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China recently expanded Woody Island's runway, which may help support a future ADIZ in the South China Sea. (Credit: Global Times)

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In a Fortnight

BEIJING PREPARES FOR APEC SUMMIT AMID POSSIBLE SINO-JAPANESE THAW

By Nathan Beauchamp-Mustafaga

U.S. Secretary of State John Kerry's meetings with Chinese Minister of Foreign Affairs Yang Jiechi in Boston on October 17–18 marked the end of preparations by senior-level officials for the 22nd Asian Pacific Economic Cooperation (APEC) summit and turned the attention to the leaders' meetings in Beijing this November. Several days later, China's state-run *People's Daily* published a front-page article, under the pseudonym Zhong Sheng, about the upcoming meetings. Beijing has seized its platform as host to pursue political gains and take the driver's seat in its most challenging relationships—the United States and Japan.

The APEC summit provides China the opportunity to outline its vision for Asia's economic future. The Zhong Sheng article outlined China's goals for the two-day APEC meeting, emphasizing its informal style and reasserting, "China has always raised high the banner of peace, development, cooperation and 'win-

win' ” ([People's Daily](#), October 21). This reflects China's decision to carry over its “peace through development” approach to regional diplomacy to the summit (see also [China Brief](#), July 17). The article also echoed the Ministry of Commerce, which stated that China seeks to: “promote the Asia Pacific region's economic integration; advocate innovative development, reform and growth; and strengthen all parties' online communications and infrastructure development” ([People's Daily](#), October 21). China also plans to pursue the Free Trade Agreement of the Asia Pacific (FTAAP), a regional FTA that was first suggested at APEC's 2004 meeting. The FTAAP may bridge the gap between the two major competing regional FTAs—the Regional Comprehensive Economic Partnership (RCEP), led by China, and the Trans Pacific Partnership (TPP), led by the United States—but must accommodate so many countries that it will likely be difficult to pursue.

Beijing has sought to use the upcoming talks between Chinese President Xi Jinping and U.S. President Barack Obama, planned to be held after the multilateral summit, to put the U.S.-China bilateral relationship back on track and to look forward to 2015. High-level meetings between National Security Advisor Susan Rice and President Xi in September, as well as Secretary Kerry's meetings this month, have been touted as largely smoothing over the challenging summer, including a near-collision between U.S. and Chinese aircraft in August over the South China Sea and the disappointing, if expected, lack of deliverables at the July Strategic and Economic Dialogue. China's desire to refocus the relationship on a more positive footing was evident in Minister Yang's comments to Rice that “both parties should appropriately control their differences and sensitive areas, and ensure the U.S.-China relationship carries a non-confrontational, mutually-respectful and ‘win-win’ cooperation forward for constructive development” ([China Online](#), September 16). Xi and Obama's meeting will be watched carefully to see if the narrative of the relationship can be recalibrated.

Similar to its APEC-focused engagement with the United States, China has ostensibly sought to improve relations with Japan by hinting at the potential for a long-awaited meeting between the two leaders at the summit—but has set a high price for Japanese Prime Minister Shinzo Abe to pay in order for the meeting to go through. With the Sino-Japanese relationship at its

lowest point in years—China has vehemently criticized Abe's agenda to reinterpret the constitution and his visits to the Yakashuni Shrine. Given the fact that there has been no meeting between the two leaders for nearly two years a simple handshake at the summit would be a major step forward and hold also significant symbolism for renewed rapprochement between the two Asian powers. The Chinese press continues to play a game of “will he or won't he” concerning Xi's potential meeting with Abe, despite Western and Japanese media reporting that Xi and Abe have reached a tentative agreement—conditioned on Abe “acknowledg[ing] that China has a case as well” to the Senkaku (Diaoyu) Islands ([New York Times](#), October 18; [Mainichi](#), October 16). Zhang Jingwei, a researcher at China's Charhar Institute, wrote several days later, “it is still unclear whether or not there can be a ‘Xi-Abe meeting’ of Japanese and Chinese leaders at Beijing's APEC summit” ([China Online](#), October 20). Zhang repeated the two conditions that China has set for Xi to accept a meeting with Abe: “acknowledge the Diaoyu [Senkaku] Islands are disputed, and Abe must unequivocally not go to Yasukuni Shrine.” Reflecting Beijing's decision to leverage Japan's much-sought meeting into concessions from Tokyo, Zheng contended that summit meetings between Chinese, Japanese and South Korean leaders were a “trilateral game” and “in fact [a reflection of] profound changes in Northeast Asia's geopolitical situation.” When Xi likely meets with Abe, the Chinese president is now in a position to turn the event into a magnanimous gesture from the high ground.

China has also used its chairmanship of APEC to expand international cooperation on its efforts to fight Xi's anti-corruption campaign abroad. In August, APEC countries agreed to establish the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET), which seeks to enhance information sharing and law enforcement cooperation on corruption issues ([21st Century](#), August 23). China will host the initiative in its first year in 2015. With a reported 150 “economic fugitives,” mostly corrupt officials, living in the United States, enhanced bilateral cooperation on one of Xi's major policies is a strong signal by the Xi administration to Chinese Communist Party (CCP) cadres back home and a positive development for Beijing in its relations with Washington ([Beijing News](#), August 22).

With Russian President Vladimir Putin also expected to attend the summit and a planned private meeting with the Chinese president, Xi will be very busy catering to a wide range of bilateral relationships. The question remains if Xi can craft one inclusive economic vision of Asia for all of his guests, or if he will play favorites—and if so, who he will decide to exclude.

Nathan Beauchamp-Mustafaga is the editor of China Brief.

China's 'Eternal Prosperity': Is Island Expansion a Precursor to South China Sea ADIZ?

By Peter Wood

The expansion of a military airstrip and high-level visit from China's naval chief this month have put a small island in the middle of the South China Sea back in the international media limelight (Xinhua, October 7; [Global Times](#), October 16). Woody Island, known in Chinese as "Yongxing (Eternal Prosperity) Island," is an important part of China's territorial strategy in the South China Sea. As China's largest occupied feature in the South China Sea and one of only a handful of islands large enough for an airstrip and other facilities, Woody Island serves as a home to Chinese troops and civilian researchers.

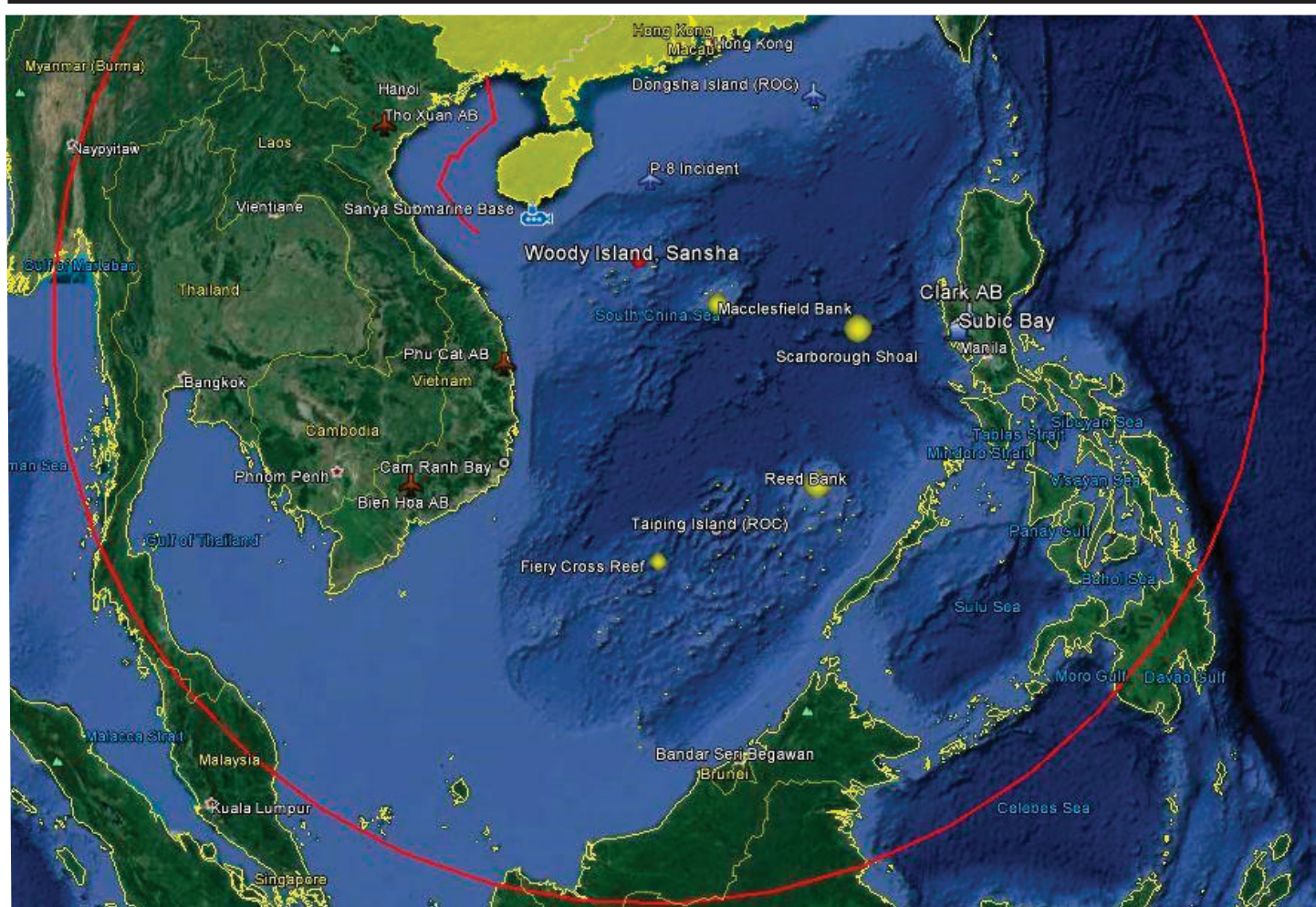
Woody Island now hosts an airstrip nearly as long as Lingshui, an important Chinese air base on Hainan. China likely lengthened the island's airstrip in preparation for basing fighters, most likely J-11s, and more heavily laden military aircraft in order to better project air power and further press its territorial claims in the South China Sea. [1] This enhanced military capability would be well positioned to support a future Air Defense Identification Zone (ADIZ) in this strategically important body of water, if China decided to escalate its territorial dispute like it did with Japan over the Senkaku (Diaoyu) Islands last November (see also [China Brief](#), December 5, 2013).

Even more important than its size is Woody Island's location, as many of China's infamous "assertive" episodes over the last decade have centered upon it. The island is located a mere 100 nautical miles (nm) south

of where the U.S. Navy's P-8 Electronic Intelligence (ELINT) Collection aircraft was harassed by a heavily armed Chinese Naval Aviation J-11BH on August 19. A near collision between the *USS Compens* and a Chinese warship occurred about 100 nm north of Woody Island in December 2013 ([Global Times](#), December 12, 2013). And the 2001 EP-3 incident, involving the death of a Chinese pilot and detainment of a U.S. crew after making an emergency landing at Lingshui, also occurred nearby as well.

Woody Island's runway, now expanded by an additional 400 meters, will likely play an increased role in supporting China's efforts to deter U.S. surveillance activities in the South China Sea, and a possible future ADIZ. The longer runway will allow a wider variety of Chinese fighter jets and bombers to use the island, including those carrying larger loads of fuel and weapons, such as the YJ-8 anti-ship missile. Permanent basing of a small force of fighter jets would allow prompt interception of U.S. surveillance aircraft, reflecting China's warnings to Washington to cease ELINT collection patrols ([Chinese Ministry of Defense](#), August 28). Most of China's military aircraft could now use the airstrip without any issues, but from an organizational and strategic perspective, the PLA Naval Aviation's complement of JH-7 fighter-bombers (9th Air Division 92098) and two J-11BHs (8th Naval Aviation Division 92913) makes the most sense due to their respective anti-ship role and extended range ([Global Times](#), September 3; *Military Balance 2014*, IISS, February, pp. 236–238).

As argued previously in *China Brief* by this author, a major consideration for China's fighter acquisition and basing is increasing the PLA's loiter capabilities over areas claimed as part of Chinese territory (see also [China Brief](#), October 10, 2013). The expanded runway will allow for longer-range patrols by Chinese aircraft to support Beijing's efforts to press its claims of disputed territory. Similarly, the larger patrol vessels China is currently building will allow longer time on station in sensitive areas, and its man-made island building projects further south—such as on Fiery Cross Reef—will allow the permanent stationing of troops on Chinese-held territory in the South China Sea. Merely showing up is often more than half the battle for legitimacy in such disputes, and China is attempting to "be there" on land, sea and air.



Using the Su-27/J-11B's flight radius as a baseline, it becomes apparent just why Woody Island has such great strategic value. The red line shows how far China's Su-27/J-11B can fly and have sufficient fuel to return. (Credit: Google Earth)

Enforcement of a South China Sea ADIZ, which was hinted at by a Ministry of Foreign Affairs spokesperson in November 2013, would be contingent upon the ability to promptly intercept interloping aircraft ([Ministry of Foreign Affairs](#), November 27, 2013). Shenyang J-11s, if based at Woody Island, would have comprehensive coverage of China's nine-dash line claim. Forward basing at Woody Island would give Chinese aircraft additional range and faster response time than aircraft flying from Hainan or Guangdong province. By extending the "range bubble" out from the mainland and Hainan Island, a South China Sea ADIZ becomes much more realistic, however provocative it may be.

There is also a naval component to China's recent additions to Woody Island, beyond asserting its claims in the air. Woody Island's dock, expanded over the years to accommodate larger vessels, will likely be home to many of China's new Coast Guard vessels on patrol in disputed

areas with Vietnam. A second important consideration concerns anti-submarine warfare (ASW), as the island is also close to China's naval base at Sanya, Hainan, which houses China's Jin-class nuclear-armed submarines. China's emerging submarine nuclear deterrent will rely upon the ability to evade observation as well as be free to hide in the patch of ocean south of Hainan or, at least, be able to transit the area undetected on the way to other areas. Woody Island's location on the southern side of the "box" of ocean that the United States currently uses to monitor China's submarines at Sanya gives Chinese aircraft based on Woody Island the ability to more effectively monitor and intercept U.S. aircraft attempting to gather information on Chinese submarines.

At the same time, Beijing has sought to mask its military buildup on the island by also housing civilian researchers, making it less of a remote military outpost and more formally part of Chinese territory. In this way, the island

is a more effective “tripwire,” allowing any incident involving the island to be framed as an attack on Chinese soil. The concentration of incidents surrounding Woody Island reflects its strategic value to China and reveals Beijing’s long-standing intention to continue increasing its control over the surrounding area moving forward. China’s decision to lengthen the runway, a necessary precursor to support larger and more capable military aircraft, enables Beijing to follow through on this desire for greater influence, and enforce a future South China Sea ADIZ. Whether as a full scale military outpost or a monitoring station, aircraft and ships based at Woody Island are likely to feature in any future clash over territory in the South China Sea.

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Notes

1. Taiwan has also expanded runways on Itu Aba, or Taiping Island, in response to clashes with the Philippines (see also [China Brief](#), June 7, 2013; [CNA](#), August 8, 2013).

Hong Kong After the Revolution

By Willy Lam

The ongoing pro-democracy protests in Hong Kong—known as the “Occupy Central Movement” or the “Umbrella Revolution”—have fundamentally changed the relationship between the central government in Beijing and the Special Administrative Region (SAR). For the first time since Hong Kong’s sovereignty reverted to China in 1997, hundreds of thousands of residents have taken to the streets to voice their opposition against Beijing’s tightened control over the SAR’s political development. Even more significantly, however, is that the unexpectedly vehement demonstration of “people power” has forced Beijing to recognize the limits of “Chinese exceptionalism”—that the Chinese Communist Party (CCP) administration has the right to ignore universal values and that foreign countries have no business interfering in the country’s internal affairs. Dozens of well-known mainland-Chinese have expressed

support for Hong Kong activists even as foreign media and politicians call on the Xi Jinping administration to respect the demands of student demonstrators in the SAR. Whether the Chinese leadership under President Xi will crack down hard on dissent in Hong Kong and the mainland will give the world a clear indication of the political path President Xi intends for his fast-rising quasi-superpower to follow.

Rewriting Hong Kong Politics

The challenge that Hong Kong activists—the bulk of whom are college and high school students—pose to Beijing can best be understood in light of the changing dynamics of SAR politics. On one level, the student-led Occupy Central campaign is a protest against the hard-line decision in late August by the National People’s Congress on the mechanism for the election of Hong Kong’s Chief Executive (CE) in 2017 ([Xinhua, August 31](#)). While it is billed as a universal-suffrage election with “one person one vote,” Beijing has mandated that a Nomination Committee (NC), consisting of 1,200 mostly pro-Beijing representatives, vet and pick the candidates. Politicians who aspire to join the CE must first secure more than 50 percent of the support of NC members before he or she can become a legal candidate. According to pro-democracy Legislative Councilor and the former Chairman of the Hong Kong Bar Association Alan Leong, “this is a North Korean-style election” that is totally out of sync with pledges of a high degree of autonomy for Hong Kong ([Singtao Daily \[Hong Kong\], September 2](#); [Associated Press, August 31](#)).

On a deeper level, the Occupy Central movement, whose slogan is “Have faith in the people; Change only comes with confrontation and struggle,” represents a degree of political awakening and empowerment that is unprecedented in Hong Kong history ([Radio Free Asia, September 24](#); [Singtao Daily, September 22](#)). While SAR residents are often said to be economic animals who care only about their living standards, hundreds of thousands of residents have defied tear gas and other tough police tactics to occupy areas around the Central Government Office as well as several main downtown thoroughfares. Hong Kong’s first generation of politicians have since the 1980s largely abided by parameters set by their government—first, the British colonial administration, and after 1997, the Chinese leadership—in fighting for



Police in Hong Kong use tear gas on protesters. (Credit: [Laurel Chor](#))

electoral rights and other democratic ideals. According to Hong Kong political commentator Joseph Lian, the ongoing political crusade, which for the first time is led by the students, represents “a new generation that dares to challenge the rule of the game imposed by the CCP leadership.” “Since many student leaders are expected to play an active role in the coming two to three decades, Beijing is up against potent adversaries,” added Lian, a former chief editor of the *Hong Kong Economic Journal* ([Hong Kong Economic Journal, October 9](#)). For Johns Hopkins University sociologist Ho-Fung Hung, the Umbrella Revolution represented “a rite of passage for an autonomous civil society.” Hung is impressed by the fact that the leaders of the movement are “young, autonomous new citizens who have organized themselves through social media” ([Ming Pao \[Hong Kong\], October 13](#)).

Hong Kong Finds Support Abroad, and at Home

Compounding Beijing’s problems is the fact that the Umbrella Revolution has riveted the attention of the global media as well as politicians in the Western world.

Since the 1997 handover, only the U.S. government has consistently commented on whether Beijing has honored its commitment to give the seven million SAR residents “a high degree of autonomy.” Perhaps due to China’s growing international clout—and its huge market—even the United Kingdom has largely refrained from negative assessments on the adulteration of the “one country, two systems” pledge, which is the basis of the 1984 Sino-British Joint Declaration on the handover of the former British colony back to the motherland. After the Hong Kong police fired 87 rounds of tear gas at protestors on September 28, however, United Nations (UN) Secretary-General Ban Ki-moon issued a statement urging “all stakeholders to resolve any differences in a manner that is peaceful and safeguards democratic principles” ([UPI, September 30](#)). This is the first time in recent memory that the head of the UN has made remarks about Hong Kong politics. The same goes for countries that have become increasingly close economic partners of China. On the eve of Premier Li Keqiang’s early October visit to Germany, German President Joachim Gauck compared the Umbrella Revolution to the anti-Soviet protests that took place in East Germany in late 1989. Gauck said the

experience of East Germany showed “how important it was to defend democracy even today,” adding that “the young protesters in Hong Kong have understood this very well” ([ABC News, October 9](#); [RTHK \[Hong Kong\] October 9](#)).

The Umbrella Revolution is also unique because it has struck a chord of resonance among mainland Chinese intellectuals. Since taking power at the 18th Party Congress in November 2012, Xi has emphasized that the Chinese people must have “self-confidence in the road, theories and institutions of socialism with Chinese characteristics.” China, the President warns, must never go down the “deviant path” of Western political values and institutions ([People’s Daily, February 21](#)). The Xi leadership must now face up to the fact that Hong Kong students have not only challenged his orthodox views but also won plaudits from intellectuals and non-government organization (NGO) activists in China. In fact, the Umbrella Revolution has forged a kind of united front between activists in the mainland and Hong Kong. Since the 1980s, pro-democracy legislators and civil-society groups in Hong Kong have provided moral and, occasionally, financial help to dissidents, ranging from Liu Xiaobo and Hu Jia to the Tiananmen Mothers. Immediately after the Occupy Central movement was launched in the last days of September, Beijing imposed a news blockade on events in Hong Kong. Related coverage by CNN and the BBC during their broadcasts in China has also been blacked out. Chinese censors, however, have failed to prevent scores of well-known intellectuals from voicing their support for Occupy Central ([Associated Press, September 30](#); [Inmediakh.net \[Hong Kong\], September 30](#)).

Mainland state-security personnel have detained up to 100 dissidents who have indicated their support for the Hong Kong democracy movement by means ranging from shaving their heads to holding private discussion groups. For example, well-known poet Wang Zang and seven other intellectuals were picked up by Beijing police when they were about to start a poetry reading night in honor of Hong Kong’s protesters. Wang and several other dissidents are expected to be charged with the nebulous offense of “provoking trouble,” which typically carries a jail term of three years. The number of intellectuals who have been harassed or arrested has exceeded those detained for taking part in the short-lived

Jasmine Revolution in several Chinese cities in 2011, suggesting Beijing considers the Hong Kong situation a much more serious political threat ([Apple Daily \[Hong Kong\] October 13](#); [ABC News, October 8](#)).

Beijing has so far refrained from using strong-armed tactics against Hong Kong activists. However, various Chinese leaders and state media have pointed out that the protests were an effort to subvert not only the Hong Kong government but also Beijing’s authority. Vice-Premier and Politburo member Wang Yang noted that “Western countries are trying to fabricate a color revolution by providing aid to the opposition in Hong Kong” ([Wen Wei Po \[Hong Kong\] October 14](#); [Ta Kung Pao, October 14](#)). A *People’s Daily* commentary asserted that the “real goal” of the protestors was to “challenge the highest authority” of China—and that it was “doomed to fail.” The Party mouthpiece has accused the U.S. government and U.S. NGOs of directly aiding the protestors. “The United States purports to be promoting the ‘universal values of democracy, freedom and human rights,’ but in reality the United States is simply defending its own strategic interests and undermining governments it considers to be ‘insubordinate,’” the *People’s Daily* said. An article in the Overseas Edition of the *People’s Daily* even called the Hong Kong demonstrations an instance of *dongluan* (“turmoil”), which was the same term used by Deng Xiaoping and then-premier Li Peng to characterize the student movement that led to the 1989 Tiananmen Square Massacre ([People’s Daily, October 11](#); [Global Times, October 4](#)).

Beijing Holds the Cards, and Will Not Back Down

According to Chinese political commentator Deng Yuwen, a former editor at the Central Party School, President Xi and his top-level colleagues have reached a decision not to make any concessions to the protestors. “There is a possibility that after the APEC conference [in November], Beijing would use more stringent tactics against the Occupy Central movement,” Deng said. “And even if drastic steps such as deploying the Hong Kong Garrison of the People’s Liberation Army are not taken, Beijing might tighten control over Hong Kong politics to ward off the possibility of a color revolution” (Author’s interview, October 15). One method Beijing may employ to constrict the breathing room of pro-democracy activists is to cut off funds made available

to pro-democracy legislators as well as Occupy Central organizers. A focus of attack is maverick tycoon Jimmy Lai, who runs the popular pro-democracy paper *Apple Daily*. Earlier this year, hackers from unknown units in the mainland broke into the personal computers of Lai; immediately afterwards, documents were leaked showing that Lai has donated HK\$40 million (\$5.2 million) to pro-democracy politicians and the Occupy Central movement (Asiasentinel.com, August 29; [South China Morning Post](http://SouthChinaMorningPost.com), August 28).

An even more potent weapon is the “economics card,” a reference to the fact that the Hong Kong economy cannot survive without support from the mainland. In late September, Beijing summoned a few dozen Hong Kong tycoons to the capital with a view to asking them to denounce the Occupy Central movement. The Xi administration’s overall message is that the entire SAR would suffer economic losses if they did not support the central government. Beijing’s political control over Hong Kong’s economy was graphically demonstrated by Beijing’s sudden decision this February not to hold the Conference of APEC Finance Ministers in Hong Kong. Late last year, senior cadres told the SAR administration that the prestigious function would take place in Hong Kong so as to showcase the latter’s status as Asia’s financial center. The rescheduled event has now been moved to Beijing ([Wall Street Journal](http://WallStreetJournal.com), September 22; [Global Times](http://GlobalTimes.com), March 5). While this brandishing of the “economics card” took place before the current protests, the measure was taken several months after plans for Occupy Central were publicized. Even more significant is the fact that two of the most exciting developments in the Hong Kong economy depend on blessings from Beijing. One consists of plans to expand the SAR’s role as an offshore Renminbi trading center. The other is the “Shanghai-Hong Kong Stock Connect,” or *beisbunandiao* (literally “transferring water from the north to the south”), a reference to the policy—set to begin later this month—of allowing Chinese citizens to buy stocks listed on the Hong Kong Stock Market ([South China Morning Post](http://SouthChinaMorningPost.com), February 18; [China Economic Review](http://ChinaEconomicReview.com), October 20). The success of these two initiatives depends to a significant extent on the CCP leadership’s largesse.

Hong Kong’s New Future

Over the long haul, Beijing is expected to take more draconian steps to prevent “bourgeois liberal” values from infiltrating the mainland. In mid-October, the CCP Propaganda Department gave orders to the nation’s bookstores to remove publications written by a host of prominent Taiwan and Hong Kong authors. They include the Chinese-American historian Yu Ying-shih, Taiwan writer and artist Giddens Ko and Hong Kong writer and broadcaster Leung Man-To. Mainland publishing houses have also been instructed not to put out books by mainland-Chinese intellectuals including economist Mao Yushi, politics scholar Chen Ziming, novelist Ye Fu (a.k.a. Zheng Guoping), as well as legal scholars Zhang Qianfan and He Weifang. The Propaganda Department and the Ministry of Education have also given instructions to universities to prevent Chinese college students from emulating their counterparts in Hong Kong ([Ming Pao](http://MingPao.com), October 14; [Radio Free Asia](http://RadioFreeAsia.com), October 12).

Since the 1900s, when Dr. Sun Yet-sen—who spearheaded the October 10, 1911 Revolution that toppled the Qing Dynasty (1644–1911)—took shelter in Hong Kong, China’s most cosmopolitan and open-minded city has been a generator of new ideas for the motherland. While late patriarch Deng Xiaoping insisted that the territory be returned to China by 1997, he expressed the wish that “several Hong Kongs” be created along China’s rich coast so as to speed up the modernization of the entire country ([CNKI.net \[Beijing\]](http://CNKI.net), September 2, 2013; Chinavalue.net, July 7, 2007). However, President Xi’s obsession that the SAR not degenerate into a “base of subversion” against the socialist motherland might spell the end to the role of the dynamic Pearl of the Orient as a catalyst for economic and political changes in the nation of 1.35 billion people.

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China's Railway Diplomacy in the Balkans

By Dragan Pavličević

In November 2013, China, Serbia and Hungary signed a Memorandum of Understanding (MoU) for the construction of the Hungaro-Serbian High-Speed Railway (HSR), connecting Belgrade and Budapest by rail to facilitate transporting Chinese exports from Greek ports to European markets. First proposed by Beijing in February 2013, the contract is expected to be finalized during the China-Central and Eastern European (CEE) Summit in Belgrade this December, with construction set to begin in 2015 and finish by 2017 ([Dnevnik](#), February 22, 2013; [Government of Republic of Serbia](#), September 11). The two billion euro (\$2.5 billion) project, financed by soft loans from China's Export-Import Bank and built by state-owned China Railway and Construction Corporation (CRCC), represents the changing face of China's relations with CEE countries and will serve as a staging ground for greater Chinese access to Western Europe, for both commerce and infrastructure projects ([Tanjug](#), September 9; [Politika](#), September 11).

Ticket to Ride

The Hungaro-Serbian HSR project is an important part of China's strategy to extend its Maritime Silk Road (MSR) into Europe via land routes (see also [China Brief](#), October 10). The maritime terminus of the MSR is the Greek port of Piraeus, which is partially owned by China's state-owned shipping giant COSCO and is now the main entry point for Chinese goods to Europe, though Beijing has also shown interest in developing and utilizing other Greek ports in Thessaloniki and Igoumentsia, as well as several Adriatic ports, including Bar in Montenegro ([People's Daily](#), December 21, 2012). Furthermore, railway infrastructure and technology projects financed with Chinese export loans enable Chinese state-owned enterprises (SOEs) to gain a foothold in overseas markets and test their technology and know-how in less-developed European countries on the way to lucrative markets in Western Europe.

Keeping Chinese imports competitive in the European market requires reduced shipping times to offset the rising costs of production in China, and the HSR project

will accomplish this by dramatically reducing the time required to transport exports between the Suez Canal and Western Europe. According to Chinese Premier Li Keqiang, directing exports bound for Europe to the Greek port of Piraeus, "the pearl port" of the Mediterranean Sea, already shortens the total shipping time from China to Europe by at least one week compared to traditional routes ([China Daily](#), June 20). Previously, Chinese exports were shipped through the Suez Canal, then sailed around Europe to ports on the northwestern coast, including Rotterdam, Antwerp and Hamburg, and finally taken by rail to inland cities. Now that Chinese exports can sail through the Suez directly to Greece and be taken by train through CEE countries to Western Europe, the total transit time is estimated to decrease from roughly 30 to 20 days. The Hungaro-Serbian HSR, along with other regional transportation infrastructure projects, will further reduce shipping times within the European continent, as HSR trains will average at least between 100 and 125 miles-per-hour (mph), instead of the current 45 mph ([Ekathimerini](#), June 20; [Zeleznice Srbije](#), November 26, 2013; [B92](#), May 12). This will reduce the time by rail between Belgrade and Budapest alone from the current eight hours down to a mere three hours.

China's Railway Diplomacy: Present and Future

The HSR project adds to a number of recent Chinese-led projects in the Balkans that have either upgraded or built new regional transportation networks, particularly railway infrastructure and technology, which are financed by Chinese banks and fulfilled by Chinese construction SOEs. These projects are part of a coherent Chinese strategy to create a distribution infrastructure that will facilitate the movement of Chinese goods from several ports in southern Europe—Piraeus, Thessaloniki and Bar—via the Balkans to northern Europe.

In Serbia, Beijing features prominently in the country's development agenda through China's involvement in myriad capital projects. In December 2012, China's Chinese Communications Construction Company (CCCC) and the Serbian Ministry of Transport signed an MoU for the improvement of several neglected sections of the country's north-south railway axis. The north-south railway, including the Serbian part of the Hungaro-Serbian HSR route, transits from Serbia's borders with Croatia and Hungary in the north to Bulgaria and

Macedonia in the south. CCCC will also repair 300 miles of railway connecting Serbia and Montenegro from Belgrade to Bar ([Xinhua](#), December 18, 2012). In July 2013, Serbian Railways reached a 78 million euro (\$100 million) agreement with Huawei, backed by favorable bank loans ensured by Huawei, to modernize Serbia's railway telecommunication infrastructure along 275 miles of the same north-south railway line ([Železnice Srbije](#), July 17, 2013). Serbian Railways is also negotiating a Chinese loan of approximately 400 million euros (\$510 million) for the reconstruction of rail lines to Serbian ports on the Danube River. China is interested in harnessing the potential of these ports along the Danube to serve as free-trade zones and transit points for Chinese goods on their way up the river toward European markets, an idea recently embraced warmly by the Serbian government ([Government of Republic of Serbia](#), September 11). The loan could also be used to fund the construction of a new terminal on the north-south railway route, and would be paid back through exports of unspecified Serbian commodities to China ([InSerbia](#), April 14). These projects altogether reflect a further deepening in Serbia's strategic partnership with China, and Serbia's role anchoring as a key transport hub for Chinese exports.

In Hungary, which borders the Balkans to the north, the government reached an agreement in February with CRCC, financed through the China Development Bank, to build a 70-mile railway ring around Budapest ([Budapest Business Journal](#), March 31). The estimated 1.2 billion euro (\$1.5 billion) project will enable railway traffic to cross Hungary in one day, down from the current five days, by reaching speeds of 125 mph and avoiding the railway bottleneck in Budapest that significantly slows transit. Of note, Hungary originally sought funding from the European Union (EU), but was turned down.

China is pursuing other rail infrastructure projects in the CEE region. They include a high-speed railway from Romania to Moldova using Chinese financing and technology, and a comprehensive effort to upgrade Greece's railway system. China's focus in Greece is the northern route to Macedonia through Thessaloniki and the Macedonian railway line that would connect Greek lines to the upgraded north-south route in Serbia and the Hungaro-Serbian HSR route, effectively extending the high-speed rail connection all the way from Piraeus to Budapest when the projects are all

completed. Furthermore, there are Chinese plans to upgrade both railway and road infrastructure from Bar through Montenegro to the border of Serbia ([Agerpress](#), September 2; [Government of Montenegro](#), April 11; [BalkanInsight](#), September 19). Once completed, these projects will significantly improve the transportation infrastructure in CEE countries, while at the same time allowing for a more cost-efficient transfer of Chinese goods from several cargo nodes northward to the European market.

Building Europe's Railroad Dream for Brussels

China's willingness to finance and deliver these projects provides opportunities for CEE countries, especially Serbia and Hungary, to keep their economies afloat and complete strategic development projects that the EU has so far neglected. CEE countries, whose economies largely depend on cash inflows from the EU that have dried up since the onset of the Global Financial Crisis, view these projects as a valuable opportunity to close the infrastructure gap with Western Europe, and thus become more competitive with Europe and the rest of the world. For example, the last upgrade of the Serbian section of the HSR line was completed in 1980, and has been at the top of the priority list since 2010 for Serbia's railway planning strategy ([Železnice Srbije](#), February 20). While the EU did offer limited funding to Serbia for this rail line, the EU's plan called for a moderate modernization, not the dramatic technological leap forward to the HSR that China has decided to support.

Beyond the local economic benefits for CEE countries, China's determination to finance and build these railways also facilitates the EU's own development strategy for the CEE region, most notably the Pan-European Corridor 10 plan. The route of the Hungaro-Serbian HSR, as well as most of the other aforementioned railway and road projects, support Corridor 10, a part of the network of ten planned pan-European transport corridors. The EU envisions these corridors as key projects for European integration, as they aim to facilitate the efficient flow of goods, people and capital across Europe. Therefore, the Hungaro-Serbian HSR is not only crucial for the integration of Hungary and Serbia into Europe's transportation, and thus commercial, networks, but also of strategic importance to Brussels for drawing the Balkans region closer to the EU politically. This is one

substantial example of the mutually beneficial “win-win” emerging out of European economic cooperation with China that both medias tout. Indeed, China also benefits from more efficient transport routes and better access to Europe’s interior markets.

Yet, Chinese projects do not receive universal support in CEE countries. For example, the Serbian business community has a less favorable view of Chinese investment and projects, as business elites feel threatened by Chinese competition. This is in contrast to the general public’s belief that the projects create employment and economic growth in their countries, both in the short and long term. Although the agreements stipulate that Serbian enterprises should receive up to 50 percent of the project’s value, the non-transparent process of the selection of contractors breeds the perception amongst business elites that domestic enterprises are excluded from the projects. Although Serbian enterprises do not have the technology and experience required for building and maintaining the HSR, Serbian companies and workers readily possess the necessary technology and skills for normal transportation infrastructure, such as the construction and maintenance of bridges, regular railways and roads, as well as the production of railway equipment and machinery for the HSR. Also, the “importing” of Chinese laborers—when Serbia boasts a high number of unemployed yet skilled laborers—frustrates workers who otherwise see China as a job creator. There are also widespread concerns that Chinese construction falls short of expected quality and technological standards (Author’s Interviews, Serbia, March–July).

Beijing Displacing Brussels in the Balkans

Despite these concerns, China’s infrastructure projects in CEE countries are diminishing Brussels’ traditional ability to dominate regional proceedings and reconfiguring regional power relations that have existed since the end of the Cold War. As of the early 1990s, Brussels has been able to guide the development of Balkan countries because they were integrated into the EU’s economic and political structures. However, China’s emergence as an important partner during the financial crisis quickly positioned Beijing to challenge Brussels’ role in the region.

In recent years, a number of CEE countries have adopted pro-China measures and policies. Some CEE countries have been vocal supporters of abolishing the EU’s weapons embargo against China, and some have followed China’s lead on international issues. For example, Serbia effectively boycotted the 2010 Nobel Peace Prize award ceremony to Chinese dissident Liu Xiaobo, and voted against EU-supported United Nations resolutions criticizing Iran, Myanmar, Sudan, Zimbabwe and North Korea ([European Council for Foreign Relations](#), July 2011; [China Policy Institute](#), April 2011).

Brussels has sought to counter Beijing’s rising influence in the Balkans, but to little effect. According to local reporting, the EU attempted to persuade Hungary, Serbia and Romania to each reconsider moving forward with their respective HSR deals with China through both official and informal channels, under the guise of ensuring that the projects “adhere to the EU’s policies” ([Budapest Business Journal](#), March 31; [Politika](#), June 3; [Business Review](#), September 2). The Balkans may well be the front lines of Beijing’s competition for influence in Europe, as China seeks to muscle its way into a larger role in its biggest export market at a time when the EU is at its weakest in living memory.

Concluding Thoughts

Beijing appears to be following a strategic plan to establish a transportation infrastructure network in the Balkans in order to bolster Chinese exports to Europe and support its “going out” policy for Chinese SOEs. This infrastructure strategy is welcomed by CEE countries, as it provides much-needed development opportunities and a competitive edge for their economies. It is therefore likely that some other European countries will be pressed into considering HSR and other infrastructure development projects themselves in order to remain competitive and to secure developmental opportunities, opening the way for further projects delivered by Chinese SOEs and financed by Chinese banks—a one-two punch that the EU is evidently unable to match at home or abroad in its current economic fragility.

As briefly discussed above, China’s emergence as a financial backer and operator of development projects not only carries significant benefits for recipient countries and the EU, but also presents some possible

challenges. On one hand, the host countries must ensure that these projects benefit local business communities and meet the necessary quality standards. On the other hand, although China's loans to developing countries are famously touted as coming without conditions, it remains to be seen whether they are used in the future as leverage to sway the policies of recipient countries in China's favor, potentially disturbing the current status-quo in the region. With similar deals expected to follow elsewhere, the world should pay attention to how China performs its railway diplomacy in the Balkans, as it may be a telling sign of things to come on a global scale.

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The End of the Road for Xi's Mass Line Campaign: An Assessment

By Jerome Doyon

The end of the mass line campaign's second phase this month provides an opportunity to understand more clearly what has been happening politically at the grassroots level in China over the last year. The Chinese press has reported at length on the crackdown against Chinese Communist Party (CCP) cadres' extravagances in recent months, including the ban on banquets and cadres' cars. [1] The mass line campaign indeed goes hand-in-hand with Chinese President Xi Jinping's anti-corruption drive and his efforts to strengthen the CCP. The former provides the ideological background and information to fuel the latter. This article will examine how this campaign has affected the careers of average Party officials and to what extent it will develop into new tools of control for the Party (see also [China Brief](#), August 9, 2013).

The Campaign by the Numbers

Following the adoption of the "Opinion Regarding the In-Depth Party-Wide Implementation of the Party's Mass Line Education and Practice Campaign" in May 2013,

the mass line campaign officially started on June 18, 2013 ([Mass Line Office](#), May 9, 2013). In his statement marking the beginning of the campaign, Xi Jinping explained that its major goals were to make the government more accessible to the public and to eradicate the "four [bad] work styles"—formalism, bureaucracy, hedonism and extravagance ([Xinhua](#), June 19, 2013). After the first phase focused on provincial-level government and Party units, a second phase began this January targeting lower-level units ([Xinhua](#), January 23). The second phase officially ended in September and Xi Jinping gave a cloture speech on October 8 calling for the spirit of the campaign to endure after its end ([Xinhua](#), October 9). The CCP is now in the process of assessing the one-year campaign and considering how best to ensure its legacy and to institutionalize control mechanisms over its cadres.

The official results of the campaign are astonishing both in terms of administrative simplification and the comprehensive crackdown on cadres' extravagance ([Xinhua](#), October 7). According to the Central Commission for Discipline Inspection (CCDI), the Party organization for investigations: The number of official meetings has been reduced by 586,000, or nearly 25 percent; 162,629 phantom contracts (*kongxiang dajun*) have been removed from the government's payroll; the construction of 2,580 unnecessary official buildings was stopped; and 200,000 officials were punished after uncovering 386,000 cases of unjust implementation of public policies regarding the forced demolition of homes and medical care, among others. Overall, public expenditures on official receptions as well as cadres' vehicles and overseas trips were cut by 25.5 percent, or RMB 53 billion (\$8.7 billion).

Concerning the officials themselves, nearly 8,200 were punished for using public funds to pay for gifts or entertainment. More than 74,000 Party cadres have been punished for their bad "work style." Also, 63,000 officials have been found to serve in parallel positions within a company and have been ordered to quit. If these numbers are accurate, the campaign must be impacting officials' daily lives and career prospects.

Putting Pressure on Cadres

One of the key enforcement tools of the campaign was the establishment of self-criticism sessions, called "democratic meetings," in the different units of the Party-

State. What the officials reported on themselves, their superiors and colleagues was duly recorded by supervisory bodies. Supervisory teams, controlled by the newly formed “democratic meetings leading small groups” and constituted of leading party cadres from the respective administrative levels, were charged with overseeing the implementation of the campaign. During the first phase, 45 teams, made up of provincial-level cadres, were sent by the central government to follow how the meetings were carried out at the provincial level (*Southern Weekend*, July 5, 2013). At the beginning of the second phase, teams were sent to every city and county (*People’s Daily*, January 24). One provincial team leader told the author that the supervisory teams now have until February 2015 to draft their final reports. The “democratic meetings” are not supposed to stop with the end of the campaign and they will be under the control of the local Party organs and the democratic meetings leading small groups (Author’s interview, Beijing, October 10).

While some cadres presented the meetings of the first phase of the campaign as highly superficial, Chinese media reports have suggested the meetings became more consequential during the second phase, sometimes leaving cadres highly emotional (*New York Times*, December 20, 2013; *Henan Business Daily*, June 18). It remains extremely difficult to assess the level of honesty of the officials during the meetings and the actual results. Still, in the short term these meetings and the campaign more broadly seem to have effectively put pressure on cadres. There were even reports of suicides and early retirement among officials due to the severity of the campaign (*South China Morning Post*, July 9).

The Young and the Ambitious

The austerity drive is particularly affecting younger and lower-level cadres. Almost 71,000 of the 74,000 Party cadres, or 96 percent, who have been punished during the campaign serve at the township level (*CDIC*, May 28). Low-level cadres also have lower wages and are therefore more affected by the decrease in “grey” income. Under the title “I get paid about 3,000 yuan a month; I don’t have any other income,” the official newspaper of the Communist Youth League published the story of a young cadre that touches upon this issue. The article argues that the advantages of being a cadre in terms of facilitating access to a local residence permit or to subsidized housing

are also diminishing, sometimes making young people reconsider their career choices (*China Youth Daily*, August 21). Indeed, the number of applicants for China’s civil service has dropped since the beginning of the campaign, and last year 400,000 applicants did not follow through after signing up for the test (*Xinhua*, October 16).

The austerity campaign had a negative short-term economic impact at the local level (*Phoenix Weekly*, August 28). As low-level cadres can no longer accept invitations from businessmen, and also can no longer host lavish dinner and parties using public funds, they have a harder time connecting with the local business elite. This has, in turn, affected grassroots economic growth, as the economy is highly based on personal relationships, and it has affected officials’ performance evaluations, which are important in promotions.

From another angle, the wide net cast for punishing older and more senior cadres, sometimes leading to their demotion, does create more opportunities for the young and ambitious. Young officials are often not high enough in the ranks to be investigated for major corruption, allowing them to be promoted into higher-level positions when their superiors are removed from office (Author’s interview, Beijing, October). In fact, a large number of local leadership positions have reportedly been left vacant due to the anti-corruption campaign and in several cases it led to sudden promotions of lower-level cadres (*Beijing Times*, August 18). The positions can be filled within a week and the newly promoted cadre does not necessarily have to come from the unit or the locale, but can be “parachuted” there.

Promoting “Virtuous” Cadres

Beyond the short-term economic effects of the mass line campaign, Beijing is developing new provisions to better control the training and promotion of officials. On January 15, the Party issued a revised version of the “Work Regulation for the Promotion and Appointment of Leading Party and Government Cadres,” dating from 2002 (*Xinhua*, January 15). The official goal is to push leading cadres to “put virtue first” in order to rise in the ranks and to fight against corruption in the promotion system (*Beijing Times*, January 16). While the impact that this new text will have on the ground is hard to assess, Beijing is clearly trying to reshape the promotion system

down to the grassroots. The new regulation brings changes in three main areas: It strengthens the implementation of term limits and step-by-step promotions; clarifies the range of malpractices and the way to deal with them; and finally transforms the cadre evaluation system.

The new regulation strengthens already existing requirements for promotion. It stresses that an official cannot hold the same position for a third term of office, meaning after ten years in a position he or she should be transferred. The rules became stricter for “rocket promotions,”—referring to the rise in the ranks of a young cadre who does not follow a step-by-step promotion. In fact, the necessity of work experience at the grassroots in order to be promoted was re-emphasized and the scope for “open selection”—a known fast track to get ahead in the hierarchy—is now better defined. “Open selection” refers to a promotion earned through examinations or interviews, which can permit an official to skip a rank and can be easily manipulated. In order to limit the abuses this specific appointment method, it can now only be used when the local Party unit cannot find suitable candidates internally, and it can no longer be used to transfer candidates across provinces.

Furthermore, the new regulation updates the conditions that can prevent an official from being promoted and also those that can lead to demotion. Among others, the main reasons why a cadre would not be eligible for promotion are: that “they are not recognized by the masses”; that their evaluations are not good enough; that they have been the subject of a disciplinary punishment; or that they have a spouse or children migrating abroad, known in Chinese as “naked officials” (*luoguan*). According to this last clause, “naked officials” can no longer rise in the ranks, which is in line with the recent efforts to stop the practice (*New York Times*, May 30). More broadly, before a promotion, the Party organization department in charge must verify the candidates’ disciplinary situation with the discipline supervisory bodies.

The new regulations also eliminated conditions for removing an official that were easily manipulated in the past. These include not passing the annual evaluation or being designated as unqualified by the Party’s organization department. However, cadres can now additionally be removed for being under investigation. In order to

strengthen implementation, the leading members of the relevant Party Committee are now held responsible in case of malpractices in the appointment process and could be punished for it.

Lastly, the new regulation also announces changes to the cadre evaluation system. The goal is to move beyond an evaluation of cadres based on solely GDP growth. In addition to the existing indicators regarding social stability, economic development and environmental impact, new ones will be developed, including level of employment, public income, technological innovation, education, healthcare and social security. The actual shape that these changes will take remains unclear.

Conclusion

Overall, the new regulation on official appointments appears to be an attempt to give an institutional foundation to the Party’s efforts to control the cadres after the end of the mass line campaign. From the Party’s perspective, the short term destabilizing effects of the mass line campaign may then be transformed into a better grip on local officials in the future. The end of the mass line campaign also does not mean the end of the anti-corruption drive of the CCP, as these efforts to better control the Party apparatus will likely mark Xi Jinping’s first term.

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Notes

1. Xinhua has even developed a specific webpage on the topic ([Xinhua](#), 2014).

Political Factions and Spicy Ginger: Elder Networks in PRC Politics

Part 2: The Patronage Network of Hu Jintao

By John Dotson

Jiāng shì lǎo de là (姜是老的辣): “Aged ginger is spicier”

Chinese proverb meaning that older people possess more experience and wisdom.

The triumph of Jiang Zemin in elevating prominent protégés into the ranks of the Politburo Standing Committee (PBSC) at the 18th Party Congress in November 2012—at the apparent expense of candidates favored by former Chinese President Hu Jintao—led to renewed discussion among China watchers of the continuing clout wielded by Jiang and other CCP elders behind the curtains of the Chinese political stage. However, Hu Jintao also possesses a support network of elders who have backed him over the years, as well as protégés who may become influential in the years ahead.

Surviving Elders of the “Second Generation” and “Third Generation” of CCP Leadership

The very eldest of China’s political elders—and the only two surviving former PBSC members of Deng Xiaoping’s “second generation” of Chinese Communist politics—are Wan Li, former Chairman of the National People’s Congress (NPC); and Song Ping, former Gansu Party secretary and head of the CCP Organization Department. [1] Both men are 97 years old. In recent decades the two men have represented opposing schools of thought regarding political reform within the CCP, but both have been generally aligned with supporting Hu Jintao.

Wan Li has a history of sympathetic, albeit cautious, attitudes in favor of political liberalization and reform (Joseph Fewsmith, *China’s Deep Reforms*, p. 336). He reportedly had poor relations with Jiang Zemin in the 1990s, and acted as a political ally of Jiang’s rival Qiao Shi (Bruce Gilley and Andrew Nathan, *China’s New Rulers*, p. 184). Wan Li is one of the weaker elders: He retained his position on the PBSC amid the Tiananmen crisis of 1989, but was politically sidelined due to his sympathetic views of the protest movement (Andrew Nathan and Perry Link,

The Tiananmen Papers, pp. 305–306). He has had a limited public role in recent years, although he surfaced in 2004 as part of a public call by a group of former Politburo members for the CCP to adopt limited democratic reforms, and in 2005 as part of an effort to rehabilitate the official reputation of Zhao Ziyang (*Washington Post*, January 21, 2005). Wan Li’s politically weak position is compounded due to age, infirmity and the lack of a bureaucratic base, and he played no discernible role in the preparations for the 18th Party Congress.

Song Ping was a long-time political ally of Deng Xiaoping, and has acted as an important patron to Hu Jintao and officials close to him. Song served as Gansu provincial CCP Secretary in the late 1970s, when he responded to Deng’s call to promote cadres who were “more revolutionary, younger, more knowledgeable, and more competent” by identifying a young hydrographic engineer named Hu Jintao as a promising figure to be groomed for higher office (Willy Wo-Lap Lam, *Chinese Politics in the Hu Jintao Era*, p. 6). Following terms of Party leadership in Guizhou and Tibet in the 1980s, by 1991 Hu reportedly became the de facto director of the CCP Central Organization Department, once more under the cognizance of his old mentor Song Ping (*The China Quarterly*, March 2003). Song’s patronage, as well as Deng’s approval of Hu’s handling of unrest in Tibet, led to Hu being “helicoptered” into the PBSC in 1992 at the relatively youthful age of 49 (Zhiyue Bo, *China’s Elite Politics*, pp. 241–243).

Song was also an important figure behind Wen Jiabao’s entry into national politics. Wen was an obscure figure in the Gansu provincial geology bureau when Song’s nomination sent him to Beijing in 1982 to serve in the Ministry of Land and Resources (*China’s New Rulers*, p. 95). This was followed by rapid promotions to Vice-Minister of Land and Resources in 1983, and by 1986 to directorship of the CCP Central Committee General Office (*China Vitae*). The latter position made Wen an inside actor at the highest levels of the CCP, as well as a close aide to then-CCP General Secretary Zhao Ziyang. Song has also provided encouragement to other officials associated with Hu Jintao: For example, he supported Hu’s protégé Li Keqiang in a 2001–2002 campaign organized by Li to dispatch urban cadres on problem-solving trips to rural villages in Henan Province (*China’s New Rulers*, p. 149).

Song is a political conservative intent on ensuring the survival of the Party and its monopoly hold on power, and his hard-line views on CCP authority likely further influenced his protégé Hu Jintao in adopting conservative stances on political reform. Song was a firm supporter of the use of force in 1989, and in the aftermath of Tiananmen he spearheaded a purge of CCP ranks intended to weed out cadres who may have sympathized with the protestors (James Miles, *The Legacy of Tiananmen*, pp. 27–28; *The Age*, August 25, 1989). Despite this, Song supported the post-Tiananmen political survival of his protégé Wen Jiabao, defending Wen's close support of ousted General Secretary Zhao Ziyang as indicative of Wen's loyalty to the Party as an institution (John Tkacik, *Civil-Military Change in China*, p. 109).

Song remains politically active. He has made public appearances at recent significant Party events—to include sitting directly behind Hu at a 2011 speech honoring the 90th anniversary of the CCP, and at the commencement of the 18th Party Congress ([China Central Television](#), July 1, 2011; [South China Morning Post](#), November 9, 2012). By some reports, he was one of the leading elders consulted on the personnel appointments that emerged at the 18th Party Congress (*China: An International Journal*, March 2009). However, Song's influence is almost certainly waning due to age, and he is unlikely to be a major voice in future leadership deliberations.

There are a handful of other surviving former members of the PBSC whose tenures straddled the “second generation” of Deng and the “third generation” under Jiang. **Hu Qili** (85) is a weak figure, who has played no discernible role in politics since his removal from the PBSC amid the Tiananmen crisis in 1989, for siding with Zhao Ziyang (*The Tiananmen Papers*, pp. 260–263). However, two other figures of a reformist bent made it through 1989 with their careers intact, and have remained engaged in political affairs—frequently as loosely-aligned allies acting in opposition to Jiang Zemin. **Qiao Shi** (88) held a seat on the PBSC from 1987 through 1997, serving in powerful roles as the head of the Politics and Law Leading Small Group (placing him in charge of the PRC's police and security services), and as Chairman of the National People's Congress. In this, Qiao followed in the footsteps of his mentor Peng Zhen, one of the “Eight Immortals,” who occupied the same offices in the 1980s. [2] **Li Ruihuan** (90) served on the PBSC from

1989 through 2002, serving as chairman of the Chinese People's Political Consultative Conference (CPPCC) and the head of the CCP propaganda apparatus. In May 1989, Deng and his fellow elders considered Li as a candidate for Party general secretary before opting instead for Jiang Zemin (*The Tiananmen Papers*, p. 262). Li has had a close relationship through the years with both Song Ping and with Song's protégé Hu Jintao (*China's New Rulers*, p. 168).

Qiao and Li have both had a frosty relationship with Jiang Zemin throughout the past 25 years, acting as critics of Jiang across a spectrum of issues—ranging from Taiwan policy, to Jiang's ideological campaigns, to Jiang's resistance to retirement. (Richard Bush, *Chinese National Security Decision-Making Under Stress*, p. 147; *China's New Rulers*, p. 191; *South China Morning Post*, February 16, 2000). In the 1990s, the two men sought unsuccessfully to use their chairmanships of the NPC and Chinese People's Political Consultative Conference (CPPCC) to promote a stronger role for these institutions relative to the central CCP apparatus and the State Council—organizations then controlled by Jiang and Li Peng, respectively (*China's New Rulers*, p. 191). Additionally, both men have made statements supportive of a greater role for the rule of law in China, in the face of opposition from Party conservatives who fear such reforms might weaken the authority of the CCP (Susan Shirk, [Competition for Power and the Challenges of Reform in Post-Deng China](#), April 1996).

The relationship between Qiao Shi and Jiang Zemin has been particularly tense—and may have extended to frictions between Qiao's supporters and the family of Bo Yibo, who was a strong supporter of Jiang throughout his time in office. [3] Jiang leveraged Zeng Qinghong's close relations with the Bo clan as part of a successful campaign to force Qiao Shi out of office at the 15th Party Congress in 1997 (Willy Wo-Lap Lam, *The Era of Jiang Zemin*, pp. 335–336). Accordingly, during the Congress Bo Yibo threw his weight behind the mandatory retirement of all Politburo members over 70, with an exception made for Jiang; this reportedly left Qiao resentful toward the Bo family for assisting Jiang's efforts to have him sidelined (Richard Baum, *China Under Jiang Zemin*, p. 24). Tensions have continued between the men in the years since: For example, reporting from 2007 indicated sharp exchanges between Qiao and Jiang at Beidaihe leadership conferences preceding the 17th Party Congress ([Caixin](#)

[Blog](#), January 18, 2012).

Zhu Rongji and His Economic Technocrats

Zhu Rongji (86) occupies a special and separate status among the former Shanghai officials elevated to the Politburo Standing Committee under Jiang Zemin. As Shanghai mayor under Jiang in the late 1980s, and as the city's CCP Secretary after succeeding Jiang, Zhu was an outspoken and pugnacious figure who clashed regularly with other officials. He was not one of Jiang's favored protégés: Prior to Zhu's appointment to the premiership in 1998, Jiang reportedly favored Wu Bangguo for the position ([Business Week](#), January 26, 1997). Jiang also used Zhu as a scapegoat for policies unpopular with Party conservatives, such as the management of relations with the United States at the time of the 1999 Belgrade embassy bombing, and concessions made during the negotiations leading to China's entry into the World Trade Organization (*China's New Rulers*, pp. 194-196). Further, Zhu's forceful stances in the 1990s in favor of state sector economic reform brought him into sometime conflict with other leading political figures, especially Li Peng (Hui Feng, *The Politics of China's Accession to the World Trade Organization*, pp. 105 and 109).

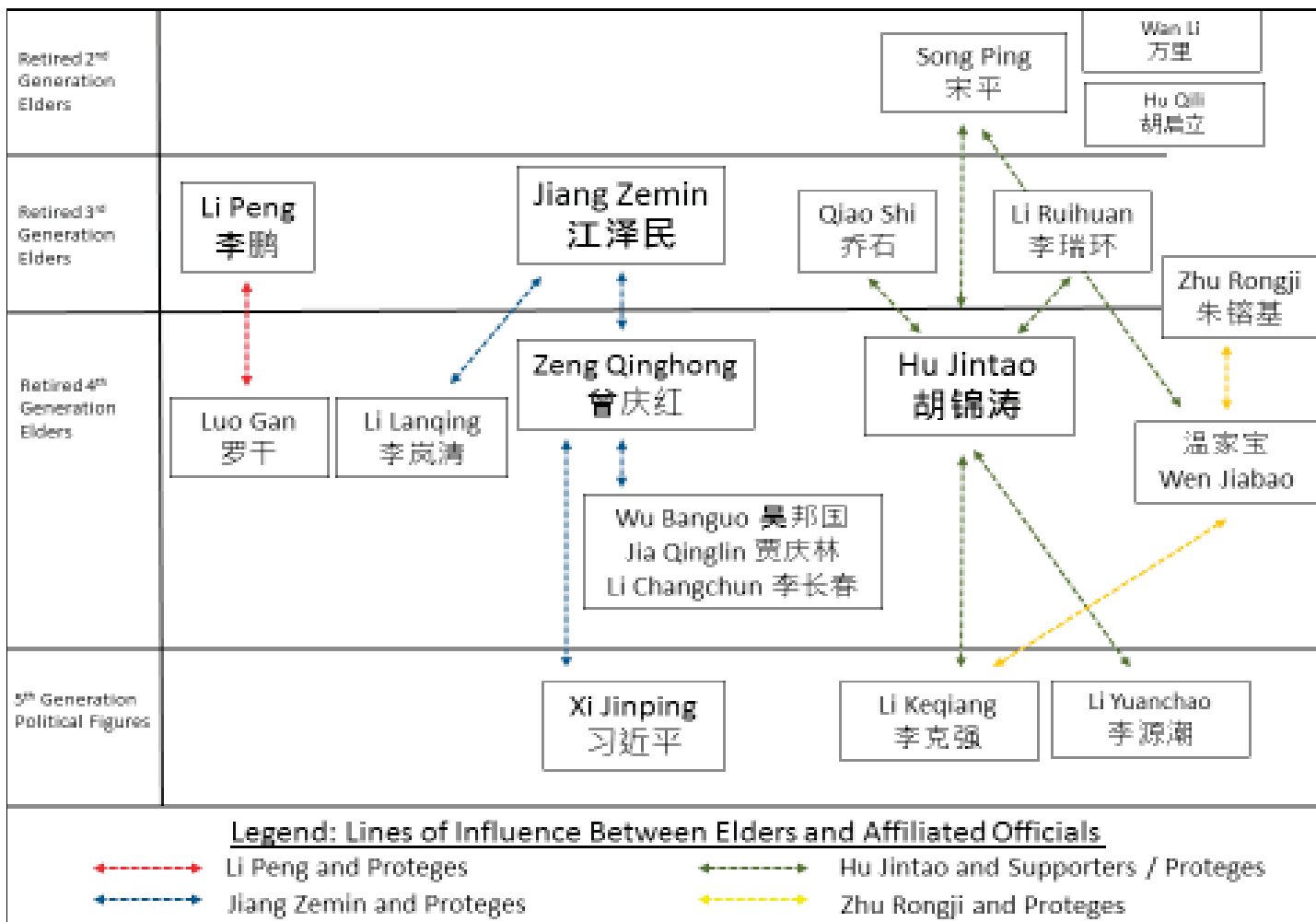
Zhu did not cultivate a strong bureaucratic base of support within the CCP—both his self-image and his brash, overbearing manner have been ill-suited to the cultivation of loyalists in a patronage network. Further, Zhu signaled late in his tenure that he intended to withdraw from political life, and he has kept a low profile in retirement, with little indication that he has attempted to leverage his authority as an elder to weigh in on policy decisions or personnel appointments ([China Leadership Monitor](#), Winter 2002; *China's New Rulers*, pp. 160-161). Nevertheless, Zhu enjoys an enduring indirect influence through his selection and advancement of technocratic officials throughout major state economic planning institutions. [4] Most significantly, Zhu Rongji actively groomed Wen Jiabao as his successor, and Zhu's support and patronage were key factors in ensuring Wen's elevation to the post of PRC Premier in 2003 ([China Leadership Monitor](#), Winter 2002; *China's New Rulers*, pp. 99-101). Wen's tenure, in turn, was key to preparing Li Keqiang to assume the premiership in 2013.

Elder Activities in the Lead-Up to the 18th Party Congress

The Party's leading elders have been politically active in major controversies over the past two years. One such issue was the Bo Xilai affair, which again pitted rivals Qiao Shi and Jiang Zemin against one another. Reflecting both support for Hu Jintao and his old animosities with the Bo clan, Qiao Shi reportedly favored a fuller investigation and harsher punishments for Bo Xilai's abuses of power. Jiang Zemin, on the other hand, while acceding to Bo's prosecution and removal from office, favored a lighter hand—reflective both of his old political alliance with the Bo family, as well as concerns that further investigations could tarnish other protégés whom Jiang had elevated to high office. ([Wall Street Journal](#), September 6, 2012; [China Leadership Monitor](#), Summer 2012).

However, the most critical issue facing the CCP leadership in 2012 was the leadership transition of the 18th Party Congress. In the lead-up to the Congress, a number of Party elders attempted to assert a higher public profile—and with it, their voices in the policy process. One method used to accomplish this was the publication of books on public policy and the arts. Former PRC Premier Li Peng was one prominent elder who did this, but he was not alone (see also [China Brief](#), October 10). In 2012, Li Ruihuan, a long-time opera buff, published *Li Ruihuan Talks About the Art of Beijing Opera*. Former Vice-Premier and Jiang loyalist Li Lanqing—already the author of books on education policy and China's economic reforms—published two titles during the year, one on Chinese modern music, and the other a collection of his calligraphy. [5] Aside from raising the profiles of the authors, the publication of such works asserted their status as political thinkers and culturally sophisticated men—all part and parcel of a traditional Chinese image of enlightened scholar-officials.

Some of the more politically-active elders also made noteworthy public appearances in the lead-up to the 18th Party Congress; as the private activities of elders are not normally mentioned in Chinese state media, reporting on these events suggests that the timing of these stories was not accidental. In October 2012, Li Ruihuan made a rare public appearance at the China Open tennis tournament in Beijing, and accompanying Li were retired PRC Vice-



Jiang Zemin is the CCP's most powerful elder, with many of his "Shanghai Faction" followers—such as Zeng Qinghong and Wu Banguo—now influential elders in their own right. Li Peng, the most powerful elder remaining from the Deng era, has formed a loose alliance with Jiang. Hu Jintao has also enjoyed the support of Party elders throughout his career, some of whom—such as Li Ruihuan and Qiao Shi—are long-time rivals of Jiang. Song Ping has been a particularly important patron for both Hu and Wen Jiabao, supporting both Hu's rise to Party leadership and Wen's political survival in the wake of Tiananmen. (Credit: Author)

Premier Wu Yi, Beijing CCP Secretary Guo Jinlong and Beijing Mayor Wang Anshun. Due to Li's history of clashing with Jiang Zemin, and to the linkages of Li and his companions to Hu Jintao, this appearance was interpreted by some as a signal of support for Hu ahead of the Party Congress. [6]

At the August 2012 leadership conferences at the seaside resort of Beidaihe—the location of high-level Party debates since the Mao Zedong era—there were reportedly sharp disagreements between elders regarding personnel appointments to be made at the Party Congress, and over the position of Xi Jinping. Elders Qiao Shi and Song Ping reportedly made harsh criticisms of Xi Jinping at the conference; this was accompanied by Xi disappearing

from public view for two weeks, amid conflicting rumors that he had suffered a heart attack or a back injury (*The Telegraph*, September 14, 2012). Between the Beidaihe conference and the Party Congress, other Party elders—led by Li Peng and Jiang Zemin—reportedly worked to block Hu Jintao's reformist protégés Wang Yang and Li Yuanchao from receiving seats on the PBSC (*Reuters*, November 20, 2012).

Implications for the Future

During the decade-long tenure of CCP General Secretary Hu Jintao from 2002 to 2012, many observers came to believe that Party bureaucratic norms for both policy-making and personnel appointments had become more institutionalized, resulting in a concurrent decline in the

informal influence wielded by retired officials behind the scenes. [7] However, the continued dominance of Jiang Zemin's followers in the new PBSC indicates that Jiang—and to a lesser extent Li Peng—have remained more powerful figures behind the scenes than many realized. It also illustrates the continuing influence of Party elders as a group, and of the importance of patron-client ties as a prerequisite for advancement into the top ranks of the Party. Analysts of PRC leadership politics may wish to consider that “factions” within the CCP might be better understood as competing patronage networks, in which retired senior leaders retain considerable influence.

Followers of Jiang Zemin are dominant in the current PBSC leadership, and Jiang's majordomo Zeng Qinghong likely remains a highly influential figure behind the scenes, owing both to his strong bureaucratic base and his ties to Jiang and Xi Jinping. Zeng is best situated to take the leading role in Jiang's patronage network should the elder man become sidelined by infirmity. However, Hu Jintao is likely to emerge as a powerful elder in his own right in the leadership transitions to occur in 2017 and 2022. Jiang Zemin and Li Peng will be increasingly sidelined by age, while Hu (currently 71) could remain politically engaged for another two decades, assuming that his health holds up. Furthermore, although Hu and his “Communist Youth League Faction” suffered an apparent political defeat in 2012, Hu may yet emerge a long-term winner: The ranks of rising figures appointed to the full Politburo contain many followers of Hu, and one of his key protégés, Hu Chunhua, appears to be in pole position to succeed Xi Jinping in 2022. [8] The contours of PRC politics in the 2020s could well be shaped by seeds planted by Hu Jintao, just as Deng Xiaoping set in motion events that ensured Hu Jintao's ascension to the Party's top posts five years after Deng's own death.

A wild card in this process is the future role to be played by Xi Jinping and his supporters. In the first two years of his tenure as CCP General Secretary, Xi has acted in a much bolder and more assertive fashion than either Jiang or Hu, both of whom conducted themselves cautiously under the gaze of their still-powerful predecessors. Hu Jintao was five years into his tenure before launching the 2007 corruption investigation-cum-political purge against his critic Chen Liangyu, a Politburo member and the Party boss of Shanghai (*China Leadership Monitor*,

Winter 2007). By contrast, in his first year in office Xi has proceeded with a far more ambitious purge against the supporters of former PBSC member Zhou Yongkang, with Zhou himself now officially targeted by the Central Disciplinary Inspection Commission for “serious disciplinary violations” (*Xinhua*, July 29).

Some have speculated that Xi's purges could serve in part as a mechanism to clear aside officials whose loyalties lie with his predecessors, and to open space in the upper ranks of the Party bureaucracy for his own loyalists (*Bloomberg*, July 4). Although Zhou Yongkang has been the primary target thus far, Xi's anti-graft campaign has also taken down protégés of both Jiang and Hu, and the two men have reportedly pressed Xi to bring the campaign to an end—before the damage to the Party bureaucracy becomes too great, and before the investigations creep any closer to the interests of the CCP's most powerful families (*Financial Times*, March 31). A key issue to watch will be whether or not Xi's administration puts former Premier Wen Jiabao and his family in the crosshairs—a possibility suggested by events over the past year, such as Wen taking the highly unusual step in January of sending a letter to a Hong Kong journalist protesting his innocence (*South China Morning Post*, January 19).

Xi's actions to date suggest a willingness to challenge his predecessors on major issues of policy, and to forge ahead with constructing a patronage network of his own. If Xi Jinping elects to more aggressively assert his authority in the lead-up to the 19th Party Congress in 2017—when proteges of Hu Jintao such as Li Yuanchao, Hu Chunhua, and Wang Yang could potentially ascend to higher positions, and Zeng Qinghong and other members of Jiang's Shanghai network will remain powerful—then the stage could be set for a potential three-way competition over the Party's top offices, and the unwritten rules about the influence of “old comrades” would need to be reconsidered. The resulting power struggles could see the elders of the CCP denied their accustomed deference on matters of leadership succession, and set the stage for contentious inter-Party battles over appointments in the years ahead.

This is the second of a two-part series of articles examining the role of retired senior officials in elite-level Chinese politics.

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Notes

1. In the discourse of the CCP, the “first generation” of Chinese leadership refers to the Mao Zedong era, while the “second generation” refers to the collective leadership under Deng Xiaoping that assumed power in the late 1970s. Jiang Zemin was formally designated the “core” leader of a “third generation,” with his real power growing throughout the 1990s as Deng and fellow elders passed from the scene. Since 2002, generations of CCP leadership have become more defined by the decade-long terms of Party general secretaries—with Hu Jintao identified as the foremost leader of the “fourth generation” leadership formed by the 16th and 17th Party Congresses (2002–2012), and the currently serving Xi Jinping recognized as the head of a “fifth generation” cohort that will presumably remain in office through 2022.
2. For discussion of the client-patron relationship between Qiao Shi and Peng Zhen, see Michael E. Marti, *China and the Legacy of Deng Xiaoping: From Communist Revolution to Capitalist Evolution* (Washington, DC: Potomac Books, 2001), p. 6.
3. For evidence pointing to a possible rivalry between the networks of the Bo family and Peng Zhen/Qiao Shi, see: John Dotson, [The Chinese Communist Party and Its Emerging Next-Generation Leaders](#) (U.S.-China Economic and Security Review Commission staff research report, March 2012), p. 68, endnote #213.
4. For discussion of personnel appointments and economic policy decisions made at the time of Zhu Rongji’s retirement, see: Kjeld Erik Brodsgaard, “The 10th National People’s Congress in China: A Note on State Personnel Changes and Economic Achievements,” *Copenhagen Journal of Asian Studies*, No. 17 (2003).
5. These books by Li Ruihuan and Li Lanqing have been published in foreign editions. See: Li Ruihuan, *Li Ruihuan Talks about the Art of Beijing Opera* (SDX Joint Publishing Co., 2012); and Li Lanqing, *Chinese Music in the 20th Century and Beyond* (Gale Asia Press, 2012), and *Chinese Seals and Calligraphy* (MacMillan Educational Press, 2012).
6. Shi Jiangtao, [“Li Ruihuan the Latest Retired Party Heavyweight to Appear in Public,”](#) *South China Morning Post*, October 10, 2012. [For background on Wu Yi as a protégé of Zhu Rongji and a supporter of Hu Jintao, see](#) Willy Wo-Lap Lam, *Chinese Politics in the Hu Jintao Era: New Leaders, New Challenges* (Armonk, NY: M.E. Sharpe, 2006), pp. 19 and 23.
7. The supposed increasing institutionalization of CCP leadership has been a common theme in academic and media commentary in recent years. For two illustrative examples, see: Cheng Li, [“Leadership Transition in the CPC: Promising Progress and Potential Problems,”](#) *China: An International Journal*, Vol. 10 No. 2 (2012); and Brendan Forde, [“Change in the Top: Leadership Succession in the Chinese Communist Party,”](#) *Australian National University Undergraduate Research Journal*, Vol. 3 No. 11 (2011).
8. For analysis on the potential future prospects of key political protégés of Hu Jintao, see: William Wan, [“China’s Hu Seeks to Exert Influence Long After He Leaves Power,”](#) *Washington Post*, Nov. 5, 2012; and John Dotson, [Outcomes of the Chinese Communist Party’s 18th National Congress](#) (U.S.-China Economic and Security Review Commission staff research report, December 2012), pp. 20-21.

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