CHINA RENAISSANCE

The Rise of Xi Jinping and the 18th Communist Party Congress

This page intentionally left blank

THE

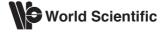
CHINA RENAISSANCE

The Rise of Xi Jinping and the 18th Communist Party Congress

By the writers, artists and editors of the **South China Morning Post**

Edited by Jonathan Sharp





Pub	lisl	hed	b١

World Scientific Publishing Co. Pte. Ltd.

5 Toh Tuck Link, Singapore 596224

USA office: 27 Warren Street, Suite 401-402, Hackensack, NJ 07601 UK office: 57 Shelton Street, Covent Garden, London WC2H 9HE

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

THE CHINA RENAISSANCE

The Rise of Xi Jinping and the 18th Communist Party Congress Copyright © 2013 by South China Morning Post Publishers Limited *All rights reserved.*

ISBN 978-981-4522-86-1 (pbk)

Printed in Singapore by Mainland Press Pte Ltd.

Foreword

In November 2012, an ageing generation of Chinese leaders headed by Communist Party Chief Hu Jintao stepped aside and handed power to the fifth generation led by Xi Jinping. While the 18th Communist Party Congress and the transfer of state posts at the parliament meeting the following March went off smoothly, the year of transition was anything but orderly. Any Chinese transfer of power would be expected to yield its share of behind the scenes jockeying and intrigue — the traditional secrecy of the party's political process virtually ensures it. But 2012 featured for the first time overt campaigning for high office more resembling American democracy than Chinese communism. It also saw the downfall of one of the country's most popular leaders involved in that campaigning, Bo Xilai, undone by a web of corruption, betrayal and murder. A protégé of Hu Jintao saw his political career self-destruct in another scandal.

From the start of 2012, the *South China Morning Post* embarked on an ambitious project to chart the transfer of power and pull the veil of secrecy from a new generation of Chinese leaders who will run the country for the next decade. The result was unparalleled coverage and a series of exclusives that kept the newspaper well ahead on the story. To list but a few: the *Post* was first among international media in reporting the line-up of the seven men who would form the elite Politburo Standing Committee — that story was published before the secretive Congress even opened; the newspaper also was first with the

news that Hu would retire from all of his posts, including the military commission chairmanship, despite speculation he might hang on as past leaders have done; the newspaper also led the way on the saga of one of Hu's aides, Ling Jihua, whose career ambitions were clipped after the cover up of a Ferrari crash that killed his son. Along the way, we also profiled all of the other senior leaders who would rise in the new leadership.

Xi completed the transition in March by taking on the presidency, and the stakes could not be higher. If Hu's decade saw China grow from an economy roughly the size of Italy to surpass Japan by the time he stepped down, then Xi's decade is expected to see China grow to rival the United States as the top economic power in the world. Shanghai has grand ambitions of becoming a global financial centre, but critical reforms to the markets and the renminbi currency must take place for it to get there. China is modernising its military to ensure it can protect its security in Asia if not project its presence beyond the region. Yet at home it still grapples with the threat of unrest — seeing thousands of mass protests each year — and developing country problems related to its growth for growth's sake strategy that has left its air, land and waterways poisoned by pollution. Who are the people that will guide China through its challenges at home and on the global stage? Through our profiles of dozens of rising stars and movers and shakers over the past year, the South China Morning Post has provided the most complete portrait to date of the leaders who will control the halls of power of the world's most populous country over the next decade.

The book profiles the 25 members of China's new Politburo, starting with Xi and six other standing committee members. We look at senior Cabinet officials and financial leaders who will be overseers of China's economy and architects of its regulatory transformation, as well as top leaders running the country's domestic,

FOREWORD

military and foreign affairs. We also chart the most dramatic political episode of the transition, the collapse of Bo Xilai, and the challenge the sieve-like Weibo poses for a party accustomed to secrecy and control of information. Finally, we reveal the sixth generation of leaders — those who are expected to assume power when Xi's generation is ready to retire in 2022. There are many unknowns as the new leaders set out to chart the course of Chinese history over the next decade. This book, by the reporters and editors of the *South China Morning Post*, aims to provide the reader with a comprehensive primer on the men, and the handful of women, who are going to be charting that course.

Wang Xiangwei
Editor-in-Chief, the South China Morning Post
March 2013

This page intentionally left blank

Contents

Foreword		V
Chapter 1	From Strongman to Consensus Rule	1
Chapter 2	The Hu–Wen Decade: Glorious, Golden and Lost	7
	Stability but Stagnation	7
	People's Champion or Chameleon?	16
	The Price of Growth	20
	Ten Years of "a Bumpy Road"	24
Chapter 3	Change Agent or Steady as She Goes?	27
	Xi's Chinese Dream	33
	Shunning the Easy Road	39
	The Tide Turns	42
	Doing the Business	47
	Star in Her Own Right	51
Chapter 4	Sent-Down Youth Rise Up	55
	Will Xi Surprise the Naysayers?	55
	Generation of Hope	58
	Profiles	
	Li Keqiang	62
	Cheng Hong	67
	Zhang Dejiang	69
	Yu Zhengsheng	73

	Liu Yunshan	77
	Wang Qishan	80
	Zhang Gaoli	85
Chapter 5	Power Behind the Curtain	89
Chapter 6	Bo Xilai: Slide from Fame to Shame	93
	Diary of a Downfall	101
	Fall of "the Jackie Kennedy of China"	102
Chapter 7	Beijing's Big Reshuffle	109
_	Next Generation Steps Up	109
	Profiles	
	Han Zheng	112
	Li Yuanchao	115
	Liu Yandong	119
	Ma Kai	122
	Sun Zhengcai	125
	Li Jianguo	128
	Zhao Leji	130
	Guo Jinlong	132
	Hu Chunhua	136
	Li Zhanshu	139
	Liu Qibao	142
	Meng Jianzhu	144
	Sun Chunlan	148
	Wang Huning	151
	Wang Yang	153
	Xu Qiliang	158
	Fan Changlong	161
	Zhang Chunxian	163
	Ling Jihua	166

CONTENTS XI

Chapter 8	Jangling Global Nerves	171
	Quick March — To Catch Up	171
	Xi Stamps Authority on PLA with Ease	176
	Behind the Budget Smokescreen	179
	Chinese Maritime Plan "a Threat"	181
	Could the Unthinkable Happen Again?	183
Chapter 9	Reform: Easier Said Than Done	191
	Good Start but Drastic Reforms Unlikely	191
	Heeding Lessons of Old Regime	194
	Media Freedom Unlikely to Bloom	197
	Pitfalls of Party Downsizing	203
	Legal Reform: Promises and Hopes	205
	Graft: The Battle Is Joined — Again	207
	Crooked Cadres Hide Booty in Property	208
	Losing Patience with Democracy	211
	Feeling the Bite — China's Hospitality Industry	215
	Rights Treaty "Must Be Ratified"	217
	Call to Legalise Same-Sex Marriage	218
	Veterans' Long March for Reform	220
	At 95, Still Bent on Party Reform	226
Chapter 10	New Leaders Seek China's Renewal	231
	"Renaissance" Within Reach	231
	Premier Li: Strong or Just Moderate?	234
	Central Bank — Zhou Xiaochuan	236
	Foreign Policy — Wang Yi	238
	Defence — Chang Wanquan	241
	Finance — Lou Jiwei	242
	Economy — Xu Shaoshi	244
	Commerce — Gao Hucheng	245
	Health — Li Bin	247

	Taiwan Affairs — Zhang Zhijun	248
	Anti-Graft — Huang Shuxian	250
	Securities Regulation — Xiao Gang	251
	Ethnic Affairs — Wang Zhengwei	253
	Supreme Court — Zhou Chiang	254
	Cabinet Revamp Short on Action	257
Chapter 11	Will China Miracle Lose Its Magic?	261
	Bulls vs Bears	261
	Old Plans Tie New Hands	263
	Rough Road to Change	268
	Bleak Outlook for Tough Pollution Laws	271
	Lifestyle, Career Concerns Drive Out Talent	274
	Red Alert for Greying China	279
	Fat Cats Feel the Squeeze	281
Chapter 12	The Media Genie	285
	New Technology, New Voice	285
	Surprise in Social Media Findings	289
	Chilling History Lesson for China's "No" Voter	291
Chapter 13	Lost, Found, and Still Searching	293
	Still Waters Run Deep in Taiwan Strait	293
	Hong Kong Wary of Beijing Intentions	297
	Hong Kong-Mainland Sore Points	300
	What's in China's "Manhattan" for Hong Kong?	304
	Qianhai — Seedbed for Reform?	309
Chapter 14	Who to Watch	313
	Seven Tipped for Sixth Generation	313
Glossary of	Names	319