

Introduction

**CHINA AFTER THE SIXTEENTH
PARTY CONGRESS: PROSPECTS AND
CHALLENGES**

*T. Y. Wang**

Introduction

The decade-long effort for an orderly leadership succession in China reached a climax as the Sixteenth Party Congress of the Chinese Communist Party (CCP) convened in Beijing in November 2002. Following this was the Tenth National People's Congress in March 2003. The succession of Hu Jintao to Jiang Zemin as the party's new general secretary and president of the People's Republic of China (PRC), along with a fresh lineup of leaders, marked the formal transition of political power from the "third generation" to the "fourth generation" of Chinese governance since the Revolution.

Generational succession is always an important event in the study of politics. Differences in the formative experiences and education of a new generation usually result in different policies and expectations about the world. Indeed, China's new leaders possess some noticeable differences from their predecessors. First, most of the 25 Politburo members were born around the 1940s and thus were in their early 60s when they took over the helm in November 2002. Only two of them were born in 1935.¹ The average age of the Politburo is now about 2 years younger than those who were appointed as the party leaders in 1997 (during Jiang) and more than 10 years younger than those surrounding Deng Xiaoping in 1982.² Unlike previous generations of Chinese leaders who went through the most turbulent times in China's modern history, including Western invasion at the turn of the twentieth century, the anti-Japanese War, and the Chinese Civil War, Hu's generation have matured during relatively peaceful times. Many of China's new leaders were able to complete their higher education by the time that Mao Zedong launched the Cultural Revolution that led to disastrous consequences for the nation. China's fourth generation leaders are thus the most well educated group since the founding of the PRC as all of the Sixteenth Politburo members have completed their college education. By comparison, 20 of Jiang's 24 associates had

* Professor of Political Science, Illinois State University, Normal, IL 61790-4600, USA.
e-mail: tywang@ilstu.edu

degrees and only 9 of Deng's leadership had gone to college. Like their predecessors, most of the fourth generation leaders have majored in engineering, but two have degrees in economics and management, and one owns a degree in philosophy.³ By comparison, only one in Jiang's leadership majored in economics.

With this background in mind, how will the fourth generation leaders manage the most progressive China since the founding of the PRC? As a result of the reforms initiated by Deng Xiaoping 25 years ago, China is now experiencing expanded opportunities for business, a sharp increase in foreign investment, and unprecedented rates of economic growth. Along with these economic achievements, Beijing's continuous efforts to modernize its military and its active involvement in international affairs have made China the power center of Asia. However, despite these successes, there are severe challenges ahead for the new leadership. The social and economic costs of the reforms have only surfaced recently as peasants and workers now face increasing hardships. In addition to the problem of growing inequality, corruption and crime also add weight to those calling for political reform. The initial mismanagement of the severe acute respiratory syndrome (SARS) epidemic further exposed the weakness of the Communist regime and has posed a stern test to China's new leaders. In foreign affairs, China's relations with the United States and its claim to Taiwan, along with its efforts to modernize the military, will continue to confront the fourth generation leadership.

This volume aims to examine the "prospects and challenges" for China and its new leaders in the areas of elite politics, political reform, democratization, the economy, the military, Sino-U.S. relations and cross-Strait interactions. Some authors in this volume are specific in their themes, while others are intentionally broad in scope. But, each article provides a thorough analysis of the topic so that readers can become familiar with the issues facing China and its new leaders.

Examining China's elite politics, Cheng Li is critical of the lack of scholarly attention to the internal mechanism of checks and balances that has been in place in the Chinese political system since the mid-1990s. With the passing of revolutionary veterans, Li argues, the "strong man" politics have now been replaced by collective leadership. Hence, Beijing leaders are increasingly interested in coalition-building, political compromise, and factional negotiation. The current power distribution between Jiang's "Shanghai Gang" and Hu's *tuan-pai*⁴ demonstrates the continuing internal checks and balances in the new leadership. The challenge for the fourth generation leaders is how to reconcile the differences between Jiang's "three represents" and Hu's "new deal." The former advocates a critical role for the new elites in the country, particularly entrepreneurs and technology specialists. The latter aims to promote regional development, political transparency and institutionalization, and the establishment of a social safety net for the poor. While Hu needs to assert himself as the core of China's new leadership, Cheng Li prescribes that, in the interests of all relevant parties, Hu's initiatives must not be implemented at the expense of Jiang's ideas.

Also critical of the neglect of political reform among contemporary China scholars, Lowell Dittmer submits that political reform has consistently been a high priority of the regime. Unlike the Western conceptualization of political reform as a process of democratization, Chinese view government restructuring as an effort to enhance efficiency and stability. There is no unified, overarching vision of political reform in China, but Dittmer argues that at least three different perspectives have been in play during the past several decades. The developmentalist vision sees political reform as a byproduct of economic modernization. As long as the economy continues to grow and to modernize, it is expected that changes in political arenas are an inevitable consequence. The view of political reform as an institutionalization of informal sectors is the second perspective. It is argued that the formalization of political factions will become a source of innovation and no longer a threat to the established political order. The percolation model, initiating reform at the bottom and then its dissemination to the entire country by the Chinese leadership, constitutes the third approach. While each of these approaches has enjoyed some degree of success, the pendulum of reform has often swung back when the authority of the Communist Party is threatened, as demonstrated by the 1989 Tiananmen Square crackdown. Nevertheless, Dittmer argues that some political changes for the better are clearly visible in the Chinese political system. Power struggles among factions, for instance, are now less lethal and more politically conventional, pursuing pragmatic goals and bureaucratic interests. Political succession in China, while continuing to be marred with uncertainties and rumors, has become more institutionalized and more transparent with the increasing empowerment of the once largely ceremonial Party and State congresses. The challenge for the fourth generation leaders is to successfully mediate between the “haves” and “have-nots.” If the relatively disadvantaged choose to confront the establishment, Dittmer predicts, “the results could be explosive.”

If China’s political reform has primarily aimed at improving efficiency and stability, what is the prospect for the country’s democratization? After comparing China with democratic South Korea and Taiwan, John Hsieh concludes that China’s transition toward democracy is quite unlikely. First of all, as Confucianism continues to be the dominant culture in the Chinese society, the emphasis on authority, hierarchical order, and collectivism is not fertile soil for democratization. Although South Korea and Taiwan also share a long-standing Confucian tradition, Hsieh argues that social cleavages due to ethnicity, regionalism, and differences in national identity in these countries have overcome the cultural hurdles and contributed to the emergence of pluralistic societies. China, by contrast, has few significant social cleavages capable of becoming the basis for meaningful opposition forces. The sheer size of the country further makes the formation of nationwide organizations difficult. Without a large network, the Communist government can easily contain independent social forces. Hsieh thus concludes that the best we can hope for is the emergence of liberal leaders in the fourth generation leadership.

In addition to the political challenges, Peter Chow argues that sustaining economic development also poses a test to the country's new leaders. Through the redeployment of its surplus agricultural labor, the inflow of foreign direct investment (FDI), rapid export expansion, and the development of township and village enterprises, China has been able to generate rapid growth during the past two decades. Because FDIs may not be forthcoming forever and export-led development has its limitations, China's rapid economic growth could come to a halt. To achieve sustainable economic development, Beijing leaders will have to implement a series of measures. Internally, China needs to continue to restructure the financial industry, revitalize its ailing state-owned enterprises, and improve the competitiveness of its non-state enterprises. Externally, the Beijing government has to fulfill its commitments to the World Trade Organization requiring equal treatment and market access for foreign enterprises, the protection of intellectual property rights, and the integration of the Chinese economy further into the global community through free information flows. With a steadily rising middle class and more institutionalized private enterprise, Chow argues, the sociopolitical superstructure will also have to accommodate the changing mode of production in order to maintain sustainable development.

In examining China's military, Wei-chin Lee points out that Chinese leaders appear to be confident that the nation's security environment will be a peaceful one in the foreseeable future. However, they also realize that there are issues with a military dimension confronting China. Included are a claim to Taiwan, its territorial disputes with other countries, and its goal of acquiring the status as a respected power in world politics. In finding satisfactory resolutions for all of these contentious issues, Lee notes that China's leaders recognize the pivotal role of the Chinese People's Liberation Army (PLA). Thus, much effort has been put into modernizing the PLA in an attempt to close the technological gap in weaponry and military equipment between China and other advanced military powers. This process includes developing indigenous weapon systems, acquiring advanced arms from abroad, modernizing its military doctrines, and adopting measures to keep the PLA a professional military force. Despite this effort to modernize the nation's military capability and strategies, Lee argues that China's new leaders will be challenged by their lack of experience in the politico-strategic dimensions of warfare, the country's limited financial resources, the ups and downs of U.S.-Sino relations, and the dual leadership imposed by Jiang's continuation as the Chairman of the Central Military Commission.

Another major challenge facing China's new leaders is U.S.-Sino relations. Few would have predicted the surprising turn for the better that has occurred given the poor state of relations between the two countries just two years ago. The Bush administration got off to a rocky start with China when the newly elected president expressed unequivocal support for Taiwan. Relations between the two countries plummeted further following the spy plane incident on April 1, 2001. However, U.S. cooperation with China steadily increased after the 9/11 terrorist

attacks. While the need for Chinese support for the war on terrorists was cited as an important factor for the improved relationship, Robert Sutter gives more emphasis to the execution of the Bush administration's policy. Unlike the Clinton administration, President Bush took a firm stance toward China, demonstrating to Beijing that the new administration, while seeking to broaden areas of cooperation where possible, was prepared to see U.S.-Sino relations worsen if necessary. This policy "effectively undercut the previous utility of Chinese pressure tactics toward the United States" and led Chinese leaders to recognize that it was up to China to take steps to improve ties. As Beijing responded with moderate and practical measures, Washington then reciprocated by providing "face" and prestige for Chinese leaders without making major concessions. While the prospects of the bilateral relationship appear to be promising, key differences between two countries remain. The challenge for China's new leaders, Sutter warns, is how to avoid these differences becoming obstacles to future U.S.-Sino relations.

One of the major differences between China and the United States is the issue of Taiwan. Indeed, when Taiwan was under the authoritarian rule of the Nationalist Party (Kuomintang or KMT), the issue at stake was not whether there was only one China, but rather who could claim to be the sole legitimate rulers of the "Middle Kingdom." The rapid democratization on the island since early 1990s has changed cross-Strait dynamics. Commitment to unification can no longer be taken for granted and negotiations cannot be depicted as exercises between the CCP and the KMT. Despite this changing reality, Steve Goldstein argues, Beijing's policy towards Taiwan is quite rigid, continuing to insist that the island is a part of China and its unification should be completed under the "one country two systems" plan. Some of the seemingly flexible moves, including the reformulation of the notion of "one China," are very "deceptive" because they still reflect Chinese leaders' long-held position that the island is a subordinate part of China with Beijing as the central government. Thus, the fourth generation leadership has inherited a cross-Strait policy that provides some flexibility in initiating negotiations but little room for compromises should they occur. While economic exchanges across the Taiwan Strait will continue to expand, Goldstein concludes that the prospect for meaningful political relations between Beijing and Taipei is bleak at best.

In general, although differing in their focus many of the above analyses implicitly or explicitly share two common concerns: the lack of democratic institutions and the increasing inequality in the Chinese society. Although none of the authors considers democratization a panacea for China's various problems, many believe that the lack of democratic institutions is a bottleneck for the country's further development and its relations with the United States and Taiwan. The lack of an equal distribution of economic and political resources, however, is generally recognized as an explosive issue. If not handled properly, the consequences would be extreme.

This collection of articles represents a collaborative endeavor by scholars from China, Taiwan, and the United States undertaken in the belief that various

perspectives and theoretical approaches can present a balanced view about the “prospects and challenges” confronting China and its new leadership. All contributors took their tasks seriously, completing their drafts on time and then putting forth extra effort to refine their thoughts after they were reviewed. In the process, each author served as a referee for other papers in a “quasi-blind review,” i.e., the referee’s identity is hidden while the author’s name is known. This process allowed each reviewer to provide critical and candid comments on the manuscripts. Special thanks go to several outside referees whose names will remain anonymous in order to protect the academic integrity of the process. Acknowledgement is also extended to Sienna Crawford for her valuable editing service. Finally, I would like to thank Shivu Ishwaran, the Editor of *the Journal of Asian and African Studies*, for his encouragement of this project, which would not have been possible without his commitment and interest.

NOTES

- 1 Luo Gan and Cao Gangchuan are the two Politburo members born in 1935 (see <http://www.peopledaily.com.cn>).
- 2 For an analysis of the demographic characteristics of the sixteenth and previous Politburos, see Li and White (1998, 2003).
- 3 Zhang Dejiang and Zhang Lichang, both Politburo members, are majored in economics and management, respectively. Wang Gang, the alternate member of the Politburo, owns a degree in philosophy (see <http://www.peopledaily.com.cn>).
- 4 Hu has strong political links with the Chinese Communist Youth League (CCYL or *gong-qing-tuan*). Hence, his political associates are commonly referred as *tuan-pai* (CCYL faction).

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