



CRS Report for Congress

China's 17th Communist Party Congress, 2007: Leadership and Policy Implications

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Summary

The Chinese Communist Party's (CCP) 17th Congress, held from October 15 - 21, 2007, demonstrated the Party's efforts to try to adapt and redefine itself in the face of emerging economic and social challenges while still trying to maintain its authoritarian one-Party rule. The Congress validated and re-emphasized the priority on continued economic development; expanded that concept to include more balanced and sustainable development; announced that the Party would seek to broaden political participation by expanding intra-Party democracy; and selected two potential rival candidates, Xi Jinping and Li Keqiang, with differing philosophies (rather than one designated successor-in-waiting) as possibilities to succeed to the top Party position in five years. More will be known about the Party's future prospects and the relative influence of its two potential successors once the National People's Congress meets in early 2008 to select key government ministers. This report will not be updated.

Periodically (approximately every five years) the Chinese Communist Party holds a Congress, attended by some 2,000 senior Party members, to authorize important policy and leadership decisions within the Party for the coming five years. In addition to authorizing substantive policies, the Party at its Congress selects a new Central Committee, comprised of the most important figures in the Party, government, and military.¹ The Central Committee in turn technically selects a new Politburo and a new Politburo Standing Committee, comprised of China's most powerful and important leaders. The appearance generally is given that these choices are being made at the Party Congress itself. But the decisions almost always are made ahead of time by a select group of senior leaders, then ratified at the Congress in a public demonstration of political unity that belies months of political infighting, negotiation, and compromise. The October 2007 session was the 17th of these Party Congresses held since the founding of the

¹ The Central Committee of the 17th Party Congress includes 371 members — 204 full members and 167 alternates.

Chinese Communist Party and the first full Congress held under the leadership of Party Secretary Hu Jintao, who ascended to that post at the 16th Party Congress in 2002.

Policy Emphasis

The 17th Party Congress brought no surprises in terms of substantive policy decisions. In keeping with established practice, Party General Secretary (hereafter Secretary) Hu Jintao opened the Congress by presenting a lengthy political report extolling the Party's accomplishments over the past five years and noting problems the Party still has to address. The report, the product of months of work among senior leaders, includes issues on which the Party has been able to agree. The catch-phrases in the report continued to be to "build a well-off society (xiao kang she hui) in an all-round way" and to adhere to the "scientific development concept" — both core ideas developed by Secretary Hu.

The "scientific development concept" has been described as a new concept of development, one that moves away from China's previous 'development at all costs' approach and toward economic and social progress that is "people-oriented, comprehensive, balanced and sustainable."² According to the political report that Secretary Hu delivered at the opening of the Congress, components of scientific development include emphasizing issues that would improve "people's livelihood," including: employment, health, national education, renewable energy resources, and environmental quality.³ As indicated by early rumors and news reports, the Congress voted at its closing session on October 21, 2007 to enshrine the "scientific development" doctrine in an amendment to the Party Constitution.⁴ This elevates this doctrine of Party General Secretary Hu to a similar level of importance in the Party's thinking as those of his predecessors.⁵

Taiwan. Hu's report also addressed the issue of Taiwan, reiterating China's goal to "never waver in the one-China principle [and] never abandon our efforts to achieve peaceful reunification." But Hu also appeared to make a peace overture, calling for consultations, ending hostilities, and "reaching a peace agreement" on the basis of the "one-China" principle. Taiwan's President Chen Shui-bian denounced the overture, saying that basing such a treaty on the "one-China" principle would make it "a treaty of surrender."⁶

Economic Issues. The primary policy emphasis of the Congress, as anticipated, was on continued economic development in China, continued market reform and continued integration of China into the global system. According to Secretary Hu's

² Quote is from a speech by PRC President and Party General Secretary Hu Jintao at Yale University, April 21, 2006.

³ Hu Jintao's political report, "Full Text of Report Delivered by Hu Jintao at 17th Party Congress October 15, 2007."

⁴ For example, as suggested by Yu Keping, in a "Special article on Welcoming the 17th CPC National Congress," in *Beijing Ribao*.

⁵ Mao Zedong Thought, Deng Xiaoping Theory, and Jiang Zemin's "the Three Represents."

⁶ Bradsher, Keith, "Taiwan leader dismisses Hu overture," *New York Times*, October 18, 2007.

political report, the Party also endorsed the goal of moving away from a purely investment and export-driven economic growth model to one that includes expansion of domestic consumption.⁷ Other economic goals included:

- developing and improving modern service sectors
- promoting rural development, including protecting arable land, strengthening rural infrastructure, enhancing food security, preventing animal and plant diseases, and narrowing gaps in urban-rural development
- promoting private companies and individual entrepreneurship by removing institutional barriers and promoting equitable market access
- improving fiscal, tax, and financial restructuring in order to improve access to basic public services, and
- improving the implementation of intellectual property rights strategies

Political Issues and Democratization. For much of the year leading up to the 17th Party Congress, U.S. China-watchers followed a remarkably public PRC debate on political reform that hinted at ongoing internal Party dissension between conservatives and reformers. This debate was carried out in a number of articles by notable PRC academicians and scholars, appearing in respected PRC journals, citing deficiencies in the Party’s ability to govern and calling for greater democratization and political reform.⁸ Secretary Hu’s report at the Congress made several references to these deficiencies, suggesting that problems of governance continue to preoccupy central leaders: “The Party’s ability to govern has not been fully competent to deal with the new situation and tasks...” and “...the democratic legal building is still unable to completely adapt to the requirements of expanding people’s democracy and of economic and social development....”⁹

Despite these calls for greater political pluralism, the Party at its 17th Party Congress endorsed no major political reforms and further made clear that its monopoly on power would continue. But in a clear sign that the Party is feeling increasing pressure from public sentiment — what Hu in his report acknowledged as the “growing enthusiasm of the people for participation in political affairs” — Hu’s report called for modest, controversial, and potentially far-reaching democratization reforms, but only within the Party itself. These included:

⁷ Hu Jintao, *Ibid*, p. 12. (“We must promote the transition of economic growth from a major reliance on investment and export-orientation toward a combined reliance on consumption, investment, and export-orientation...”)

⁸ For instance, early in 2007 *Beijing Ribao* (Beijing Daily) published an article entitled “Democracy is a Good Thing.” This was republished by *Xueshi Shibao* (Study Times), the Central Party School’s publication. Other articles included one by a former Vice President of Renmin University (Xue Tao) on the negative trends of China’s opening up, entitled “Only Democratic Socialism Can Save China: Choosing a Preface for Xin Ziling’s Art: The Merits and Sins of Mao Zedong.” “China’s Renmin University ex-vice-president calls for political reform,” *BBC Monitoring Asia Pacific*, March 1, 2007.

⁹ Hu Jintao, *Ibid*, p. 7.

- allowing greater public participation in nominating Party leaders at grassroots levels,
- allowing ordinary Party members to participate in direct elections for lower level leaders, and
- expanding the role of Party Congress delegates beyond choosing Central Committee members.¹⁰

Leadership Changes and Institutional Trends

At the leadership and institutional levels, the story is somewhat more complex, with attending implications likely to be unfolding for some months to come and a number of trends potentially significant. According to one analyst, the make-up of Party leadership that emerged from the Congress has some unique collective characteristics.¹¹ These include: a significant number (32% of the Central Committee) from the so-called “lost generation” of the Cultural Revolution, when the country’s educational system ceased to function and Chinese teenagers were dispatched to the countryside to spend years working alongside peasants; a decline in those with technocratic and engineering educational backgrounds and an increase in those educated in the social sciences; a higher number of foreign-educated members; a greater percentage (76% of the Politburo) of members with provincial leadership credentials; and a higher number of entrepreneurs and corporate CEOs. These characteristics suggest a senior leadership that may be more familiar with the problems that the disenfranchised in China’s interior provinces face; more personal experience in the social and economic disruptions that can come from an excess of ideological political zeal and loss of central government control; and a greater feel for the global business environment.

In addition, rather than the standard practice of designating an “heir apparent” to succeed Secretary Hu Jintao, the 17th Party Congress appeared to field two potential candidates for this post. Such a move could serve to institutionalize a certain amount of democratic choice in China’s leadership succession arrangements. But the prospect of two rival candidates competing with one another for the next five years also could raise new uncertainties in the succession process.¹²

The Politburo. The Politburo sits at the top of the Chinese Communist Party’s political structure. The 17th Party Congress announced the selection of a 25-member Politburo (including 9 new members — 10 if counting as “new” the promotion of a previous alternate to a full member). This is an expansion from its predecessor’s membership of 24 members (which included 17 new members) plus 1 alternate. Officially, the Politburo in Beijing is the PRC’s chief decision-making body. In the past, its relatively unwieldy size and its lack of a known formalized meeting schedule have suggested that the full Politburo has been involved only when the stakes are high — as when considering major policy shifts, dealing with matters of immediate urgency, or when a higher level of legitimization of a particular policy direction is necessary. But some

¹⁰ Hu Jintao, *Ibid*, p. 26.

¹¹ Cheng Li, in a presentation at The Brookings Institution, “China’s 17th Party Congress: Looking Ahead to Hu Jintao’s 2nd Term,” October 30, 2007.

¹² Cheng Li, *Ibid*.

now maintain that the Politburo emerging from the 17th Party Congress may end up being more involved in routine decision-making than previous Politburos. Broader Politburo participation, according to this view, is more likely under the increasingly collective leadership that China has been moving toward in the years since Chairman Mao Zedong as “paramount leader” effectively wielded vast decision-making power.¹³

With only one female member — the newly appointed Liu Yandong — the new Politburo continues the PRC tradition of male-dominated decision-making bodies. Four well-known Politburo members, all born before 1940, stepped down from those positions at the 17th Party Congress. They included Wu Yi, a frequent contact for U.S. government officials and named by *Forbes* in 2007 as the world’s second most powerful woman; and three members of the Politburo Standing Committee: Zeng Qinghong, China’s current Vice-President; Wu Guanzheng, primarily responsible for China’s anti-corruption work; and Luo Gan, the only protégé of former Premier Li Peng named to the previous, 16th Party Congress Politburo.¹⁴

The retirements of these four suggest the seriousness of the PRC leadership about mandatory retirement for Politburo members at the age of 68. The establishment of unofficial retirement age requirements for Party cadres at senior levels of leadership and the imposition of “term limits” for top-level positions in the Party and government have been part of the incremental political reforms PRC leaders have made since 1978. The 17th Congress demonstrated the Party’s continued willingness to adhere to these agreed-upon requirements. In the absence of statutory discipline or electoral fiat, then, the Party appears to be counting on precedent to try to institutionalize leadership succession issues and avert potentially divisive power struggles.

Politburo Standing Committee. Of more significance is the new membership of the Politburo Standing Committee (PSC), the smaller group of elite Party members that wields much of the political power in China. The new 17th Congress PSC has nine members, including five returning members and four new members. Of the latter, two — Xi Jinping and Li Keqiang — have been tipped as frontrunners to be Hu Jintao’s successor as Party Secretary at the 18th Party Congress in 2012. The two are the only PSC members to have been born in the 1950s, making them the first of the “fifth generation” of China’s potential leadership to rise to this level. If accepted retirement practices hold true, only these two will be young enough to remain in the Politburo after the 18th Party Congress; all others will have to retire.

17th Congress Politburo	
<i>(Standing Committee members bolded; new full members underlined; * = previous Politburo alternate)</i>	
Hu Jintao (Sec)	Liu Yunshan
Wu Bangguo	Zhang Dejiang
Wen Jiabao	Yu Zhengsheng
Jia Qinglin	Guo Boxiong
Li Changchun	Wang Gang*
<u>Xi Jinping</u>	<u>Wang Qishan</u>
<u>Li Keqiang</u>	<u>Liu Yandong (f)</u>
He Guoqiang	<u>Liu Yuanchao</u>
Zhou Yongkang	<u>Wang Yang</u>
Wang Lequan	<u>Zhang Gaoli</u>
Wang Zhaoguo	<u>Xu Caihou</u>
Hui Liangyu	<u>Bo Xilai</u>
Liu Qi	

¹³ Remarks by Jing Huang at The Brookings Institution, “China’s 17th Party Congress: Looking Ahead to Hu Jintao’s 2nd Term,” October 30, 2007.

¹⁴ Premier Li Peng achieved prominence in Western accounts as the chief public spokesman for the central government during the Tiananmen Square crackdown of 1989.

One expert holds that Xi and Li each sit at the pinnacle of what effectively is an equal PSC split between two distinct leadership camps: the “populist” group, represented by Li Keqiang, a protégé of Hu Jintao; and the “elitist” group, represented by Xi Jinping, one of the so-called “princelings” — meaning a child of one of the early senior officials of the Chinese Communist Party and thus someone with elite personal connections.¹⁵ According to this analyst, the “populist” group favors balanced economic development, focus on improving the lots of the poor and disenfranchised, and an emphasis on the principles of “harmonious society”; the “elitist” group favors continued rapid and efficient economic development, less emphasis on social issues, and an emphasis on nurturing the entrepreneurial and middle-class populations.

According to news accounts, Li Keqiang is a close protégé of Hu Jintao and is his presumed preferred choice. But Xi Jinping, who has slightly higher ranking than Li on the PSC and is also the new head of the Secretariat (the “front office” of the Politburo) has emerged from the Congress in a slightly better position. Both Xi and Li have doctoral degrees (in law and in economics, respectively), and thus bring a different background and set of experiences to the PRC leadership than the “revolutionary” generation of Mao Zedong or the “technocratic” generations of Deng Xiaoping and Jiang Zemin.

The Central Military Commission.

The 17th Congress also announced the selection of a new, eleven-member Central Military Commission (CMC), the most senior military decision-making body in China. As expected, Secretary Hu Jintao, as head of the Party, remained the head of the CMC. Like its predecessor in the 16th Party Congress, the new CMC includes no other Politburo Standing Committee members other than Secretary Hu, with only three (including Hu) on the Politburo.

Unlike its predecessor, the new CMC includes no one on the Secretariat, the PSC “front office.” More suggestive, while Secretary Hu spent years on the CMC (and on the PSC Secretariat) while he was the “successor-in-waiting” for the top Party position, neither of the two “heirs apparent” — Xi Jinping or Li Keqiang — was named to the new CMC, leaving them without significant military contacts or experience during their ostensible apprenticeship. One analyst has interpreted this to be an attempt to make China’s military more apolitical.¹⁶ But the absence of stronger connections between the military and the younger generation on the Politburo also raises questions about the strength of the formal lines of communication between the People’s Liberation Army (PLA) and the rest of the Party and government during the coming five-year period.

17th Central Military Commission

(* = Politburo Members)

Hu Jintao* (Chair)	Chen Bingde
Guo Boxiong*	Chang Wanquan
Xu Caihou*	Jing Zhiyuan
Liang Guanglie	Wu Shengli
Liao Xilong	Xu Qiliang
Li Jinai	

¹⁵ Cheng Li, *Ibid.* Xi Jinping’s father was Xi Zhongxun, a top government official in early Communist China. The elder Xi served as Vice-Premier, State Councillor, Deputy Premier (1959-1962), and Governor of Guangdong Province (1979-1981).

¹⁶ Remarks by Jing Huang, John L. Thornton China Center at The Brookings Institution, “China’s 17th Party Congress: Looking Ahead to Hu Jintao’s 2nd Term,” October 30, 2007.