

Thoughts from the Chairman

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XI'S PLEA FOR 2013: “CROSS THE RIVER BY FEELING THE STONES”

CHRISTOPHER JOHNSON

2013 has already thrown the newly installed Chinese leadership team a few unexpected curveballs, and it's only January. First there was the controversy over a local Chinese propaganda official's heavy-handed censoring of the New Year's message of a popular reformist newspaper in China's southern Guangdong province. Then, just as the censorship row was abating, the onset of “smogageddon” in Beijing rekindled the public's ire. Both episodes have put the new leadership's self-styled commitment to “serving the people” by avoiding “formalism” and “empty talk” to an early test.

New party chief Xi Jinping and his Politburo colleagues should be credited for crafting fairly astute responses. Media accounts in circulation, which seem plausible, suggest the newspaper spat was defused through a combination of helpful signaling from Xi—criticizing the party's media watchdog at a key leadership gathering for possibly inflaming the situation with its knee-jerk response blaming “hostile foreign forces” for the furor—and deft on-the-ground management of the situation by rising star and newly minted Guangdong Provincial Party secretary Hu Chunhua. On the “airpocalypse” in the capital, even tightly controlled state print and broadcast media outlets were allowed to run pieces venting about the pollution problem, and Premier-in-waiting Li Keqiang addressed the issue directly, if somewhat uninspiringly, in public remarks—the first time a leader at that level has done so.

And yet, fueled by the power of social media, the speed with which this month's controversies gathered steam among Chinese intellectuals and other elites, and also with the broader Chinese public, was striking. After all, it is

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not as if state-controlled media like the Guangdong paper in question, *Southern Weekend*, are somehow unaccustomed to CCP propaganda barons' meddling. Dangerously high levels of pollution in Beijing also are nothing new. So why the eruptions of discontent this time? One likely explanation is the widening gap between social expectations after a decade of perceived leadership inactivity on the country's many pressing social problems and what the political structure as currently configured can actually deliver. Xi and his colleagues seem acutely aware of this problem and have tried to address it through walking a fine line between strongly signaling their commitment to a process of defining an economic reform program, while studiously avoiding, at least for now, attaching themselves to any specific reform proposals.

Still, the new leadership team undoubtedly knows full well that sidestepping their way—even if fairly artfully—from one mini-crisis to the next is not where it wants or needs to be. Xi Jinping sent an important signal regarding the leadership's prevailing mindset with his repeated references to "crossing the river by feeling the stones" in remarks delivered on the margins of a Politburo "study session" held on New Year's Eve to discuss deepening China's reform in the year ahead. Xi's careful comments underscore several realities. They suggest a lack of consensus within the leadership over exactly how to tackle the many challenges they are facing. They also are an implicit acknowledgement that Xi knows he needs more time to continue consolidating power and to formulate whatever reform program the leadership is likely to roll out in the coming months (or even years).

If the rumor mill in Beijing is accurate, the first session of the new National People's Congress (NPC) in March will offer an initial glimpse of the leadership's appetite for bold action and for taking on the regime's vested interests. Several initiatives reportedly are on the table. Although by no means a foregone conclusion, a round of ministerial realignment and consolidation similar in scope to the last substantial government restructuring in 1998 seems to be at the top of the list.

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IN THE NEWS

"My own view is that we've seen a lot more restraint from the Japanese than we have from the Chinese. I think the Chinese are taking advantage of every opportunity to escalate the situation and to make their claim on the ground, if you will, irreversible."

—Bonnie Glaser in AFP on territorial disputes in the East China Sea

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Five years ago, Li Keqiang's plans for the creation of several "super-ministries" were thwarted by resistance from powerful vested interests in the sectors under threat of amalgamation. But the situation presumably is reversed this time around. Li is holding much more sway as the number two man in the party, and the influence of the once-powerful fiefdoms on his hit list is substantially reduced. To give but one example, the spectacular fall of former minister of railways Liu Zhijun on corruption charges makes it very likely that that ministry's sprawling bureaucracy will finally be brought under a revamped Ministry of Transportation. Other rumored ministerial tie-ups—such as merging the Ministries of Civil Affairs, Labor and Social Security, and Health—would be entirely consistent with the broad priorities, like urbanization, that the new leadership team has been emphasizing.

Moreover, this kind of ministerial housekeeping may turn out to be just the low-hanging fruit in the restructuring process. Although very nebulous at present, rumors that the NPC session also could see substantial changes to the National Development and Reform Commission, the most powerful State Council bureaucracy, suggest a game where the stakes are considerably higher. Other substantial unfinished business from 2008, such as the creation of some sort of overarching financial regulatory apparatus, presumably is also under discussion. Whatever the final details, the structure that ultimately emerges after the NPC will provide the outlines for shaping the broader framework of the reform program that is presumably being designed even deeper in the halls of the Zhongnanhai leadership complex. That deliberative process—which will be marked by often contentious debate—can be expected to unfold over the months between the NPC and the Third Plenum in the fall.

As if managing the reform debate won't be challenging enough, in party affairs, Xi also is orchestrating the rollout of the CCP's still unfolding anticorruption campaign. He told this month's Second Plenum of the party's anticorruption watchdog, the Central Discipline Inspection Commission, that corruption is "prone to occur quite frequently in certain areas," and that unchecked graft threatens to become "an invisible wall" separating the party from the people. Signaling that the crackdown may be moving

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into a new phase, Xi noted that guidelines calling for thrift and straightforward policy approaches adopted at a Politburo meeting soon after the new leadership took office are just "the first step" in the party's efforts to improve its performance and reputation with the Chinese public. Still, a sternly worded commentary in the official media noting that some officials "pretend to be in agreement with the decisions of the Central Committee but are actually at odds" and calling for party discipline to be enforced "with an iron fist" underscores that Xi's campaign remains an uphill battle.

With all of these challenges swirling in the background, Xi's plea for "crossing the river by feeling the stones" at the New Year's Politburo study session makes abundant sense. The question is whether the witch's brew of the public's rising expectations and simmering resentments represent a powerful crosscurrent that risks washing over Xi and his senior colleagues midstream. To avoid that outcome, the Politburo must ensure it moves speedily enough to safely reach the other side. ■

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