

Elite Politics in the New Era: Xi's Centralization of Power and the CCP's Strategy for Long-Term Survival

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The rapid centralization of power under Chinese Communist Party (CCP) authority and President Xi Jinping since 2012 calls for new frameworks to understand and anticipate political developments in China. Competing interest groups are becoming the main drivers of elite politics in the “new era” of reform, diminishing the value of studying patronage network-based factions or the collective leadership model. Analysis of elite politics that focuses on the emerging cleavages between the potential winners and losers of China’s reform process will prove more fruitful.

Since 2012, Chinese politics have experienced a rapid centralization of power under Chinese Communist Party (CCP) authority and President Xi Jinping’s assertion of a personalistic style of rule. Central leaders have supported these developments primarily to address two inter-related tasks critical to the CCP’s long-term survival: a transformation in the mode of economic growth and an overhaul in the party’s approach to governance. Successful realization of these tasks depends on the breakup of well-resourced and extensive patronage networks within which the CCP is embedded.

Given the country’s weak institutions and legacy of Leninist rule, the illiberal political strategy adopted by party leaders—however dismaying—likely represents the most direct and least risky way to overcome this opposition and enact structural reforms. Even so, the challenge of destroying and replacing much of the Party’s cronyistic political networks with more effective, responsive governance-focused networks remains risky and prospects for success are uncertain.

As competing interest groups become the main drivers of elite politics in the “new era” of reform, older analytical frameworks, like factional networks and the collective leadership model, are becoming less relevant to the study of Chinese politics. Analysis of elite politics in coming years that focuses on the emerging cleavages between the potential winners and losers from this process could prove more fruitful. The most potent opposition to Xi Jinping will likely draw from the ranks of wealthy, well-connected elites who stand to lose vast fortunes and privileges from reform. How this conflict plays out will bear directly on the prospects for CCP rule and China’s revitalization.

Older Analytical Frameworks for CCP Politics

Since the advent of the reform and opening period in the late 1970s, Chinese elite politics featured several key trends. First, Party leaders oversaw a general institutionalization of political processes. Deng instituted norms for leadership selection, and the CCP under Jiang and Hu saw even greater gains in establishing norms for retirement, leadership selection, and decision-making within Party organizations.¹

Second, authorities upheld the norm of collective decision-making. Determined to avoid repeating the destructive experience of Mao Zedong's unconstrained autocracy, Deng Xiaoping established mechanisms of collective decision-making. Subsequent leaders respected the constraints and upheld the consensus-based decision-making of the Politburo Standing Committee, comprised of between seven to nine people, as the ultimate authority. The workings were mysterious and opaque,² but top leaders appeared to make important decisions only after arriving at consensus.

Third, Chinese leaders appeared to rely on informal personnel networks established through the length of their career.³ Whether based on regions, as in the case of Jiang Zemin's network of Shanghai-based colleagues, or organizations, as with Hu Jintao's contacts from his tenure in the Communist Youth League, observers noted how these factional networks appeared to dramatically impact elite politics.⁴ These trends appeared well established by the end of Hu's tenure, and most observers felt little reason to doubt their continuation.

Centralization of Power Under CCP Authority

Astonishing political developments over the past few years have overturned long-held assumptions about China's political trajectory. Among the most striking of developments has been the abrupt and rapid centralization of political power under CCP authority. President Xi has established himself at the nexus of an array of elite supra-government small groups, the most important of which have been the National Security Commission and the Leading Small Group

¹ Alice Lyman Miller, "The Problem of Hu Jintao's Successor," *China Leadership Monitor*, no. 19 (October 24, 2006). https://www.hoover.org/sites/default/files/uploads/documents/clm19_alm.pdf.

² "Hu Jintao Rises to the Top in China, Remains a Mystery." *Voice of America*, March 14, 2003. <https://www.voanews.com/a/a-13-a-2003-03-14-15-hu-67456377/385424.html>

³ Cheng Li, "The Powerful Factions Among China's Rulers." Brookings Institution, November 5, 2012. <https://www.brookings.edu/articles/the-powerful-factions-among-chinas-rulers/>

⁴ "Long after Retirement, Jiang Zemin Continues to Exert His Influence." *South China Morning Post*, September 08, 2012. <https://www.scmp.com/news/china/article/1032511/long-after-retirement-jiang-zemin-continues-exert-his-influence>

for Comprehensive Deepening of Reform.⁵ These moves have upended decades of efforts to institutionalize collective decision-making and earned Xi the sobriquet “chairman of everything.”⁶

The centralization of power has also strengthened the Party’s role in government, business, and society. In March 2018, China issued a blueprint for government restructuring that extended the power of the CCP and merged government bureaucracies. The plan gave the Party’s Propaganda Department control of censorship of film, news media, and publications and handed responsibility of overseas Chinese affairs and religious affairs to the Party’s United Front Work Department. The blueprint upgraded the authority and status of key leading small groups for reform, cyber security, and finance.⁷ Earlier this year, China also established a new anti-graft agency, the National Supervisory Commission, which replaced the State Council’s Ministry of Supervision and was integrated with the Party’s Central Commission for Discipline Inspection (CCDI), extending the reach of the anti-corruption campaign.⁸ As noted in the Second Quarterly Party Watch Report, the creation of the National Supervision Commission apparatus increases the CCP’s coercive control over the Chinese state by extending and proceduralizing the CCP’s investigative and detention powers over non-CCP elements of China’s bureaucracy.⁹

Equally disconcerting has been Beijing’s promotion of Xi Jinping’s personal authority in a manner eerily evocative of the CCP’s worshipful treatment of Mao Zedong. In March, 2018, the National People’s Congress, China’s national legislature, voted unanimously to amend the constitution to remove presidential term limits.¹⁰ The moves followed a portentous 19th Party Congress, at which the ruling party enshrined “Xi Jinping Thought” as its latest guide to action. No Chinese leader since Deng Xiaoping has had an eponymous ideology inscribed in the

⁵ "How Leading Small Groups Help Xi Jinping and Other Party Leaders Exert Power." *South China Morning Post*, January 20, 2014. <https://www.scmp.com/news/china/article/1409118/how-leading-small-groups-help-xi-jinping-and-other-party-leaders-exert>

⁶ Javier C. Hernández, "China's 'Chairman of Everything': Behind Xi Jinping's Many Titles." *The New York Times*, October 25, 2017. <https://www.nytimes.com/2017/10/25/world/asia/china-xi-jinping-titles-chairman.html>

⁷ Chris Buckley, "China Gives Communist Party More Control Over Policy and Media." *The New York Times*, March 21, 2018. <https://www.nytimes.com/2018/03/21/world/asia/china-communist-party-xi-jinping.html>

⁸ Jamie P. Horsley, "What's So Controversial About China's New Anti-Corruption Body?" *The Diplomat*, May 31, 2018. <https://thediplomat.com/2018/05/whats-so-controversial-about-chinas-new-anti-corruption-body/>

⁹ David Gitter, Julia Bowie, and Brock Erdahl, "Quarterly Report 2 | January-April 2018." The Party Watch Initiative, June 01, 2018. <https://www.ccpwatch.org/single-post/2018/06/01/Quarterly-Report-2-January-April-2018>

¹⁰ Chris Buckley and Steven Lee Myers, "China's Legislature Blesses Xi's Indefinite Rule. It Was 2,958 to 2." *The New York Times*, March 11, 2018. <https://www.nytimes.com/2018/03/11/world/asia/china-xi-constitution-term-limits.html>

constitution while still in office.¹¹ The 6th Plenum of the 18th Congress also designated Xi the “core” of the CCP Central Committee, an honorific title last used with Deng Xiaoping. And since his ascent, official propaganda has relentlessly cultivated images of Xi Jinping as a paternalistic leader that many have compared to a “cult of personality.”¹²

Xi Jinping’s anti-graft campaign has allowed the leader to eliminate political opponents and accrue more power, as well as carry out the ostensible purpose of tackling graft. By 2017, officials reported that more than 1 million Party members had been disciplined.¹³ High profile “tigers” targeted by the campaign have included former Politburo member and security czar Zhou Yongkang and Ling Jihua, former director of the General Office of the CCP. The investigations have rocked the military, netting former vice chairs of the Central Military Commission Xu Caihou and Guo Boxiong.¹⁴

The Party has also stepped up a ruthless crackdown on anyone who might question these developments. Authorities have increased arrests critics, dissidents, and activists while extending censorship and media controls. According to the activist group Amnesty International, human rights in China are at their worst level since 1989’s Tiananmen Square massacre.¹⁵

Western and some Chinese commentators have swiftly and universally condemned the developments, warning that Xi appears poised to revive a brutal autocratic rule despite the savage excesses of the Mao years. University of California San Diego’s Susan Shirk stated that Xi Jinping “is taking China back to personalistic leadership.”¹⁶ Carl Minzer, a professor at Fordham University, concluded China’s “reform era is over.”¹⁷ Gordon Chang declared that Xi

¹¹ "China to Enshrine Xi's Thought into State Constitution Amid National 'Fervor'." Reuters, January 19, 2018. <https://www.reuters.com/article/us-china-politics/china-to-enshrine-xis-thought-into-state-constitution-amid-national-fervor-idUSKBN1F812P>

¹² Philip Wen and Christian Shepherd. "China Cranks Propaganda, Xi Jinping's Cult of Personality into Overdrive Ahead of Party Congress." *Business Insider*, October 12, 2017. <https://www.businessinsider.com/china-propaganda-xi-jinpings-cult-of-personality-party-congress-2017-10>

¹³ "China's Anti-corruption Campaign Expands with New Agency." BBC News, March 20, 2018. <https://www.bbc.com/news/world-asia-china-43453769>.

¹⁴ Charles Clover, "Xi Takes Aim at Military in Anti-graft Drive." *Financial Times*. February 11, 2018. <https://www.ft.com/content/3dba1f32-0c2a-11e8-8eb7-42f857ea9f09>

¹⁵ "Human Rights under Xi 'worst since Tiananmen Crackdown': Amnesty." *South China Morning Post*, November 17, 2017. <https://www.scmp.com/news/china/policies-politics/article/2120318/human-rights-china-under-xi-jinping-worst-tiananmen>

¹⁶ Susan L. Shirk, "China in Xi's "New Era": The Return to Personalistic Rule." *Journal of Democracy* 29, no. 2 (April 2018): 22-36. <https://www.journalofdemocracy.org/sites/default/files/media/29.2--Shirk--AdvanceVersion.pdf>

¹⁷ Carl Minzer, *End of An Era* (New York, NY: Oxford University Press), 2018.

Jinping is “deinstitutionalizing the Communist Party” and warned of a “great leap backward.”¹⁸ Chinese commentators who denounced the decision to remove term limits for Xi discovered censors quickly suppressed the criticism.¹⁹

Why China’s Leaders Support Xi’s Strongman Rule

One of the most surprising aspects of China’s sudden turn to strongman rule is how little political conflict Xi’s assertion of power has provoked among the country’s top elites. Despite the reversal of numerous sensitive norms—including the violation of implicit norms prohibiting assaults on top leaders—there has been very little factional violence to date of the type that plagued the country’s most powerful leaders, Mao and Deng, in their respective efforts to consolidate power.

Some commentators warn that such an outcome is only a matter of time. In 2016, Claremont College’s Minxin Pei predicted, “a coalition of opposition forces will likely thwart his quest to build a highly centralized and personalized regime that rules with an iron fist.”²⁰ A commentator in the *Japan Times* similarly warned that the pursuit of “absolutism” risked “creating a pressure cooker syndrome” that could explode in violence.²¹

But even if these predictions bear out, the fact that Xi’s initial consolidation of power engendered so little resistance strongly suggests that these initial moves enjoyed substantial political support among the top leaders in the Central Committee. Symptomatic of Xi’s grip on power, over 99% the 2,980 deputies of 13th National People’s Congress voted in favor of the amendments to the Constitution of the People’s Republic of China (PRC) that included the removal of term limits for the PRC presidency and vice presidency.²²

Insight into why the nation’s top leaders may have supported Xi’s centralization of power requires a look at the exceptional nature of the challenges confronting China. The 19th Party

¹⁸ Gordon G. Chang, "Xi Jinping's Great Leap Backward." *The American Conservative*, July 09, 2018. <https://www.theamericanconservative.com/articles/xi-jinpings-great-leap-backward/>

¹⁹ "Critics Silenced Ahead of China's Move to End Presidential Term Limits." *Los Angeles Times*, March 10, 2018. <http://www.latimes.com/world/la-fg-china-xi-jinping-20180310-story.html>

²⁰ Minxin Pei, "In Beijing, Signs of a Major Political Power Struggle in the Offing." *Fortune*, March 28, 2018. <http://fortune.com/2016/03/28/china-politics-xi-jinping-power-struggle/>

²¹ Brahma Chellaney, "Xi's New Strength Obscures China's Internal Risks." *The Japan Times*, October 29, 2017. <https://www.japantimes.co.jp/opinion/2017/10/29/commentary/world-commentary/xis-new-strength-obscures-chinas-internal-risks/#.W1XWIS2ZM3o>

²² Nectar Gan, "Xi Cleared to Stay as China's President, Just 2 Dissenters in 2,964 Votes." *South China Morning Post*, March 12, 2018. <https://www.scmp.com/news/china/policies-politics/article/2136719/xi-jinping-cleared-stay-president-chinas-political>

Congress provided only a vague hint at the growing crisis facing Beijing when it declared the country's most essential challenge to be the contradiction "between unbalanced and inadequate development and the people's ever-growing needs for a better life." These mild-sounding words hint at a critical point: the Party's old strategy for maintaining power—economic growth in exchange for political support—has become obsolete. To ensure long-term survival, the Party must satisfy the demands of an increasingly prosperous, better-educated people with rising expectations. Higher per capita income is a starting point, but as the extensive list of policy goals in the 19th Party Congress report made clear, the new strategy also requires the Party to improve the quality of education and health care, establish a fairer rule of law, clean up the environment, and defend the nation's dignity and interests, among other goals.

To fulfill this ambitious agenda, the CCP needs to achieve two inter-related tasks: transform the country's mode of economic growth and improve the quality of its governance. China powered its rise on the backs of a typical development strategy pioneered by other East Asian economies. While lucrative, labor-intensive export and investment driven growth has also exacerbated problems of inequality, pollution, and unrest.²³ Moreover, the economic gains from growth have raised wages, rendering many low-cost industries uncompetitive. Chinese leaders increasingly rely on debt to fuel growth, but the strategy threatens to throttle long-term growth if left unresolved.²⁴

The task of economic rebalancing overlaps with that of improving the quality of governance because a successful economic transformation involves the establishment of institutions, mechanisms, and policies that incentivize people to consume and carry out the type of creative, enterprising work required for higher-quality growth. Examples include the expansion of social welfare services, higher quality education, establishment of a more reliable legal system, and control of corruption—all of which require responsive, efficient, and effective governance.²⁵ Chinese authorities recognize that the two tasks are inseparable and have outlined a comprehensive reform agenda that addresses issues of economic rebalancing and governance accordingly.²⁶

²³ Andrea Boltho and Maria Weber, "Did China Follow the East Asian Development Model?" *The European Journal of Comparative Economics* 6, no. 2 (2018): 267-86.
<https://pdfs.semanticscholar.org/a23d/717e19ca011b92b2d05309b79579a0952c45.pdf>

²⁴ Tom Orlik, Fielding Chen, Qian Wan, and Justin Jimenez, "Sizing Up China's Debt Bubble: Bloomberg Economics." Bloomberg, February 08, 2018. <https://www.bloomberg.com/news/articles/2018-02-08/sizing-up-china-s-debt-bubble-bloomberg-economics>.

²⁵ Michael Pettis, "How Much Investment Is Optimal?" Carnegie Endowment for International Peace, June 10, 2013. <http://carnegieendowment.org/chinafinancialmarkets/52078>.

²⁶ Yunbi Zhang, "Leading Group's Focus Is to Deepen Reform." *China Daily*, October 17, 2017. http://www.chinadaily.com.cn/china/19thepcnationalcongress/2017-10/17/content_33352410.htm

The pursuit of comprehensive reform inherently carries a serious political difficulty, however. The establishment of new industries, governance structures, and institutions requires the dismantling of obsolete industries, political structures, and patronage networks that stand in their way. Some of these individuals and organizations have amassed considerable wealth and power and are unlikely to surrender these easily.

In 2012, a "China 2030" paper jointly published by the World Bank, China's Development Research Center of the State Council, and China's Finance Ministry concluded that the groups most likely to resist reform would be "vested interests," which the report identified as "those enterprises that enjoy partial or full monopoly in key markets as well as firms, groups, institutions, and individuals who obtain special privileges and benefits or enjoy preferential treatment from the current power structure and institutional setting." These groups "reap economic rents from distortions implicit in the current price, institutional, and administrative structures." The report warned that these interests are likely to be "very influential, powerful, resourceful, and resolute in protecting their interests." The report singled out in particular potential resistance by collusion between government officials, state monopolies, and the property and energy industries, which are closely linked to the government.²⁷

Minxin Pei has vividly described the problem some of these elites pose. He explained how officials eager to cash in on their political power set up their immediate family members in business or find partners in the private sector. As Pei noted, such cronyistic arrangements have proven incredibly lucrative, created powerful parasitic patronage networks, and account for a large portion of corruption cases tried by the government.²⁸ Xi Jinping's PhD advisor, Sun Liping, likely had these individuals in mind when he similarly warned in 2012 that the biggest opponents of reform would be powerful political elites.²⁹

The power and influence of such vested interests is exacerbated by defects in the nature of Leninist rule. China's "fragmented authoritarianism" has become more fragmented and less effective due in part to capture by such powerful patronage networks. Analysts in particular have criticized institutions of collective decision-making for aggravating problems of weak

²⁷ "China 2030: Building a Modern, Harmonious, and Creative Society." World Bank, February 27, 2012. <http://www.worldbank.org/en/news/feature/2012/02/27/china-2030-executive-summary>.

²⁸ Minxin Pei, "China's Crony Capitalism: The Dynamics of Regime Decay." *The National Interest*, October 02, 2016. <https://nationalinterest.org/feature/chinas-crony-capitalism-the-dynamics-regime-decay-17905>.

²⁹ Malcolm Moore, "China's Reforms Stalled by 'Powerful Vested Interests.'" *The Telegraph*, January 12, 2012. <https://www.telegraph.co.uk/news/worldnews/asia/china/9009915/Chinas-reforms-stalled-by-powerful-vested-interests.html>.

governance, ministry stovepiping, procrastination in reforms, and irresponsible decision-making.³⁰

Nor is China unique in confronting such a situation. The political problem inherent in large-scale economic transformation has confronted all countries that have experienced rapid industrialization. In each case, authorities eager to keep the country growing frequently clash with powerful elites who have profited from the old ways of business. Experts Daron Acemoglu and James Robinson have identified such elite political resistance as one of the most important reasons that developing countries stall out in the “middle income trap.”³¹ So intractable is the typical opposition to reform that only a few countries have successfully transitioned to a higher income growth model.³² The few countries that successfully managed the process, including the United States, have typically required strong political leadership and a centralization of power to overcome elite opposition and impose needed changes.³³

CCP Leaders Coalesce Behind Xi’s Vision

The political problem outlined is compounded in a single-party state by the unavoidable necessity of destroying large portions of the ruling party’s patronage networks in order to replace them with new leaders and governance structures better suited to the new imperatives. The process must also be carried out in a manner that maintains the legitimacy of the ruling party to minimize the risk of political instability.

Awareness of the political dangers of structural reform likely informed President Hu Jintao’s reluctance to attempt a more confrontational approach to reform. But Hu’s years-long effort to voluntarily enlist the cooperation of the country’s elites ultimately failed, resulting in a widely held judgment that he presided over a “lost decade.”³⁴ By the end of his tenure, Hu and other top

³⁰ Zheng Yongnian, “18th Party Congress and China’s Problem with Reform” [十八大与中国的改革问题]. Ifeng, August 02, 2012. <http://finance.ifeng.com/opinion/mssd/20120802/6861685.shtml>

³¹ Daron Acemoglu and James Robinson, *The Role of Institutions in Growth and Development*. Working paper no. 10. Commission on Growth and Development. World Bank, 2008. https://siteresources.worldbank.org/EXTPREMNET/Resources/489960-1338997241035/Growth_Commission_Working_Paper_10_Role_Institutions_Growth_Development.pdf

³² Barry Eichengreen, Donghyun Park, and Kwanho Shin, *Growth Slowdowns Redux: New Evidence on the Middle-Income Trap*. Working paper no. 18673. The National Bureau of Economic Research, January 2013. <http://www.nber.org/papers/w18673>

³³ Timothy R. Heath, "The Brutal Politics of China's Economic Overhaul: What Xi Can Learn from FDR." *The Washington Quarterly* 40, no. 2 (June 14, 2017): 79-93. doi:10.1080/0163660x.2017.1328925

³⁴ Eve Cary and Cheng Li, "The Last Year of Hu's Leadership: Hu's to Blame?" Brookings Institution, December 20, 2011. <https://www.brookings.edu/articles/the-last-year-of-hus-leadership-hus-to-blame/>

leaders recognized the futility of this approach and concluded that only a high degree of top-down centralized direction could overcome elite resistance and ensure needed reforms. The 18th Party Congress report reflected the growing consensus in favor of centralized decision-making when it called for “top-down design” to “improve the mechanism for coordinating structural reforms and conduct major reforms in a holistic way according to the overall plan.”³⁵

As Hu’s vice president, Xi Jinping witnessed firsthand the failures of cooperative approaches to recalcitrant elites. Once in power, he instead endorsed the “top-down” approach and moved quickly to build consensus among political elites in favor of a more centralized approach in part by making the case at major work conferences, meetings, and training events, and in part by directing the indoctrination of officials through the party school system.³⁶ Xi also benefited from trends already well under way in Hu Jintao’s tenure that favored a centralization of power. Both Hu Jintao and Xi Jinping invested considerable time and resources into strengthening their control of the central support staff. They also expanded and elevated the role of this staff in the policy-making process.³⁷ The introduction of Politburo study sessions and expanded meetings in the 2002 time frame, for example, provided a regular venue for Party experts to coach, mentor, and teach senior leaders, a function managed by the Central Policy Research Office (CPRO) and Central Committee General Office.³⁸ Under Xi, the CPRO has also been designated the administrator of the general office of the all-important Central Leading Group for Comprehensively Deepening Reform, while the General Office administers the National Security Commission.³⁹ Xi has also added two departments to the CPRO to handle the expansion in responsibility.⁴⁰

The influence of a “top-down,” centralized, systems-engineering approach to coping with China’s problems can be seen in many of the major policy decisions and actions undertaken since 2012. These groups have in some cases established new institutions and mechanisms to

³⁵ "Full Text of Hu Jintao's Report at 18th Party Congress." Embassy of the People's Republic of China in the United States of America, November 27, 2012. http://www.china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm

³⁶ Sangkuk Lee, "An Institutional Analysis of Xi Jinping’s Centralization of Power." *Journal of Contemporary China* 26, no. 105 (2017): 325-36. doi:10.1080/10670564.2016.1245505

³⁷ Alice Lyman Miller, "The Central Committee Departments under Hu Jintao." *China Leadership Monitor*, no. 27. <https://www.hoover.org/sites/default/files/uploads/documents/CLM27AM.pdf>

³⁸ Gang Chen, "Politburo Group Study Sessions: Is the Chinese Communist Party Becoming More Technocratic?" *East Asian Policy* 04, no. 02 (2012): 45-52. doi:10.1142/s1793930512000141.

³⁹ Alice Lyman Miller, "More Already on the Central Committee’s Leading Small Groups." *China Leadership Monitor*, no. 44. <https://www.hoover.org/sites/default/files/research/docs/clm44am.pdf>

⁴⁰ “Two Superagencies Open in Succession, Li Zhanshu and Wang Huning Split Management of the National Security Commission” [兩大超級機構相繼運作 栗戰書王滄寧分掌國安辦改革辦]. *Ta Kung Pao*, March 07, 2014. <http://news.takungpao.com.hk/2014lh/article/2014-03/2330619.html>

better support the Party's new governance agenda. For example, the "Plan of Deepening Reform of Party Institutions" adopted by the 19th Central Committee's Third Plenum in February and approved by the March session of the National People's Congress (NPC) laid out 60 reforms across the political system, including changes in the Party, in the NPC and the State Council, in state regulatory bodies, in the united front's Chinese People's Political Consultative Conference, in police and military security forces, in mass organizations, and in local organizations. According to Alice Miller, the institutional reforms mandated by the Third Plenum and the 2018 NPC session are the "most extensive in scope, if not in depth, of the entire post-Mao era."⁴¹

Centralization of Power: End of Reform or New Era of Reform?

Understanding the imperatives and context for the dramatic consolidation of Xi's power can help inform a more thorough assessment of its ramifications. Xi's consolidation of power and violation of decades-long norms of elite politics enables the purging of rivals, crushing of enemies, and opportunities to reward supporters. The propaganda machinery's fawning promotion of a cult of personality risks setting up dangerous abuses, to say nothing of the increasing repression of the state.

However, these distressing features of China's politics are not incompatible with the CCP's main objectives: stable growth and incremental institutional reform to improve governance and thereby ensure long-term CCP rule. Under Xi, the economy has continued to grow at a relatively high rate between 6-7%, and the World Bank has reported progress in the country's economic rebalancing.⁴² China remains politically stable and Xi Jinping and the Chinese Communist Party enjoy high levels of support, especially among the working and poorer classes.⁴³ A survey by Transparency International found the anti-graft campaign had made some progress, and that corruption in China now lags that of India.⁴⁴ The plan for reorganizing the government, released at the NPC, will likely strengthen the central government's regulatory authority, which is badly needed to control some of the country's persistent financial, economic, and environmental

⁴¹ Alice Lyman Miller, "Only Socialism Can Save China; only Xi Jinping Can Save Socialism." *China Leadership Monitor*, no. 56 (May 17, 2018). <https://www.hoover.org/sites/default/files/research/docs/clm56am.pdf>

⁴² "China Maintains Strong Growth and Reform Momentum, Says World Bank." World Bank, December 19, 2017. <http://www.worldbank.org/en/news/press-release/2017/12/19/china-maintains-strong-growth-and-reform-momentum-says-world-bank>

⁴³ Tom Phillips, "Chairman Xi Crushes Dissent but Poor Believe He's Making China Great." *The Guardian*, October 14, 2017. <https://www.theguardian.com/world/2017/oct/14/xi-jinping-crushes-dissent-but-making-china-great-again>

⁴⁴ Suparna Goswami, "Study Finds India Is Asia's Most Corrupt Country, While Japan Comes In Last." *Forbes*, March 08, 2017. <https://www.forbes.com/sites/suparnagoswami/2017/03/08/study-finds-india-is-asias-most-corrupt-country-while-japan-comes-in-last/#73143cdb1201>

abuses.⁴⁵ The court system is experiencing improvements as well. Plaintiffs are receiving fairer hearings in cases that do not touch on Party rule.⁴⁶

In short, Xi Jinping and his allies are using the centralization of power to promote the policy goals that they regard as essential to ensuring the CCP's long-term survival—even as they exploit the power for personal ends.

Way Ahead: Analysis by Interest Group

To paraphrase Xi Jinping, elite politics in China have truly entered a “new era,” and analysts will likely need new methods to better understand and anticipate political developments. Techniques and concepts suitable for the study of Chinese politics during the first decades of reform and opening are already losing their salience. The limitations of older analytic techniques can be seen in the widespread but errant predictions early in Xi's tenure that the incoming president would prove a “very weak leader” owing to his apparent lack of a strong factional network and the norms of collective decision-making.⁴⁷

Indeed, the value of studying patronage network-based factions, a staple of political analysis in the Deng, Jiang, and Hu eras, is already fading because such groupings no longer play as critical a function as before. And as their hold on politics weakens, the collision between more loosely knit, disparate coalitions spanning political and economic entities will likely instead occupy a more definitive role in elite politics. For example, individuals associated with the state bureaucracy, banks, shadow lenders, and fixed asset investments are likely to find themselves on the losing end of reform, and can be expected to form the core of opposition to Xi's reform agenda accordingly. By contrast, middle class professionals, workers in growth sectors, and manufacturers of products and providers of services for middle class consumers will see opportunities if reforms succeed, and thus have a strong incentive to support Xi Jinping. Reforms to manage urbanization, clean up the environment, improve the professional competence of the military, and others each carry their own respective winners and losers, and supporters and opponents of change can be expected to emerge accordingly. Complicating the picture, these disparate groups may form alliances across industries and social and political groups to augment their relative power and advance or frustrate changes.

⁴⁵ Chris Buckley and Keith Bradsher, "China Unveils Superagencies to Fight Pollution and Other Threats to Party Rule." *New York Times*, March 13, 2018. <https://www.nytimes.com/2018/03/13/world/asia/china-xi-jinping-congress-pollution-corruption.html>

⁴⁶ "For Some Plaintiffs, Courts in China Are Getting Better." *The Economist*, September 30, 2017. <https://www.economist.com/news/china/21729753-cases-do-not-threaten-communist-party-are-receiving-fairer-hearing-some-plaintiffs>

⁴⁷ "Xi To Be 'Weak' President." Radio Free Asia, November 12, 2012. <https://www.rfa.org/english/news/china/xi-jinping-11122012110129.html>

Similarly, older institutions such as collective decision making no longer hold such an inviolable place in elite politics, as Beijing's leaders prioritize structural reforms to meet long-term goals over the sanctity of long-held norms. Future study should focus on how Beijing may realize its various policy goals, with the expectation that established norms may be readily sacrificed to achieve those goals, if better options do not avail themselves. As an example, Xi appointed a key personal ally and supporter of the Third Plenum agenda, Wang Qishan, to the PRC vice presidency, despite the violation of retirement norms.⁴⁸

New issues will also likely arise from the centralization of politics. The over-centralization of power risks creating bottlenecks in decision-making. Bureaucrats fearful of the new coercive power may face political disincentives to reveal accurate but unwelcome information to the leadership. The Party's "hijacking" of government functions also risks making the policy making process more opaque and unpredictable. Xi Jinping has dramatically altered the structure of elite politics now and for years to come. To master the novel and complex changes and more accurately anticipate future developments, analysts will need to innovate their techniques and methods accordingly.

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⁴⁸ Chris Buckley, "Xi Jinping, Seeking to Extend Power, May Bend Retirement Rules." *New York Times*, March 02, 2017. <https://www.nytimes.com/2017/03/02/world/asia/xi-jinping-china-retirement-rules.html>