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Party Watch Annual Report 2019
Scrambling to Achieve a Moderately Prosperous
Society

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About the Center for Advanced China Research

The Center for Advanced China Research (CACR) is a non-profit research organization that conducts Chinese-language research on China's domestic politics, foreign affairs, and security policy. CACR engages with US and partner-country policymakers, China specialists, and the broader public through the production of high-quality analysis of Chinese politics in the form of regular reports, blog posts, and contributions to scholarly publications. CACR is an independent, non-partisan 501(c)3 tax-exempt organization located in Washington, DC.

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The Party Watch Initiative, a program of the Center for Advanced China Research, strives to provide the China-watching community with insights into Chinese Communist Party (CCP) regime activities and viewpoints. The Initiative specializes in original analysis of regime-controlled Chinese language publications to promote better understanding of Chinese domestic and foreign affairs. Its signature products include weekly reports that track developments from the lens of party institutions. Additionally, regular feature articles offer timely analysis on topics of current interest.

About the Editor

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Introduction: Scrambling to Achieve a Moderately Prosperous Society

Julia G. Bowie

At the first meeting of the Politburo Standing Committee of 2019, Chinese Communist Party (CCP) General Secretary Xi Jinping set the tone for the upcoming year, calling it a “crucial year for building a moderately prosperous society and achieving the first centenary goal.”¹ He was rallying his party to fulfill its promise to build a “moderately prosperous society” by 2021, the 100th anniversary of the founding of the CCP. Jiang Zemin first laid out this goal when he was general secretary in 2002 and the entire party has been working toward it ever since. By transforming China into a moderately prosperous society by 2021—an achievement that is defined and reached according to the CCP’s judgement alone—the CCP hopes to reinforce its legitimacy and ensure it is on track to realize its second centenary goal, the “great rejuvenation of the Chinese nation,” by the 100th anniversary of the founding of the People’s Republic of China in 2049.

While national rejuvenation suggests the restoration of China’s economic and political significance on the world stage, the interim strategic objectives for 2020 acknowledge that domestic challenges must first be confronted to achieve it. Following the framework of the five-sphere integrated plan that is the CCP’s schema for achieving national rejuvenation, these goals define developmental benchmarks that China must reach in five realms: economic, political, cultural, social, and environmental.² Until the goals were updated by Xi Jinping, the most specific and measurable goals were largely in the economic realm, such as the commitment to double China’s 2010 gross domestic product by 2020, reflecting the primacy of economic growth over all other indicators of the CCP’s performance legitimacy.³

But since Xi Jinping made national rejuvenation the hallmark of his administration by introducing his personal slogan, the “China Dream” of the “great rejuvenation of the Chinese nation,”⁴ shortly

¹ “Politburo Standing Committee Convenes a Meeting; General Secretary Xi Jinping Presides” [中共中央政治局常务委员会召开会议 中共中央总书记习近平主持会议], Xinhua, January 7, 2019, http://www.xinhuanet.com/politics/2019-01/07/c_1123958476.htm.

² “The Five-Sphere Integrated Plan,” *People’s Daily* Online, September 6, 2017, <http://theory.people.com.cn/n1/2017/0906/c413700-29519343.html>.

³ “Full Text of Hu Jintao’s Report at the 18th Party Congress,” Embassy of the PRC in the United States of America Website, November 27, 2012, http://www.china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm.

⁴ Cary Huang, “Just what is Xi Jinping’s ‘Chinese dream’ and ‘Chinese renaissance’?,” *South China Morning Post*, February 6, 2013, <https://www.scmp.com/news/china/article/1143954/just-what-xi-jinpings-chinese-dream-and-chinese-renaissance>.

after taking office,⁵ the 2020 goals have been updated to reflect the senior leadership's belief that the CCP's legitimacy could no longer be predicated solely on economic growth. While Deng Xiaoping, Jiang Zemin, and Hu Jintao each sought to double China's gross domestic product every decade, Xi's administration explicitly stated that it would no longer bring up the target of doubling GDP, instead focusing on high-quality, sustainable growth in the long-term.⁶ To shift the basis of the CCP's performance legitimacy away from rapid economic growth, he emphasized various concrete commitments in other realms, such as vows to completely eradicate poverty and make measurable air quality improvements by 2020.⁷ Demonstrating how seriously the CCP leadership takes these objectives, Xi Jinping identified "three tough battles" (三大攻坚战) the Party must win ahead of 2021 in his 2017 report to the 19th Party Congress—forestalling and defusing major risks, carrying out targeted poverty alleviation, and controlling pollution—and the CCP launched major campaigns to ensure results in these areas.⁸

The CCP is now hurtling toward the deadline to achieve a moderately prosperous society and Xi Jinping has premised the legitimacy of his increasingly repressive regime on his ability to deliver on these goals. The Party Watch Annual Report 2019 discusses the CCP's race to achieve the first centenary goals in the economic, political, cultural, social, and environmental realms.

Joseph Fewsmith's section discusses the Xi Jinping administration's effort to revive Leninism and gain greater control of the Party, not only to ensure its continued rule, but also to mobilize the power and resources needed to achieve national rejuvenation. Fewsmith argues that the Party under Xi has seen two phases of development: first, a "destructive" period of political struggle and the consolidation of power, and where such anti-corruption investigations played a notable role, and second, a recently-begun "constructive" phase in which efforts are being made to rebuild the Party into a cleaner, more centralized system than it was under Hu Jintao. To that end, Xi has implemented major reforms to the structure of China's discipline apparatus, and has reinvigorated the inspection system, which has become an essential tool for ensuring results on the 2020 goals. This comprehensive control of the Party from the center is key, in Xi's view, to staving off internal decay, ensuring its continued legitimacy in the eyes of the masses, and achieving national rejuvenation.

⁵ "Xi Jinping: Follow the Past and Herald the Future, Continue the Dauntless Advance of the Chinese People toward the Great Rejuvenation" (习近平：承前启后 继往开来 继续朝着中华民族伟大复兴目标奋勇前进), Xinhua, November 29, 2012, http://www.xinhuanet.com/politics/2012-11/29/c_113852724.htm.

⁶ "China Says Will Not Set Target to Double GDP From 2021, in Change from the Past," Reuters, October 25, 2017, <https://www.reuters.com/article/us-china-congress-growth/china-says-will-not-set-target-to-double-gdp-from-2021-in-change-from-the-past-idUSKBN1CV07S>.

⁷ "Xi Pledges to Do All to Rid China of Poverty by 2020," *China Daily*, October 16, 2015, https://www.chinadailyasia.com/nation/2015-10/16/content_15330833.html; Feng Hao, "China Releases 2020 Action Plan for Air Pollution," *China Dialogue*, June 7, 2018, <https://www.chinadialogue.net/article/show/single/en/10711-China-releases-2-2-action-plan-for-air-pollution>.

⁸ Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era" [习近平:决胜全面建成小康社会 夺取新时代中国特色社会主义 伟大胜利——在中国共产党第十九次全国代], Xinhua, October 27, 2019.

Victor Shih's section examines the evolution of the CCP's economic priorities since the 19th Party Congress. This section explores whether Xi's administration has maintained its commitment to invest in high-quality economic growth initiatives over high-speed growth in the face of trade conflict with the United States through a comparative analysis of press materials from Politburo meetings since late 2017. It finds that the focus of the Politburo appears to have turned from initiatives focusing on the overall quality of economic growth to the more basic concerns of macroeconomic stability, betraying an anxiety over the trade war that is not immediately apparent when relying on more public-facing statements and analysis of data on economic outcomes alone.

Jean-Pierre Cabestan's section discusses the Party's political goals for 2020, which are defined as making progress toward building a "socialist democracy." The section provides an overview of the stated principles and recent history of socialist democracy in the Chinese political context, and how these principles have been translated into practice under Xi Jinping. In contrast to the Hu administration, Xi has focused much less attention on "intraparty democracy" and instead emphasizes the absolute role of the Party. Mechanisms to promote "democratic consultation" and "community-level democracy" have continued under Xi, but their implementation remains gradual at best, and particularly in less developed areas, is beset by numerous political and organizational hurdles. Overall, Chinese socialist democracy remains a notion subservient to the absolute guiding leadership of the Party, functioning primarily as a means of legitimizing ongoing communist rule.

Mike Gow's section discusses the increasing importance of the CCP's cultural goals under Xi Jinping. Recognizing the unsustainability of economic growth as a source of performance legitimacy, Gow explains, the CCP has made efforts to leverage cultural power as a source of shared identity. The CCP under Xi has mobilized new concepts such as "core socialist values" and "excellent traditional Chinese culture," incorporated them into the PRC's constitutional and legal frameworks, and used them to transform civic spaces into "cultural arenas for the performance of citizenship which conforms to the state's vision." As such, Gow concludes that the "China Dream is less a project that aims to create a powerful nation, and more a project that serves to create a citizenry to populate a powerful nation."

John Donaldson's section discusses Xi Jinping's ambitious pledge to end poverty in China by 2020, toward which the CCP has deployed a locally adaptable set of policies that have mobilized actors in the public and private sectors and tied officials' performance to success in poverty reduction. The Party understands that poverty—a manifestation of a severe inability to provide a good life for the people—represents a concerning indictment of the regime's legitimacy overall. This paper fills in an analytic gap among Western sources regarding these programs, which have to date seen well over fifty billion dollars of poverty alleviation funding disbursed since the pledge was made. Current poverty reduction policy in China includes an impressive array of locally-oriented, precise guidelines that are also adaptable to circumstances on the ground. At the same time, these measures suffer from a number of problems and the motivation to falsify or otherwise manipulate data is high for local officials. In particular, current poverty reduction programs appear to operate based on a number of assumptions about the nature of rural poverty in ways that do not comport with reality. While certainly not lacking effort and energy, and while great progress has undoubtedly been made, this section concludes that the absolute, total elimination of poverty from China will certainly not occur any time soon.

Finally, Isabel Hilton's section discusses the upcoming "year of reckoning" for China's environmental targets under the first centenary goal and the 13th Five Year Plan. China under Xi Jinping has placed significant emphasis on the development of an "ecological civilization" that balances the needs of economic development with those of maintaining harmony with the environment, not in the least because the public has grown only more aggrieved over pollution over the last decade. Hilton analyzes China's efforts toward the incredibly complex task that is constructing such an ecological civilization, to which Xi has rhetorically tied the credibility of the government as a whole. The new Ministry of Ecology and Environment has been empowered in ways its predecessor, the Ministry of Environmental Protection, was not, and substantial progress has been made over the last several years in enforcement of environmental regulations. Similar to Shih's findings, Hilton assesses that unforeseen challenges have forced the CCP leadership to walk back some of its ambitious environmental targets. As internal pushback and pressure from trade tensions with the US grows, environmental concerns have evidently taken a back seat.

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