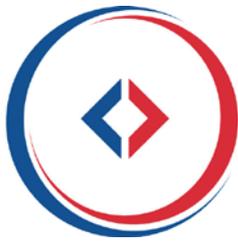




China's 2017 Communist Party Leadership Structure & Transition



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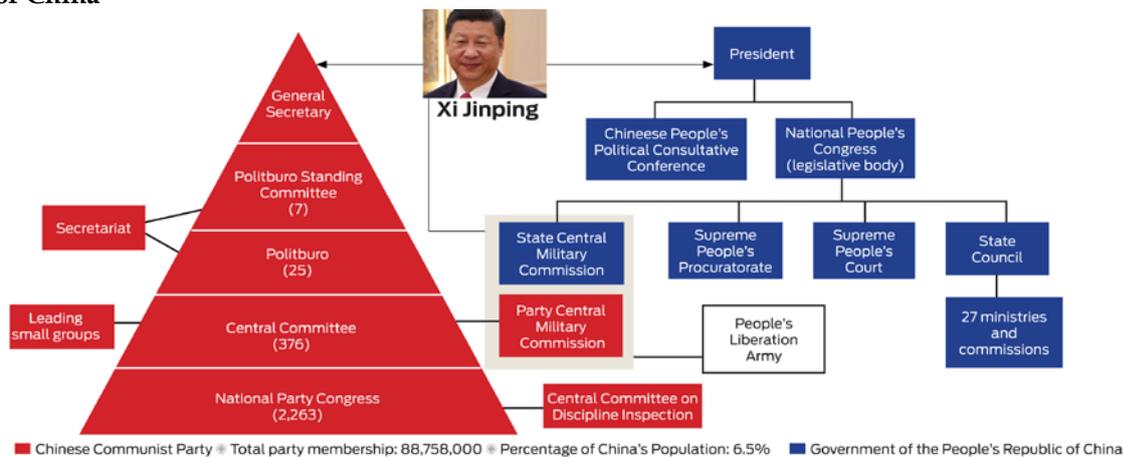
Executive Summary

- The 19th Chinese Communist Party (CCP) congress, in fall 2017, is expected to mark the beginning of President Xi Jinping's second, five-year term as China's top leader and fill other senior political posts. In the past, some second-term party congresses have signaled leadership succession plans for the next congress.
- The party congress not only chooses top party personnel, but also establishes policy priorities for the subsequent five years. These priorities are condensed into a political report delivered by the party's incumbent top leader on behalf of the Central Committee.
- Leadership turnover could be significant. If previous party congress norms hold, many key national and provincial party leaders could be replaced for reaching the targeted retirement age of 68. This means five of the seven current Politburo Standing Committee members could retire, leaving only President Xi and Premier Li Keqiang to continue. Additionally, at least 11 of the 25 members of the Politburo are likely to retire, based solely on retirement age. Average turnover in the larger Central Committee has been 60 percent, based on age and other factors.
- Changes to the majority of senior positions within the party and the State Council, China's cabinet, will be announced on an ongoing basis through the National People's Congress in March 2018. As part of the transition, many key government officials whose work affects trade and commerce in China will retire or be promoted to new positions.
- The fall 2018 third plenum of the new congress should be important to US-China Business Council (USCBC) member companies for its directives on economic reforms.

Leadership structure

China's political system is divided into three major institutions: the CCP, the government, and the military. The government and military are subordinate to the CCP, the leading political entity that determines the national policy agenda.

Leadership Organizations within the CCP in relation to the Government of the People's Republic of China



Structurally, the CCP has three main groups: the Central Committee, the Politburo, and the Politburo Standing Committee (PSC). Each of these groups is respectively smaller and holds increasingly more political power, with the PSC as the core of the Chinese leadership. It counts among its members influential government officials including President Xi Jinping and Premier Li Keqiang.

Central Committee	Politburo	Politburo Standing Committee
<i>Members of all three bodies are selected every five years and announced at the party congress</i>		
<ul style="list-style-type: none"> ● Currently comprised of 376 members (though this number is not fixed) ● Convenes once per year at “plenary sessions” during which the CCP announces policy changes ● Members are elected by the National Party Congress from a pool of more than 2,000 delegates in the party congress 	<ul style="list-style-type: none"> ● Currently comprised of 25 members (though this number is not fixed) ● Officially recognized as the chief political decision-making body in China ● Members are selected from, and elected by, the Central Committee 	<ul style="list-style-type: none"> ● Currently comprised of 7 members (though this number is not fixed; the previous Politburo Standing Committee was comprised of 9 members) ● Members hold senior posts in other top leadership bodies ● Members are selected from the Politburo, and elected by the Central Committee

The Central Committee is comprised of China’s most important leaders representing provincial government, military, state owned enterprises (SOEs), and party interests. Members are selected every five years from a pool of more than 2,000 delegates to the party congress. These delegates are elected from, and represent, 40 “electoral units,” including 31 provinces, Taiwan, Hong Kong, and Macao, along with other institutions like SOEs, the public service sector, and the People’s Liberation Army.

The Party Constitution authorizes the Central Committee to elect the General Secretary and members of the Politburo, the PSC, and the Central Military Commission, as well as endorse the composition of the Secretariat and the Central Commission for Discipline Inspection, although in practice appointments are guided by a top-down process involving the outgoing Politburo Standing Committee and other influential retired leaders.

The Politburo is elected by the members of the Central Committee and contains the 25 most senior members of the CCP. Most of its members also hold important regional leadership positions or senior roles in the government.

The Politburo Standing Committee (PSC) Among the 25 members of the Politburo, power is centralized in the PSC, which currently has seven members. This group is comprised of the most senior officials in the CCP whose official role is to conduct policy discussions and decide major issues. The PSC is China’s *de facto* highest ruling council.

The PSC’s inner workings are unclear, although each of the members is [reported](#) to have one equal vote in a “collective leadership.” Xi, as the General Secretary, sets the agenda and calls meetings.

Previous iterations of the PSC had as many as 11 members and as few as five; Hu Jintao, who was general-secretary before Xi, presided over a PSC with nine members.

Other important organs within the CCP include:

- **The Party Central Military Commission** issues directives relating to the People’s Liberation Army (PLA), including senior appointments, troop deployments, and spending. The 11-person commission is chaired by Xi and has a parallel organization with identical membership in the government – the State Central Military Commission.
- **The Central Secretariat** coordinates between various organizations to achieve tasks set out by the Politburo, and handles routine operations for the Politburo. Liu Yunshan, a member of the

PSC, is currently the head of the Central Secretariat as its First Ranked Secretary.

- **The Central Committee on Discipline Inspection (CCDI)** is responsible for enforcing rules and regulations within the party, as well as fighting corruption in the party. Because most government officials are also members of the party, the CCDI is the top anti-corruption body in China. Wang Qishan, a current PSC member, is its secretary.
- **Leading Small Groups** are ad-hoc, interagency consulting and coordinating bodies that provide direction for policymakers. Their output represents the consensus of the most senior party members. Notable Leading Small Groups include the Leading Small Group for Comprehensively Deepening Reform and the Leading Small Group for Financial and Economic Affairs — both led by Xi.

Plenary sessions

The party congress generally convenes [seven plenary](#) sessions during each five-year term, during which the Central Committee announces policy changes. The general topics and agenda for each plenum are:

- The **first plenum** meets one day after the party congress, and is generally focused on party affairs: electing Politburo members, deciding members of the Secretariat, and appointing leaders to the Central Military Commission.
- The **second plenum** occurs in the spring of the following year, before the twin meetings of the National People's Congress and the Chinese People's Political Consultative Conference. It focuses on any remaining high-level issues after the first plenum. The second plenum also approves the slate of candidates for the new government administration, pending approval by China's legislature — the National People's Congress — [as was most recently done in February 2013](#).
- The **third plenum**, in the fall of the year after the initial party congress, [addresses](#) important political and economic issues. Landmark outcomes from past third plenums include the beginnings of Deng Xiaoping's "reform and opening up" movement during the 11th Party Congress in 1978 and the creation of a "socialist market economy" during the 14th Party Congress in 1993. The [most recent third plenum](#), held in November 2013, announced a broad agenda of political and economic reform policies. The 2018 Third Plenum should be important to USCBC members for its directives on reforms and economic policies.
- The **fourth and fifth plena**, generally in the fall of the third and fourth years of a party congress cycle, and often play a significant role in directing military governance. Historically, fourth plenums serve as an implementation session for policies formed during the third plenum. The fifth plenum is also when the next set of Five-Year Plans is announced.
- The **sixth plenum** occurs in the fifth year that a Central Committee is in power, and focuses on ideology building. Past topics include "building a harmony socialist society" and "deepening cultural reform."
- The **seventh plenum** session occurs one week before the next party congress and usually lasts one day. It is an opportunity for the outgoing party congress to approve the draft political report, propose amendments to the party constitution, and approve nominees for leadership positions, all of which is preparatory work for the next party congress.

Process and timing

Leadership transitions in China are not a uniform process, and the timing of when positions are vacated and filled depends on the institution, level, and function. If history is a guide, appointments to senior-level party positions within the Central Committee, Politburo, and the PSC are [made at the party congress](#). Appointments to [government positions](#) within the State Council, such as those of minister or vice minister, will likely be made at a meeting of the National People's Congress in March 2018, but may also be made at other times.

The [Party Constitution states](#) that new representatives for party and government leadership positions are selected through committee-organized elections. However, in practice appointments are a top-down process that involve both retired and current senior party leaders.

Why is the party congress important?

The party congress not only chooses top party personnel, but also establishes policy priorities for the subsequent five years. During the weeklong party congress session, the delegates evaluate the party's work over the past five years, assess the party's current status, and set guidelines for priorities of the coming five years. These deliberations are condensed into a "political report," delivered by the party's incumbent top leader on behalf of the Central Committee. At the 18th Party Congress, then-CCP General Secretary Hu Jintao delivered the report; Xi will deliver the 19th Party Congress report.

The party congress also has the authority to revise the [Party Constitution](#). Past revisions incorporated guiding ideologies issued by the party chief. The 18th Party Congress in 2012 added to the constitution's preamble the statement that "reform and opening up are the path to a stronger China." Those revisions institutionalize the policy thinking of the current leader and signal the direction of the party over the next five years.

What's next, and which party positions are up for grabs?

Leading scholars disagree about the exact rules and norms governing retirement for officials. This disagreement indicates that while life terms in leadership posts are no longer held, and [term limits technically exist](#), it is unclear if or when a fixed retirement age occurs.

The two most recent party congresses suggest a general retirement age of 68¹. Referred to as "seven up, eight down," it is shorthand for the party's convention of allowing officials to be appointed until the age of 67, and retiring officials at age 68 or older. Government guidelines indicate that minister-level officials should retire at the age of 65, while officials at lower levels should retire at age 60.

However, exceptions have been made. If the individual is younger than the age of retirement at the time of appointment, then it is often acceptable to serve past the retirement age to fulfill a normal term. For example, Vice Premiers Zhang Gaoli and Ma Kai are both 70 years old in 2017, but were appointed before they had reached the age of retirement. Additionally, officials can be allowed to serve in their government role if promoted to a higher position within the party.

All eyes are on the upcoming party congress to see if these trends will continue to hold, or if exceptions will be made. Deng Maosheng, a director with the party's Central Policy Research Office, in responding to a question about the "seven up, eight down" rule, told reporters at a government-organized [news briefing](#) in 2016 that retirement rules for senior officials need to be flexible and revised if circumstances require it. While the statement occurred at a government-organized news briefing, it was not reported in domestic media – only appearing in a variety of international outlets.

If the age-based norms of the previous two party congresses hold, many of the principal figures occupying the most important party leadership functions at the national and provincial levels could be replaced due to reaching – or approaching – the targeted retirement age of 68. This includes:

- Five of the seven current PSC members should retire at the end of 2017, based on the age limits of 68. This means that only Xi and Li would remain.
- At least 11 of the 25 members of the Politburo.
- Age-based estimates predict a turnover rate of 9 percent of the Central Committee's membership. However, the Central Committee usually experiences a high turnover rate based on additional factors, averaging 62.3 percent for each of the party congresses since 1982.²

¹ Alice Miller. "The 18th Central Committee Politburo: A Quixotic, Foolhardy, Rashly Speculative, But Nonetheless Ruthlessly Reasoned Projection." *China Leadership Monitor* (Summer 2010). No. 33. <http://media.hoover.org/sites/default/files/documents/CLM33AM.pdf>.

² Li, Cheng. *Chinese Politics in the Xi Jinping Era: Reassessing Collective Leadership*. Washington, D.C.: Brookings Institution, 2016. Print.

Politburo & Politburo Standing Committee Members			
<i>In alphabetical order by last name; Politburo Standing Committee Members are denoted with an *</i>			
Name	Age in 2017	Current Position	Anticipated status based on age
Fan Changlong	70	Vice Chairman of the Central Military Commission	Retire
Guo Jinlong	70	Party Secretary of Beijing	Retire
Han Zheng	63	Party Secretary of Shanghai	Remain
Hu Chunhua	54	Party Secretary of Guangdong	Remain
Li Jianguo	71	Vice-Chairman and Secretary-General of the National People's Congress	Retire
Li Keqiang*	62	Premier of the State Council	Remain
Li Yuanchao	67	Vice President of the People's Republic of China	Remain
Li Zhanshu	67	Secretary of CCP Central Secretariat, Chief of the General Office of the Communist Party of China	Remain
Liu Qibao	64	Secretary of the CCP Central Secretariat, Head of the CCP Propaganda Department	Remain
Liu Yandong	72	Vice Premier of the State Council	Retire
Liu Yunshan*	70	Leader of the Propaganda and Ideology Leading Group, President of the Central Party School	Retire
Ma Kai	71	Vice Premier of the State Council	Retire
Meng Jianzhu	70	Head of the Central Politics and Law Commission of the Communist Party of China	Retire

Sun Chunlan	67	Head of the CCP United Front Work Department	Remain
Sun Zhengcai	54	Party Secretary of Chongqing	Remain
Wang Huning	62	Director of the Policy Research Office of the CCP Central Committee	Remain
Wang Qishan*	69	Secretary of the Central Commission for Discipline Inspection	Retire
Wang Yang	62	Vice Premier of the State Council	Remain
Xi Jinping*	64	General Secretary of the Communist Party, President of the People's Republic of China, Chairman of the Central Military Commission	Remain
Xu Qiliang	67	Vice Chairman of the Central Military Commission	Remain
Yu Zhengsheng*	72	Chairman of the Chinese People's Political Consultative Conference	Retire
Zhang Chunxian	64	Deputy leader, Leading Group for Party Building	Remain
Zhang Dejiang*	71	Chairman of the Standing Committee of the National People's Congress	Retire
Zhang Gaoli*	70	Executive Vice Premier of the State Council	Retire
Zhao Leji	60	Secretary of the CCP Central Secretariat, Head of the CCP Organization Department	Remain

In addition, based on past leadership transitions, many party secretaries of China's 31 provinces, autonomous regions, and centrally administered municipalities are also likely to be replaced due to retirement or promotion to other positions.

State Council and government positions

Based on historical precedent, key leadership positions in the State Council and its offices will also undergo changes because of retirement or promotion. These posts generally include the premier, vice premiers, state councilors, and many of the heads of the State Council's 27 ministries and commissions. A selected list of key vice minister-level officials who may be affected by the official

retirement age of 60 are shown below. The incoming party leadership may make additional changes in ministry roles for reasons beyond age.

Select State Council Vice Minister-Level Officials by Age; Official Retirement Age is 60, though exceptions apply		
Name	Ministry	Age in 2017
Wang Shouwen	Ministry of Commerce	51
Yu Jianhua	Ministry of Commerce	55
Zhu Guangyao	Ministry of Finance	64
Zhang Yesui	Ministry of Foreign Affairs	63
Zheng Zeguang	Ministry of Foreign Affairs	53
Liu Lihua	Ministry of Industry and Information Technology	59
Hu Zucui	National Development and Reform Commission	55
Ning Jizhe	National Development and Reform Commission	60
Yi Gang	People's Bank of China	59

Local-level process

The four levels of party leadership below the national level (provincial, municipal, county, and town) will confirm leadership of their party positions by summer 2017 in the lead-up to the party congress. This process entails confirming appointments in each of China's 31 provinces, 361 cities, 2,811 counties, and 34,171 townships. This process precedes the convening of the party congress to allow elections for senior posts from among the most current group of officials. Current provincial-level party secretaries may be elevated to more senior party positions at the party congress. This means there will likely be additional changes to provincial party secretaries following the party congress in the fall and the subsequent appointments to state bureaucratic positions in the spring of 2018.