to see the position of the General-Secretary retained. Similarly, the current system of distributing the departmental duties among the members of the Politburo Standing Committee and of the Politburo is also left intact. Although the structure of collective leadership is still in place, however, its practice has undergone transformation. First, as I discussed earlier, new umbrella organizations, such as the Central Leading Small Group for Comprehensively Deepening Reforms and the Central National Security Commission that oversee multiple ministries and agencies have been installed. By leading these organizations, Xi endows himself with the new authority to give direct orders to departments that are under the auspices of other Politburo members.

Second, the so-called "Xi Jinping Thought" has been enshrined as part of the official ideology of the CCP.<sup>14</sup> The adoption of an official ideology that bears a leader's name happens for the first time since Deng Xiaoping Theory, which was adopted only after Deng passed away. One needs to go back to Mao Zedong Thought to find the name of the incumbent in an official ideology. Xi has gained an overwhelming authority within the party. CCP's propaganda effort has been launched, such as to put a huge photo of Xi on the top page of the *People's Daily*,<sup>15</sup> which is reminiscent of the cult of personality for Mao during the Cultural Revolution. The concentration of authority under Xi's second term cripples the system of collective leadership brought about by Deng Xiaoping and his peers. This system had been designed precisely to address the adverse consequences of Mao's autocratic rule and the tragedy that the Cultural Revolution brought about. Xi's second term marks the end of the post-Mao era and the dawn of a new one of "strong-man's rule" by Xi Jinping.

## 5. The ideology of the new era

Since its founding, CCP's ideologies that were enshrined additionally in the party charter as guiding principles of action have been ex post facto justifications of the ongoing policies undertaken by the CCP. Mao Zedong Thought was the first in this pattern. In the categorization by Franz Schurmann (1973), in addition to the "pure ideology" of Marxism-Leninism that shaped one's worldview or frame of history, Mao Zedong Thought was added as the "practical ideology" that constituted the guiding principles of China's Communist revolution in which the peasants played the main role.<sup>16</sup>

The next practical ideology is Deng Xiaoping Theory, which was enshrined as an orthodoxy to justify marketization that had been promoted for economic development. When Jiang Zemin came to power, he sanctioned greater privatization in some areas, through which capitalists -- the CCP called them owners of private companies -- emerged as a rising social force. Jiang made an

---

<sup>13</sup> *Xinhua Net*, "Yang Jing dismissed from state councillor post", February 24, 2018, accessed at [http://www.xinhuanet.com/english/2018-02/24/c\\_136997295.htm](http://www.xinhuanet.com/english/2018-02/24/c_136997295.htm).

<sup>14</sup> The formal name of the Xi Jinping Thought is the "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era."

<sup>15</sup> *People's Daily*, October 26, 2017.

<sup>16</sup> Schurmann, F., *Ideology and Organization in Communist China New Enlarged Edition*, University of California Press, 1973.

unthinkable decision to admit these capitalists into the CCP. He devised the idea of the Important Thought of the "Three Represents" to justify this move.

The fourth additional ideology is the Scientific Outlook on Development put forth by Hu Jintao. Compared to its forerunners, Hu's deemphasized its normative thrust and instead advocated policies in pursuit of "comprehensive," "harmonious," and "sustainable" development. Finally, Xi Jinping Thought was added as the new orthodox ideology at the 19th Party Congress. Although it was announced with much fanfare, the content is not as obvious as it seems. It appears that the significance of the new ideology is less normative than political as its title bears the name of Xi Jinping. In other words, with the adoption of a new ideology under his name, Xi can now invoke it to judge what is "right" and "wrong" in his own terms. This gives him even greater authority than Deng Xiaoping.

## **6. The recognition of a new "principal contradiction in society" and the stressing of party leadership**

One of the major changes that Xi highlighted in his address at the 19th Party Congress, which may have practical implications, was the change in the "principal contradiction in society" as defined by the CCP. The party constitution had regarded it as "one between the ever-growing material and cultural needs of the people and the low level of production." In fact, the original interpretation made after the Communist revolution was the contradiction "between the proletariat and the bourgeoisie." Then an official reinterpretation was made at the 8th Congress in 1956 after the completion of the socialist transformation, to the "one between the ever-growing material and cultural needs of the people and the low level of production." Yet it was rewound to the original class contradiction after the Anti-Rightist Movement in 1957, but was reversed again in 1981, a few years after the end of the Cultural Revolution.

The 19th Congress introduced a new interpretation of the "principal contradiction facing Chinese society." Now it is understood as one "between unbalanced and inadequate development and the people's ever-growing needs for a better life." Xi Jinping described these needs as the people's "demands for democracy, rule of law, fairness and justice, security, and a better environment." To be sure, some of the concepts he invoked here, in particular "democracy" and "rule of law," would not be defined in the same way as those shared in advanced democracies in the West and Japan. Yet the fact that the head of government in an authoritarian state introduced these ideas that reflect the reality of Chinese society and the needs of the Chinese people was remarkable.

However, Xi's marathon speech, which lasted for three hours and twenty minutes, made little mention of the possible solutions to the boldly acknowledged principal contradiction, such as income redistribution or the granting of political rights. Instead, Xi underscored the importance of stronger party leadership, hollow-sounding slogans, and nationalism. In the address, there was a section explaining what will be the basic policies under the "new thought" in the "new era." The first basic policy Xi pointed to was to uphold the role of the CPC to lead "everything." Xi quoted Mao Zedong and said: "Party, government, military, civilian, and academic, east, west, south, north, and center, the party leads everything."

Xi put party leadership at the center of the 19th Congress. This relates to the fundamental dilemma between the process of modernization starting with reform and opening and the strengthening of party leadership. On the one hand, modernization entails both "hard" and "soft" dimensions. As represented in the Four Modernizations, one aspect of modernization involves the upgrading of hardware. The other aspect refers to the changes in society that takes place as a



result of industrialization, such as institutionalization, democratization, introduction of rule of law, marketization, and more transparency. Deng Xiaoping and his colleagues promoted modernization on both fronts, because of the lessons from what happened under Mao. One political consequence was that, institutionalization and marketization inevitably diminished the role of party leadership and weakened the control of the party. The CCP would then try to tighten its grip for fear of losing power. This causes a cycle of releasing and restraining. Xi's speech indicates that the party policy is now in the phase of strong restraint.

One concrete policy change in this direction is the emphasis on the participation of intra-firm party organizations in management. On this the party charter was amended to allow the party committee of the state-owned enterprises to discuss and make key decisions of those firms according to the regulations. It makes private and foreign businesses anxious, because they are unsure about what is going to happen to their joint ventures with the state-owned enterprises. They are also worried about the form and manner in which the intensification of party leadership will take place in the economic realm and have an impact on the economy.

One aspect of modernization is westernization and the CCP is rather sensitive to the foreign influence on the Chinese society. A good example is the change in their policy on religion. The party initially adopted a hands-off approach in the reports of the two previous Congresses, which contained exactly the same sentence: "We should comprehensively implement the Party's basic policy on religion and fully leverage the positive role of religious figures and believers in promoting economic and social development." By contrast, Xi brought the religion policy to a different direction. In the address at the 19<sup>th</sup> party congress he said: "We will fully implement the Party's basic policy on religious affairs, uphold the principle that religions in China must be Chinese in orientation and provide active guidance to religions so that they can adapt themselves to socialist society." It is easy to imagine that the government will tighten its grip even further on religious activities by the Christians, Muslims, and Tibetans.

## **7. Foreign policy pronouncements at the 19th Congress**

On foreign policy, Xi displayed both soft and hard sides. He said that China would pursue a "path of peaceful development ... to build a community with a shared future for mankind" and that it would never do so "at the expense of others' interests." At the same time, he made sure to highlight the importance of securing the country's own goals by holding that China will never "give up its legitimate rights and interests." He added, "No one should expect us to swallow anything that undermines our interests." "We must fully implement the Party's thinking on strengthening the military for the new era."

As Xi amasses the degree of power and authority that now seems almost untrammelled, it becomes easier for him to adopt policies that are deemed as "soft" since he does not need to worry about any backlash. Yet one can imagine that China could further incline to external action, since Xi's assertive personality is more easily reflected on its external policies and his subordinates might take it into consideration in making decisions. Xi could approach Japan for economic benefits if the pace of China's economic growth slows down. If the Chinese society becomes unstable, however, he could be tempted to invoke nationalism to garner support and increase the centripetal force of his administration.

## **Conclusion**

Xi Jinping is now at the helm and leads the "great rejuvenation of the Chinese nation." With his power and authority strengthened, he should be able to take bold actions on thorny issues like chronic corruption. On foreign policy, it will be easier to express his propensity and continue acting assertively. One adverse consequence that can arise from this course would be that Xi confronts a situation where the culture of inaction prevails as subordinates become too fearful of him. Xi will make quick decisions on issues to which he gives high priority. Yet one can do only so much in one day. Moreover, there are risks of misjudgment and the abuse of power as power is concentrated on a single leader. This precisely is the kind of risk that Deng Xiaoping's collective leadership structure was designed to minimize.

The current circumstances are reminiscent of the debate about the "criterion for testing truth" that took place in 1978. Deng Xiaoping and others asserted that "practice is the sole criterion for testing truth." They aimed to free the cadres from the shackles of Mao Zedong Thought and also to grab power from Hua Guofeng, who succeeded Mao and followed in his footsteps to cultivate a personality cult. Will this story of history be repeated? The answer will depend on whether "the people's ever-growing needs for a better life" are met and on whether Xi Jinping's management of his administration achieves its policy goals.