

THE BROOKINGS INSTITUTION

WEBINAR

TOWARD XI'S THIRD TERM:
CHINA'S 20TH PARTY CONGRESS AND BEYOND

Washington, D.C.
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Opening Remarks:

SUZANNE MALONEY
Vice President and Director, Foreign Policy, The Brookings Institution

Panel 1: Perceptions and realities of Chinese elite politics:

DEBORAH LEHR, Moderator
Vice Chairman and Executive Director, Paulson Institute

CHENG LI
Senior Fellow and Director, John L. Thornton China Center, The Brookings Institution

ANDREW MERTHA
Professor and Director, China Studies Program
Director, China Global Research Center, School of Advanced International Studies
Johns Hopkins University

Panel 2: Xi Jinping's Past, Present and Future

SUSAN LAWRENCE
Specialist in Asian Affairs, Congressional Research Service

YAWEI LIU
Senior Advisor on China, The Carter Center

DAVID SHAMBAUGH
Gaston Sigur Professor of Asian Studies, Political Science & International Affairs;
Director, China Policy Program, Elliott School of International Affairs,
George Washington University

JOSEPH TORIGIAN
Assistant Professor, School of International Service, American University

RYAN HASS, Moderator
The Michael H. Armacost Chair, Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies,
and Senior Fellow, Center for East Asia Policy Studies, The Brookings Institution
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P R O C E E D I N G S

MS. MALONEY: Good afternoon to those of you in the Washington area, and good morning and good evening to those who may be tuning in from other parts of the globe. My name is Suzanne Maloney, and I'm vice president and director of Foreign Policy here at the Brookings Institution.

On behalf of Brookings Foreign Policy and our John L. Thornton China Center, I'm delighted to welcome you to our event today entitled, "Toward Xi's third term: China's 20th Party Congress and beyond."

This year brings many important milestones for China, such as the upcoming Winter Olympics. In late 2022, the world will again turn its eyes to China as the country hosts its 20th Party Congress, an event that will shape the composition of the Chinese leadership and Beijing's policy priorities for the next five years and beyond.

To look ahead to this important convening, today, we've brought together two expert panel discussions featuring a truly all-star lineup of China's scholars. They will discuss the evolution of norms in Chinese elite politics, and offer their predictions for the outcomes of the 20th Party Congress and what the future may hold for President Xi Jinping.

Our first panel, moderated by Deborah Lehr, vice chairman and executive director of the Paulson Institute, will feature four terrific experts, starting with Brookings senior fellow and director of our China Center, Cheng Li; Andrew Mertha, who is professor and director of the China Studies Program and the China Global Research Center at Johns Hopkins University's School of Advanced International Studies; Alice Miller, research fellow at the Hoover Institution and lecturer at Stanford University; and Anthony Saich, professor of International Affairs and director of the Ash Center for Democratic Governance and Innovation at Harvard University's Kennedy School.

Our second panel will be moderated by my colleague, Ryan Hass, who holds both the Michael Armacost chair as well as the Chen-Fu and Cecilia Yen Koo chair in Taiwan Studies at Brookings.

This panel will feature another group of wonderful experts: Susan Lawrence, who's a specialist in Asian Affairs at the Congressional Research Service; Yawei Liu, senior advisor on China at the Carter Center; David Shambaugh, Gaston Sigur professor of Asian Studies and director of the China Policy Program at the Elliot School at George Washington University; and Joseph Torigan, assistant professor at American University's School of International Service.

These esteemed panelists will seek to provide clarity on the plans, priorities, and challenges that lie ahead for President Xi's third term, what the future may hold for the process of political succession in China, and how factional politics and new elite groups will factor into the selection of the next generation of leaders.

Before I hand over the program to the moderator of our first panel, Deborah Lehr, let me take a moment to just say just a few more words about her. In addition to Deborah's role as vice chairman and executive director of the Paulson Institute, Deborah also manages the institute's Green Finance Center, and holds several other leadership roles including founder and chairman of the Antiquities Coalition, CEO and founding partner of Basilinna, a strategic consulting firm.

During her time in the U.S. Government, she served as Director of Asian Affairs at the National Security Council under President George W. Bush, as well as Deputy Assistant U.S. Trade Representative for China where she was the lead negotiator for China's accession to the World Trade Organization. Later, she assisted Treasury Secretary Hank Paulson in launching the U.S.-China Strategic Economic Dialogue.

We're truly honored to have her help us guide our first panel discussion here today. Deborah, the floor is now yours.

MS. LEHR: Great. Thanks, Suzanne. Really appreciate that kind introduction. And it's really my honor to be hosting such a stellar panel for our discussion today. Each one of our panelists is a superstar in their own standing. So, the fact that we have them all on one panel will really make for a fascinating discussion on the perceptions and realities of Chinese

elite politics.

Our first speaker, Cheng Li, needs no real introduction. You've heard his title, but he's an accomplished scholar, the author of many books, and a well sought-after authority on Chinese leadership, politics, among other issues, including great Chinese gossip. And he's a wonderful friend and colleague. Cheng Li?

MR. LI: (Audio skip) and for your overly generous introduction, and for kindly moderating this panel. I also want to echo Suzanne's profound appreciation of our truly first-rate guest speakers.

My five-minute presentation will focus on what I see as the two main tensions or contradictions regarding the upcoming Congress. I will highlight some empirical sources of these tensions and the anticipated outcomes of personnel changes, which can help assess how the tensions will likely unfold.

The first tension is between the CCP leadership's need for stability in the months leading up to the Congress and its assertive policies on both domestic and international fronts. Domestically, the CCP leadership has recently suppressed numerous giant, private companies and confronted challenges such as economic structure changes and the huge cost of draconian measures to control COVID-19.

Now, on the foreign policy front, Beijing has been playing hardball. Xi Jinping believes that China now has more leverage in the current global economic landscape. This year's implementation of the RCEP reinforces this view. For the CCP leadership, its position on Xinjiang and Hong Kong are not negotiable, and it will continue the pressure campaign against Taiwan's independence.

Now, Beijing's strategy to reconcile this tension between the objective of stability and hardline policies, in my observation, is based on the following three factors. Number one, Chinese authorities believe that they now have gained sufficient political capital resulting from their recent successes in public health, poverty elimination, green development, technological advancement, and military modernization.

Number two, Xi Jinping's recent call for common prosperity, along with some populist policy moves, will help vulnerable social groups. Assertive foreign policy and nationalistic appeals are also resonating well with the Chinese public.

And number three, Xi Jinping's protégés, especially those who will be promoted to the next Politburo and the Politburo Standing Committee, often have substantial leadership experience from Zhejiang, Shanghai, Fujian, and Guangdong regions that are known for the vibrant private sector and their international economic engagement. This will revitalize, in the hope of Beijing, the confidence of private entrepreneurs and the Chinese middle class.

Now, let me move to the second main tension, which is between Xi Jinping's call for leadership unity and ambiguity of mandatory retirement age. In the past few months, President Xi Jinping has made several long speeches, during which, he emphasized the importance of unity within the CCP leadership.

Now, this is certainly in line with the fact that in his second term, only 2 members of the 376-member Central Committee were purged, compared with as many as 42 members who were arrested on corruption charges during his first term. So far, this term, only two members are purged, but a lot -- the first term, 42 members of the Central Committee were purged.

But it appears that the mandatory retirement age, which has imparted a sense of consistency and fairness and which has been strictly reinforced at the previous three Party Congresses, will not apply to Xi Jinping and a few other top leaders this time. Of the Politburo Standing Committee members, only one member, Li Zhanshu, currently the Chairman of NPC, is expected to retire, in my judgment.

Now, the age span of the other five members is within three to four years. There are no objective criteria to determine who will stay and who will leave, potentially causing serious resentment and resistance.

Now, to reconcile this tension, Xi Jinping will likely undertake three measures. Number one, Xi Jinping will work very hard to justify why a very small number of leaders who

were born in the mid-1950s will maintain the top echelon of the leadership. For example, he may emphasize the need for continuity of economic policy when appointing Han Zheng or Liu He as the next Premier, although it's not -- there's no indication who will be next Premier. Now, this is -- if it's one of them, he certainly will emphasize this continuity.

Number two, Xi Jinping will likely promote a significant number of leaders who were born in the 1960s to the Politburo. Among them, three or four will enter the Politburo Standing Committee to signal that a generational change is underway.

The ongoing generation change is indeed already evident at the provincial-level leadership, where the mandatory required retirement age continued to be strictly reinforced. Among the countries' 31 governors, all but one was born in the 1960s, and 94 percent of them were appointed only in the past couple of years. I estimate that 85 percent of the seats in the new Central Committee will be held by people born in 1960 or later, compared with 52 percent in the current Central Committee.

And the third and the last, while loyalty to Xi Jinping explains many promotions, Xi Jinping will likely allow some leaders from other factions or without factional identities to up to 10 seats in the Politburo and the Politburo Standing Committee to sustain leadership of unity. I will finish there. Over, Deborah.

MS. LEHR: Great. Thanks, Cheng Li. Really fascinating, and a great way to set up the rest of our discussion. Let me next introduce Andrew Mertha. Suzanne gave him a very good introduction, but I'd just like to add, he's a very well-published professor, covering a very broad range of topics from China's intellectual property rights, which I know a little bit about, to Chinese and Cambodian leadership politics, including political institutions and the domestic and foreign policy process. Andrew, over to you.

MR. MERTHA: Thank you so much, Deborah. And it's always an uncomfortable position to immediately follow Cheng Li in a panel discussion, but I'll forge forward. And I'd also like to thank the organizers for inviting me to this truly exceptional event. I'd like to use my five minutes to draw attention to five topics and approaches that we should, but

often do not, take into account as much as I think would behoove us.

So, first, there's been a lot of discussion about norms, particularly, Xi's dispensing of term limits. Jeff Bader, for example, has written persuasively about Xi seeking a third term, and why this matters. But I think another fundamental norm Xi has broken gets somewhat less coverage but may be at least as salient in predicting Xi's future behavior, and that's the peeling away of political immunity of leaders at the Politburo Standing Committee level.

Cheng Li alluded to this a little bit in talking about kind of the large number of purges that took place in Xi's first term. But this was particularly evident in the arrest, conviction, and imprisonment of Zhou Yongkang. This means that anybody at the very top of the system is now potentially a potential target for charges of serious disciplinary violations and subject to potentially the same treatment, even Xi himself. I think it's the doing away with this norm that will, as much as any other, shape Xi's actions moving forward.

Second, I think we de-emphasized Xi's relationship with institutions. Nowhere is this more apparent than the ongoing narrative comparing Xi Jinping's power today with Mao Zedong's a half century ago. I know that Tony's going to talk about this in just a moment.

But Mao's held a lifelong suspicion of the institutions of the party state, and spent much of his rule, particularly after the mid to late 1950s, weakening, working around, and otherwise undermining them.

By contrast, Xi has consolidated his power by deliberately enhancing, creating, and injecting new sets of institutions to amplify his policy preferences and beef up his power base, often enhancing the authority of the Chinese Communist Party at the expense of government agencies and their traditional mandates.

So, this results not simply in strongman rule; what we are seeing is more durable than that. Third, I think we've been slow to grasp Xi's extraordinary and intuitive understanding of how party works on the inside and from the inside.

Xi, like all leaders, possesses an idiosyncratic set of skills and strengths. One of the most important of these is that he's an astute student of Chinese Communist Party history,

of its structure, and how it functions. And this understanding and appreciation of it forms the contours of much of what he does and how he does it.

For analysts of the CCP, it might be time to begin dusting off our earlier scholarship, and those of others, so that we can better anticipate and explain the present and as well as the future. And I think such insights can provide us with important leverage in understanding Xi's concerns, motivations, as well as his concrete actions.

Fourth, we focused on Xi's actions and their proximate political outcomes without embarking on the extra step of piecing together how they serve a political policy or set of policies. We tend to discount Xi's substantive policy concerns as a driver of his political behavior.

Susan Shirk wrote in her magisterial *Political Logic of Economic Reform*, that Deng Xiaoping worked tirelessly to pack the Central Committee with sub-national leaders, often at the expense of national ones, to unleash the export-led growth that dramatically modernized China.

In 2012, Xi was tasked with completely recasting China's economic model in a way that required disempowering these very same leaders; a task that's an order of magnitude, in my opinion, more difficult than that faced by Deng. When seen in this light, both Xi's anti-corruption campaign and his fostering of state-owned enterprises makes policy sense as well as political sense.

And finally, a decade ago, in anticipation of the 18th Party Congress, much was made of Xi's formative experiences as a princeling, son of the then disgraced Xi Zhongxun, his time in Shaanxi, his brief period living in the United States, and so on.

I think, given the benefit of Xi's first 10 years, the fundamental lessons of his formative years, I think, appear to be an unsurprising but nonetheless dominant one. For Xi, politics is a deadly, serious business. It isn't something to be trifled with or to be disrespected.

The implication is that insofar as anybody within the ruling class allows competing interests to dilute or otherwise compete with their political mandate, they forfeit their

right to undertake the enormous responsibility of governance in China. And let me end there.

Thanks so much, Deborah.

MS. LEHR: Great, thanks, Andrew. That was really fascinating. And again, a very nice setup to the continuing round that we have, and then questions coming. And so, next, we have Alice Lyman Miller, who's a research fellow at the Hoover Institution. She really brings a unique perspective to the discussion that we're having today, having served as an analyst at the CIA for a number of years, covering Asia.

She's also working on a very interesting new book, tentatively entitled, *The Evolution of Chinese Grand Strategy from 1550 to Present*, which brings a historical perspective to bear on China's rising power and the contemporary international order. Alice.

MS. MILLER: Thanks very much, Deborah. I'd like to raise the possibility that the title of our event today, toward Xi Jinping's third term as General Secretary, might not be quite right. I'm not suggesting that Xi will retire. In fact, like everybody else, I do expect him to continue in the party leadership.

But I do wonder if instead the Party Congress might inaugurate some new reorganization to the party's top leadership structure, within which, Xi would occupy a new, still-dominant post. The case for this kind of a restructuring is largely circumstantial, although there are some intriguing hints that something like this may be in the offing. So, it may not be entirely fanciful on my part.

Much of the time, projections of leadership arrangements at Party Congress says presume an unchanged leadership structure. And that's been the rule since the 1982 12th Congress early in the reform era.

But there are two things that are new, and one is simply that under Xi Jinping, we've seen a major reorganization of the People's Liberation Army in 2015, the largest since the middle 1980s. And we've also seen at the 2017 19th Party Congress and the 2018 13th National People's Congress, a sweeping reorganization of central party organs under the central leadership, the National People's Congress and State Council system, as well as the United

Front system, the largest of the entire reform era.

The other thing that's new is that these reforms in 2017-2018 were carried out in the name of equipping the regime to pursue the second centenary goal of making China a modern socialist country by 2049, and to deal with the "new era of socialism with Chinese characteristics" defined at the 19th Congress, and defined by a new general task for the party on a principle of contradiction that the party faces.

So, maybe the 20th Party Congress is the place to complete the restructuring, this time, at the very top. What might this reorganization of the top leadership system look like? One scenario that I referred to might be to restore what I call the 1956 system. Under this system, the party chairmanship would be restored and would go to Xi Jinping, the general secretary would go to a younger man -- Chen Min'er, Hu Chunhua -- you name him or her, your choice.

Chairman Xi would preside over the Politburo Standing Committee, which would provide the overall vision and guidelines for policy, and he would continue as Chairman of the Central Military Commission. The General Secretary would preside over the Secretariat and manage policy adaptation and implementation.

The General Secretary would report to the Chairman, as well as the Politburo Standing Committee, and also be a member of it. The party commissions and leading small groups would be led by members of the party Secretariat, not the Politburo Standing Committee.

I call this structure the 1956 system, because this was the leadership system created at the 8th Congress in 1956. Like now, the party at that time was preparing a new era defined by a new principle of contradiction, and by the transition from the stage of socialist transformation to the new stage of building socialism or socialist construction.

It also was intended to create a first and second line in the leadership, allowing the senior leadership to step back and guide the revolution overall, but also train up a younger group of leaders to gain policy experience that could ultimately replace them down the road.

Mao presided as Chairman over the newly restored Politburo Standing

Committee, whose members included four other senior members: Liu Shaoqi, Zhou Enlai, Zhu De, and Chen Yun, and the 6th member was Deng Xiaoping, the younger man. Deng served in the newly restored post of General Secretary, he presided over the Secretariat, and was the only concurrent member of both leadership bodies.

The first Central Committee leading small groups were established in 1958 under this structure, and the full Politburo rarely matched in those days. This 1956 system obviously fell afoul with the complex politics leading to the Cultural Revolution in the early 1960s. Remember Mao Zedong's complaint that Deng Xiaoping never came to consult with him?

But Deng Xiaoping restored the same system following the 1978 3rd Plenum, which also identified a new principle of contradiction for the party, and launched a new era, this time, of reform, culminating in the 12th Congress in 1982. The post of party chairman had been abolished in 1981, but Deng played that same role as Paramount Leader, He actually declined the post of Chairman after Ye Jianying insisted that he take it.

The other aspects of the system were entirely the same as in 1956. It faltered again when Chen Yun and others complained that then General Secretary Hu Yaobang was usurping the prerogatives of the Politburo Standing Committee. And so, the system was reformed and altered fundamentally in 1987 at the 13th Congress. And that system is the system that's in place now.

The advantage of restoring some version of the 1956 system is that it addresses the problem of leadership rejuvenation that allows senior leadership around Xi Jinping to continue to guide the general direction of the party's work in the new era, while giving younger leaders a chance to gain executive experience at the top and to carry out policies consistent with the overall vision down through 1949, as the senior guys leave the scene.

This was the motivation for this system's creation in 1956, for its restoration in 1982, and it seems plausible that it could be again restored for that purpose. There are a number of questions, obviously, about this system. One is that it doesn't immediately address the problem of succession.

It also creates a problem that was manifested both during the previous two periods in which it existed, and that's the problem of two centers. What if the General Secretary and the Party Chairman fell afoul of each other?

But I stress that it is a plausible possibility. There are -- the evidence for it is, as I suggested, circumstantial, and that is, the fact that there are two previous occasions and the party's history since '49 when the party identified a new principle contradiction and launched a new phase. And in both of those cases, the leadership structure was reformed in adaptation to it.

And secondly, Xi Jinping has already undertaken major restructurings of other aspects of the institutional system, leaving the top untouched. And so, possibly, there's a reason to do it now. That's my spiel. Back to you, Deborah.

MS. LEHR: Alice, fantastic. Now, you've given us a lot to dig into, so this is really terrific. So, Tony, great setup now for you, Tony Saich. Tony is with the Ash Center at the Harvard Kennedy School, but has been traveling to China since 1976. I thought I was probably the one who had been traveling there the longest -- outside, of course, of Cheng Li, who had lived there -- but you beat me too.

So, 1976 and continues to visit every year, except, I would guess, over not the last two years, but could correct us. Is a guest lecturer with Tsinghua University, and also has a very broad range of topics that he covers, from urban sustainability, rural-urban inequities, and looking at governance in the post-Mao China. Over to you, Tony.

MR. SAICH: Well, thank you very much, Deborah. I would also like to add my thanks to the organizers for putting all this together. Well, as usual, being last on the panel, it tends to be that many things have already been said. But my comments will have some resonance with those of Andrew, and also just now from Alice.

So, when I was thinking about the elite, I thought of asking myself a question: is Xi Jinping, the new Mao Zedong? And in good academic fashion, I will come to the conclusion, yeah, no, maybe.

But let me start with the November 2021 resolution on the achievements over the last hundred years, which in reality, of course, as we all know, was about the future. It is designed to show that Xi Jinping's leadership today, and also, therefore, into the future after the next Congress, is the inevitable outcome of history, consolidating his preeminence within the party, and empowering him to set course for the party over the next 100 years.

So, as we know, this is the party's third historical summation, placing Xi Jinping, therefore, alongside Mao Zedong and Deng Xiaoping, who oversaw the first two. Now, the first two resolutions, of course, criticized the past, to legitimize setting out on a brave new path forward.

For Mao in 1945, it was a nice last nail in the coffin of his rivals for party leadership by exposing their leftist mistakes that almost brought the party to ruin. Clearly, Mao was the person to lead China forward to victory.

For Deng, the challenge was to break with the immediate disasters of the Great Leap Forward, the Cultural Revolution, and with famine and political turmoil, without discrediting Mao entirely. And of course, it enabled China to move on to a new era.

Xi Jinping's purpose is distinct, however. He is not defining the way forward by negation of the recent past, but rather, highlighting how the past plays into his hands to guide the future. The spotlight is on Xi, his achievements, the wrongs he has righted, and the future direction for China.

Interestingly, Xi is described as the principal founder of the ideology for this new era, and the core of the leadership. Interestingly, there, if you look at the document, previous leaders of the party in different generations are just referred to as the chief representative of their generation, not the core. So, the resolution then is intended to be the key document for all party members to rally around or to unite around, thereby eradicating challenges to Xi's policy preferences.

Two consequences follow. First, as I think most of us are agreeing, barring an accident of nature, Xi Jinping will be reappointed for a third term as Party General Secretary at

the 20th Party Congress. Second, it's going to sanction policy continuity rather than change as occurred after the two previous historical resolutions.

So, then the question, is Xi Jinping a reincarnation of Mao? Well, the answer depends on which Mao you're talking about, and this will relate somewhat to Alice's comments just now. Is it the Mao of the Yunnan years? In which case, the answer might be yes. But certainly not the Mao of the late 1950s and the Cultural Revolution.

Like Mao in Yunnan, Xi does see the party as crucial to achieving policy objectives, thus requiring a disciplined, unified party that carries out the will of the Supreme Leader. There is a need for a unity of purpose and thought, and that entails the eradication of alternative narratives, and the removal of any potential rivals.

However, as we all know, and has been mentioned by Andrew, the party was dispensable to Mao in terms of the '56 structure that Alice outlined when other leaders frustrated his policy ambitions. And of course, he had no qualms about tearing it down to rebuild an organizational structure that suited his own personal style.

Certainly, Xi wants a party built in his image, but it is highly unlikely that he would make such a statement as Mao Zedong did in April 1956 when he said, "One day, neither the Communist Party nor the Democratic Parties will exist. It will be very pleasant." Contrast that comment with the scorn that Xi Jinping expresses on the collapse of the Communist Party of the Soviet Union, where he felt that nobody was man enough to stand up to defend it.

So, as Andrew pointed out in his comments, that however much Xi wishes to exert his supremacy over all fields, he sees that authority coming through the party, and the structure that suits his policy approaches.

So, the authority coming through the party rather than being able to substitute for it, in organizational terms, I would say this makes him closer to another early leader, Liu Shaoqi, the ultimate Confucian Leninist. So, Liu was a firm believer in the principles of a Leninist party as the mechanism to carry out party policy.

And of course, in addition, his 1951 work on how to be a good Communist Party

member, a Confucian framing for the communist world, I think, is reflected in Xi Jinping's thinking. Although, of course, Hu Jintao had also toyed with this notion and this approach. But Xi's comments have gone much deeper than that.

So, Liu's work called for self-cultivation, that now Marx and Lenin were the masters to be studied. Xi, of course, would add himself to this list. The purpose then is to strengthen socialist ideology as interpreted by Xi, as well as the leading role of the party under his leadership.

And there, I think it's interesting with Alice's comments, that if we do think of him more in the terms of someone considering a party such as Liu Shaoqi who was influential in thinking about organizational terms in the early '50s, these alternative explanations for structure, I think, become potentially feasible.

The other thing of course which he does share is the importance, as was mentioned, in the use of history. And there, I think, of course, it's important that Xi Jinping traces a line of descendance not only through Communist Party history, but also really through imperial history, seeing the Communist Party as the natural inheritors of a ruling structure and ruling style that goes through history. So, it's the Chinese Communist Party rather than the Guomindang on Taiwan that is the natural inheritor of this.

So, to conclude then, what does this mean for elite politics? Crucially, it means that Xi Jinping will have to lead through the party, rather than being able to float above it in the manner of Mao Zedong. And the party remains preeminent, and therefore, structural changes to consolidate his position may be the ones worth watching.

But that, of course, presents a possible challenge for Xi Jinping if there is elite struggle, as legitimacy still ultimately lies with the institution rather than with the individual. And let me conclude there.

MS. LEHR: Great. Thank you, Tony. And we now have really excellent questions coming in from our very engaged audience. But let me take the liberty as the moderator of starting us off before we get to the audience. And I'd like to ask each of the

panelists the same question, and we're going to have them answer with just one sentence.

And so, this panel is about the perceptions and the realities of Chinese elite politics. So, I'd like each of you to explain, just in one sentence, as I mentioned, what you believe to be the biggest gap between the perception and reality of Chinese elite politics in the China-watching community in the United States. Cheng Li, why don't you kick us off?

MR. LI: Sure, Deborah. It's an excellent question. I probably need two sentences to answer it. America's prevailing concern about China is its ever growing power, its economic and technological advancement. But at the same time, our perceptions of Chinese leadership are rigid, stagnant, ineffective, unpopular, and incompetent. You know, we can see these words quite often in the U.S. media. I believe that these contradictory assessment, though all hold some truths, are too simplistic, not balanced, and highly misleading. Over.

MS. LEHR: I think that was three sentences, but we'll let you get away with it. Andrew?

MR. MERTHA: I'm not going to rely on subordinate clauses and run-on sentences as I normally would. I think I'll be uncharacteristically brief. I think that our priorities, the notion that our priorities are the same as those of our Chinese counterparts, I think that's probably the biggest misperception or assumption that we constantly have to keep calling ourselves on. So, I'll stop there.

MS. LEHR: Yeah, I would agree with you on that, too. And probably, U.S.-China relations doesn't make it to the top 10 list when Xi Jinping gets up in the morning. Alice, over to you.

MS. MILLER: I'm going to agree with Andrew and with Tony. Basically, I would suggest that attention is focused excessively on Xi Jinping's power and supposed personality without adequate analysis of the political and organizational context within which he operates. It leads to the common impression that he's a reincarnated Mao Zedong or a reincarnated Chinese emperor. He's neither.

MS. LEHR: Right. Tony, over to you.

MR. SAICH: Can I just say ditto for both that's gone before? I think that the biggest misunderstanding is that literature will tell you that Leninist institutions are basically rigid and not flexible. And what we've seen with the situation in China, that it's proved to be remarkably flexible and quite pragmatic.

MS. LEHR: Great. Well, all excellent comments. So, Cheng Li, let's come back to you. You've studied Chinese factional politics for decades. How would you characterize the factional composition or lineup under Xi's leadership at present and looking ahead?

MR. LI: Well, I would like to answer this very important question with three points. I also notice that a lot of the audience sent questions similar to yours about factional politics. Now, let me -- first, let me briefly review the factional politics of the post-Deng China.

Under the leadership of first Jiang Zemin and then Hu Jintao, Chinese leadership politics could be characterized by two competing coalitions. One coalition was led by Jiang Zemin and the Vice President, Zeng Qinghong venturing home with two core factions: the Shanghai Gang and the Princelings, the term that Andrew used.

Now, Xi Jinping belonged to this coalition. Another coalition was led by Hu Jintao, and its core faction was the Chinese Communist Youth League officials known as the *Tuanpai*.

Now, my second point is that soon after becoming the top leader of the current Chinese Communist Party, Xi Jinping profoundly changed the relative balance of power between these two coalitions, or the so-called collective leadership, with the help of a fellow princeling, then powerful Wang Qishan.

Xi Jinping launched an unprecedented large-scale anti-corruption campaign, and purged many *Tuanpai* leaders. Most of them *Tuanpai* leaders. Of course, it also included some other factions, and most notably, Hu Jintao's chief of staff, very powerful Ling Jihua. During his first term, Xi Jinping had no choice but to leaning on princelings to balance the power of Hu Jintao's protégés.

Later, given that Xi Jinping had successfully undermined the power of the

Tuanpai, he had little remaining political incentive to rely heavily on princelings. So, unsurprisingly, at the end of his first term, Xi Jinping began distancing himself from princelings and drastically reduced their representation in the leadership. Xi Jinping's own protégés now dominated the leadership.

My third and the final point, Deborah, is that Xi Jinping's most powerful, you know, power base, or put it that way, his most important power base is the so-called Zhejiang Gang, which is comprised of leaders who advanced their careers from Zhejiang when Xi Jinping was the party boss there for five years.

Now, I estimated that eight or even nine of them will serve in the next Politburo, constituting 1/3 of the membership. Two or three of them will likely enter the seven-member Politburo Standing Committee.

Now, when the powerful faction, this powerful faction, has defeated other factions, or when check and balance between the two coalitions are no longer an important feature of Chinese elite politics, the internal competition or infighting between Xi Jinping's own protégés, especially within the Zhejiang Gang (phonetic) could really -- should deserve great attention. Over.

MS. LEHR: Great. So, understanding these complicated internal politics is really important for policymakers. And Andrew, I want to go back to the sentence -- you know, your answer to the sentence, and expand upon that a little bit, because you've written about misperceptions. And what are some of the concerns that you have about the misperceptions -- this is obviously at a very broad level, but -- that you see, in these interpretations by U.S. policymakers, and how is that leading to bad policy and bad decisions being made?

MR. MERTHA: Thanks very much, Deborah. So, I guess I'll start from where I finished with the last question, which was, you know, that we assume the issues that we prioritize with regard to China are the issues that the Chinese leadership themselves prioritize.

As you said, I think -- not only not make the top 10, but I would say upward of 90 percent of what keeps China's leaders awake at night have to do with domestic governance

issues. And I think we do ourselves a great service by taking into account what it is exactly that China's leaders themselves see as being most potentially destabilizing.

Let me expand on that. I guess I'll cheat and make that my second point, which would be that China may be a unitary state, and of course, we're talking about elite politics here, and we're mostly talking at the national level, but just for a -- you know, just to put a pin in this, it may be a unitary state, but it's one that's comprised of three dozen provincial-level units, 300 prefectures, some 2,000 or more county governments and county-level units, 40,000 townships, and half a million villages and hamlets.

You know, these really represent the nodes of potential political and economic and social policy engagements that I think we might be able to reach out to in crafting kind of a broader, more Baroque, but in a good way, China policy that touches upon -- you know, that's sticky, and that can provide the types of breakthroughs that elude us when we focus overwhelmingly on Beijing and Washington alone.

And then, I guess my third -- while I'm on my soapbox, for my third misperception is that I think there's something akin to engagement fatigue among many China analysts and policymakers. I think this is perfectly understandable as China has not made things easy for us, which, I think, by the way, is exactly the way they see it, you know, just with the actors reversed.

But I think that there's a tendency to equate pro-engagement proponents with being soft on China, while China hawks take it as a badge of honor to reject engagement, you know, except perhaps when absolutely -- except, you know, when absolutely necessary.

I would advocate to think about it this way. Engagement is not a proxy for being pro or anti-China. Engagement is a proxy for being pro-information, pro-understanding, as opposed to handicap in one's ability to do so and would prevent us from achieving the best policy outcomes vis-à-vis China. So, let me stop there.

MS. LEHR: Great. Thanks. So, Alice, you talked about reforms that Xi Jinping has done to some of the major institutions, including the military, but we've seen significant

reform of the legal structure, and obviously, of the party.

As you look ahead into, supposedly, this third term, what additional changes do you see him making and what are going to be some of the implications both for the governance of China but also in the context of U.S.-China relations as he either strengthens or weakens some of those additional institutions?

MS. MILLER: Yeah. Well, I'm not sure I can project very much in terms of specific institutional reforms and so forth. I agree strongly with Tony's suggestion that the flexibility, institutionally, of the Leninist system in China is really remarkable.

And so, the kinds of changes we would expect to see will come, of course, in Xi Jinping's political report to the Congress. That report is already underway in terms of its drafting. The kinds of changes that will be forthcoming in the report will be in broad, general terms, but it's very difficult to see exactly how the new system -- whichever system it is, whether it's the current one or the alternative one, I try to sketch.

But I am impressed by the flexibility of the system, and I think there is an overestimation of the norm-busting behavior of Xi Jinping. I struggle to see exactly which norms he has violated. People talk about abolition of term limits, but he hasn't violated it yet. It depends on the outcome of the forthcoming Congress whether he will exceed the age 68 retirement norm, or they will devise a new structure that sidesteps that question.

I think there are several interesting little changes and continuities that suggest that we emphasize too much the kind of strongman leadership that Xi Jinping practices. After the removal of term limits at the NPC in 2018, the party's Propaganda Department spokesman came out and said explicitly, that does not convey lifetime tenure.

Also, the party's own constitution, revised in 2017, still has stipulations against lifetime tenure for leaders. The stipulations on collective leadership, despite the core role that Xi Jinping plays, are still intact, both in the party constitution, but also in the September 2020 regulations for Central Committee organs, including the Politburo and its standing committee.

The failure to appoint successors in training at the 17th Congress came in

amidst complaints about the existing system that had been used for buying votes and so forth by people like Zhou Yongkang and others.

The obvious complaint about the existing system was that it made the General Secretary limited to two terms a lame duck, and much more ineffective politically heading on into through his second term, and the prior system of selecting members of the new Central Committee and the Politburo and so forth were abandoned in favor of a recommendation system.

Finally, there had been articles a couple of years ago in *People's Daily* which argued, prominently, on the front page of *People's Daily*, that succession is the mark of a mature socialist system. Just a couple of months ago, it was in November, I think, Chen Xi, the head of the Organization Department, front-paged a long article on preparing successors.

And so, I think the presumptions that go into the kind of strongman leadership and norm-busting needs a little bit closer examination. So, how much that suggests with regard to policy and institutional innovation, I think we should be open-minded. Back to you.

MS. LEHR: Excellent insights on the theme of today's discussion. Cheng Li, you want to comment?

MR. LI: Yeah, before Tony, I want to give a comment for Alice. Really fascinating, you know, remarks, and I'm really impressed by your unconventional thinking. I think that you had a lot of very, very important points for Washington.

Now, I actually -- I think that what you described early on about the create a new position, chairmanship, is a very important institutional reform. But of course, I have a reservation with that scenario. In my view, there's no -- it will not happen, this time, at least, and for three reasons. I want your comment, if later on, or now very quickly.

One is that there's no discussion or discourse in China. What you refer to Chen Xi, the successor, he means as a whole generation in the different low levels, not so much on successor to Xi Jinping, is number one. There's no discussion about the chairmanship.

And number two, if Xi Jinping really want to do that, there's no point to have the

term limits abolishment, you know, in March. This is to prepare for the third term for General Secretary.

And thirdly -- now, of course, my colleagues here may have different view -- I do not see there will be a successor designated this time. So, if that's the case, so whoever serve as the General Secretary and the Chairman will be seen by the media, domestic -- I mean, Chinese private citizen or social media or international media, the following day. Now, this person, whether (inaudible), you just mentioned, or Hu Chunhua will be successor.

I don't think Xi Jinping like to see that happen at the moment. So, this is my three points of reservation to see that the new position will not change. But again, Alice, congratulations for your excellent presentation.

MS. MILLER: Thanks, Cheng.

MS. LEHR: Andrew, did you want to add something before we get to Tony?

MS. MILLER: No, I don't. I'm grateful to Cheng for his question -- oh, I'm sorry.

MS. LEHR: I was going to say, Andrew, I thought Andrew was signaling there.

MR. MERTHA: Oh, yeah, I was, and I just -- it was really, really gratifying to listen to Alice's presentation, because they were a lot -- I come to some similar conclusions, but I had taken a different route. And in fact, I got to slightly different outcomes simply because I don't think -- I think very few of us are as capable of thinking in such a sophisticated fashion as Alice, but I -- let me put it in a different way.

MS. LEHR: Just quickly so we can give Tony his opportunity also.

MR. MERTHA: Oh, super quick. Yeah. Okay, in that case, I can hold off and bring that in later. I guess what I was just going to say is it depends on which norms you're busting. Because one thing that Xi could possibly even do, is because there hasn't been -- there should have been a successor brought into the fold at the last Party congress.

And since there wasn't, he can go back to, I think, 2002 and say, well, we waited two cycles for a successor to come in. And so, we're going to start now. And that not only secures him a third term, it automatically would secure him -- not automatically, but secure him a

fourth term. And in that way, he could also be invoking not Mao-era norms, but reform-era norms in terms of succession.

So, I was intrigued by what Alice had teased out well beyond that particular formulation, which is more of a --

MS. LEHR: Perfect. Let's go to Tony, though, so we can squeeze him in as we're running out of time. And so, Tony, I don't know if you want to add to this discussion about norms, but definitely want to get your insights. If you followed Xi Jinping for a long time, who does he rely on, who does he listen to, and what would you expect in terms of who he's going to bring along with him?

MR. SAICH: Yeah, let me reflect on some of the earlier comments. I think a lot of the norms that we're saying that we think Xi Jinping has broken had tended to be our idea of what the norms are as academics looking at it. Because I think Alice is right. If you look at a lot of the party statutes, the constitutions, there's not a lot that he has really broken there.

The distinction, I would say, though, is with the formal norms of the institutions, I think the answer would be no. But I think certain informal norms have been broken from the way the party was operating before, in the sense that often the Standing Committee of the Politburo essentially became a structure under which different individuals, and often their families and their clients, carved out different sections of the economy that they could oversee and profit from. And I think he certainly put an end to that.

So, I think a lot of these norms are sort of figments of our imaginations rather than realities in the way that the Communist Party itself is operating. And if you look back historically and think about why did they re-establish the General Secretary position instead of a Chairman, they were very clear that this was the -- a secretary as a secretary is not a leader in the sense that dominates things.

But obviously, not many of them had looked at Stalin and his title at that particular time, because essentially, of course, the General Secretary substituted from what the Chairman was.

Now, on your specific question, you know, I'm sure Xi must listen to somebody. I don't think we'd really know. What we do know is that whoever tells him anything is going to filter it in terms of what they -- you know, within the parameters of what they think that person wants to hear, and therefore, would be acceptable, which was not entirely unlike the way you may talk to a President in the United States of America.

I would imagine Liu He probably has more say in terms of the economy than perhaps the premier has in terms of getting the President's ear, and that it also goes back to personal connections over time. Wang Huning clearly has had a major impact on thinking about frameworks in theoretical issues.

And that raises an interesting question. You know, Cheng was saying at one point, he thought Li Zhanshu might be the only person to come out of the Standing Committee, but then later, he said two or three people might get promoted. I think one of the interesting questions is around Wang Huning because he's stepped down from his key position in the leadership, and is now replaced by (inaudible) who you cannot imagine, you know, being able to go into the Standing Committee. But I think it does raise an interesting question about, you know, what happens to one of his major speech writers in that process.

And, you know, last thing, it does -- you know, it creates a set of problems by staying on, there's no doubt, to a third term. What if things go wrong? Who gets the blame? You know, can that kind of power accumulation keep occurring? And it does -- you know, given that the Communist Party really only has ever had one successful turnover of leadership in its history, it does read important questions about if you push back succession further, does that make the system more unstable long-term rather than stable short-term?

MS. LEHR: Great. So, we are coming close to the end of our session. And we did have one question, was going to be a yes or no, but I think that most of you have actually already answered it, and that was touching upon succession. And so, I'm actually going to put you on the spot with a different question.

And Tony, since you raised Liu He's name, this fits in very nicely because it

raises the questions of term limits as well. Where do we predict Liu He is going to end up? What role will he have? Will he have a new role or will he retire? Tony, you're on mute. You start.

MR. SAICH: I'm sorry. Probably, if he goes anywhere, to Premier, but I would imagine he might have more of an honorific counselor title.

MS. LEHR: Alice, how about you? You're on mute also.

MS. MILLER: I presume that the age 68 retirement norm will hold. I know not everybody agrees with me on that. And if that's the case, he will retire.

MS. LEHR: Andrew?

MR. MERTHA: If it doesn't hold, then I too would think either Premier or maybe an economic czar or czar without portfolio.

MS. LEHR: Cheng Li?

MR. LI: All possibilities. Number one --

MS. LEHR: Oh, well, that's no fair. That's no fair. You get one. You get one possibility.

MR. LI: No, I do not know.

MS. LEHR: Just one.

MR. LI: Very quickly. One is, like Andy said, he could be Premier. But although, I do not put him as the first candidate. The first candidate, it might be Han Zheng. He is the second, then Li Qiang, and Hu Chunhua, among these four candidates. So, Liu He is ranked number two.

Second, he could be -- like Alice said, he will step down because of age, but he could be vice president of PRC, and -- but in that case, I'd rank him at number two, because Li Zhanshu is number one candidate to replace Wang Qishan as VP.

Number three, he will move to become the vice chairman of NPC. It's a symbolic, ceremonial position without a Politburo seat, with -- certainly no Politburo Standing Committee seat. It's at number three.

Number four, as Alice said, completely retired. So, these four possibilities.

MS. LEHR: That's so unfair to pick all four. I'm predicting, I'm going to pick my own, that Xi does stick with age limits and that Liu, he is made Vice President, because this is what they did with Wang Zhen, who hit up against the age limit and they made him Vice President.

MR. LI: You see that was nothing but --

MS. LEHR: Counsel, I did select yours. That's why I didn't want you to have four. Anyway we've come to the end of our time, really excellent panel, amazing discussion. There could be so many more questions.

What we're going to do now is hand this off to Ryan Hass of Brookings, Senior Fellow, who is going to be leading the next discussion.

Many thanks to our panelists, really excellent. All of you had fascinating things to say and I know that we could have continued on for a long time.

Any final words, Cheng Li, anything else you'd like to add? Okay. No more four options? Okay. Thanks. Thanks to everyone.

MR. HASS: Thank you. Well, Deborah, thank you for leading us through such a fascinating first hour of this discussion. It's my privilege to carry us through the second hour where our panel will talk about the past, present, and future of Xi Jinping.

We're going to divide our hour into three parts. The first part will be an opportunity for our panelists to provide some opening framing comments on the past, present, future of Xi Jinping. I will in the second part ask each of them a few follow up questions. And then the third part will be for our audience to ask questions that they would like to have addressed.

And as a reminder to our members of the audience, you're welcome to submit questions either via email at Events@brookings.edu or via Twitter using #20thpartyconference.

To maximize the time for our discussion I'm going to be ruthlessly efficient in my brief introductions of my friends. They have a long list of accomplishments and if you're curious about them you're welcome to go to our Website to read about all their accolades.

But first, Susan Lawrence is a Specialist in Asian Affairs at the Congressional Research Service, which is a unit of the Library of Congress that provides Congress with authoritative, non-partisan research and analysis. She is also for the first half of this year a Staff Fellow at the John W. Kluge Center at the Library of Congress. Earlier in her career she was a reporter in Beijing where she has studied previous Congress. So I will follow up with her on that experience.

Yawei Liu is a Senior Advisor for China at the Carter Center. He is also Associate Director of the China Research Center in Atlanta and an Adjunct Professor of Political Science at Emory University. He also launched the U.S./China Reception Monitor Website in 2014.

David Shambaugh is the Gaston Sigur Professor and Founding Director of China Policy Program at the Elliott School of International Affairs at George Washington University. He is arguably one of the most prolific writers on China on earth today, he has written more than 200 articles or chapters in 32 books, including most recently *China's Leaders from Mao to Now*.

And Joseph Torigan is an Assistant Professor at the School of International Service at American University in Washington, D.C. He's also a Global Fellow at the Wilson Center's History and Public Policy Program. He studies elite politics and foreign relations in China and Russia, and he has a forthcoming book that is attracting a lot of buzz titled *Prestige, Manipulation and Coercion, Elite Power Struggles in the Soviet Union and China after Stalin and Mao*, which will be released this spring.

So with that, Susan, over to you.

MS. LAWRENCE: Thanks very much, Ryan. I'm delighted to be here. It's been a terrific first panel already.

I thought I'd talk a little bit about that experience of covering Party Congresses over the many, many, many moons ago. I covered a couple of Party Congresses as a Beijing based journalist. The 16th Party Congress, which took place 20 years ago in 2002 may have

some lessons for the 20th Party Congress.

In the months ahead of the 16th Party Congress there were a lot of rumors that Jian Zemin was seeking to hold on to power even though he had completed two full terms in office as General Secretary of the Party. Going into the Congress no one knew quite what was going to happen. The election of the new Central Committee always happens on the last day of each Congress.

In the morning delegates fill out red ballots to elect the new Central Committee, pink ballots for the alternate members of the Central Committee, and pale pink ballots for the Center Discipline Inspection Commission, the Party's discipline enforcers.

In the afternoon delegates approve documents, including the Party Work Report and the international plays at the end of the Congress and the Xinhua Agency releases a list of the newly elected Central Committee members and alternate members.

The major news for the foreign press corps back in 2002 was that Jian wasn't on the list of newly elected Country Committee Members. So had he retired? The next morning, as always happens, the Party convened the first plenary meeting, or plenum of the full and alternate members of the Central Committee. They elect the Central Committee's leadership bodies, the 25-person Politburo, the morally Politburo Standing Committee, as well as the General Secretary. Although their ballots are understood to have only as many candidates as positions available. The first plenum also decides on the membership of the Central Military Commission.

So while the Central Committee was voting we foreign meeting were gathered in a room in the cavernous Great Hall of the People waiting to be introduced to the new Politburo Standing Committee. Finally the new top leaders filed in in order of rank. And Hu Jintao entered first.

So the nine members of the Politburo Standing Committee lined up in rank order for the cameras, Hu Jintao told the world's media that he'd been elected General Secretary of the Party and introduced each new member of the Politburo Standing Committee. Several were

close allies of Jiang, but Jiang himself wasn't there. So had he retired?

After the Politburo Standing Committee left the room we reporters filed out into a hallway. There Party officials handed us each a thick booklet with biographies of the new members of the leading organs of the 16th Central Committee. And, no, it turned out Jiang had not retired. The first biography in the book was Jiang Zemin's.

It turned out that he'd been reappointed Chairman of the Central Military Commission, even without being a member of the Central Committee. We in the press corps, a lot of us never looked but there is no requirement that the head of the military be a member of the Central Committee. And because he was still State President Jiang Zemin retained the top protocol rank in the Chinese political system. So his biography was number one.

How is any of that relevant to this year's 20th Party Congress? Because Xi Jinping has resisted identifying a successor, most analysts have their money on Xi being elected for a third five-year term as Congress Party General Secretary. We'll have a hint on whether that's going to happen on the last day of the Congress when we see the list of Central Committee members because the General Secretary is required to be a member of the Central Committee. We'll know for sure what happened on the day after the Congress closes.

When the new Politburo Standing Committee files into the room in the Great Hall of the People to meet the international media, we may see Xi leading the group into the room, reelected for a third term as General Secretary. In that case we'll want to look at the rest of the Politburo Standing Committee members to see if one of them might be his successor in waiting.

But if Xi decides to hand over the General Secretary position to a successor, he could follow Jiang's example and stay on as Chairman of the Central Military Commission, and following on from Alice's very interesting speculation in the first panel, he might add the Party Chairman job, who knows?

Crucially, having successfully changed China's State Constitution in 2018 to remove term limits for the position of President, State President, Xi, unlike Jiang, can stay in that

position and thus he can justify retaining the top protocol rank in the Chinese political system for as long as he wishes.

So I'll stop there. Thanks, Ryan.

MR. HASS: Thank you very much, Susan. Yawei?

MR. LIU: Thanks. I want to first thank the Brookings Institution, Cheng Li and Ryan for inviting me to participate in this very timely and important discussion.

I remember meeting with Susan when she was working as a journalist in China. We talked about the trajectory of China's political reform. At the time there seemed to be a trajectory, you know, when Jiang literally described that trajectory to Jian Fontan, you know. The Center is named after him in 2006. Jian wrote that article in 2008, long time coming, the prospect for democracy in China.

So the so-called democracy of Chinese characteristics is formulated as follows. Elections, CCP, while implement direct and in-direct elections extending gradually from the village to towns to counties and even provenances. Judicial independence. CCP will assure the judiciaries' dignity, justice, and independence.

Then I think what is most important is power supervision based on checks and balance. Clearly when it was talking about separation of state and Party. And he also mentioned the Chinese media and China's nearly 200 million internet users should and could hold the CCP accountable. Right now of course 200 million internet users are now probably close to 1 billion.

Now almost 20 years ago on October the 21st, 1987, Lu Xiannian offered an even bolder blueprint, a seven-point political reform plan at the 13th Party Congress. Three of those seven points: one, separation of the Party and the State; two, the rule of law; and thirdly, social participation, societal participation in the political process.

Now back to Xi Jinping. On September the 1st, 2010, two years before taking the reins of the Party, during a speech to the Central Party School, Xi talked about bestowing power by the people. (Speaking Chinese). So this was a giant leap forward from the previous

jargon such as using the power for the people, (Speaking Chinese), emotionally attached to the people, (Speaking Chinese), and serving the peoples' interests (Speaking Chinese).

Xi clearly was referring to a procedure democracy, you know. Back then there was so much excitement about if Xi is going to come to power and that he will implement real meaningful, significant political reform.

Now before and during the recent Summit for Democracy organized by the Biden Administration, China launched a very vigorous campaign on the discourse of democracy in China and declared to the world that China's political system is of the people, by the people, for the people, and then also will of the people.

So in this context CCP's 20th Congress will be a perfect event to demonstrate to the Chinese people and the world what are the particularities of democracy of Chinese characteristics, at least on two major fronts. I think Jiang would probably like the first from that is how is power bestowed by the 95 million party members to the 2,280 delegates to the Party Congress, to the 376 members of the Central Committee, to the 25-member Politburo and finally to the seven strong Standing Committee of the Politburo.

Number two, how is all the lead transfer of power at the top going to be institutionalized? You know, according to George Cannon, this is one of the factors that would ultimately make the Soviet system much more inferior to that of the U.S.

In 1986 Xi Jinping said the eventual success of all reforms in China will be determined by the reform of the political system. In his 1998 book *Great Wall and Empty Fortress, China's Search for Security*, Professor Andrew Nathan wrote "Unlike the U.S. China's political future is uncertain in all three possible scenarios. A China modeled after Singapore, a democratic and free China, and the China bogged down by internal strife and instability, will pose specific policy changes to the western world." Almost a quarter of a century later this remains a challenge for both China and the U.S.

So back to the title of this panel, we know the past very well, we have a good grasp of the present, we do not know how the future is going to unfold.

Thank you. Back to you, Ryan.

MR. HASS: Thank you, Yawei. David.

MR. SHAMBAUGH: Yeah, thank you, Ryan, and to Cheng and to Brookings for including me in this really interesting discussion. You know, coming seventh I guess it is in today's lineup, I'm reminded of the old adage everything's been said but not everybody has said it.

So indeed I agree with much what has been said previously, particularly Alice's intriguing points about their 1956 model. I, too, have been toying with that, whether Xi might take the Chairmanship position. And Tony's point about the Liu Shaoqi model. So much was said in that first panel that I simply would like to affiliate myself with.

I'm surprised no one has mentioned, you know, the legacy of 20th Party Congresses and Communist Systems because it was at the 20th Soviet Communist Party Congress that Khrushchev gave his secret speech denouncing Stalin. Now I don't anticipate that happening this time, Xi Jinping would have to be removed from power between now and November and somebody would have to give a similar speech. So I'm not predicting that but I would just remind, you know, those observers of Communist Party Congresses of that earlier one.

So what I'd like to do in my very brief five minutes or whatever's left of it, I want to focus on Xi Jinping's impact on the Party as an institution. And why we have seen what Xi has done during his rule over the past eight years. This may not only help to explain the past eight years but also may be a good indicator of what to anticipate in the future.

So in my view when Xi took over in 2012 he viewed the Party as in trouble. He viewed it as exhibiting many of the same characteristics that the CCP found present in their own exhaustive analysis of the Soviet Communist Party and the USSR prior to their collapse. Namely atrophying dysfunctional Party cells and committees at the local level; factionalism at the top of the system; no adherence to binding ideology, and just maybe feigned belief in Marxism; a military that was operating de facto independently of the Party and only feigned obedience to the

Party's leader, Hu Jintao at the time; pervasive corruptions throughout the Party, State, military, and society; an economic reform process that was increasingly out of control of the Party State; successful inroads of western so-called peaceful evolution in Chinese civil society; inattention to the Party's past history and what Xi labeled as historical nihilism; and several other maladies.

Xi laid out these critiques of the causes of the Soviet collapse and the state of the CCP in a series of internal Party speeches beginning with one in Guangdong on January 13th, 2013, which has only just been published this past year in a speech of his in a book on his speeches on Party history.

So that was an important, it was the same speech Tony referenced by the way earlier, about no man was leader enough or strong enough to stand up in the Soviet Union. So Xi laid out these critiques early, very early, seven weeks into his term. But he was hardly the first to diagnose the causes of the demise of the Soviet Union and the complete Communist Party indeed.

As I say, the CCP, and I've written a lot about this, was absolutely obsessed with the issue to rout Jian Zemin and Hi Jintao's tenures, and it had undertaken its own very detailed forensic analysis of it. But Xi's critique stood in stark contrast with the lessons that the Party, the Chinese Party in this case, had drawn during the Jian and Hu periods that was overseen by Sun Jing Hang.

Now that analysis and the lessons to be drawn during the Jian Zemin and Hu Jintao periods Sun Jing Hang oversaw had three main parts. The CCP must reform the Party, particularly making it a kind of living institution, not an atrophied and sporadic institution, but a responsive institution. A responsive within itself, which they call inner Party democracy; responsive to society, which at that time were called consultative democracy; and responsive to the other eight united front parties, so called Multi-party democracy, as well as improving Party transparency, collective leadership, cadre training and other things. So Party reform was one of the key elements of the Sun Jing Hang program.

Opening civil society in a measured way was the second element, allowing for

NGOs, including foreign NGOs and philanthropies to operate in China, relative but considerable media freedoms, significant scope for intellectuals and educators, within bounds of course, was the second component.

And the third component of the Sun Jing Hang school of Soviet lessons for China was to move ahead with economic market forces and embrace the private sector while reducing the role of SOEs.

So that was one school of thought and I would argue that they were implementing it through the Jian Zemin and most of the Hu Jintao period. Their core conclusion was that the Soviet Communist Party had collapsed precisely because it was too sporadic, too atrophied, too dysfunctional so that it couldn't absorb Gorbachev's reforms. Ergo, the Party, the Chinese Party had to be a living, responsive, and functional institution. But that reforms needed to be very carefully managed from above.

Now Xi Jinping, by contrast, represented an alternative analysis of the Soviet collapse, as he laid out in his Guangdong speech and the lessons he learned for the CCP. This second school essentially argued that reforms to open the Party, open society, open the economy, were misguided. Misguided because they intrinsically weakened Party control and could not be managed from above. They inevitably would cascade out of control, as they did in the Soviet Union, and then the Party would fall from power. So this second school of thought, of which Xi was a member, viewed the Party rule vis-à-vis other actors in society as zero sum not positive sum.

So then just to conclude, you know, what we've seen from Xi over the last eight years grows out of that second line of analysis you might say. Enforcing very strict top-down internal discipline; absolutely strict control over the military and internal security services; reinvigorating local Party cells and committees; reinforcing ideology and the study of Marxism; cracking down on what Xi regularly calls western hostile forces; a thorough, serious, and very systematic, as we know, crackdown on corruption throughout the Party, the State, the military, corporate world, and society; deterring factualism and purging those not loyal to Xi personally;

strengthening social esteems in media and culture; attacking revisionist so-called historical nihilism; using the Party's 100th anniversary and the recent historical resolution to redefine the Party's history and roles; and most recently cracking down on private enterprise and big tech.

So this is what we've seen over the last eight years internally in China. His whole frame of reference, Xi's whole frame of reference centers on, as was said in the first panel, a strong, disciplined, all-controlling Party. And I associate myself with the views that he believes in institutions. He said in his last Party Congress speech, "East, west, north, south, the Party controls all."

So what does this mean for the Party, we can discuss, in the future that is. But I would basically say that while Xi has definitely strengthened the CCP over the last eight years, I think he may well have weakened it institutionally in the medium to long term. That is the CCP under Xi has become, in my view, like a robotic machine, like a military where orders are given by the commander in chief and must be followed through down through the rank and file. It has reverted, in my view, to being a neo totalitarian institution, not the kind of flexible pragmatic institution that Tony Saich spoke of previously and the Party has previously been.

So this is not a responsive Party, this is not a reformist Party, this is not a tolerant and transparent Party based on collective leadership, managing, opening incrementally the kind of Party that Dong, Jian and Hu all advocated. So in my view this is not good for the Party or for China in the 20 Century and I think it could spell problems ahead.

So I will stop there and thank you for the extra time, Ryan.

MR. HASS: Thank you, David. Well you've given us a lot to work through in our discussion. But before we get to that I want to give Joseph a chance to come in. Joseph, we welcome your thoughts.

MR. TORIGAN: Thank you. So first of all thank you for including me on this panel.

Ryan asked me to talk a little bit about how Xi Jinping views history and how he uses it as part of his agenda. And people have already mentioned today that Xi Jinping is the

son of a revolutionary, Xi Zhongxun, which means that when Xi Jinping was a young boy he, in his own words, used to listen to his father talk about tales of the revolution until his ears were calloused, including several very dramatic moments during which Xi Zhongxun, the father, almost died, once when he was almost eaten by a leopard.

Xi Jinping went to the so-called August First School, which was populated primarily by the students of high ranking military officers, where they were told that they were the successors to the revolution. In fact one of the books that they read at that school was literally titled *Successors to the Revolution*. So it was a very electric environment for these young people who were the offspring of these high ranking officers.

And what's also interesting about Xi Jinping is that his father was purged much earlier than a lot of the other old comrades precisely because of the debate over Party history. In 1962 Xi Zhongxun was purged from the leadership for supporting a novel. Which seems shocking unless you understand that debates about Party narratives have always been one of the third rails of CCP history and are extraordinary dangerous if you're caught on one of the wrong sides of those debates.

And this novel, which was about one of Xi Zhongxun's mentors in the northwest where a group of Communists create the base camp where the long march ended, was seen as criticizing Mao implicitly by claiming that at least someone else could come up with a recipe for emerging victorious against the KMT.

So what does Xi Jinping do with this experience, how does he use history as part of his agenda? Well first of all I think that he, like Mao and Dong, used the recent history decision to make a case for his leadership. So Mao, in 1945, told the story about Party history that portrayed himself as always being on the pragmatic flexible side as opposed to the dogmatic individuals who had been trained in the Soviet Union. Which interestingly enough ties him to Xi Zhongxun and later to Dong, Xi's mentor, with the north westerners of the microcosm of what he had experienced in Jong Xi and Fu Jing. This story that tied Xi Zhongxun with Mao Tse-Tung.

Xi Jinping of course had his own history resolution in 1981 after the Cultural Revolution, which was part of his struggle against Zhang Wentian, Mao's initial successor, a way of tarnishing Wentian, a way that was not actually historically accurate, which has led to a wrong impression of Wentian that has persisted to this day.

At the same time what's interesting about Xi's story of history resolution as well as the ones that Mao and Dong led is that they prioritize vague formulations in continuity. So even though Mao's resolution was about this defeat of the so-called radicals, it didn't reject the 6th Party Congress, which had been the last Congress to meet before Mao's history resolution was passed, the 7th, in 1945.

And many people talk about Dong's history resolution as being a way to reject the Cultural Revolution, to reject Mao. But if you look at the transcripts we have of what Dong actually sent to the people working on that document, his top priority was to overcome criticisms of him, that he was engaging in deMaofication.

So what he was doing was affirming Mao theoretically to give him space for moving away from what Mao was doing practically. But if you read the resolution carefully it doesn't go nearly as far as most people within the leadership actually wanted to go. It doesn't criticize Mao's personal characteristics and it doesn't say that the Cultural Revolution was entirely about persecution. In fact it talks some triumphs that it achieved.

Now in the resolution that Xi did, he continues the previous criticism of the Cultural Revolution and strongly affirms the reform in the opening. Some people have said that Xi has been aggressive about reinterpreting Party history, especially during the Dong era, but if you read that resolution it almost seems like somebody went back and read it a few more times just to make sure that there was enough language in there that didn't make it seem like Xi was rejecting that legacy. Now whether he is or not is another story. But I think that Xi wanted to emphasize continuity with the past because he understood how destabilizing it could be if people thought that he was moving towards leftist or rightist mistakes by rewriting history.

Now the final thing I want to talk about with regards to history and Xi Jinping is

that he is an individual who from a very young age has always discussed his preoccupation with ideals and motivation and how lack of ideals and motivation is a threat to the regime.

Now Dr. Shambaugh talked about the Soviet Union and Xi use of that. And the two reasons he gave for the collapse of the Soviet Union message, one was losing control over the military, and the other was losing control over the Party's views of history, of course referring to Khrushchev's rejection of Stalin.

So just yesterday the People's Daily had an article talking about so-called historical competence and how it was implicitly linked to the other competences that Xi Jinping believes that the Party needs to rededicate itself towards. Xi Jinping was an individual who, as I said, as a very young person was told that he was going to be the successor to their revolution, but then was jailed in a detainment facility for princelings after the Cultural Revolution started. He was a sent-down youth. In his own description he talked about how profoundly disillusioned and demoralizing that was, which is something that many other sociologists have said about that generation. And his shtick throughout the 1980s and 1990s was that while other people decided to turn towards money and enjoying themselves, he wanted to be more relevant and help the Party and return to the Party to help in his own ways to prevent another Cultural Revolution from happening.

So to have a resolution that everyone can rally behind, I think, helps with the challenge he sees as lack of faith in the Party, which he thinks could be a threat to the regime.

MR. HASS: Thank you, Joseph. Well these are four very rich presentations. I want to try to put the four of you in discussion with each other for the next 15 minutes or so. And I have a few questions to sort of help us get through there.

But before I turn to the questions that I was thinking about I wanted to just sort of pick up the tension between David's presentation and Joseph's. David closed his presentation by talking about the discontinuity that Xi Jinping is introducing to the Party, making it more rigid, inflexible, intolerant and closed, and Joseph talked a little bit about how Xi is trying to invoke history to project a sense of continuity.

Now those two thoughts are in tension with each other so I was just wondering if the two of you could help our thousands of viewers around the world sort of unpack the tension.

David, you want to start first?

MR. SHAMBAUGH: Thanks, Ryan. I would just say I watch what Xi does not what he says. And I see, as I described, you know. I would also just note that I'm a believer in the Fang Shou Cycle School of Chinese politics that we have witnessed, well really since 1956, you know, repetitive swings between opening Fang Shou, closing. You know people, scholars have done different accounts of these cycles.

Since Dong I think we've had six or seven, usually its six to seven years of open reformist policies, and here I'm speaking not just of economic reform, I'm talking mainly about political and social reform, followed by one or two years of contraction where the conservatives kind of recoil and want to get the agenda back. And then we have another five, six, seven years of opening. We've seen that Fang Shou cycle, Fang Shou Zhouqi, numerous times.

This is what's different about today is that we're in year 12 of Shou. We're long overdue in China for some Fang. But I'm a believer that this cycle, this is not the last stage and Xi Jinping is not the last chapter, and that we will hopefully see some return to Fang.

But I have to say, you know, as I've said, just what we've seen this is not, I do not see him as a reformist leader or the Party as reformist, I see it as sporadic and this endangers the Party as an institution I think and the country going forward.

MR. TORIGAN: So I think when you read the resolution, the way that its authors try to manage this tension of stressing continuity but also saying why the resolution was needed in the first place and why Xi Jinping is so special is they describe problems that have added up over the last few years that other people wanted to solve but didn't.

We're not saying that the goals were wrong, it's just that we got to a situation where more aggressive handling of those challenges needed to be achieved. And what is the answer to that? Well, you need a stronger leader, you need a stronger party, and it needs to be Xi Jinping. So that is the narrative that attempts to balance that particular tension.

In terms of continuity and differences, I think it's hard to say in sort of absolutist terms that Xi is either fundamentally different from the past or fundamentally the same and that what's really necessary is to look at a cross of different issue areas and ask what exactly it is that we're talking about, right?

So one of the arguments that people often say is that Xi's rejection of collective leadership in institutions means that he's going against what Dong tried to achieve. But with the new evidence about the Dong era that's come out suggests is that if anybody believes in the importance of a core and the need for a core, it was Dong Chu Ping. And that Dong on several occasions decided easily not to listen to other people within the leadership. And those theologies I think actually are something that Xi thinks a lot about when he thinks about succession.

MR. HASS: Thank you. Susan, if I could just slightly shift gears, I want to ask if we could have you put your reporter's hat back on for a moment. Many of our viewers will not have the opportunity to be inside the Great Hall of the People for a Party Congress, so can you just first of all sort of share what's the mood like, what's the general scene, what's the vibe, how do you think through what you're watching and what import it has.

But also if you could help us think through the narrative arc over the next year. If you were a reporter what story would you be building on behalf of the Party Congress this fall, what signposts would you be looking for, and how would you be trying to construct the story line that would lead us to the Party Congress?

MS. LAWRENCE: Thanks, Ryan. I didn't cover the last Party Congress in Beijing in person so I may be, and I sense that the atmosphere has changed from my experiences of covering Party Congresses. But some things don't change.

The Great Hall of the People is this vast sort of Stalinist architecture right on the side of Tiananmen Square, that's where the action happens. The opening session of the Congress starts at 9:00 a.m. with the General Secretary of the Communist Party reading his work report to the assembled delegates and to journalists and foreign diplomats who are sitting

in the balcony looking down.

And that remains just a very odd I think feature of Communist Party political culture that you have to have, that the leader has to read every word of a, you know, 60-page document over several hours. And everyone has to pretend to look really, really gripped by what the leader is saying. And they're all following, all the delegates are following along on the paper version of the speech that they have in front of them. That's the classical mark of a Communist Party meeting of any sort.

In the 16th Party Congress was kind of fun because it was the first Party Congress that invited private entrepreneurs to be delegates to the Party Congress. And those guys were just having a ball. It was great fun for them, they had finally kind of made it and they saw it as a massive marketing opportunity. So they would sit in the group sessions but get bored so they would come out into the hallway and just hang out with journalists and talk up their products and their companies and hand out name cards extremely liberally and propound a little recklessly on Communist Party doctrine and, you know, Congress Party rules. And I think if anyone from the organization department had heard them, they would probably have cringed at some of the things these guys were saying. But it did, you know, really kind of shake things up and make it sort of interesting, having those guys in the midst.

I think now, what are we doing, looking forward to the next year. The calendar, of course, the Peoples' Congresses around the country. We're going to be having the Proventil Party, Peoples' Congress, excuse me, National Peoples' Congress and then the Proventil Peoples' Congresses, right? So the Proventil Peoples' Congresses happen and that leads into the National Peoples' Congress which is in March. That's the first major political thing on the calendar. The National Peoples' Congress, this is the last session of the current National Peoples' Congress session.

And so there will be hints about what's happening there in the work report the Premiere delivers and in some of the kind of personnel things that are happening there. Although the big personnel decisions will be made at next year's National Peoples' Congress.

If I were in Beijing of course I would be trying to just chat up anybody who might be involved in working on the final drafts of the work report for the Party Congress. But I think again that's gotten much harder. In general the party is not as interested I think in foreign media coverage as it used to be and it's making access much more difficult.

I mean I think about the fact that I covered China in the Jiang Zemin era and as a journalist I had a chance to, I was in four long interviews with Jiang Zemin. Other media, foreign media interviewed Jiang too. Hu Jintao, ten years as General Secretary, never once gave an in-person interview to the foreign media. Xi Jinping who is now nearly 10 years into his period as General Secretary, he has never given an in-person interview to the foreign media. So it's a very different era in that sense.

But you try to chat up anybody who had been invited to what was going to be in that work report or personnel things. So in my day it used to be that we would go to particularly to the Party School or to the National Academy of Governance or to folks who had the Central Party Compliance Bureau, any of those places that might have some insight into what was happening. And could just help you parse what was being written.

One of the things about China, it's actually kind of fun once you sort of accept that this is the way it is, is that there are a lot of speeches and articles in the Party journals which are long and dense and turgid, but when you talk to somebody who knows what's going on, they help you so much by they saying oh, you know, that's sort of, that 30-page thing it's Paragraph 73. Paragraph 73 is what you need to focus on. Paragraph 73, that's the key part of this. Oh, got it, Paragraph 73. And you look at Paragraph 73 and, yes, you do have it, you know, that's where, that's the goals. But you really needed someone to help you sort of show you the signposts, tell you what to read and what not to read, you know, what not to bother with. So finding those kind of people, but I think it's harder to find those people now than it used to be.

MR. HASS: Yeah, thank you, Susan. It's such an important reminder that so many of the public statements and speeches are in conversation with each other. And unless you understand the second and third layers below them, it's difficult in isolation to capture the

significance of the statements that are being made.

Yawei, you put forward an interesting thesis that, you know, sort of alluding to Andy Mertha's argument that we don't know whether China will turn into a Singapore-like ecclesial model, a democratic political model or become bogged down in its own internal challenges.

But I don't want to let you off the hook that easily because I'd like to get a sense from you, you've looked at this for a long time very closely. Where do you think that China's political model is turning now and do you agree with David's proposition of Fang Shuo and that we're in a period of closing right now but it isn't a terminal state of Chinese political affairs?

MR. LIU: Thanks. I'll just start by referring to what David talked about, the 20th Party Congress of the Soviet Union. I think, it is actually very important for people to look at what happened at the 20th Party Congress of the Soviet Union. You know, that's a departure from the past.

Now the Chinese Communist Party's 20th Congress, you know, may also be a departure. The issue is we don't know what it is departing from, you know, the norms that are discussed at the first session.

The second is a quick response to Joseph's sort of, you know, sort of the historical narrative. Obviously I think it will be very neat, right, for people to think of the three top leaders. Mao enabled Chinese to stand up and Deng enabled Chinese to get rich, and Xi is going to enable China to become, you know, a more powerful, comprehensive super power. And that's very neat, but I cannot agree with this continuity thing, right? I think early on there's always the discourse about the first 30 years and the second 30 years opening up in the reform. You know there is going to be no opening up on the reform without rejecting the first 30 years.

Now to artificially reconnect with that first past now with, you know, what is going to happen for the second centennial goal, I think to try to reconnect that it's kind of threatening. I think I agree with David, you know, that this is not a concluding chapter of where the Party is going to go, where China is going to go.

Finally, to your questions in terms of where China is going to go. You know we've been working on this and I strongly believe the rhetoric that U.S. want China to be just like the U.S., you know, that's not going to work and that's not what U.S. wants. You know what China needs, and, you know, particularly I think the Summit for Democracy is really a good thing ironically, is that for the Chinese to finally come out saying, we actually love democracy, you know. And they don't like to say that they're authoritarian.

But the bigger challenge, I hope that challenge is going to be, you know, addressed, hopefully in the next five years, is what kind of democracy. If China wants to be a democracy, if China cares so much about being a democracy, if you are audacious enough to say you have a better democracy than the U.S. and then show it to the world.

I think there is a route out is the separation of power, the checks and the balance that Win Jauvo talked about, and particularly, you know, I think Susan mentioned, you know, National Peoples' Congress. You know, how that system is going to be made meaningful. And I think Xi Jinping is in a perfect position to experiment, to test, and hopefully, you know, even if it means crossing the river and touching the stones, you know, that is worthwhile to do it and hopefully, you know, that's probably a more important legacy than Taiwan being in a legacy.

MR. HASS: Well thank you, Yawei. Joseph, your name was evoked, I want to give you a chance to offer your thoughts on Yawei's comments. But I'd also love to ask for your views on whether you think the 20th Party Congress will reveal any clues about succession planning post-Xi.

MR. TORIGAN: No, I think that the fact that there seems to be some difference between me and a couple of the other panelists on this resolution has to do a little bit with how vague that resolution actually was in certain ways, which I think was deliberate.

It certainly was the case that, you know, reform and opening was praised, Xi Jinping again praised reform and opening in a speech that he gave to Dalvos. In my opening remarks I said whether or not he's actually moving away from the Dong era is something that we can discuss from issue area to issue area.

And in terms of the two 30 years that were just mentioned. He says neither of the two 30 years should be rejected, neither the Mao era nor reform and opening since. So I think whatever he's trying to do, the ideological sort of super signals that he's giving, for reasons that we can debate, he's decided to emphasize continuity. And of course as I said earlier, reform and opening was predicated on history resolution whose primary purpose was to affirm Mao in the Pantheon.

In terms of, you know, the upcoming Congress, there's been so many fascinating discussions and I've learned so much by earlier panelists about, you know, how Xi might be thinking about the succession and whether it's a 1956 model and, you know, recreating a chairman position. I have two reactions to this question if we look to history as a guide.

The first of that it's extraordinary how often Mao and Dong changed their mind about how they thought about the succession while they were in power. Both Mao and Dong looked at a whole slew of possible candidates and decided that they were not appropriate. And what's interesting there too is so many of those possible candidates really thought that they had a wonderful relationship with Mao, thought they had a little bit more space than they really did and went too far thinking that they could, when counterintuitively it was their belief in the strength of that relationship that was so damning to them.

So a couple people have mentioned Liu Shaoqi as this different ideological trend within the leadership that was separate from Mao, but new evidence that's come out shows that Liu could be extraordinarily leftist, extraordinarily radical, especially during the socialist education campaign and that the differences between the two of them weren't so much ideological but personal. Indeed a misunderstanding of what it meant to be on the second line and the first line. So I think that story has more to do with the theologies of succession than anything else.

It's possible that Xi Jinping himself, is what I'm trying to say, hasn't quite decided. It may get down to very personal relations that are very distant from what people like you and me can see. But, you know, I think the core puzzle he's facing is that, you know,

everything we know about him so far is that this is somebody who thinks that the Party can only function with a single core, that you need a core to get things done, that if you have multiple headquarters or voices or whatever you call them, within the Party, it's extremely dangerous, especially if you want to overcome peaceful revolutions or whatever you want to call them. So if that's how you think about the world and what you've been doing, how do you create a first and second line? How do you name a successor? But at the same time if you don't do those things I'm sure he understands that there's a lot of challenges to those approaches too. So the fact that these are such personal relations and the reasons to think one should replace or another such different directions, I think it might actually be more of a contingent process than people who like to predict things would like.

MR. HASS: David, if I could get your comment on these past two comments. The first that there may be an iterative aspect to Xi's development of his thinking for the way forward. And also Yazwei's very very provocative thought that Xi's legacy could potentially be about political reform.

How do you think about those two arguments? And where do you see things going forward?

MR. SHAMBAUGH: Well I suppose all leaders are iterative, Ryan, you know, in all systems. You know, so there is a feeling of stones crossing the river kind of dynamic, even to Xi Jinping.

Although he strikes me as a leader that has a, he's not a pragmatist first of all. I don't see him as sort of waking up every morning and thinking well, gee, how are we going to get from A to B today? No, this is a guy I think who has some pretty broad and strong views of what the Chinese call Fang Zhen, of direction, you know. And, you know, I think he's got a pretty good blueprint in his own mind for where he wants to take the country. This is not a guy who sort of bobbed and weaved over the last eight years and moved from, you know, one policy initiative to another. They've put together, the dots connect in my view. And that may get to your second point.

Political reform, sorry, that's an oxymoron when it comes to Xi Jinping. This man is a neo-totalitarian. I'm not using that term loosely. I don't think, you know, he may use the words that came out with this big white paper on democracy. And I'm sorry, Yawei, I'll believe democracy in China when I see it, and we're not seeing it under Xi Jinping.

I would argue though that under Hu Jintao and Jian Zemin and Zeng Qinghong, and Liu Jenru with the Party School, his consultative democracy, and Hu Jintao's embrace of inner Party democracy, you know, they were really inching towards it in that period. But boy they have pulled back from it under Xi.

So, you know, I do not see political reform in, that's just an oxymoron when it comes to Xi Jinping. His idea, some of it now, structural reform or any other kind of reform, he's all about monopolization of power and institutional control of the system. So he's not going to, you know, after November or whenever the Congress meets, he's not going to sort of turn a new leaf and have an epiphany and say, oh, gee, let's go back to Jao Yung or let's go back to Sun Chin Hung or, huh-uh. This guy, what we've seen I would say is what exactly what we're going to get until he ends his time in power by whatever means.

MR. HASS: Thank you. We have a question from the audience that ties into David's final points. This is from Ben Deese who asks "Is there any situation in which Xi could safely retire and remain in China considering how many enemies he has made through the anti-corruption campaign?" Yawei, what do you think?

MR. LIU: That's a hard question to answer. Again, I guess instead of answering this question I'll actually ask David and also in combination with the question from Ryan. Is that when Professor Nathan said, you know, there are three political scenarios waiting for China. You know, David, you wrote your recent book, you know, the Chinese Leaders, with the hardening of the Party, consolidation of the power.

Do you see there is a new scenario emerging? So not what, you know, I think in the early years, 2012, Singapore enlarged is what President Xi Jinping was envisioning. There was a lot of study on Singapore. I guess the conclusion is that Singapore is just way too small

for China to emulate. But then, you know, comparing China or China bogged down. You know, will a totalitarian China be effective, efficient, you know, to impose this draconian, you know, COVID containment, but also to be an economic juggernaut but at the same time facing political ancillary?

Will that be a scenario that David, Susan, and, you know, Ryan and Joseph, you think that's the way it could have happened in China? And that has a lot to do with the question from the audience.

MR. SHAMBAUGH: If I could just respond quickly. Yawei, I think you're spot on, you're exactly right. I do not see neo-totalitarianism. Mind you totalitarianism is what we had under Mao, Soviet Union had under Stalin, what North Korea has now under the Kim government, that's classic totalitarianism.

No, I don't think this is sustainable. This is why I said in my opening comments at the end that what Xi has done to the Party and to the political system is really causing medium. And by that I mean three to five year and long-term, 10-year to 15-year to 20-year problems. He's trying to put the genie back in the bottle, and as you suggest, this is the second decade of the 21st Century, Chinese society's increasingly globalized, there's all kinds of interactions with the outside world, although shrinking.

So I don't see this as really sustainable. I see this as an anomaly that is being enforced through sheer Leninist power, you know. And that's just not, I don't think, I just can't in my own western mind see that as sustainable. So I think there's a real tension there. What Xi has done, yes, as I said, he strengthened the Party over the last eight years given what he inherited, but I think he's setting the Party and the society up, you know, for some unexpected push back.

We know there's a lot left point, Ryan. There's a lot of discontent. Yawei, you just alluded to it and Ryan's question did. It's enormous discontent in China with what Xi has done, not just if you're one of the 2.4 million people who have been hit with a corruption campaign, or the 4,000 military officers who have been purged. Or, you know, now being taken

down as part of the big tech crackdown or whatever. There's a lot of discontent. But discontent does not equal opposition, and certainly not organized opposition. But there is a lot of ferment. Hard to tell, especially under COVID because we can't go there and have the antidotal conversations that we're accustomed to.

But I think, I'll finish on this. The Chinese phrase, Yu Ying They run, hard on the outside, soft on the inside. Well we see from this Xi Jinping, neo-totalitarian system I just can't believe is really all that is inside the society. And I don't see it as sustainable.

MR. HASS: Thank you. We have about five minutes left. I'm going to put three questions on the table and we're going to have a lightning round. You each can pick up any of the three questions that you want to provide your immediate reaction to it.

First question relates to Taiwan. To what extent will Taiwan factor into Xi's legacy? What role might it play in his legitimacy amidst the promotion of nationals in the Party? So that's the first question.

Second question relates to China's broader foreign policy. China's foreign policy has become sharper, more bristling, more nationalistic in the recent period. Will this trend continue post-Party Congress, will it moderate, what's the overall trajectory? Will the Party Congress have any impact at all on the trajectory at all on China's foreign policy?

Third question. Does, and this comes from Dennis Simon at Duke University. Does President Xi understand the damage he is doing to China's innovation potential through his crackdown on tech firms? The underlying question I think is what is your judgment on the quality of information that Xi Jinping is receiving.

So with those three questions, why we don't go in the same order we started with. We'll start with Susan, and then go from there.

MS. LAWRENCE: That's fine. Okay, I'll pick up Taiwan. So question, to what extent will impact on Xi's legacy. I think Xi is very, very concerned that it will factor into his legacy in a negative way. I think that sometimes we in the west maybe under-appreciate the degree to which that notion of Taiwan and an integral part of the People's Republic of China is

really infiltrated to everybody in China and so there is this -- and in fact I just did a big report on the Chinese political system and I did a whole section on all the ways in which Taiwan is worked into China's political system. That there are Taiwan delegates and there are Taiwan, you know, bodies throughout the systems.

So I think he very much worries about losing Taiwan. I think he does not want to be the leader who lets Taiwan go and that is going to be driving certain of his policies. So I put it that way, that he doesn't want it to factor into his legacy in a bad way.

MR. HASS: Thank you. Yawei.

MR. LIU: I think on the issue of Taiwan, my overall approach is leave Taiwan alone. No matter how attractive, you know, that can be part of his legacy. But at the same time I think U.S. plays a vital role here. So again, my advice to the U.S. government is don't push Taiwan issue too hard.

Now on the issue of foreign policy I think China should, and probably is, returning to the foreign policy of Denning. I remember Denning at the Brookings, you know, to celebrate, to commemorate the 30th anniversary of the normalization. And he basically said, I'm one, I'm the only sibling, you know, there are so many brothers and sisters in my family, I'm the only surviving one. But because China is poor I think just two days ago Zhao Lijian, who may be the next Foreign Minister, basically said, you know, 200 million Chinese have not ever flown in an airplane, you know. Not one of them, not 1 billion Chinese have never flown in an airplane. 200 million Chinese families do not have a toilet in their house. And the college degree of the Chinese population is only 4 percent.

I think that may signal that China is returning to the diplomacy, if I may, of Denny, he's a lovable and more appealing to the outside world. So I'll stop here.

MR. HASS: Thank you. David.

MR. SHAMBAUGH: One quick thing I meant to say in response to Yawei's original intervention about Singapore. We should only wish that China was trending towards Singapore. I've just finished living in Singapore for the last book I researched. China is a long

way from Singapore, and don't think it's ever going to get there.

I'll pick up the foreign policy question. And I'm sorry Yawei, I've really got to disagree with you there. I don't think China's going back to Zhao Linjian at all. I'd say after the Congress more of the same. More wolf warriors and more assertiveness, more hubris and over confidence. And no return to hide and bide.

So, you know, I'm rather pessimistic about what we've been seeing out of China and I expect that we'll see more of the same.

MR. HASS: Thank you, David. Joseph.

MR. TORIGAN: Very briefly, on the Taiwan issue, I think it's very personal for Xi Jinping. His father was a United Front expert who had been an undercover agent in the KMT military. He was stationed in the Yenmen border regions, touching upon KMT areas. In the '50s and '80s he was one of the top people put in charge of interacting with either KMT figures who defected to the CCP or rebuilding the United Front as targeted against Taiwan in the 1980s. And one of his very last attempts as a politician, Xi Jinping's father was to establish a back channel with Taiwan that failed.

And Xi Jinping told Ma Yingjiu during their meeting in 2015 that Anglo Merkel had said you know, we had territories in Germany that had been part of our country for many years but when they were lost that was it. And Xi Jinping told Ma Yingjiu that he called Anglo Merkel. Well we Chinese are not you Germans, the land given to us by our forebears are something that we can never give up.

But on the other hand he had lots of time in Fujian and Zhejiang which means he arguably understands the Taiwan issue relatively well and I don't think he wants to make any choices that are so destabilizing that it would threaten the regime. So I think he has somewhat competing tensions when it comes to the Taiwan issue.

MR. HASS: Well unfortunately our time has come to an end. There's so much left to discuss but hopefully our audience has benefitted from the diversity of perspectives that we have deliberately brought together into these panels to provide a range of views and

perspectives.

I know I've benefitted from it a lot and I want to just take this final moment to thank our panelists for their great insights.

Thank you.

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