

Introduction: Trends Since the 19th Party Congress

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The “Party Watch Annual Report 2018” discusses Chinese political developments during the period between October 2017 and October 2018. This compilation serves as an analytical resource for China watchers as they assess trends in China’s politics since the 19th Party Congress. It discusses the Party’s policies and directions from six perspectives: the centralization of power under Xi Jinping, the establishment of the National Supervisory Commission, the rising sophistication of external propaganda work, the growing visibility of global united front work, the expansion of the Party’s international liaison work, and the Party’s use of technological innovation as a tool to retain power.

Each of these perspectives demonstrate how the Party intends to meet China’s growing need for more balanced, high-quality development domestically and global strength and prestige abroad—what CCP General Secretary Xi Jinping calls the “China Dream.” In exchange, the leadership demands society’s loyalty to CCP-led governance. Achieving these objectives is viewed by the CCP center as dependent on centralized power under Xi; this power will be wielded to overcome stiff resistance from vested interests of the old power structure as well as Xi’s political opposition.

A careful read of the report discerns two macro trends that are deserving of future analytical attention.

First, the CCP has turned to its traditional organizational strengths as a Leninist party in order to assail (or preemptively deter) opponents of CCP policies at the granular level. The National Supervision Law of March 2018 has created a nationwide bureaucracy, the National Supervisory Commission, to penetrate all levels of society down to every locality. It extends the CCP’s disciplinary powers to nearly anyone exercising public authority. Supplementing this real-world Party penetration is the CCP’s “virtual” penetration of society through the leveraging of high technology. The report discusses what Chinese authorities have called “source governance,” or the utilization of surveillance, big data, cloud computing, and other technologies to identify and manage problems (including individual people) at their source. We can expect this trend of granular control to continue in both the physical and virtual domains for the foreseeable future.

Second, the CCP leadership under Xi exhibits a growing willingness to take on the risks arising from exercising influence through Party channels. Such risks go beyond the dangers of an anti-Xi coalition of opposition forces pushing back against Party penetration at home and also

includes the danger of an international coalition abroad uniting against the most assertive aspects of the CCP's foreign activities. Indeed, this year we have seen an international backlash against the CCP's international united front operations, which aim to influence people abroad—such as foreign elites and the Chinese diaspora—to work towards Party goals. We have also seen growing efforts to identify and check CCP external propaganda, now firmly under the purview of the CCP Central Propaganda Department. But the CCP seems increasingly intent on wielding its own power, evident through the strengthening of both united front work and external propaganda work since the 19th Party Congress. This is also apparent from the enhancement of the CCP International Department's activities. The department has had unprecedented levels of success since the 19th Party Congress in getting foreign politicians (many likely unwittingly) to publicly sign on to Xi's vision for China and the world. And, corresponding with source governance tactics at home, the department has been empowered to carry out “inter-party diplomacy with Chinese characteristics,” which involves targeting international politics at their perceived source—foreign political parties.

With these two larger trends in mind, summaries of each section are as follows:

Timothy Heath's section opens our annual report with a prescription to China watchers for an overhaul in the way we anticipate the PRC's political developments. This is because in Xi's “New Era,” Heath sees competing interest groups becoming the new drivers of elite politics, replacing the formerly dominant drivers of patronage networks or collective governance. He assesses that the Party elite in China have accepted the centralization of personalistic power under Xi because they seek to realize a full transformation in the country's economic growth mechanism; this in turn requires the destruction of cronyistic political networks benefiting from labor-intensive export- and investment-driven growth. Made up of elites that stand to lose their fortunes and entitlements, these networks likely comprise the strongest danger to Xi. The end result has been a top-down model of control that relies on the crushing of rivals and a cult of personality around Xi in Party propaganda. He concludes that this changing political dynamic ultimately requires China watchers to innovate analytical techniques to properly understand the new cleavages between the winners and losers of Xi's policies.

Kerry Brown's section covers the most significant structural change to the party-state in decades: the creation of the National Supervisory Commission (NCS), made possible through the passing of the National Supervision Law in March 2018. This bureaucracy brings supervision power, previously shared with the state, back under the control of the Party center. As Brown writes, it extends the Party's jurisdiction in granular fashion down to “literally anyone doing anything with a link to governance and organization.” And while the Party has fostered what Brown terms “transparency with Chinese characteristics” by promising “rule by law” at the Fourth Plenum of the 18th Central Committee, it ultimately remains accountable only to itself. The new National Supervision Law codifies this fact. Brown suggests this is at least a tacit admission by the CCP

that it needs a legal basis for its total control of the state. Even so, he concludes that practice will remain the sole criterion for truth: if the application of supervisory powers is mishandled and draconian, the Xi leadership may indeed find itself subject to angry and unmanageable public backlash.

David Shambaugh's section assesses the CCP's increasing emphasis on external propaganda work to achieve its objectives, made most clear since the 19th Party Congress by bureaucratic changes to the propaganda apparatus that included the creation of a "Voice of China" super-entity under the management of the CCP Central Propaganda Department. Shambaugh explains that this ramping up of external propaganda work has been more prominent since 2012, even as the importance of influencing foreigners has been long understood. He notes that the Chinese government continues to perceive a slanted Western media monopoly that portrays China unfairly, necessitating the Party to fight a "discourse war" against it. While Shambaugh assesses that it is still too early to tell exactly what the bureaucratic reorganizations described above mean in practical terms, the recentralization of external propaganda authority in the Central Propaganda Department is at least clear. Shambaugh concludes that the above activities are only set to increase, even as the successes of such expensive endeavors seem suspect: it is not at all apparent that there has been an improvement in China's global image of late.

Anne-Marie Brady's section on united front work since the 19th Party Congress is a renewed call for action to unite against the CCP's united front activities abroad. She reiterates that the target of these activities are the Western democracies that represent the "old era" of global order and notes with urgency that increased global attention on CCP united front activities has only led to a strengthened CCP offensive—not a tactical retreat. Indeed, Brady points out that even the veneer of separation between the Party and state has been removed following the Congress, evident from the absorption of the State Council's State Ethnic Affairs Office, State Administration for Religious Affairs, and the Overseas Chinese Affairs Office into the United Front Work Department. She assesses these changes mean that the Party leadership no longer finds it necessary to hide international united front activities, which include attempts to leverage overseas Chinese as agents of diplomatic objectives, pressure foreign universities and movie studios to accept Chinese censorship guidelines, and coopt foreign elites into supporting Beijing's goals. The Party now feels it operates from a position of strength compared to its united front targets.

Julia Bowie's section unveils the latest activities of the CCP International Department. Viewed by the Party as a unique tool of influence that enables meetings with current and future foreign leaders unencumbered by normal diplomatic limitations, this organization deserves far greater attention from China watchers. Bowie notes that the Xi leadership has made clear its big plans for the department, which proudly boasts its role in generating a global consensus around China's foreign policy and spreading the desire to learn from Xi's ideological contributions and

the Chinese governance model. These efforts take place under what the department now calls “party diplomacy with Chinese characteristics,” which seeks to guide political parties toward supporting party-state interests and diplomatic goals behind the scenes. While it is unclear whether this framework for extending CCP influence can be as successful as the International Department claims, Bowie concludes that the department’s activities merit further study given the CCP’s efforts to expand its activities and place it closer to the center of China’s foreign affairs.

Last but certainly not least, Samantha Hoffman’s section concludes the annual report by delving into the CCP’s latest advantage in asserting its control over an increasingly sophisticated society: technology as a tool of political power. This effort began as early as the 1980s under Deng Xiaoping’s leadership and has now progressed to the point where the Party appears capable of dealing with threats at their source—what the Party has called “source governance.” Hoffman explains that this concept relates not only to managing individuals and social unrest but also other pre-emptive threats to state security such as corruption, the economy, and allocation of services. However, Hoffman concludes that technology is not a cure-all as it does not address the long-existing problems of corruption or lack of true rule of law that seem set to stifle the Party’s ambitious agenda.

David Gitter is the president of the Center for Advanced China Research, where he specializes in research and analysis of authoritative open source Chinese language materials. He previously worked in various analytical capacities in the private, public, and non-profit sectors, including the Congressional Research Service (CRS), the Office of the Under Secretary of Defense for Policy (OUSDP), Project 2049 Institute, and the Center for Strategic and International Studies (CSIS), focusing on Chinese foreign policy and broader Asian security issues. Gitter received his MA in Asian Studies from the Elliott School of International Affairs at George Washington University. He has lived, worked, and studied in Beijing, China and has working proficiency in Mandarin.