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**“LEADERSHIP CHANGE IN CHINA:  
IMPLICATIONS FOR REGIONAL SECURITY”**

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## LEADERSHIP CHANGE IN CHINA: IMPLICATIONS FOR REGIONAL SECURITY

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### Introduction

The change of leadership in China that began in November 2002 is one of the most important political transitions in East Asia in the new century. Leadership change also took place in South Korea in 2003, and similar transitions will take place in Taiwan and some countries in Southeast Asia in 2004. This paper basically looks at the significant events that transpired in China since the 16<sup>th</sup> Party Congress and the 10<sup>th</sup> National People's Congress, and examines the security implications of these to the region from a Southeast Asian perspective. It basically argues that because the fourth generation leadership is going to be preoccupied with the country's internal political and economic priorities, the change in leadership in China will not significantly alter the security environment in the region. However, the new leadership also faces a number of internal and external challenges that may impact on East Asia's peace and stability over the medium- to long-term. As the Party attempts to find new bases of political legitimacy, its cohesion will only be ensured if it absorbs the new sectors of the economy. Externally, provocations from Taiwan's pro-independence movement may put to the test the new leadership's resolve to exercise restraint in using military force in dealing with the Taiwan issue.

### Leadership Change in China: New Leaders, New Ways?

The 16<sup>th</sup> Party Congress in November 2002 and the 10<sup>th</sup> National People's Congress in March 2003 ushered in the leadership change in China. Hu Jintao took over from Jiang Zemin as head of the Chinese Communist Party (CCP) and President of the People's Republic of China (PRC), although the latter still retained his post as head of the party and state Central Military Commissions (CMC). The top level leadership change was basically a sweeping one, based on the fact that:

- More than sixty percent of the members of the Politburo are new to that body;
- Eight of the nine members of the Politburo Standing Committee are new;

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- Seven of the eight members of the Party Secretariat are also new;
- Most of the heads of party Central Committee are new;
- In the State Council, all of the vice premiers and state councilors are new to their posts; and
- Of the 28 State Council ministers, eighteen are new as a result of the National People's Congress.

A corresponding change in China's provincial party and people's congresses also came about prior to the national party and people congresses, with eleven of the 31 province party secretaries and fifteen of the 31 governors are new to their posts.<sup>2</sup>

The three top leaders of the "fourth generation"<sup>3</sup> – Hu Jintao, Wu Bangguo, and Wen Jiabao – are all over 60 years old. The average age of Politburo Standing Committee members is 62, while the average age of all members of the 16<sup>th</sup> Politburo is 60.4. Out of the 313 members of the 16<sup>th</sup> Central Committee whose ages are identified, only 14 (or 4.5 percent) are leaders of the "fifth generation" who were born after 1957.<sup>4</sup> Based on distinctive historical experiences of political elites in China, the fourth generation leaders are also known as the "Cultural Revolution generation",<sup>5</sup> who are technocratic in training and more pragmatic in their thinking than their predecessors. Although they are mostly engineers and were primarily educated in China, the fourth generation leaders are said to be more conscious of international opinion and modern economic and technical trends.<sup>6</sup>

### *Leadership Style, Goals and Objectives*

Since his installation as head of the party and the state, Hu Jintao has been consciously attempting to portray the new Chinese leadership as actively seeking to address the widening economic gap brought about by the country's prosperity by promoting clean and transparent government, as well as the rule of law. In particular, Hu charged his party colleagues in the new leadership to adhere to the "two musts" that were put forward by Mao Zedong – i.e., to "remain modest, prudent, and free from arrogance and rashness," and to "preserve the style of plain

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<sup>2</sup> H. Lyman Miller, The 10<sup>th</sup> National People's Congress and China's Leadership Transition, *China Leadership Monitor*, No. 7, pp. 1-2, from <http://www.chinaleadershipmonitor.org/20033/lm.html>.

<sup>3</sup> The idea of numbering generations of leaders came from Deng Xiaoping, who identified the first generation as that of Mao Zedong, and the second generation was Deng's own. Deng called Jiang the "core" of the third generation. See Andrew J. Nathan and Bruce Gilley (eds.), *China's New Rulers: The Secret Files*, pp. 10-11.

<sup>4</sup> Cheng Li, The Emergence of the Fifth Generation Provincial Leadership, in *China Leadership Monitor*, No. 6, pp. 75-76, from <http://www.chinaleadershipmonitor.org/20032/lc.html>.

<sup>5</sup> *Ibid.*

<sup>6</sup> Andrew J. Nathan and Bruce Gilley (eds.), *China's New Rulers*, p. 21.

living and hard struggle.”<sup>7</sup> He also undertook a bold initiative of promoting transparency within the party by allowing routine public reportage of the party’s Politburo and Standing Committee meetings. For instance, the official Xinhua news agency reported on two “study group” sessions in the Politburo led by Hu that was devoted to the examining the PRC’s constitution as the basis for the rule of law in governance, and on world economic trends.<sup>8</sup> A similar but extensive reporting of State Council meetings have also been undertaken, which for many China observers could lead to a comparable effort at “glasnost” with respect to party and government decision making at the lower levels. Overall, under Hu’s leadership, the Party is expected to emphasize collective leadership, decision-making transparency, government accountability, and responsiveness to the needs of the Chinese people.<sup>9</sup>

### *Challenges and Domestic Priorities*

Following the 10<sup>th</sup> NPC in March 2003, the new leadership in Beijing met a number of challenges to which it responded accordingly:

- The Severe Acute Respiratory Syndrome (SARS) epidemic that rapidly spread to several urban centers in China and other countries, which negatively affected the PRC’s international image. President Hu and Prime Minister Wen acted decisively in dealing with the situation by sacking central and provincial leaders, emphasizing cooperation with the World Health Organization (WHO), and imposing emergency restrictions on public travel and activities to contain the spread of the disease.
- The US went to war with Iraq in March 2003 despite strong opposition from China and other members of the UN Security Council. The Chinese media expressed concerns about the potential economic impact of the Iraq war on world oil markets, which could directly affect the PRC’s economic growth. This led the new leadership to consider the need for having a strategic oil reserve.
- On the North Korean nuclear issue, China took on a more active diplomacy in concert with South Korea, Japan, the US, Russia and North Korea that led to a consensus on the opening of the six-way talks with

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<sup>7</sup> H. Lyman Miller, *Hu Leadership Focuses on Compassionate Conservative Governance*, in *China Leadership Monitor*, No. 6, p. 71, from <http://www.chinaleadershipmonitor.org/20032/lm.html>.

<sup>8</sup> *Ibid.*, pp. 72-73.

<sup>9</sup> H. Lyman Miller, *The Hu-Wen Leadership at Six Months*, *China Leadership Monitor*, No. 8, p. 3, from <http://www.chinaleadershipmonitor.org/20034/lm.html>.

Pyongyang in Beijing in August and brokered the resumption of talks in October.

- Beijing buckled down on Hong Kong's security legislation under Article 23 of the 1984 Basic Law following massive protests in July, and agreed to new "consultations" on the legislation.<sup>10</sup>

Notwithstanding the immediate challenges that it faced, the new leadership in Beijing appears to have remained focused on a number of political reforms that were agreed upon in the 16<sup>th</sup> Party congress and the 10<sup>th</sup> NPC. This includes: 1) reform of the State Council in order to manage the impact of China's entry into the World Trade Organization (WTO) on the country's domestic economy; 2) structural reform of the state-controlled media, which is partly intended to accommodate WTO stipulations that provide for foreign participation in retail distribution of publications and in other roles; and 3) preparations for the reform of China's constitution in the second session of the 10<sup>th</sup> NPC in the first quarter of 2004.<sup>11</sup> Within the Party itself, priority is apparently given to issues of law and order as well as ideology-propaganda that suggests the new leadership's concern about party discipline, public security, and social unrests that may stem from at least three sources: 1) the economic dislocations that may be brought about by China's adjustments to its WTO concessions; 2) escalating unemployment amidst the continuing push for reform of state-owned enterprises; and 3) intra-party resistance to transformation of party membership according to the "three represents" concept.<sup>12</sup>

### *Internal Party Debates*

The smooth transition in China's leadership was preceded by internal Party debates that revolved around rethinking the role of the CCP amidst rapid economic and social transformations within the country as well as in the external environment. In July 2001, former party chief Jiang Zemin delivered a speech during the anniversary of the Party advocating the inclusion of private entrepreneurs to join the CCP, along with other people from new sectors of China's society. Jiang identified six sectors that have developed in China over the years, namely: 1) entrepreneurs and technical

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<sup>10</sup> Ibid., pp. 1-2.

<sup>11</sup> Ibid., p. 2.

<sup>12</sup> H. Lyman Miller, *Hu Leadership Focuses on Compassionate Conservative Governance*, *ibid.*, p. 69. The "three represents" refers to the idea put forward by former President Jiang Zemin concerning what the Chinese Communist Party stands for: 1) it represents the development trends of advanced productive forces; 2) it represents the orientations of an advanced culture; and 3) it represents the fundamental interests of the overwhelming majority of the people of China. These "three represents" were also incorporated into the constitution of the CCP in the 16<sup>th</sup> Party Congress in November 2002.

personnel employed by scientific and technical enterprises of the non-public sector; 2) managerial and technical staff employed by foreign-funded enterprises; 3) the self-employed; 4) private enterprise owners or “capitalists”; 5) employees in intermediary organizations; and 6) freelance professionals.<sup>13</sup>

It was reportedly acknowledged by the Party that it had poor representation in the private sector, which is the fastest growing sector in the PRC’s economy. There was a concern that if the Party fails to absorb young entrepreneurs and intellectuals, this may push them into becoming oppositionist vis-à-vis the CCP. Party theoreticians apparently have also come to recognize that because intellectuals are part of the working class, the emergence of “knowledge economy” in China implies that the composition of the working class is also changing. This has led some party members to argue that although the Party is supposed to be the vanguard of the working class, party membership need not come solely from the working class because what is more important is the consciousness of the party members. Thus, what matters most is not the class origins of membership but ideology.<sup>14</sup>

The ruling Party is also facing increased pressure for greater inner-party democracy as it begins to compete with other models of political organization primarily due to increased influence of globalization as well as the growing attraction of Western models of democracy within China. Another reason is the need to promote party members or cadres that are acceptable to their local constituency in order to reduce conflicts between party secretaries and local government leaders and increase the accountability of party leaders. Apparently, one of the sources of tension between local cadres and the public (as well as within the party itself) has been over the monopoly of power. Calls for party reform, therefore, revolve mainly around the nomination and election procedures within the CCP, especially reform of the party congress system. Some of the measures that were proposed include: 1) convening of party congresses on a more regular basis; 2) the bottom-up nomination of delegates to party congresses; 3) the election of congress delegates in competitive elections instead of being appointed by the party committee; 4) allowing congresses to decide their own agenda; and 5) establishing a party congress standing committee system similar to the NPC.<sup>15</sup> During his National Day speech in October 2003 delivered before the Politburo, Hu said the Party must undertake “sweeping systemic project” that will increase public participation in government and enforce the rule of law in the country. Specifically, he emphasized the need for democracy by enriching the forms of democracy, making democratic procedures complete, expanding citizens

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<sup>13</sup> From footnote reference of Joseph Fewsmith, Rethinking the Role of the CCP: Explicating Jiang Zemin’s Party Anniversary Speech, *China Leadership Monitor*, No. 1, Part 2, p. 9, footnote no. 7, from <http://www.chinaleadershipmonitor.org/20011b/20011JF.html>.

<sup>14</sup> Joseph Fewsmith, Rethinking the Role of the CCP, *ibid.*, pp. 3-4.

<sup>15</sup> *Ibid.*, pp.7-8.

orderly political participation, and ensuring “that the people can exercise democratic elections, democratic decision-making, democratic administration, and democratic scrutiny.”<sup>16</sup>

### *The Military*

Forty-three People’s Liberation Army (PLA) officers compose 22 percent of the 16<sup>th</sup> Central Committee of the Party, which includes 26 new personalities. Three new officers were added to the Party’s Central Military Commission (CMC) – Generals Liang Guanglie, Liao Xilong, and Li Jinai – all of which are “fourth generation” military leaders and contemporaries of Hu Jintao. Based on their biographical sketch, the career officers of the CMC share some common characteristics: 1) at least three of the officers have combat experience; 2) all received senior professional military education; and 3) all the officers served in sensitive military regions relevant to Beijing’s interests in counter-terrorism or conflict with Taiwan.<sup>17</sup>

The Party’s CMC appointments apparently indicate that the “fourth generation” Chinese leadership is professionalizing the PLA as its membership is composed of younger and better-educated individuals who are more oriented towards building China’s military capability. For example, General Cao Gangchuan (who was named the new defense minister of China in the 10<sup>th</sup> NPC) and Li Jinai are reported to be familiar with missiles and missile operations. General Liang commanded a unit in the 1989 Tiananmen crackdown, led military exercises directed against Taiwan, and oversaw the writing of the book *Sea Crossings and Landing Operations* while he was commander of the Nanjing Military Region.<sup>18</sup>

As defense minister, General Cao is expected to broaden his mainly ceremonial function by maintaining oversight of the PLA’s arms sales ties with other countries, especially its key link with the Russian military-industrial complex.<sup>19</sup> He is also a known advocate of a slimmed-down, high-tech military – an idea that met some strong resistance from supporters of the old strategy of a “people’s army” of passionate but low-tech cadres. In particular, Cao wants the present 2.5 million standing armed forces of China cut down to 1.5 or even 1 million. At the same time, however, he wants the PRC’s military budget to continue with its double-digit

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<sup>16</sup> Joseph Kahn, “China’s Leader Calls for ‘Democratic’ Changes,” The New York Times Online Edition, 2 October 2003, from <http://www.nytimes.com/2003/10/02/international/asia/02CHIN.html>.

<sup>17</sup> James Mulvenon, The PLA and the 16<sup>th</sup> Party Congress: Jiang Controls the Gun?, *China Leadership Monitor*, No. 5, pp. 23-24, from <http://www.chinaleadershipmonitor.org/20031/jm.html>.

<sup>18</sup> *Ibid.*, p. 24.

<sup>19</sup> *Ibid.*, p. 25.

growth over the last decade in order that new military technology could be acquired and developed.<sup>20</sup>

### **Implications for East Asian Security**

The change in China's leadership has a number of security implications for the region in the short- and medium-term. For one, the preoccupation of the new leadership with domestic concerns will likely mean that the regional security environment will continue to be stable. China may also be expected to continue to play a more active role in promoting and strengthening the multilateral security frameworks already in place in the region, such as the ASEAN Regional Forum as well as the six-party dialogue in Northeast Asia that primarily deal with the North Korean nuclear issue.

### ***Regional Security Environment***

The emergence of the fourth generation leaders in China will basically not significantly alter the region's security environment given that they are likely to be preoccupied mainly with sustaining the country's economic growth and maintaining internal political order and stability. A peaceful external environment is therefore necessary in order for China to concentrate on these domestic economic and political priorities. Even so, there are still a number of security issues that may disturb China's relations with some countries in the region. This include:

- The Taiwan issue, which may destabilize the region given the recent aggressive declarations of the pro-independence Democratic Progressive Party of President Chen Shui-bian. Although China looks at the Taiwan issue as essentially a domestic problem, it is complicated by the US factor that, according to President Hu Jintao, is the root cause of the delay in resolving the issue. Most fourth generation leaders in China see Taiwan, along with Tibet, as a proxy battlefield in Beijing's relations with Washington. Given this context, the new leaders are in agreement that the military option for solving the Taiwan problem must be preserved because without it, a political solution will not be possible. Even then, the non-military strategy continues to be an important strategy as well, which relies on the economic attractions of the mainland to the Taiwanese.<sup>21</sup>

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<sup>20</sup> Andrew J. Nathan and Bruce Gilley (eds.), *China's New Rulers*, pp. 223-224.

<sup>21</sup> *Ibid.*, pp. 215-217.



Recently, China gave its strongest threat of war against Taiwan amid a promise by President Chen Shui-bian to change the island's constitution, which is to be the centerpiece of his campaign for re-election in March 2004. Earlier, the Taiwanese leader proposed a change in the island's name even as he rejected Beijing's "one nation, two-systems" formula for reunification.<sup>22</sup> Foreign affairs officials in Manila felt the seriousness of this threat from China when the Chinese ambassador warned that the Philippines' security could be affected if Taiwan's drive for independence triggered a war with China. Allegedly, some Taiwanese strategists are looking into the Philippines as an "escape route from possible annihilation" if a war erupts across the straits.<sup>23</sup> Along with the Philippines, other ASEAN member countries view with much concern the destabilizing effects of a potential military conflict between China and Taiwan in the region.

- China's military modernization is a continuing source of concern for many countries in the region. For instance, ASEAN continues to be worried about the security implications of China's rise as a military power. Much of this stems from the fact that the PRC's military expenditures have increased considerably over the past decade, while those of ASEAN and other powers remained constant or even decreased (see table below). Despite Beijing's efforts to allay persistent fears in the region about its military posture, particularly through publication of defense White Papers, some in ASEAN still remain suspicious of China's intentions given the still unresolved territorial conflicts that it has with some claimants in the South China Sea as well as with Japan. It is also inevitable that countries in the region may link China's growing military power with its perceived assertive behavior, particularly on issues that involve territorial disputes including the conflict over Taiwan. Specifically, China pursuing a military approach in responding to provocations from Taiwan's pro-independence movement will only adversely affect Beijing's relations with its ASEAN neighbors and Japan.

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<sup>22</sup> Jonathan Watts, "China ratchets up threat before Taiwan's elections," *The Guardian*, 20 November 2003, from <http://www.guardian.co.uk/china/story/0,7369,1089122,00.html>.

<sup>23</sup> "China warns: Philippines at risk in a war with Taiwan", Agence France-Presse report, Inquirer News Service, 22 November 2003, from [http://www.inq7.net/brk/2003/nov/22/brkpol\\_7-1.htm](http://www.inq7.net/brk/2003/nov/22/brkpol_7-1.htm).

**Comparative Military Expenditures**  
(China, Japan, USA, and ASEAN 10, 1990-2001)

Countries	1990	1995	2000		2001	
	SIPRI	SIPRI	SIPRI	IISS	SIPRI	IISS
(US\$ billion)						
<b>China</b>	12.0	13.9	23.1	42.0	27.0	46.0
<b>Japan</b>	34.3	36.9	38.0	45.3	38.4	39.5
<b>USA</b>	405.5	316.4	305.2	304.1	306.5	322.3
<b>ASEAN10</b>	14.1	17.8	[15.6]	15.1	[8.1]	15.2
(US\$ million)						
Brunei	307	255	--	353	--	279
Cambodia	58	106	80	195	78	188
Indonesia	756	925	1111	614	--	860
Laos	--	--	--	20	--	19
Malaysia	1053	1744	1567	2579	1766	3249
Myanmar	6146	8036	5727	1020	--	1088
Philippines	733	945	843	1357	--	1065
Singapore	2284	3208	4523	4316	4542	4280
Thailand	1803	2598	1808	2419	1731	1831
Vietnam	1031	--	--	2303	--	2351

Sources: SIPRI 2002 Military Expenditure Database (first.sipri.org) and IISS's *The Military Balance, 2002-2003*. Figures for ASEAN10 based on aggregate of SIPRI and IISS data; those in brackets based only on available SIPRI data.

### *Regional Security Cooperation*

Notwithstanding concerns in the region about China's growing military power, Beijing appears to have been quite successful under its new leadership in promoting a more positive image of China as an emerging regional power that is committed to regional security cooperation.

In the sixth ASEAN-China Summit in November 2002 in Phnom Penh, ASEAN and China signed a joint declaration on "Cooperation in the Field of Non-Traditional Security Issues, along with the "Declaration on the Conduct of Parties in the South China Sea" and the "Framework Agreement on Comprehensive Economic Cooperation (CEC) between ASEAN and the People's Republic of China". It is

interesting to note, however, that while ASEAN highlighted the signing of the Declaration concerning the South China Sea as the most important achievement in the Phnom Penh Summit, China played up its CEC initiative and the declaration of cooperation in non-traditional security issues as equally important.

During the ASEAN Bali summit in early October 2003, China acceded to the Treaty of Amity and Cooperation (TAC) and signed a supplementary protocol to the Framework Agreement on Comprehensive Economic Cooperation and other related documents. During the recent APEC summit in Bangkok, China also showed its commitment to be deeply involved in the main activities of the region. Some security analysts perceive this growing sophistication of the PRC's diplomacy in the region as part of an overall strategy of countering American influence even as it attempts to promote a multi-polar world order as well as to allay fears of some countries in the region about the "China threat". Views in the region about China's "charm offensive" vary, although they basically agree that Beijing's diplomatic efforts will help in the promotion and strengthening of multilateral security frameworks in the Asia Pacific.<sup>24</sup>

## **Conclusion**

The smooth transition in China's leadership basically augurs well for East Asia's security and economic prosperity. However, it remains to be seen how the fourth generation of leaders will respond to challenges from within, especially given the enormous tasks of making the ruling Communist Party more relevant amidst rapid changing political and economic conditions of the country. Externally, the new leaders are also going to face provocations from Taiwan's pro-independence movement as elections draw near on the island. Countries in East Asia will monitor closely how the leaders in Beijing will respond to developments in Taiwan even as it would be an important indicator of how China will exercise its military power. For sure, many in ASEAN are hopeful that Beijing will continue to exercise restraint in order to avoid any negative security repercussions in the region. Both Japan and the US also have a role to play in making sure that a military confrontation will be avoided across the Taiwan Straits.

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<sup>24</sup> See for example Bantarto Bandoro, "China's diplomatic outreach in Asia", The Jakarta Post, 3 November 2003, from <http://www.thejakartapost.com/Archives/ArchivesDet2.asp?FileID=20031103.F03> and Amitav Acharya, "China's charm offensive in Southeast Asia", International Herald Tribune, 8 November 2003, from [http://www.ihf.com/ihfsearch.php?id=116813&owner=\(IHT\)&date=20020602155942](http://www.ihf.com/ihfsearch.php?id=116813&owner=(IHT)&date=20020602155942). See also Jane Perlez, "Chinese are eroding influence of the US," The New York Times, 20 October 2003.