

18th Communist Party of China Congress

Between October 2012 and October 2013, the China Newsletter team offered a special area on its website dedicated to the 18th Communist Party of China Congress, which took place at the end of 2012.

Today, the team has the pleasure of presenting all the content of this area in this document.

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*In order to inform you in person on the challenges of the 18th Communist Party of China Congress, SSF's Asia Department, partnering with the ANAJ-IHEDN, is organizing a conference (in French) on Thursday October 4 on the theme "**China: Political Succession and Industrial Challenges.**" To download the conference report (in French), [click here](#).*



System and Organization of the 18th CPC Congress

Between the month of November 2011 and last June, 2,270 delegates for the 18th Congress were nominated in 40 constituencies (including the provinces and municipalities, central bodies, State-Owned Enterprises, central financial institutions, the Army...) among the 82.6 million accounted for 2012 members of the China Communist Party (CPC).

These delegates represent the CPC's National People's Congress. 68% are from the Party, as stated by the law. The remaining 32% are supposed to represent the "model" base and civil society: eminent or noticed personalities from the fields of politics, economy, science, culture, sports etc. They elect, during the first Congress Plenum which takes place at the close of the National People's Congress every five years, its Central Committee and Commission for the Inspection of Discipline (CID). The Congress may also propose amendments to the Party charter.

The Commission for the Inspection of Discipline is an important pillar of the regime, whose mission is to prevent any form of "deviance" within the Party. It was therefore largely activated for the Wang Lijun-Bo Xilai "case." It appears as an essential organ in the graphic representation of the CPC's central bodies (see diagram below).



The National People's Congress Presidium supervises the elections by validating the first round (yuxuan) and by proposing the final list of members for the Central Committee. It is made up of the leaders of the current Central Committee, but may be revised after "negotiations." Each Party delegation, both on central and local levels, has a Presidium, a sort of college of super-electors and general secretariat.

It is the Central Committee that designates, by vote, the leaders of the Politburo and its Standing Committee, as well as the CPC Secretary General, China's No.1. There can be several rounds, if the results are not "in line with expectations." China's No.1 must collect the

most votes at the various "polls." The first traditionally takes place on the sidelines of the summer Plenum, at the seaside resort in Beidaihe, opposite the city of Dalian on one side of the Bohai Gulf.

The Standing Committee currently has nine members, of which seven will be replaced at the end of the 18th Congress. Only Xi Jinping and Li Keqiang will remain. There are presently eight contenders for the seven seats. It is possible that the format changes to a standing committee of seven or eight, the oldest (Liu Yandong, Liu Yunshan or Zhang Dejiang) being awarded the presidency of the top national institutions such as the Parliament (the Assembly or the CPPCC, the upper house). Fourteen of the twenty-five (minus Bo Xilai) members of the Politburo will have to be replaced, which is a substantial redistribution of power. However, the 16th Congress in 2002 had had an even higher replacement rate with 14 departures for 22 members. Also, there must not be confusion between the renewal of the Politburo and the generational change in leadership. The new generational ballgame will really take place at the 19th Congress in 2017 and even more so in 2022 at the 20th CPC Congress.

The first 18th Central Committee Plenum will take place the day after the 18th Congress closes. It will formalize the nominations of the members of the Politburo and its Standing Committee.

The members of the Central Committee (at present 204 within the current 17th Central Committee, plus alternates) are ranked according to the number of votes collected in their favor during the Congress, but there is no official communication on their individual results, which remain a secret. Indeed, in the spirit of the Party charter, these full members of the Central Committee are interchangeable and must be placed on equal footing. Therefore, they appear on a list according to the number of strokes in their last name; the equivalent of our alphabetical order. Thus, the leaders named Wang (王), with four strokes (three horizontal and one vertical), will be positioned at the top of the list, before the more complex names (戴), with no notion of hierarchy. The Central Committee leaders' turnover may seem very high (around 50% or 60%). It will gain momentum in the future; in particular because of the generational change that will reach its peak around 2017-2020 and which will be a new challenge for the regime.

However, it is interesting to note that the alternate members of the Central Committee (167 members at the 17th Central Committee) are officially classified and listed according to the delegate votes in their favor, which clearly brings out the future leaders, because one usually has to be a Central Committee alternate before becoming a full member. In that respect, the new list of alternates of the 18th Central Committee will be a key factor in determining the ruling elite of the 19th and 20th Central Committees, in 2017 and 2022.

The alternate members of the Central Committee are also and above all a backup force in case of an early departure (death or ouster) of one of the members. Today, three members of the 17th Central Committee (2007-2012) have had to be removed from office: Yu Youjun (2008), Kang Rixin (2009) and Bo Xilai (2012). Yu Youjun was replaced by Wang Xinxian of the China Disabled Persons' Federation, who was at the top of the alternate list, and Kang Rixin by Yan Rongzhu, former Secretary of Shandong province's administrative center, Jinan. The next alternate on the list is Wang Xuejun, Director of the State Bureau of Letters

and Calls, repository for Chinese citizen complaints regarding power abuse and administration malfunctions...

In addition, the protocol order of the Standing Committee leaders can change, according to the current display priorities of the State functions held by these same leaders, namely the rank of President of the National People's Congress, 2nd most important person of the State with Wu Bangguo, but third in the previous terms.

The Central Committee Secretariat is the Central Committee's permanent body. It usually brings together three of the highest Politburo leaders, including Xi Jinping, as well three other non-Politburo leaders. These are, for the latter, He Yong, who will be leaving, Ling Jihua, who has been promised other functions, and Wang Huning, the Secretariat's gray eminence, who has been director of the Central Committee's Policy Research Office since 2002.

The Military Affairs Commission (MAC) and the Central Military Commission (CMC) are one and the same. It is the Central Committee that proposes and decides in fine its composition, in as many "rounds" as necessary.

The main functional offices of the Central Committee are:

- the General Office (emanating from the Central Committee Secretariat), directed by Ling Jihua
- the Organization Department, which manages all the human resources for ministerial and vice-ministerial-level leaders (therefore including the CEOs and deputy CEOs of the large SOEs)
- the Propaganda Department, piloted by Liu Yunshan
- the International Liaison Department, headed by Wang Jiarui
- the United Front Work Department
- the General Office of Foreign Affairs Leadership group, incarnated by Dai Bingguo
- the Central Political and Legislative Committee, the regime's safe, still led by Zhou Yongkang

Biographies: 18th Congress Politburo Standing Committee



Xi Jinping

Was designated Secretary of the CPC (no.1) and President of the Central Military Commission (CMC) at the end of the 18th Congress. Xi was born in 1953 in Shaanxi province. His father, Xi Zhongxun (1913-2002), was a former member of the Politburo, Vice Premier and political commissioner of the Guangdong military district. Xi Jinping is, after Li Keqiang (born in 1955), the youngest of the seven Standing Committee members. After studying organic chemistry at Tsinghua University, he directly joined the government General Office in 1979 and cumulated this function with that of Secretary of the CMC's General Office. From 1982 to 1986, he headed Hebei district, in addition to his Political Commissar of the People's Armed Police duties. In 1985, he went to Fujian province (Xiamen, Fuzhou), where he ended up, in 2002, being No.1 of the province, governor, director of the National Defense Mobilization Committee and first political commissioner of the provincial reserve artillery division. He obtained a Phd (through sandwich courses) in Law from Tsinghua University in 2002 and took ideological courses at the CPC's Central Party School. He was sent to Zhejiang (2002-2007), Shanghai (2007), then was elected a permanent member of the Politburo the same year. He was concurrently president of the Central Party School and secretary general of the Central Committee Secretariat in Zhongnanhai. In 2008, he was elected Vice President of the People's Republic of China and in 2010 Vice Chairman of the Central Military Commission.



Li Keqiang

Was designated successor to Wen Jiabao for the position of Prime Minister (no.2). Born in July 1955 in Anhui province, he is the youngest member of the Politburo Standing Committee. He was the youngest Vice Premier since Deng. His father was a mid-level executive of Anhui province, one of the pools of the Chinese politics elite, where China's former president, Hu Jintao, is also from. He was accepted at the Law Department of the very famous Beijing University. He graduated in 1983 and joined the Communist Youth League, as well as the All-China Youth Federation. From 1985 to 1993, he was Secretary of the League and Vice Chairman of the ACYF, then became First Secretary of the League between 1993 and 1998. He also represented the China Youth University for Political Sciences (created in 1985 by the League's Central Schools). He obtained a post-graduate degree in Beida at the beginning of the 1990's. He represented Henan province (1998-2004), then led Liaoning province (2004-2007), before moving to the Center in 2007 when he was elected member of the Politburo's Standing Committee. In 2008, he was named Vice Premier, Deputy Director of the State Energy Commission and Director of the State Food Safety Commission (2010).



Zhang Dejiang

Born in 1946, Zhang Dejiang studied economics in North Korea, in Pyongyang, after having studied Korean in Yanbian (Jilin province) where he would later climb the CPC ladder up until 1998, when he became no.1 of Zhejiang province. He entered the Politburo in 2002 and took the reins of Guangdong province. He was catapulted to the position of secretary of the special municipality of Chongqing in 2012 to temporarily replace Bo Xilai. His father, Zhang Zhiyi (1912-1997), was a historic of executive of the PLA, and was elevated to the rank of general in 1964.



Yu Zhengsheng

Born in 1945, Yu was vice director at the Ministry of Electronics Industry in the 1980's before spending 12 years in Shandong province and Qingdao in particular. Minister of Construction, Secretary of Hubei province, member of the Politburo in 2002, then no.1 in Shanghai in 2007, Yu Zhengsheng's father, Yu Qiwei, Minister of Mechanic Industries in the 1950's, was Jiang Qing's first husband; she later became Mrs. Mao.



Liu Yunshan

Is at the head of the Central Committee Secretariat and is the former director of the Propaganda Department. Born in 1947 in Shanxi province, he evolved in the autonomous region of Inner Mongolia in propaganda and the League, before becoming, in 1991, secretary of Chifeng. He then spent 10 years at propaganda in the Central Committee and led the commission for "spiritual civilization." Liu entered the Politburo and the Central Committee Secretariat in 2002. Like Zhang Dejiang, Liu was an alternate member of the 14th Central Committee, then was elected successively for the 15th, 16th and 17th Central Committees.



Wang Qishan

Born in 1948 in Shanxi province, this history graduate worked in a museum in the neighboring province of Shaanxi in the 1970's before attending the prestigious Chinese Academy of Social Sciences, before being snatched by the Central Committee Secretariat on agricultural and rural issues, which remained the guiding line of his career in the central administration until 1988 when he presided the creation of the China Rural Trust and Investment Company, then joined the China Construction and the Central Bank. He was then sent to the provinces where he was vice governor (Guangdong province), secretary (Hainan province) and mayor (Beijing), until 2007, when he took charge of the Beijing Olympics

Preparation Committee. Wang is familiar with economic and financial issues, and supervises in particular China-US bilateral relations.



Zhang Gaoli

Zhang was born in 1946 in Fujian province. A graduate in economics from Xiamen University, he was a factory worker in an oil company in Guangdong province (Maoming), and quickly occupied managerial positions in the CPC as of 1970, in the midst of the cultural revolution. He became No.2 of the city of Maoming, with in parallel a position as manager in a Sinopec subsidiary. As Director of the Guangdong Provincial Economic Committee, he excelled in his functions as a planner. In 1998, he was concurrently No.2 of the province and No.1 of Shenzhen. He was in Shandong province from 2001 to 2007, and was designated secretary of Tianjin in 2007 and entered the Politburo the same year.

Biographies: 17th Congress Politburo Standing Committee



Hu Jintao

Born in December 1942, in Anhui province. General Secretary of the CPC, President of the People's Republic of China, Chairman of the Central Military Commission of the Central Committee and of the PRC. Hu is a hydraulics engineer and a graduate of Tsinghua University. After a few years in Gansu province, namely supervising the Communist Youth League of China (CYLC), he moved to Beijing in 1982 as national secretary of the CYLC, then became first secretary in 1984. The same year, at age 42, he became an alternate member of the Central Committee. He was quickly designated first secretary of Guizhou province, and first secretary of the Guizhou military district. He officiated in Tibet between 1988 and 1992, then entered the Politburo Standing Committee (PSC) and headed the Central Committee secretariat for 10 years, between 1992 and 2002. He was also president of the Central Party School from 1993 to 2002.



Wu Bangguo

Number two of the CPC and State in the protocol order. President of the National People's Congress (NPC), lower chamber of China's parliament. Born in 1941 in Anhui province (close to the administrative center Hei Fei, while Hu Jintao is from the south of the province). He graduated from Tsinghua University in 1967 with a degree in radio engineering, around the same time Hu did. He headed several factories and electronic components companies in Shanghai, then entered the local government as deputy secretary of the Instruments and Telecommunications Bureau. In 1992, he was appointed CPC secretary of Shanghai and enters the Politburo. He was Vice Premier in 1995 and 2002, the year during which he entered the PSC. Wu Bangguo headed the forerunner of the SASAC within the CPC, the Central Work Committee of Large Enterprises. In 2003, he became president of the NPC. In March 2008, six months after the 17th Congress, he was reelected president of the NPC by his peers, while Hu was appointed President of the Republic and Chairman of the Central Military Commission, with Xi Jinping as his second.



Wen Jiabao

Number three of the CPC and State hierarchy. Born in September 1942 in Tianjin. Graduated from the China University of Geosciences in 1968. The same year, he moved to Gansu province, where he stayed for 14 years and where he led, among others the Province Geological Bureau. In 1982, he was a part of the contingent of experts at the all new Ministry of Geological and Mining Resources (which became in 1988 the Ministry of Land and Resources) as Director of Policy Planning. In parallel, he

evolved in the CPC and became in 1982 Director of the Policy and Law Research Office and in 1983 deputy secretary of the Ministry of Land and Resources, in addition to his new duties as vice minister. He entered the Central Committee General Office in 1985, then the Central Committee Secretariat. He was appointed an alternate member of the Politburo in 1992, then a member of the Politburo in 1997. In 1998 he was named Vice Premier. He entered the Politburo Standing Committee at the 16th Congress in 2002 and became took office in 2003 as Premier.



Jia Qinglin

Number four of the CPC and State, Jia was born in March 1940 in Hebei province where he graduated in hydraulic engineering and equipment. Sent to the countryside (xiangfang) in 1969 in Jiangxi province, he was appointed first CEO of the China Machinery Import Export Corporation (CMIEC) in 1978, now the CMEC. After a stint in a machine tools factory in Shanxi, he held his first high responsibility CPC job at the provincial level in Fujian province, from 1983 to 1996, where he, in the end, cumulated the positions of CPC Secretary and President of the Parliament. Mayor of Beijing, then CPC Secretary, between 1996 and 2002, he joined the Central Committee Standing Committee in 2002 at the 16th Congress. Since 2003, he has been president of the CPPCC, China's Parliament's upper chamber.



Li Changchun

Number five of the CPC and State in the protocol order, Li Changchun was born in 1944 in Liaoning province. Following a curriculum in industrial automation at the Harbin Institute of Technology (HIT) just before the Cultural Revolution, he held various technical and political supervising functions in a company in Shenyang before being drawn, in 1981, into the municipality as Deputy Secretary General. He became No.1 in Shenyang in 1985 and, until 1986, cumulated the functions of Deputy Secretary of Liaoning province. Governor between 1987 and 1990, he was sent to Henan province until 1997, when he was elected to join the Politburo (16th Congress). He spent four years as the head of Guangdong province, then was promoted a member of the Politburo Standing Committee in 2002. Since then, he has been Chairman of the Ideology and Propaganda Leading Small Group, and, as such, supervises the CPC's internal propaganda activities.

Xi Jinping and Li Keqiang were also part of the 17th Congress Politburo Standing Committee, in sixth and seventh places, respectively.



He Guoqiang

Number eight of the CPC and State, He Guoqiang was born in 1943 in Hunan province. A graduate in inorganic chemistry from the Beijing Chemical Engineering Institute (class of 1966), he worked as a technician and head of a workshop in a chemical fertilizer plant in Shandong province. It was in 1980, after Deng Xiaoping arrived to power, that he held his first supervisory position at the Department of Chemical and Petroleum Industry, also in Shandong province. He climbed up the provincial hierarchy until he became No.1 of its administrative center, Jinan. After five years in Beijing as No. 2 of the former Ministry of Chemical Industry, he was appointed to lead Fujian province, then Chongqing, between 1999 and 2002. He entered the Politburo in 2002, and the Standing Committee in 2007, when he became secretary of the Central Commission of Discipline Inspection and left his previous responsibilities at the Organization Department.



Zhou Yongkang

Number nine in the protocol order, Zhou Yongkang was born in 1942 in Jiangsu province. He graduated from the Beijing Petroleum Institute in 1966, like a number of his Standing Committee comrades, and waited to be affected to a "work unit" at the time the Cultural Revolution began. He worked until 1985 at the Liaohe Oil Exploration Bureau in northeastern China, then moved to Beijing to co-direct the former Ministry of Petroleum Industry until 1988. For the next ten years, he served as deputy CEO then CEO of the China National Petroleum Corporation (CNPC), one of China's three NOCs. He moved to Beijing in 1998 to lead the Ministry of Land and Resources before being transferred to Sichuan province until 2002. Back to the Center in 2003, he entered the Politburo and took the position of deputy secretary of the Central Committee's Politics and Law Commission. Elected member of the Politburo's Standing Committee by his peers in 2007, he is also State Councilor and Director of the Central Committee's Public Security Commission.

Challenges of the 18th CPC Congress

Political challenges

The 18th Congress is not just a simple leaders meeting, but the most important political succession in ten years. More than half the top executive team will change at this occasion. Beyond knowing the men and women who will be a part of the new power (the Politburo, approximately 25 members, functions as a shadow government vis à vis the State Council, which is its showcase in the State organization), does the question of the transformation and the nature of the power pose itself?

Will the new team - more than a new generation - of leaders be chosen to maintain the regime the way it is, with its already enacted strategic orientations, or to test it by innovating towards new processes, pushing some limitations, namely in terms of "political reform," which is often mentioned in China's official logomachy, but that are not based on the same principles and vision of the future?



Economic challenges

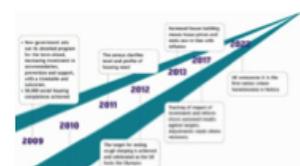
Will this political transition have an impact on the country's economic policy? Our own frames of reference and interpretation lead us to believe that new men bring new policies. It would be an underestimation of the communist legacy, where grand decisions are rarely personal or individual, except through the actions of major Chinese politicians at a certain time in the country's history. Are we then witnessing China's great turning point and a transformation of its business model, made necessary by the consequences of an unfading global crisis?

If facts, and only facts, govern China, and the actions of men only consist in management and fine tuning, should we be less interested in power games than in public policies? On what should we base our analysis if the information we have is manipulated on all sides?



Industrial challenges

The launch of the 12th five-year plan - really about 20 sub-plans - the latest at this time being the plan for domestic trade (September 3) - comes while China must push its businesses towards success, not only on the domestic market through industry upgrading, but also, and above all, abroad, to compensate the growth points that it will lose anyway. Its companies will be put to a harsh test to stay in the game and receive ad hoc public aid. Will China's green economy, even if it has been enacted for several years now, be strong enough as a catalyst of the production apparatus reform? Will imports, which are strongly faltering because of the demand crisis in Europe, and to a lesser extent in the US, take over, as hoped, to boost the restructuring of China's industrial and commercial fabric?



Social challenges

This new wave of industrial rationalization is not unlike that of the 2000's, that saw millions of large corporation and ministry employees throw themselves into the "sea of business," and for others swell the ranks of job seekers. The decline of manufacturing and industrial production these past few months has been causing private businesses, the leading employers in China, to lay off qualified personnel while millions of Chinese graduates cannot find a job after college. Furthermore, a "green conscience," brought forth by the government's voluntarist policy, is a double-edged sword. It accelerates the formation of citizen and consumer rights defense groups for whom government communication is insufficient or misleading. Today, can the public health issue become the government's Achilles' heel?



Foreign challenges

In China, the foreign policy stance is being more and more criticized by the conservative circles, who haven't given up the ship after the Bo Xilai case. On the contrary, with the arrival of Xi Jinping at the head of the executive branch, will Beijing let its diplomatic agenda be dictated by Washington, Tokyo, or some of their ASEAN allies in its own backyard in the East/South China Seas?



Challenges for foreign businesses in China

On the trade front, the arrival on other markets, in emerging countries but also in Europe, of thousands of Chinese SME/SMIs, now supported by China's diplomatic and consular apparatuses, is a challenge for the conquest of new markets and the preservation of our companies' current positions. Will their development strategy - as a partner, competitor or both (coopetition) - be able to anticipate and follow the rapid transformation of the business environment in China itself?



抛砖引玉: "To throw a brick and get a piece of jade in return" is a four-character Chinese proverb (like the 17th precept of Sun Tzu's Art of War). Extensively, it means to "open discussions." The China Circle hopes to become a privileged place for discussion in which we will launch a debate of ideas founded on the least biased information possible in order to better understand China's rise to power and its impact on our vital interests.