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The Dynamics and Consequences of **Power Centralisation in China**

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Executive Summary

On 11 March 2018, China officially abolished the term limit for the roles of president and vice-president, paving the way for current President Xi Jinping to rule indefinitely. This constitutional amendment represents a significant departure from the political reforms initiated by Deng Xiaoping beginning in the late-1970s after the period of Maoist rule. The recent amendment is a significant rollback to strongman politics and therefore is bound to have significant implications. In terms of domestic politics, it will have implications for the Communist Party of China's (CPC) long-term stability, as Xi has dismantled a system that had so far ensured an orderly succession of leadership at the top level, thereby creating a potential danger of destabilising power struggles in the future. His personalisation of the collective leadership and dismantling of consensus rule undermines the basic foundation of elite unity and cooperation which ensured stable transitions of power in the past two decades. The process of 'partyfication' of the state and society puts greater pressure on China's civil society, which has already been affected by Xi's intolerant policies and is likely to experience more stringent measures of control and repression boosted by the application of sophisticated technologies such as big data, digital surveillance, and artificial intelligence (AI). Ideals such as multiparty democracy, human rights, and rule of law are destined to face continued rejection as Western values. Despite Xi's plan to make governance more efficient, his over-consolidation of power and cult of personality will stand in the way of transparent and effective governance if low-level authorities do not dare to report objectively to higher authorities. Though Xi has ensured himself an effective chairmanship in relation to almost all critical state functions, still, it is impossible for him to oversee all policies and their execution. This may lead to what is known as the 'dictator's dilemma', where subordinates tell their superior what they want to hear, resulting in policies falling short of targets or being counterproductive due to lack of objective feedback. This was the case during the famine that was a result of the Great Leap Forward campaign, when local authorities uncritically and overly extolled the achievement of a completely failed policy.

Introduction

On 11 March 2018, China officially abolished the term limit for the roles of president and vice-president, paving the way for current President Xi Jinping to rule indefinitely. Some scholars have declared this development as the "most historically consequential" power grab by Xi during his two presidential terms.¹ While for some observers Xi's consolidation of power revives memories of Chairman Mao's despotic rule, there are others who see such worries as unnecessary and groundless because today's Chinese leaders are more reasonable and sophisticated than their revolutionary predecessors.² However, it is important to consider the risks associated with the excessive concentration of power in the hands of one individual who presumably intends to remain in power indefinitely. The consequences could be profound because this development has changed the structure of power at the top of the political hierarchy, which likely will have a huge impact on decision-making, policies, and leadership transition. Xi's surprisingly swift rise in Chinese politics raises multiple questions.

In the broadest sense, the fundamental question is what the prospect of Xi's perpetual rule portends for China, as well as the world at large, in the next five to ten years. Will it bring political stability and economic prosperity to China? Indeed, the possibility of Xi's indefinite presidency raises many questions that are difficult to answer even speculatively. For instance, who will succeed Xi if he dies suddenly in office?

This Special Report specifically analyses the implications of Xi's likely indefinite rule on Chinese domestic politics. The first part attempts to put Xi Jinping's politics within the larger context of Chinese politics since Deng's introduction of reform and opening up policy. The second part analyses the likely consequences of Xi's power consolidation on the CPC and its stability. The third part looks at the status of civil society in China during Xi's rule and how it is likely to get more repressive if the present trend towards more sophisticated high-tech powered control continues. The fourth and final section analyses the drawbacks and risks of highly centralised and personalised authority on the development of effective and transparent governance which is more responsive and less

¹ Cheng Li & Ryan McElveen, "China's Constitutional Conundrum," *Brookings Institution*, February 28, 2018, <https://www.brookings.edu/blog/order-from-chaos/2018/02/28/chinas-constitutional-conundrum/>

² Shiu Sin Por, "China Needs Xi Jinping at the Helm for at Least a Decade more to Finish his Anti-corruption Work and Build an Effective System," *South China Morning Post*, March 5, 2018, <http://www.scmp.com/comment/insight-opinion/article/2135706/china-needs-xi-jinping-helm-least-decade-more-finish-his>; see also, Keyu Jin, "The West Wrong About China's President," *Project Syndicate*, April 3, 2018, <https://www.project-syndicate.org/commentary/china-no-presidential-term-limits-not-dangerous-by-keyu-jin-2018-04?barrier=accesspaylog>

bureaucratic as envisioned by Xi himself in the restructuring of the State Council.³ The focus of this paper excludes China's largest minority regions, the Tibetan Autonomous Region (TAR) and other Tibetan habiting areas in the adjoining Chinese provinces, and Xinjiang, for the analytical reason that the nature of China's rule and policies in these restless regions are significantly different from 'mainland' China.

³ "China Unveils Cabinet Restructuring Plan," *Xinhua*, March 13, 2018, http://www.xinhuanet.com/english/2018-03/13/c_137036855.htm

The Context: Xi as the New Helmsman

Xi's recent attempts to solidify his grip on power run contrary to the policy direction of Deng Xiaoping's reforms of Chinese politics after the chaotic Maoist era. Xi has sought to affect the 'de-Denginisation' of the Chinese political system through a series of 'de-institutionalisation' and 'deconstruction' measures aimed at Deng's political reforms initiated nearly four decades ago.⁴ The termination of the presidential term limit is one of the most conspicuous steps, which appears designed to ensure Xi a long tenure. While critics of Xi's ambitious move point out the dangers of one-man-rule as a backward step, there are also others who maintain that a term limit can be problematic as well, as it cuts short the tenure of competent leaders and can disrupt policy or even sometimes cause political chaos.⁵ In the short-term, keeping a competent leader in power may be effective; but such argument fails to take into account the long term consequences of one strongman's perpetual rule. Xi may turn out to be an excellent leader during his long rule, but there is no guarantee that the next leader will be as competent or effective.

Deng steered the CPC from strongman rule to a more consensus-based system of power-broking among political elites by institutionalising the transfer of power from one leader to the next. This system of orderly leadership transition after two five-year terms has benefited China in terms of political stability, economic growth, and relative lack of conflict at the international level. In this sense, what Xi enacted is the destruction of rules and erosion of norms that have contributed to sustaining the party's stability so far and preventing the recurrence of political chaos such as the Cultural Revolution. However, Xi justified the removal of the term limit as necessary for China's long-term peace and stability.⁶ Deng's reforms occurred for reasons including ensuring the party's survival and stability. Xi's rolling back of Deng's initiative has been justified on similar grounds because

⁴ David Shambaugh, "Under Xi Jinping, a Return in China to the Dangers of an all-powerful Leader," *South China Morning Post*, March 1, 2018, <http://www.scmp.com/comment/insight-opinion/article/2135208/under-xi-jinping-return-china-dangers-all-powerful-leader>

⁵ Keyu Jin, "The West Wrong About China's President," *Project Syndicate*, April 3, 2018, <https://www.project-syndicate.org/commentary/china-no-presidential-term-limits-not-dangerous-by-keyu-jin-2018-04>

⁶ "Constitutional Amendment Good for China's Enduring Peace and Stability," *Xinhua*, March 11, 2018, http://www.xinhuanet.com/english/2018-03/11/c_137032173.htm

Xi seems to believe that only he can shepherd the party and the country to a glorious "national rejuvenation."⁷

However, based on the events of the past five years of Xi's leadership and his present style of rule, it is also possible to anticipate to some extent what will be his likely policy direction and their implications. China experts do not see much reason for optimism for Chinese political society in the coming years of Xi's potentially long rule. One of the main reasons behind the amendment of the constitution was ostensibly to sustain the life of the CPC; however, there is a high possibility that Xi will end up doing the opposite of what he intended.

⁷ Elizabeth Economy, "The Implications of China Eradicating Presidential Term Limit," *National Public Radio*, February 26, 2018, <https://www.npr.org/2018/02/26/588927007/the-implications-of-china-eradicating-presidential-term-limits>

Strong Party and Tense Future

One of the official reasons for eradicating the term limit is to "improve the party and state leadership system [and] to uphold and strengthen the party's overall leadership."⁸ It is clear that the main factor is regime stability, as Xi seems genuinely concerned about the survival of the party, which faces many problems like rampant corruption and rising social tensions. He wants to fix the party by putting himself at the centre as the visionary 'core leader'. In the Chinese political lexicon, the word 'core' signifies the centrality of a leader's position within the party's hierarchy as unrivalled. The problem is that while Xi's diagnosis may have been correct, the policy prescription is likely to backfire on him and the party in the long-run.

The challenges the CPC faces are deeply rooted in a one-party system that exercises tremendous power in the lives of the country's population of more than 1.3 billion people. The absence of an alternative centre of power in the form of opposition party or other checks and balances that can restrain and regulate excesses could make the regime more prone to abuse of power, rather than a system whose power is constrained by different systemic restrictions like an independent judiciary and free press. Xi's attempt to impose a one-man solution on complex systemic problems may bring about some short-term relief owing to his power within the party and his anti-corruption campaign, which has been instrumental in isolating his rivals while bringing him popularity.⁹ However, Xi's gambit could prove to be risky in the long-term as his policies undermine norms such as collective leadership and term limits which engendered elite stability at the top. While the massive exercise of power over nearly all aspects of peoples' lives makes it easy for the party to interfere in many matters, it can also fuel discontent among citizens – including party members, eventually – towards the state.¹⁰ In this sense, temporary order should not be mistaken for the certainty of long-term political stability.

With the abolition of the presidential term limit, Xi has shut the main gateway to the apex of power for future leaders aspiring to the top post. Xi's indefinite rule would undermine the prospects of socio-political mobility of rising politicians, especially his rival factions

⁸ "People's Daily: A Significant System Arrangement to Ensure Long-term Stability of the Party and the Country," *News.Sina*, March 1, 2018, <http://news.sina.com.cn/china/xlxw/2018-03-01/doc-ifwnpcns5113225.shtml>

⁹ Kevin Rudd, "What the West Doesn't Get About Xi Jinping," *The New York Times*, March 20, 2018, <https://www.nytimes.com/2018/03/20/opinion/xi-jinping-china-west.html>

¹⁰ Jiayang Fan, "Xi Jinping and Perils of One-Person Rule in China," *The New Yorker*, March 1, 2018, <https://www.newyorker.com/news/daily-comment/xi-jinping-and-the-perils-of-one-person-rule-in-china>

within the party.¹¹ The downfall of Sun Zhengcai, who was tipped to succeed Xi, suggests that Xi is unwilling to tolerate the existence of a could-be successor within the party. Such cases will likely give rise to more political intrigues and struggles because they have the potential to shake the system. In Chinese politics, factional ties are important not just promotions but also for protection; it is almost impossible not to create enemies when one faction opposes others. For instance, when Xi purged powerful figures such as Bo Xilai or Zhou Yongkang, it also put the future career of many party cadres in jeopardy. Though the party has the monopoly of power in China, within the party, power is with individual leaders and not party institutions.¹² This is the primary reason why Xi can dominate over different branches of both the party and state, either through the small, leading groups he chairs or by appointing his men to critical positions. However, this dynamic could undermine the underlying factors that hold the party together.

Xi's strongman politics and the growing cult of personality can overinflate confidence in the infallibility of his power and policies, which in reality can blind Xi and his underlings from seeing the bigger picture. Active propaganda machineries work hard to promote Xi's ideas and make his image ubiquitous in a way that did not happen at least with his immediate predecessors, Jiang Zemin and Hu Jintao. However, the more Xi personalises the party, the less the party rule remains collective – therefore making it more vulnerable and at risk of infighting among the leadership, especially after Xi's era.¹³ The system of collective leadership is more than a norm, it is a political structure that acts as a form of intra-party checks and balances.

The distortion of this system is more dangerous when it comes to the critical issue of power transition. The tricky business of power transition after Xi will likely be more tumultuous because dictatorial regimes normally tend to be more vulnerable during crucial moments of transition.¹⁴ Xi's excessive consolidation of power could spur increasing and potentially violent "power struggle[s]" as factions will compete for the

¹¹ Lily Kuo, "China sentences former political rising star to life in prison for corruption," *The Guardian*, May 8, 2018, <https://www.theguardian.com/world/2018/may/08/china-sentences-former-political-rising-star-to-life-in-prison-for-corruption>

¹² Jing Huang, "Factionalism and the Political System in China", *Factionalism in Chinese Communist Politics*, 2000, Cambridge University Press, p.56

¹³ Peter Mattis, "Is China Really Cracking Up?," *ChinaFile*, March 11, 2015, <http://www.chinafile.com/conversation/china-really-cracking>

¹⁴ Noah Feldman, "China Faces Downsides of Dictatorship," *The Japan Times*, Feb 28, 2018, <https://www.japantimes.co.jp/opinion/2018/02/28/commentary/world-commentary/china-faces-downsides-dictatorship/#.WuGpIIOFNo4>

power and resources once shared among all."¹⁵ One of the main reasons for regime collapse in dictatorships is not so much about persistent external threats but internal decay and conspiracies. This has also been true in the case of Chinese emperors, and if the party is eager to learn a lesson from China's long history, then it should consider that the biggest threat to the regime could exist within the regime itself, and that those leaders (emperors) who passed the throne to a competent successor had their dynasties last longer than those who did not.¹⁶ The party can also learn from its own experience of the power struggle after Mao, which ensued with the dramatic fall of the Gang of Four and then Mao's own successor, Hua Guofeng, as Deng resurrected himself back into power.¹⁷ Drawing from the excesses of the Cultural Revolution being blamed on the Gang of Four and the Red Guards begs the question, does Xi have somebody to use as a scapegoat if his rule goes badly?

The CPC also does appear eager to learn from the downfall of the Communist Party of the Soviet Union. Xi is preoccupied with ideological factors in the fall of Soviet Union and wants the CPC to maintain its hegemony over the ideological sphere and shape it in accordance with the political needs of the regime.¹⁸ This means that civil society in China is due to experience the party's increasing interference in every aspect of life.

¹⁵ Cary Huang, "'President For Life' Xi Risks Repeat of China's Mao-Era Mistakes," *South China Morning Post*, March 11, 2018, <http://www.scmp.com/week-asia/opinion/article/2136255/president-life-xi-risks-repeat-chinas-mao-era-mistakes>

¹⁶ Yuhua Wang, "Can the Chinese Communist Party Learn from Chinese Emperors?," *LARB China Channel*, March 22, 2018, <https://chinachannel.org/2018/03/22/chinese-emperors/>

¹⁷ For further understanding, see Jing Huang, "Deng Xiaoping's Dominance: Factionalism Prevails Over the Party Spirit", *Factionalism in Chinese Communist Politics*, Cambridge University Press, 2000, pp.350-360

¹⁸ Cary Huang, "Paranoia from Soviet Collapse Haunts Party China's Communist Party, 22 Years on," *South China Morning Post*, November 18, 2013, <http://www.scmp.com/news/china/article/1359350/paranoia-soviet-union-collapse-haunts-chinas-communist-party-22-years>

Civil Society

The state of civil society over the past five years has continued to deteriorate as far as issues of human rights, a free press, and civil liberties are concerned. Contrary to the initial hope, Xi has proved himself to be more authoritarian than his predecessor, Hu. He both intensified the state's rigid control over society and diversified the targets of the clampdowns: feminists and other citizens working at the grassroots level, such as those raising the problem of corruption (in spite of Xi's own anti-corruption crusade), are now targeted in addition to political dissidents, lawyers, religious groups, and minority nationalities. According to the Freedom House Report of 2015, at least 17 different groups have been targeted by authorities; among them, 11 groups began to face increased repression since Xi came to power in 2012.¹⁹ Since then, the repressive trend has only continued. For instance, there was a mass crackdown on lawyers in 2015 where some 300 lawyers were rounded up for interrogation; academics are instructed to not teach topics such as multiparty democracy, the rule of law, free speech, and the party's past mistakes; and there are student informers who spy on their faculty and peers to report their political views.²⁰ This is similar to practices during the Cultural Revolution. In 2016, the Chinese Ministry of Justice introduced a new regulation making law firms responsible for the actions of their lawyers, which means that a firm can lose its license for politically motivated reasons if one of its lawyers defends someone in such a way that is disagreeable to the authorities.²¹ The regime has even opposed nascent feminist activists who try to raise issues of gender-based violence.²²

¹⁹ Sarah Cook, "The Politburo's Predicament," *Freedom House*, January, 2015, pp.27-30, https://freedomhouse.org/sites/default/files/12222014_FH_ChinaReport2014_FINAL.pdf

²⁰ "China: On "709" Anniversary and Legal Crackdown Continues," *Human Rights Watch*, July 7, 2017, <https://www.hrw.org/news/2017/07/07/china-709-anniversary-legal-crackdown-continues>; see Tom Phillips, "It's Getting Worse': China's Liberal Academics Fear Growing Censorship," *The Guardian*, August 6, 2015, <https://www.theguardian.com/world/2015/aug/06/china-xi-jinping-crackdown-liberal-academics-minor-cultural-revolution>; see Raymond Li, "Seven Subjects Off Limits for Teaching, Chinese Universities told," *South China Morning Post*, May 10, 2013, <https://www.scmp.com/news/china/article/1234453/seven-subjects-limits-teaching-chinese-universities-told>; also see "China Uses Student Spies to Keep the Academia to on Toe," *Tibetan Review*, June 18, 2018, <http://www.tibetanreview.net/china-uses-student-spies-to-keep-the-academia-on-toe/>

²¹ Nectar Gan, "Trial by fire: three years on from Crackdown that put China's Nascent Human Rights Law Movement to the Test," *South China Morning Post*, July 8, 2018, <https://www.scmp.com/news/china/policies-politics/article/2154278/trial-fire-three-years-crackdown-put-chinas-nascent>

²² G.E., "Why China Arrested, Then Released, Five Feminists," *The Economist*, April 28, 2015, <https://www.economist.com/the-economist-explains/2015/04/27/why-china-arrested-then-released-five-feminists>

Apart from the sweeping crackdown on civil society in China, Hong Kong has also increasingly felt the effects of Xi's repressive authoritarian governance. For example, some pro-democracy candidates have been disqualified from running for public office, others have been imprisoned, and recently, there has been a move to ban a pro-independence party on security grounds.²³ These trends point to the Chinese state's active efforts to intensify offensive measures against human rights, freedom of the press, and free speech. The state does not want people to engage in any organised activity not approved by the authorities because of the concern that any movement, even if overtly non-political, can encourage activism and organisation.

If the present political climate of repression is to continue during Xi's long era, the prospects for Chinese civil society look bleak. The regime's logic is to create a culture or psychology of subservience to the regime either through intimidation or indoctrination and cooptation. Increasingly, it relies on repression and nationalism for regime security, but these strategies are costly and dangerous in the long-term, which may end up contributing the party's own downfall.²⁴ After Xi came to power, the budget for internal security soared to US\$ 196 billion in 2017 alone – more than China's military spending and a massive leap from a budget of US\$ 111 billion in 2012.²⁵ (By comparison, the US budget for homeland security in 2017 was US\$ 40.6 billion.)²⁶ Further, the budget is likely to increase as the ruling party is in the process of building a surveillance state with high-end technologies (and high maintenance costs to sustain such a large-scale operation). Today, China is the world's largest market for surveillance and security technology and the Chinese police are expected to spend US\$ 300 billion in the next few years on tools of surveillance.²⁷ Party leaders are aware that the CPC has reaped remarkable legitimacy dividends from the state's economic performance in the past several decades. However, it is also apparent that the party can no longer rely on past achievements as the country's economic fortunes begin to slow down and multiple challenges appear, such as environmental degradation, a huge wealth gap, and labour unrest. All of these are

²³ Austin Ramzy, "Hong Kong May ban Political Party That Seeks Independence from China," *The New York Times*, July 17, 2018, <https://www.nytimes.com/2018/07/17/world/asia/hong-kong-ban-independence-party.html>

²⁴ Minxin Pei, "Twilight of Communist Party Rule in China," *The American Interest*, November 12, 2015, <https://www.the-american-interest.com/2015/11/12/the-twilight-of-communist-party-rule-in-china/>

²⁵ Josh Chin, "China Spends More on Domestic Security as Xi's Power Grows," *The Wall Street Journal*, March 6, 2018, <https://www.wsj.com/articles/china-spends-more-on-domestic-security-as-xis-powers-grow-1520358522>; see media coverage of budget for 2012 <https://www.reuters.com/article/us-china-parliament-security/china-domestic-security-spending-rises-to-111-billion-idUSTRE82403J20120305>

²⁶ Budget-in-Brief Fiscal Year 2017, US Department of Homeland Security, p.2: <https://www.dhs.gov/sites/default/files/publications/FY2017BIB.pdf>

²⁷ Paul Mozur, "Inside China's Dystopian Dreams: A.I., Shame and Lots of Cameras," *The New York Times*, July 8, 2018, <https://www.nytimes.com/2018/07/08/business/china-surveillance-technology.html>

unintended consequences of the reckless pursuit of GDP growth. It appears that as the party is increasingly short of carrots, it will have to make more use of sticks, and for that purpose, China is in the process of developing a massive surveillance state by employing sophisticated high-tech, big data, and artificial intelligence.²⁸ Such an Orwellian state empowered with modern technology has the potential to usher in an unprecedented form of control and repression over peoples' political attitudes and activities. For instance, the rapidly growing application of a social credit system to monitor peoples' behaviour, planned to be completed by 2020, is a worrying case-in-point.

At present, the state has the financial resources to pursue this notion of stability and will be able to continue doing so as long as economic conditions remain amenable. However, while economic growth is projected to slow-down in 2018, a crisis is not yet in view.²⁹ Alongside broader economic considerations are other budgetary factors which can strain the state's financial resources, such as an aging population and environmental issues like pollution and water shortages. Addressing these problems will entail massive public spending, but will always be important for the regime's legitimacy.

In addition to these measures of surveillance and control, the party also seeks to engender loyalty and obedience through encouraging nationalism among the population. While the promotion of state nationalism may burnish the regime's nationalist image in the short-term, it can also backfire if the regime fails to meet the expectations of its nationalist rhetoric. China is party to several international maritime and territorial disputes, and it continues to maintain a no-compromise agenda in defence of what it sees as its territories. While such nationalist statement helps image-building in the short-term, it can undermine policy flexibility and reduces options to solve disputes on a *quid pro quo* basis in the future. The flipside of such rhetoric is that even a reasonable policy adjustment for international stability may be seen as failure to secure Chinese territorial interests and the party, or Xi himself could be the target of Chinese nationalism. As a result of decades of 'patriotic education', the party has made nationalism a tool to contain those who criticise the party. To love the party and believe in its leadership have been an important part of patriotic education; consequently, it seems "easier to label "unpatriotic" those who oppose party policies or question its legitimacy."³⁰ This was demonstrated in 2017, when a Chinese student at the University of Maryland, whose praise for clean air and free speech in the US during her graduation speech received harsh online attacks for

²⁸ Minxin Pei, "China is Not a Garden-Variety Dictatorship," *The Atlantic*, March 5, 2018, <https://www.theatlantic.com/international/archive/2018/03/china-xi-jinping-president/554795/>

²⁹ Simon Rabinovitch, "China's L-shaped Economy will Slow down but Still be Strong," *The Economist*, November 7, 2017, <http://www.theworldin.com/edition/2018/article/14431/chinas-l-shaped-economy-will-slow-still-be-strong>

³⁰ Rachel Lu, "A New Definition of Chinese Patriotism," *Foreign Policy*, September 11, 2014, <https://foreignpolicy.com/2014/09/11/a-new-definition-of-chinese-patriotism/>

'belittling' China by comparison. She had to apologise and affirm her love for the country. This year, China has launched a new patriotic campaign specifically aimed at making intellectuals toe the party-line and promote its ideas and interests.³¹ While survival strategies, like sowing fear through repression and jingoism through nationalism, seem to promote the party's political interests, it does also indicate that the regime is perhaps running out of ideas. These approaches are thus more a reflection of weakness than strength.

The CPC also makes clear that there will be no significant political reform in a more open and liberal direction. In fact, in what came to be known as Document 9, circulated in 2013, an ideological campaign was declared against so-called Western values and ideas like liberal democracy, human rights, the rule of law, neoliberal economy, press freedom, and civil society. The party condemned these the anti-China West's strategic designs to undermine China's political system and its path of socialist development with Chinese characteristics.³² The document signals both the party's fears and as well as a rejection of any alternative views that deviate from the party line. The concerned authorities are expected to be alert, pre-emptive, and strong in combating any ideological opposition to the regime. There is a reassertion of ideological control which nominally includes the teachings of Marxism as well as Xi's thought. Textbooks have been published to teach and study Xi's thoughts that are aimed at audiences from the level of party officials to schoolchildren, as ideological homogeneity is assumed to be imperative for stability.³³ However, it is important to remember that the more the authorities emphasise ideological purity, the more the prevailing ideology will be intolerant toward different views. This was also the case during Mao's era: the demand for greater ideological conformity went hand-in-hand with the desire to push more restrictive measures to achieve it. Xi shows interest in an ideological engineering of the citizenry, similar to that which occurred under Mao. Xi's speech on art and literature in 2014 has familiar echoes of what Mao said on a similar topic in 1942.³⁴ When it comes to the purging of political rivals, the revival of strongman politics more broadly, or the penchant for shaping ideology, Xi resembles Mao more than any Chinese leader since. While he has been quite successful in consolidating his position within the party and asserting increasing power over the state and society, however, this current dispensation presents some serious risks.

³¹ Charlottee Gao, "CCP Wants to Enhance 'Patriotism' Among China's Intellectuals," *The Diplomat Magazine*, August 6, 2018, <https://thediplomat.com/2018/08/ccp-wants-to-enhance-patriotism-among-chinas-intellectuals/>

³² "Document 9: A ChinaFile Translation," *ChinaFile*, November 8, 2013, <http://www.chinafile.com/document-9-chinafile-translation#start>

³³ An Baijie, "Book Published to teach Xi Thought," *China Daily*, May 18, 2018, <http://www.chinadaily.com.cn/a/201805/18/WS5afe0469a3103f6866ee9186.html>

³⁴ Cary Huang, "Xi, Mao and Dark Art of Ideology," *South China Morning Post*, October 21, 2014, <https://www.scmp.com/news/china/article/1620884/xi-mao-and-dark-art-ideology>

It has been argued that Xi's increasing repression and his massive anti-corruption campaign are intended to shore up the party's power, but instead these high-handed measures could end up producing the opposite result.³⁵ By default or design, most of the high profile victims of his anti-corruption campaign have been from other factions, while those that have been swiftly promoted are those who have worked/associated with Xi. The political dividends Xi has earned may not necessarily be good for the party as an institution. In the absence of an alternative party, the factions act as an intra-party constraint on the dominant faction, and are instrumental to 'party consensus'. This consensus is a vital, stabilising feature of the party that has now been nullified under Xi. As a result, the regime's supposedly unique features such as 'authoritarian resilience' and 'adaptability' in facing new challenges have either been exhausted or made less relevant in Xi's era. Under Xi, there is a rising tide of "paranoia about foreign influence, reassertion of party power, and hostility to civil society."³⁶ The nature of his rule gives the impression that "his China Dream increasingly resembles a 21st century, high-tech, less bloody version of Mao's China."³⁷ The massive consolidation of power and 'partyfication' of the state bureaucracy will have significant impact on the future prospects of effective and transparent governance.

³⁵ David Shambaugh, "The Coming Chinese Crackup," *The Wall Street Journal*, March 6, 2015, <https://www.wsj.com/articles/the-coming-chinese-crack-up-1425659198>

³⁶ James Palmer, "What China Didn't Learn From Collapse of Soviet Union," *Foreign Policy*, December 24, 2016, <http://foreignpolicy.com/2016/12/24/what-china-didnt-learn-from-the-collapse-of-the-soviet-union/>

³⁷ Andrew J Natham, "China: Back to the Future," *ChinaFile*, May 10, 2018, <http://www.chinafile.com/library/hyrb-china-archive/china-back-future>

Good Governance and the ‘Dictator’s Dilemma’

Xi’s termination of the term limit and concentration of power could undermine his own initiative to modernise the country and to "advance law-based governance and modernise China’s system and capacity for governance," which could be beneficial if the term limit stands in the way of good governance.³⁸ On the flipside, the practice of efficient governance can also be developed with the term limit intact. Ultimately, however, abolishing the term limit makes little sense because some ambitious leaders remaining in power will not necessarily lead to creative and responsive governing mechanisms. In fact, it could also mean more obstacles in the development of legal and transparent governance in the long-term. A highly centralised and top-down approach is not generally a good trigger for innovation and new thought, which need at least some stakeholder involvement.

A key concern is to what extent will policy decisions and accountability be shaped by the 'dictator’s dilemma'.³⁹ This dilemma entails a situation where subordinates do not dare to report honestly to the highest authority even when affairs are deteriorating, sharing only information that pleases the superiors. As the 'Chairman of everything', Xi’s influence appears to be wide-ranging; yet, it is practically impossible for him to assess all policies, their execution, and effectiveness in a country as large and diverse as China. Those who speak genuinely but critically of his policies may be seen as questioning his authority and receive punitive treatment, which would then further silence others. However, if Xi can avoid such a dilemma, there is room for optimism that Chinese governance will improve, provided that newly created ministries and administrative agencies do well with their designated functions. China has carried out a massive reshuffling of the government to make it "better-structured, more efficient, and service-oriented."⁴⁰ The overhaul of government institutions indicates the party’s willingness to make public services more professional; however, it is somewhat premature to determine whether the new changes will boost performance or be akin to old wine in new bottles.

³⁸ “Chinese Leaders Join National Legislators in Panel Discussion,” *Xinhua*, March 7, 2018, http://www.xinhuanet.com/english/2018-03/08/c_137022847.htm

³⁹ David Dollar, “Xi’s Power Grab Gives a Short-term Boost with Long-term Ramifications,” *Brookings Institution*, February 27, 2018, <https://www.brookings.edu/blog/order-from-chaos/2018/02/27/xis-power-grab-gives-a-short-term-boost-with-long-term-ramifications/>

⁴⁰ “China Unveils Major Cabinet Reshuffle,” *Xinhua*, March 13, 2018, http://www.xinhuanet.com/english/2018-03/13/c_137036361.htm

More optimistic arguments suggest that the obliteration of the term limit could help Xi bring about important reforms that he was unable to implement in the past five years due to resistance from vested interests.⁴¹ Now, with this restraint gone, the environment seems more conducive. However, expecting major reform may be overstating the case as the party has huge political and financial interests in retaining the big state-owned enterprises. To put in motion significant changes to the economy in line with the market, the party has to replace or resize these state-owned enterprises, and doing so would mean the party losing its main economic bulwarks that play a significant role in protecting the monopoly of power.⁴² Indeed, ample financial resources are indispensable in running a surveillance state. With the regime preoccupied with its stability, it is unlikely to undertake any significant economic reform that may undermine its power base.

⁴¹ Keyu Jin, “The West Wrong About China’s President,” *Project Syndicate*, April 3, 2018, <https://www.project-syndicate.org/commentary/china-no-presidential-term-limits-not-dangerous-by-keyu-jin-2018-04>

⁴² Minxin Pei, “China is Not a Garden-Variety Dictatorship,” *The Atlantic*, March 5, 2018, <https://www.theatlantic.com/international/archive/2018/03/china-xi-jinping-president/554795/>

Conclusion

The abolishment of the presidential term limit is a significant political development in contemporary China that is bound to have multiple implications for Chinese politics and society. Xi's move is a major departure from Deng Xiaoping's reform initiatives that not only put an end to chaotic one-man rule, but also ensured a regular and stable transfer of power within the party. Seen as an important means of sustaining the life of the CPC, this recent development signals the regime's apprehension about its future and reflects the 'partyfication' of the state and society. Interestingly, but also contradictorily, while eliminating the term limit reflects a measure of weakness within the party, it also indicates Xi's confidence in his own ability to strengthen the party by placing himself at the centre.

With term limits abolished, Xi intends to prolong his role as the only man capable of sustaining the CPC. However, in the long-term, there is a danger that Xi may fail to meet this objective. 'Partyfication' and personalisation risks causing disillusionment among party members. The party and its propaganda machinery promotes Xi as the new helmsman, similar to Mao, which increases the possibility of Xi being surrounded by sycophants rather than supported by figures who are loyal but willing to disagree. What should most concern the CPC is its future power transition. It is politically imperative for Xi to express a policy direction regarding leadership succession in order to assuage public concern about transition politics.

With authorities keen to empower the party, the space for civil society is likely to shrink in the coming years, as the regime is deploying more sophisticated means to impose its vision of development and security on the entire country. Though not new, the intensity of such efforts have increased since the time of Hu's leadership. Increasingly repressive tactics in stifling all significant forms of political resistance indicate the regime's dwindling confidence in its legitimacy. It seeks to manage civil society through a combination of repression, cooptation, and indoctrination. While it will try to win people's support through campaigns such as those focused on anti-corruption, poverty reduction, and nationalism, the state security apparatus will crack down on those who dare to dissent openly. The challenge for the party is how it will bring about a more prosperous society without conceding a similar degree of public space for other kinds of expression. While nationalism will be a powerful tool to rally the public around the one-party state, especially on foreign policy matters, it can also play a role in embroiling the country in complicated and onerous international disputes.

In terms of governance, while expectations are high that the newly restructured state institutions reflect the party's willingness to improve the system, the excessive concentration of power in Xi may give rise to 'the dictator's dilemma'. The government restructuring was aimed at addressing some of the challenges facing the country such as environmental pollution and income disparity, but it will be some time before the impact on these indicators become evident. Moreover, it is yet to be seen whether transparent, less bureaucratic, and more responsive governance can emerge in a highly top-down political system that discourages free press and public criticism of state policies and leadership.

Overall, the abolition of the presidential term limit gives an indication of the extent to which Xi has consolidated his personal power within the CPC. It also reflects the party's apprehension about its stability at a crucial stage when the country faces the challenges of striking a balance between political stability and political freedoms, economic development and environment protection, and wealth disparity and wealth creation. While to some observers Xi gives the impression of confidence and vision, the path through which he is steering China could yield a short-term boost but a longer-term blunder.



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