ISAS Brief

No. 563 – 14 March 2018 Institute of South Asian Studies National University of Singapore 29 Heng Mui Keng Terrace #08-06 (Block B) Singapore 119620 Tel: (65) 6516 4239 Fax: (65) 6776 7505 www.isas.nus.edu.sg http://southasiandiaspora.org



President Xi Jinping's Domination Promises Stability

The decision of the Communist Party of China (CPC) to remove the two-term limit on the country's presidency is inviting a great deal of commentary, particularly in the West. Most of it is negative. It needs to be recognised that the constitutional limit applies only to the office of the president. It does not cover the secretary generalship of the CPC or the chairmanship of the Military Commission. In fact, these two positions are the source of real power in China. It was only after the end of the Deng Xiaoping era that the three offices were combined and given to one man. Jiang Zemin was the first person to hold the three positions from 1993 to 2003, followed by Hu Jintao from 2003 to 2013. Xi Jinping is the third incumbent. That said, the move to remove the limit on the tenure of the president is of global significance.

Shahid Javed Burki¹

One thing most analysts watching developments in China recognised was that the announcement of the constitutional change to remove the two-term limit on the country's presidency will have consequences beyond China's borders. Whereas the way United States (US) President Donald Trump has governed during his first year in office has put the world in

¹ Mr Shahid Javed Burki is Visiting Senior Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). During a professional career spanning over half a century, Mr Burki has held a number of senior positions in Pakistan and at the World Bank. He was the Director of China Operations at the World Bank from 1987 to 1994, and the Vice President of Latin America and the Caribbean Region at the World Bank from 1994 to 1999. On leave of absence from the Bank, he was Pakistan's Finance Minister from 1996 to 1997. He can be contacted at sjburki@gmail.com. The author bears full responsibility for the facts cited and opinions expressed in this paper.

an unstable position, the Chinese move may lend stability to the system. Trump's actions have introduced a great deal of uncertainty in the US as well as in the world. While the American president is creating chaos at home and abroad, the consolidation of power in Chinese President Xi Jinping's hands may lead to greater global certainty.

Trump's early moves have adversely affected a number of areas. Most significantly, he has begun to move against the system of international commerce built painstakingly over the last several decades. Within a year of his residence in the White House, the new president withdrew his country from the Trans-Pacific Partnership agreement (TPP), negotiated by Barack Obama, his predecessor. However, the TPP did not die with the US' exit. It was signed into international law by the remaining 11 nations. Trump has decided to impose stiff tariffs on the import of solar panels, steel and aluminum. This action is likely to lead to a trade war – the European nations have already indicated a number of retaliatory measures. The North America Free Trade Area is being renegotiated and there is some fear that the US may walk out of this as well.

The tariff decision was not well received in the ranks of the Republican Party. Before Trump arrived on the political scene, the party was a strong advocate of free trade. Gary Cohn, the president's senior economic adviser and formerly of Goldman Sachs, announced his resignation from the White House. He had serious differences with president on global trade issues.

The Trump administration has also introduced considerable uncertainty in the area of immigration. He has shown a very strong preference for admitting people from predominantly white countries and that means northern Europe, Australia and New Zealand. He used strong and vulgar language to describe blacks who have come into his country and the countries from which they have come. If Trump succeeds in his efforts, he may make "America White Again." The American president is highly critical of the Islamic faith and has acted to reduce the arrival of Muslims into the country. "Make America Great Again", the slogan he used to gain the presidency, is interpreted by many as "Make America Christian Again." In sum, Trump is not an internationalist or globalist – he is a thorough nationalist.

The Chinese are moving in the opposite direction. By giving President Xi at least one more term, certainty and stability could be expected from the direction in which Beijing was

proceeding. "Extending Mr Xi's tenure will ensure some measure of predictability in one way at least: by allowing for resolute policymaking," wrote Mary Gallagher in an article published a few days after it came to be known that President Xi will not be leaving his position anytime soon.² She is the Director of the Lieberthal-Rogel Center for Chinese Studies at the University of Michigan.

Some scholars of authoritarianism divide dictatorships into two categories – institutional and personal. The first operates through committees, bureaucracies and something like consensus. The second runs through a single charismatic leader. Maoist China, Stalin's Soviet Union and now Putin's Russia are some of the obvious examples of the second. Deng's political reforms were moving China, albeit slowly, into the first category. Will the grant of additional working life to Xi take China back to the first category? The answer is not necessarily so.

Even those Chinese scholars not working in government institutions believe that the new economic reality and the enormous changes in the global system require China to make massive political and economic adjustments. These may not be possible in a relatively slow-moving decision-making system based on consensus-building. The Chinese system may revert back to the institutional category once China has developed a new economic model and redefined its role in the still-forming international system that calls for new power sharing arrangements among the world's major powers. Xi has said that he would like to work with the US, still the world's largest economy, but in the context of internationally-agreed legal framework. That is not where Trump would like to take his country.

However, authoritarianism of the personal variety is harder to maintain. According to Erica Frantz, a scholar at the Michigan State University, personalisation is not a good development. There are subtle downsides that lead to long term instability. Domestic politics then become more volatile, governing more erratic and foreign policies more aggressive.³ If her research is correct, the Xi maneuvre purchased to provide stability over the short-term to make some necessary adjustments to changing situations might, in the end, yield long-term instability. This may result from the people's aspirations for greater participation.

² Mary Gallagher with Jonathan K Hanson, "Long Live the King: Ruler Turnover in Autocracies and Democracies," University Michigan, 2018.

³ Erica Franz, Dictators and dictatorships: Understanding Authoritarian Regimes and their Leaders, Bloomsbury, 2011.

In 2005, Bruce Gilley, a political scientist, struggled with one of the most important questions for any government – Is it viewed by its citizens as legitimate? He came up with a numerical score, determined by sophisticated measurements of how the governed behave. He found then that China enjoyed higher legitimacy than many democracies and every other non-democracy. This work was done when China was concluding the first phase of its remarkable economic progress. In the preceding quarter century, its national income had increased 32-fold and income per head of the population 25-fold. However, with the Great Recession of 2007-09, China's economic fortunes changed, along with the rest of the world. Gilley revisited his model in 2012 while the global economy was still in the recovery mode and found that China's score had plummeted.⁴ Government legitimacy, in other words, depended on the well-being of the citizenry.

Economic slowdown was not the only problem China faced. When Xi took control of the party in the fall of 2013 and became the country's president, he was aware that he had to deal with another problem. "Elite capture" is the term used in economics and political science for the situations in which those who have access to power use it to satisfy themselves rather than the general populace. There was considerable elite capture going on in China when Xi was handed the reins of power. There was obvious discontent in the country. This could pose serious challenge to those in positions of power.

Recognising this, Xi and his associates decided to tighten their grip on the political system while moving decisively against corruption. A programme was launched aimed at the people who occupied senior positions in the party, the government and the military. Thousands of people fell from power and some landed in prison. By the spring of this year, Xi felt strong enough to change the constitution and prolong his stay in power, arguing for continuity in the process of governance.

This retreat into authoritarian politics in China is occurring at a time when the other parts of the world are also moving in the direction away from open, liberal political systems that allows for the full participation of all people. However, it is in global economics that Xi's influence will be greatly felt. For allies who have long looked to the US to provide security and stability, Trump's moves were "a dizzying jolt of drama that injected fresh uncertainty

⁴ Bruce Gilley, "China's Democratic Future" *New York Review of Books*, New York, 2003. For the revision in his thinking, see his book, *The Nature of Asian Politics*, Cambridge University Press, 2014.

into strategic calculations in the world, where China is seeking to supplant the United States as the major power", wrote Motoko Rich, in an appraisal of how the world sees the Trump administration operating in the world.⁵ "This is without question a big opportunity for China, said Ian Bremmer, President of the Eurasia Group, a New York-based research firm that forecasts global risks. "The United States has become a less certain partner in for a while."⁶

In this situation, it made a great deal sense for China to opt for certainty and stability by extending the life-span of the Xi Jinping administration. This move involves a trade-off between continued and cautious political development and continuity. Xi, by now, is an experienced hand both in domestic and external affairs. By placing China in his hands, the Chinese have not abandoned political progress. They have only postponed it. The Chinese are ardent students of history, particularly their own. They have not forgotten the abuse of power and its consequences for their country during the Mao period. It is unlikely that they will make the same mistake again. Xi's ascent is likely to be for a short period. Once China has made the needed adjustments, he will climb down from the top.

• • • • •

⁵ Motoko Rich, "Uncertainty over Trump opens a door for China," *The New York Times international Edition*, 12 March 2018, p 5.

⁶ Ibid.