



THE ATLANTIC COUNCIL
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GOODBYE JIANG?
RESULTS OF CHINA'S 16TH PARTY CONGRESS

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Executive Summary

The discussion examined the implications for China, Taiwan and the United States of the leadership changes that came out of the 16th Party Congress in Beijing. For China, the speakers emphasized the continuity and corruption of Jiang's influence as well as touching upon Hu's role, the future of the CCP and the uncertainty of who actually holds the reins of power in Beijing. One speaker compared the similarities of Hu at this point in his career with that of Lee Teng-hui when Lee first became president and discussed the Bush administration's changed approach to Taiwan. Another speaker argued that the leadership changes in the 16th CCP Congress will alter neither executive nor congressional policy towards China in the short term. The speakers also discussed how the U.S. government is likely to react to the new leadership in Beijing.

Detailed Summary

Every five years the CCP holds a congress to make changes in China's leadership, including the leadership of the People's Liberation Army (PLA). Some changes stemming from the 16th CCP Congress include a Central Committee that is almost a full generation younger than their predecessors and 98 percent college-educated. The Standing Committee was expanded from seven to nine members.

Unlike the previous Congress, this was a smooth transition. This change in leadership will not likely translate to changes in policy, said one speaker. Before the Congress many China watchers believed that these changes would follow Deng Xiaoping's framework, which emphasized a balance of interests in the leadership with Hu as the key coordinator. After the Party Congress, many questions remain. What will be Hu's role? Who will be the new Vice President? Who will replace Qian Qichen as the senior advisor on foreign policy? How long will Jiang remain chairman of the Central Military Commission? One thing remains clear: Jiang will retain a considerable amount of power via six of the new appointees loyal to him in the Politburo, leaving Hu in the background.

One speaker emphasized that this new group of leaders will focus on substance rather than personalities. For example, they seem determined to follow through on World Trade

Organization (WTO) reforms and to meet their goal of quadrupling the country's gross domestic product to \$4 trillion in 2020.

One speaker stated that there were many neglected areas in need of reform, citing the development gap between rural and urban areas as well as between coastal and interior areas. The speaker pointed out that less than half of the CCP membership is working-class, indicating that the party may continue to neglect those who are economically disadvantaged. Scholars anticipated a continuation in the gradual trend towards more procedural changes in leadership, but strong-man rule and factional alignments dominated the 16th Party Congress.

The mandate for the new leadership is unclear. One speaker predicted that although Hu and his supporters are temporarily constrained by Jiang's agenda, they will gradually try to consolidate their power and act independently.

China's new leadership will be consensus-seeking, said one speaker, leading them to policies which follow "the lowest common denominator". This makes sensitive reforms, such as flexibility with Tibet or political change, very unlikely. At the 16th Party Congress Jiang re-emphasized that any change in Taiwan policy would also be unlikely.

One speaker noted the discrepancy between the anti-corruption rhetoric at the Congress and Jiang retaining influence by filling six Central Committee posts with his supporters. Several of these Jiang appointees had been involved in well-publicized corruption scandals, the speaker said. Despite this, China will remain a good opportunity for foreign direct investment and trade. Another speaker pointed out that corruption has not deterred investment from Taiwan, either.

The People's Republic of China (PRC) has been working very hard to build friendly relations with the United States since mid-2001, exhibiting a new maturity in its approach to foreign policy. One speaker described the focus on economic development as a matter of survival, not a choice, both for the leadership and the nation as a whole.

Another speaker compared the similarities between Hu Jintao's profile and that of the Taiwan's former president, Lee Teng-hui. When Lee came to power in Taiwan, he was seen as an unknown but obedient bureaucrat who was constrained by his predecessor's grip on power. Lee slowly pushed the old guard aside and began to implement a series of reforms, eventually creating the "raucous democracy" of Taiwan today. The speaker expressed hope that Hu, because of his experiences throughout China (rather than limited to the eastern coast, like the other "princelings") will continue to parallel Lee in his career and reform China because Hu knows perhaps better than other leaders the extent of China's problems.

One speaker said that the Crawford Summit cemented Jiang's legacy. President Bush's opening statement that the "U.S. and China are also *allies* in the global war against terror" was strong language which, to one speaker, signals Bush's commitment to friendly Sino-U.S. relations. Bush also reaffirmed the United States' commitment to the

Three Communiqués and to the Taiwan Relations Act (TRA). Another speaker said that although there are rumors that President Bush may have unofficially stated that Washington “opposed independence” for Taiwan at the Crawford Summit last October, official U.S. policy still states that “we do not support independence.”

Since the 9/11 terrorist attacks, Taiwan has become a second-tier issue. Iraq is this administration’s primary concern, followed closely by a nuclear-armed North Korea, said one speaker. The change in the importance of Taiwan was evidenced by President Bush’s strong criticism of President Chen’s description of cross-Strait relations as “one side, one country,” which caught the administration by surprise. It is clear that although Bush remains committed to Taiwan via the TRA, he does not want any provocation by either Beijing or Taipei.

In Taiwan, one speaker said, there is a struggle between the pro-independence camp (the Democratic Progressive Party, or DPP) and the reunification camp (the Kuomintang, or KMT and the People First Party, or PFP). The speaker hypothesized that both sides of the debate want China to have a hard line for different reasons. The DPP would have a stronger case for independence and the KMT and PFP do not want President Chen to make progress on cross-Strait relations before he is vulnerable in the next election. The speaker concluded that Chen will have to continue policies to promote the status quo of stability and continuity in cross-Strait relations.

One speaker stated that the 16th Party Congress will have no effect on U.S. China policy in the short-term. Despite the Bush administration’s values-centered rhetoric, it is pursuing a highly pragmatic China policy based exclusively on U.S. interests. In previous administrations, the PRC was either viewed through “rose-colored glasses” or as the “evil empire.” China policy, said one speaker, has become secondary or even tertiary in the wake of 9/11. Finally, because of the six Jiang loyalists in the Politburo Standing Committee, the U.S. executive branch expects continuity within China in its policies towards Washington.

In the U.S. Congress, Lugar’s pragmatic policy-based agenda in the Senate will balance Nancy Pelosi’s human rights agenda and Tom DeLay’s pro-Taiwan stance in the House, one speaker said. The Republican Congress is likely to follow the White House in its policy initiatives. Additionally, a contingent in Congress retains a negative view of China that is impervious to CCP leadership changes, said one speaker, citing a post-9/11 Congressional Record account of the substantial PLA threat to US forces.

Recent domestic issues such as inflation, reform of state-owned enterprises, accession into the WTO and the leadership change are responsible for a Chinese preoccupation with domestic issues that will likely continue to result in caution in the foreign policy arena.

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