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The Life of the Party: Past and Present Constraints on the Future of the Chinese Communist Party

Yvonne Chiu, Isaac Kardon, and Jason Kelly, co-editors

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Preface

Isaac Kardon

The Asia Program at the Carnegie Endowment for International Peace studies disruptive security, governance, and technological risks that threaten peace, growth, and opportunity in the Asia-Pacific region, with an enduring focus on China. This compendium of essays on the Chinese Communist Party (CCP) by some of the world's leading China scholars advances Carnegie's long-standing commitment to rigorous, insightful, and policy-relevant research at a moment when a sober and strategic approach to China has never been more essential—or more difficult to define and achieve.

In Xi Jinping's "new era," students of Chinese politics face diminishing access to reliable sources. They must contend with biased or absent data, dwindling access to Chinese scholars and officials (and lack of candor when access is possible), and closed doors to archives, conferences, and meetings that, at least for a brief period of relative liberalization, were previously open. The avenues for substantive interactions between Chinese and American scholars that were being institutionalized in universities and think tanks during that "old era" have narrowed dramatically, due to restrictions on both sides.

Studying and analyzing the CCP from the outside is becoming more challenging, even as the importance of China has grown for decisionmakers, industry leaders, foreign policy analysts, and average citizens alike. However, the CCP has always been a challenging target, an organization that embodies the Daoist dictum "those who know do not speak; those who speak do not know" (知者不言，言者不知). That much has not changed. Yet the public demand to understand (and "counter") China is surging, and many prominent voices on the subject are plainly untroubled by their lack of knowledge. As a result, much of the received wisdom about the CCP circulating in Washington is wrong, obsolete, or just unwise.

We are determined to counteract these trends, shedding light instead of generating more heat. Precisely because the CCP is and will remain enigmatic, efforts to explain its priorities and practices will remain more art than science. With this volume, we aim to advance the state of that art. Each of the essays draws unique insights out of the collective knowledge of

a China studies community that has always confronted challenges of access and understanding. It has been an honor to edit these essays and renew Carnegie's investment in sustained, systematic scholarship and engagement on China.

Andrew R. Wilson

In 1999, Vice Admiral Arthur K. Cebrowski, then president of the U.S. Naval War College, declared his intention to make the college a center of excellence for the study of the Asia-Pacific and especially of China. At the time, there was only one Mandarin speaker on the college's faculty and the study of China's emergence as a global power and major competitor was in its infancy. In the quarter century that followed, research and teaching on Chinese history, politics, and military modernization flourished at the college, especially with the creation of the China Maritime Studies Institute. In addition to amassing in-house talent, the college significantly increased outreach to civilian academia, the national security community, and partner institutions locally and abroad. In 2010, the van Beuren Charitable Foundation established an endowed Chair of Asia-Pacific Studies at the U.S. Naval War College to expand student and faculty knowledge of and engagement with the Asia-Pacific region, with particular focus on the rise of China. The essays contained here are a realization of Admiral Cebrowski's vision and the van Beuren family's generosity.

These papers are the product of *The CCP at 101*, a conference held in June of 2022 and co-hosted by the Pell Center for International Relations and Public Policy at Salve Regina University and the John A. van Beuren Chair. The event's success lay in the tireless efforts of its lead organizers—Yvonne Chiu, Isaac Kardon, and Jason Kelly. They are exemplary of the dedicated and brilliant China scholars that the Naval War College has been able to attract, and they, in turn, drew in a constellation of expertise to contribute pathbreaking research on the past, present, and future of the Chinese Communist Party (CCP). The keynote was provided by Anthony Saich, Daewoo Professor of International Affairs at the Harvard Kennedy School, and author of *From Rebel to Ruler: One Hundred Years of the Chinese Communist Party*. That was followed by three panels mixing established scholars and rising stars in the field. Their work covers CCP history and ideology, internal and external security, and economic affairs.

In interrogating the first hundred years of the CCP, a common theme was the party's obsession with controlling its own history and that of China over the last century, and this imperative took center stage during the centenary commemorations of 2021. For all the continuity in the CCP's perceptions of its place in history and its consistent insecurities about the threats that it and China face, however, that the CCP is now synonymous with General Secretary Xi Jinping himself marks a fundamental change for the party and China—it signals a return to a political culture that many assumed was defunct. As these papers reveal, beneath Xi's triumphant centenary displays of China's power, progress, and potential lie pathologies, systemic weaknesses, and a host of social, economic, and strategic crises that will plague the CCP well into its next century.

Introduction

Yvonne Chiu, Isaac Kardon, and Jason Kelly

What can the past tell us about the present and future of the Chinese Communist Party (CCP)? This compendium examines persistent patterns and new developments in Chinese politics since the party's founding in July 1921. The essays compiled here focus on three enduring elements of party work throughout a century of tumult and change: party history, economic governance, and party-state security. Each chapter investigates a different dimension of these three themes by placing the present-day party into historical focus. The result is a nuanced and rigorous exploration of what a century of CCP rule can teach us about developments in Chinese politics and policy today.

This effort began in 2022 with a conference hosted by the U.S. Naval War College and Salve Regina University in Newport, Rhode Island. The participants, all leading China scholars from different generations, backgrounds, and disciplines, were asked to compose short, reflective essays taking stock of how the party has evolved over the past century. The authors draw from their cutting-edge research for insight and evidence while presenting their ideas in concise prose accessible to policymakers, journalists, business leaders, and others outside the academy.

The following essays are written in the spirit of both retrospection and prospection. Read individually or collectively, the analysis equips readers to think clearly, carefully, and critically about how the past constitutes the CCP of today. These essays also help readers look into the future by providing the breadth and context necessary to anticipate how the past is likely to shape the party's organization, objectives, and hold on power over the years and decades to come.

Party History

The first section of this volume examines the history of the CCP itself. For over a century, the CCP has endeavored to navigate between its revolutionary origins and the political adaptations necessary to maintain its grip on power. Anthony Saich, Alice Miller, and Daniel Koss address the CCP's institutional and ideological continuity as well as its evolution and raise questions about the internal challenges posed by its own ideological mandates and historical pressures.

In chapter one, Anthony Saich highlights the enduring CCP features that have enabled it to centralize power, stifle dissent, and mobilize Chinese society, especially the party's Leninist organizational structure that dominates both state and society. No less important has been the party's use of ideology to guide policy and interpret history, which helps it defend its claims of paternalism and infallibility and impose a collectivist view of society on the people, which now sits in tension with the significant private sector of the economy. With the maturation of a Leninist party apparatus comes a certain kind of conservatism, however. Saich notes that the CCP has since abandoned its ambitions of global proletarian revolution and is now a stalwart defender of the nation-state—which informs its pursuit of limited reforms to the global order. Saich cautions that although the CCP's practices and institutions have brought China this far, it is unclear whether they will serve China well in the future, considering the restrictive control the CCP exerts over the economy and the lack of an established process for orderly leadership transition.

To reveal the history of the CCP's transition from Leninist vanguard to champion of the nation-state, in chapter two, Alice Miller examines CCP public discourse since 1949 to show how the CCP adapted its economic agenda from one of social revolution through multi-stage—and at times contentious—transitions to one of post-revolution economic development and wealth accumulation, while retaining its political legitimacy. Although Xi Jinping is often portrayed as a Maoist-type leader repudiating Deng Xiaoping's norms and institutions, Miller argues that Xi's policies and approaches are rooted in the same ideological premises that shaped the 1956 Eighth Party Congress and Deng Xiaoping's reforms, such as emphases on economic development and party organizational discipline. In this respect, Xi Jinping is less a revolutionary and more a successor to Deng Xiaoping. Grounding CCP post-revolutionary legitimacy in Chinese nationalism, economic development, and sociopolitical stability generates tensions between the party's Leninist monopoly on power and the economic and social elites. However, Miller sees Xi Jinping's increasing efforts to reassert party power over society as evidence of how precarious the party considers its position.

In this post-revolutionary stage, the CCP's ideological imperative to interpret and sometimes rewrite history leads to a classic dictator's dilemma, Daniel Koss argues in chapter three. The party's unusual adaptive capabilities have allowed it to survive by transforming from an urban proletarian movement into a rural peasant movement and back again, and to accept capitalists into the party ranks as necessary. Other aspects of the CCP ideology are more problematic, as the institutional imperative to purge offending party history and party

historians and to rewrite a more glorious CCP history to legitimate its own authority comes at the expense of historical accuracy and effective historical learning. The quickening pace of forced historical amnesia will increase the likelihood that the party loses some capacity for effective adaptation, which increases its political risk down the line.

Taken together, these essays by Saich, Miller, and Koss reveal the formidable, historically rooted challenges—and unprecedented risks—confronting CCP elites in the twenty-first century.

Party Economic Governance

The second section of this volume turns from party history to economic governance. Since the party's founding in 1921, CCP leaders have been concerned with the question of how to chart China's path of economic development. Yeling Tan, Meg Rithmire, Wendy Leutert, and Sarah Eaton uncover the roots of this campaign by placing Chinese economic policymaking today into the broader context of the CCP's effort to develop stable and beneficial ties with global capitalism in the post-Mao era. By linking economic policymaking under Xi Jinping to deeper historical patterns, the essays in this section reveal persistent sources of tension, control, and adaptability that help to explain how the CCP has guided an illiberal, Leninist state to become a global economic power within the span of a generation.

In chapter four, Yeling Tan traces CCP engagement with the global economy since the 1970s to show that China's economic trajectory in the post-Mao era has been shaped by two contending visions of globalization, one that sees China's ties to the global economy as an engine for growth and opportunity, while the other views these ties as a source of vulnerability. This juxtaposition has produced a "hybrid system" in China, Tan argues, which maps onto the nation's geography: a coastline economy that is oriented to export-based growth and an interior inclined toward state-led investment. As Tan demonstrates, the prevalence of each vision—opportunity versus threat—has ebbed and flowed since Mao's death in 1976, with implications not just for China's own growth strategy but also for those of investors, consumers, and trade partners around the world. By bringing this longstanding tension to light, Tan reveals the historical roots of "dual circulation" and other economic concepts guiding economic policy in China under Xi Jinping today.

In chapter five, Meg Rithmire presents a fresh perspective on how the CCP engages with markets and capitalism. The tendency among scholars and policymakers has long been to view this relationship as a battle between the party-state and the market. Rithmire argues this framework captures some aspects of the CCP's relationship to markets and capitalism, but it overlooks the nuanced ways in which the CCP has used market mechanisms to deepen its own political control. Rithmire suggests a "rule by market" framing that brings into view a pattern of market accommodation and political reprisal that has enabled the party to use capitalist markets to supplement rather than supplant its power. Rithmire also observes that this rule-by-market approach has conditioned capitalists in China to develop short time horizons and engage in behaviors that can and have produced negative social effects.

In chapter six, Wendy Leutert and Sarah Eaton examine how ideas and institutions abroad have shaped the rise of state-owned enterprises (SOEs) in China and the CCP's adaptive approach to state capitalism. Conventional analyses of state capitalism in China center on domestic actors and institutions, which tend to emphasize either bottom-up experimentation or top-down authority as keys to understanding adaptive state capitalism in China during the reform era. Leutert and Eaton articulate that Chinese SOEs have also been shaped by various overseas institutions and communities, including foreign governments, state-owned holding companies, legal and financial communities, and the World Trade Organization (WTO). By placing China's SOEs into a global perspective, Leutert and Eaton identify unexpected sources of adaptability in Chinese state capitalism that help to explain the CCP's resilience a century after its founding. As a group, these essays by Tan, Rithmire, and Leutert and Eaton help readers comprehend how historical patterns condition economic policymaking in China today.

Party-State Security

In the second decade of Xi Jinping's tenure as party supremo, the party's primary occupation is securing its unchallenged rule over China. In this third and final section, Jude Blanchette, Matthew Johnson, and Yali Chen examine security policy through the lens of the three main Chinese hierarchies: the party leadership, relations with the periphery, and the military chain of command. Each wrestles with the Xi Jinping administration's series of sweeping reforms to party, state, and military institutions to bolster regime security. This acute focus on political security is hardly new for a party forged in revolution and, at times, social chaos. Still, its revival in a party equipped with techno-authoritarian tools of surveillance and suppression has ushered in a new "prevention and control" paradigm to stifle perceived security threats before they can undermine the party. With no timeline for an end to Xi's reign, the scope and depth of the Chinese security state are likely to expand and deepen.

In chapter seven, Jude Blanchette lays out the CCP leadership's evolving approach to building systems and institutions that address its security concerns. Tracing the party's security consciousness through a series of near-death experiences—from its betrayal by the Kuomintang in 1927 and ensuing civil war to the widespread revolt in 1989 culminating in the Tiananmen Massacre—Blanchette explains the "siege mentality" that permeates to the core of the party. Blanchette then shows how a series of dramatic institutional, legal, and administrative reforms engineered by Xi and his lieutenants have reshaped contemporary China's political landscape. Xi Jinping's "Overall National Security Outlook" deems internal threats to be the most pressing, giving the party license to securitize virtually all elements of Chinese governance. Connecting this domestic trend to parallel efforts in foreign affairs, Blanchette anticipates that the darkening international security environment portends still deeper institutionalization of China's security state.

In chapter eight, Matthew D. Johnson explores an enduring security fixation for all Leninist parties: the threat of regime collapse. Accordingly, the number one priority for the present CCP leadership is "political security." He examines this through the lens of the party's reaction to "color revolutions" along China's periphery (and that of the former Soviet Union). This fear of ideological decay and internal subversion has been constant in the CCP's hundred-year history, as has a central preoccupation with external pressures that could generate permissive conditions for internal collapse. Johnson shows how every major CCP leader has feared both overt and subversive external attempts to overthrow the CCP. Party leaders see these threats as part of a broader global, shapeless, and existential struggle between illiberalism and democracy that is contested in multiple arenas across the world. Xi Jinping's direct prosecution of this global ideological contest is a function of the party's obsession with its vulnerability to external forces that it fears could undermine political security. That insecurity contributes to China's increasing willingness to confront the West head on in this struggle.

In chapter nine, Yali Chen unpacks the complex dynamics of civil-military relations, offering insights into the People's Liberation Army (PLA) and its consequential and conflicted role within party politics. Mao's dictum that "political power grows out of the barrel of a gun" reverberates through the CCP's history. Mao and his successor, Deng Xiaoping, held unquestioned authority over the military due to their celebrated experience as military leaders during the long civil war that brought the CCP to power. After Deng, however, central leaders have lacked this revered status with the party's armed forces and therefore have had to establish and maintain political loyalty from the PLA. Meanwhile, the modernization and professionalization of the military has limited the PLA's appetite for politics, separating it in crucial respects from the party it serves. Xi Jinping's military reforms and anti-corruption purges are in part designed to reinforce the politicization of the PLA, but Chen sees a contradiction in this effort. The PLA officer corps will remain professionally committed to achieving the technical proficiency and combat readiness demanded by central leadership. To do so, however, they will resist being dragged into intraparty controversies that will detract from their core military missions.

Together, these essays point toward significant challenges facing the CCP that stem from tensions within the party's multiple missions and complex self-conception, for which no easy resolution will be possible.

01

Through the Past Darkly: Culture and Practice of the Chinese Communist Party

Anthony Saich

Little could the founders of the Chinese Communist Party have known that they were setting in motion one of history's greatest revolutionary movements. A party that would seize power and, despite self-inflicted setbacks, one hundred years later would develop into an economic juggernaut that would eventually cause the United States to view China as its greatest geopolitical rival. Are there lessons to be learned from this revolutionary history that guide the CCP's actions today? China's founders may have been baffled by the role of private capital, engagement with the global economy, and that the party no longer portrays itself as representing a radical break with the past. Yet, while much has changed, there is important continuity in the practice and the culture of the party.

The Organization and Propaganda Party

Crucially, the organizational structure has changed little. By the late-1920s the party had consolidated the key features of a Leninist party under the core organizing principle of democratic centralism, ensuring that lower levels are subordinate to higher levels and individuals subordinate to the collective. Ever since, the party has wrestled with the problems of overconcentration of power and the possible dominance of a supreme leader. Representation is Leninist in nature, an extreme form of a trustee relationship, with the party knowing what is in the people's best interests. Despite attempts to permit a more collective leadership, Xi Jinping has emerged as the "Chairman of Everything." The preeminence was confirmed in 2022 at the Twentieth Party Congress. Not only were all the members of the new Standing Committee of the Politburo his close associates, but also his appointment for an unusual

third term was confirmed. How to decenter this power remains a key challenge for the party's leadership system. In China today, faced with the challenge of growing beyond the middle-income trap, is this the political structure that China needs?

Equally important as organization are propaganda and ideology to ensure that all party members remain on message and that society is aware of what is expected behavior. As the Deng Xiaoping-inspired economic reforms gained momentum, most analysts dismissed ideology as a factor driving policy choice, describing a more pragmatic approach. However, ideology has always provided a framework for defining policy parameters and directions. Under Xi, this has become abundantly clear, with the centrality of "Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era" in all policy domains. Huge resources are invested in ideological training through the party schools, compulsory training in Marxism-Leninism for students, and periodic campaigns. Only the party can provide the correct interpretation of past events, even though the interpretation may change over time, lay down current policy, and decipher the future trajectory for state and society. The correct interpretation of the past is vital to ensuring the right to rule in the here and now. Just as Mao Zedong's legitimacy derived from an official 1945 history that placed him at the center of all that was correct in the revolutionary struggle, Xi Jinping has overseen the development of a new party narrative that reveals the inevitable conclusion that he is the preordained leader to take China forward into the new era. His "China Dream" and call for "the rejuvenation of the Chinese nation" would be applauded by the founding generation. They sought in Marxism a framework that would rescue China from the chaos of the warlord years to deliver "wealth and power." For Xi, that time has come with China taking center stage as the West faces its inevitable decline.

Given this, no one will be surprised that the CCP views itself as the sole legitimate authority, possessed with an absolute and uncontested mandate. The party's unique ability to interpret Marxism is strengthened by validation of the victory in the revolutionary struggle. These provide the party with the belief that it can unilaterally set the political agenda domestically and internationally.

The Infallible and Autonomous Party

Setting aside the Great Leap Forward (1958–1960) and the Cultural Revolution (1966–1976), the party's exclusive ability to understand the dialectical forces of development stands to reason that the party is infallible. Any serious mistakes must stem from the machinations of individuals or the interference of hostile foreign forces. The scapegoating of individuals was inherited from Soviet and Stalinist practices. It became standard practice once Chen Duxiu was removed as the first party leader in 1927 for his "right opportunism."[1] Infallibility of the party leadership renders challenging prevailing policy difficult and even comments made in the past can be dredged up to criticize an individual in the present. As Liu Shaoqi, once Mao's chosen successor who was later denounced as a "capitalist roader," wrote in 1937, calm, rational debate within the party was all but impossible, while it was always safer to criticize policy from the left rather than the right.[2]

The meddling of foreigners in China's affairs follows from the self-told narrative of one hundred years of national humiliation. Foreign interference is seen in the unrest in Tibet and Xinjiang, and recently the British have been accused of being involved in the large-scale protests in Hong Kong. The Chinese leadership has also followed Russia's talking points regarding the conflict in the Ukraine, faulting the West and especially the United States, with the expansion of NATO and the threat that this posed to Russian sovereignty.

The lack of accountability of the party elite is reinforced by the high degree of autonomy that the CCP has enjoyed from social forces. The self-ascribed role as a vanguard party has meant that it has taken upon itself the right to speak on behalf of the people. In 1927, the party's bond with the urban working-class was shattered and was never rebuilt until 1949.[3] Despite this, the party continued to claim that it was the chosen representative of the proletariat. The peasantry provided the bulk of the support before 1949, but the party could hardly be called a peasant party in terms of the interests it represented. True, the party did exterminate the landlords and implemented policies of rent reduction and tax elimination upon ascending to power; however, the land was soon taken away from the peasantry with collectivization, pursued to facilitate capital accumulation to build up state finances and Soviet-style industrialization. This autonomy from all social forces or classes during the revolutionary struggle and after allowed the more controlling and authoritarian impulses within the party to come to the fore.

The Controlling Party

Despite periods of relative of calm, there has been no wavering in the view of the indispensability of the party for China's progress. After the shock of the Cultural Revolution, when the party as an institution seemed to come under attack, Deng Xiaoping soon enshrined the absolute leadership of the CCP, indicating that there would always be limits to just how far the reforms could go in questioning the structure of single-party rule.

Xi Jinping has embraced the notion that the party is the only entity that can move China forward. He has revived the slogan of "Party, government, military, civilian, and academic; east, west, south, north, and center, the Party leads in everything."[4] He has rejected the idea that there should be a division of responsibilities between party and state, opting for a vigorous campaign to reassert party dominance over state institutions and society. The stress on party law provides it with a more direct role in the governance of the state. Social movements are closely monitored and shut down if considered a threat. This has led to the arrest of human rights lawyers and even restricting the nascent #MeToo Movement in China.

In the absence of these kinds of civic organizations at the national level, the party acts as the moral arbiter of society, defining what a worthy life should look like. This results in the infantilization of society, with the presumption that society cannot define its own needs and wants, or at least the party may fear that if this was allowed, the outcomes may not coincide with its own goals. As a former party secretary of Tibet stated, "the Communist Party is like

the parent of the Tibetan people, and it is always considerate about what the children need." Indeed, the Central Committee was like the "real Buddha for Tibetans."[5] Any alternative narrative that traces a different history by Tibetan or Uighur groups or those in Hong Kong or Taiwan is repressed. Most recently, this paternal oversight is seen with the restrictions on the amount of time that children can spend gaming or posting on social media.

The Collectivist Party

Fundamental is the principle that the interests of the collective—as defined by the party leadership—supersedes those of the individual. For the CCP, the individual will gain more from relinquishing certain freedoms to the collective than they would by acting alone. Thus, the party stresses social and economic rights over those of political and civil rights. This is why the market is seen as threatening and thus needs to be guided and controlled. Markets operate on individual choices about wants and desires, anathema to party thinking. Thus, as old collectives have fallen into disrepair or been dismantled due to reforms, new frameworks and institutions have been implemented to better bind the population to party-dominated structures. This has included the party organizing its own non-governmental organizations (NGOs).

This tension is seen with respect to the role of the private sector. From its origins, the private sector, if it were to exist, was there to serve the party's collective objectives. The First Party Congress (1921) clearly stated that capitalist structures were to be overthrown with the nationalization of industry and the establishment of the dictatorship of the proletariat.[6] Since 1978, such an objective has proven elusive and how to deal with the private sector has become more complex. Having wiped out private business after 1949, slowly and somewhat grudgingly through the 1980s, the CCP has acknowledged a role for it. While the private sector of the economy now contributes 60 percent of GDP and provides almost 90 percent of new urban jobs, wherever possible, Xi Jinping's approach provides preferential treatment for the state-owned sector to meet domestic and international objectives.[7] Party policy has made it clear that major private companies, especially in the tech and real estate sectors, thrive or suffer at the party's pleasure. Many of the entrepreneurs were lured back by the 1.4 billion-person consumer base with protective walls to exclude foreign competitors. With the party in command, should any company become too powerful or control too much data, it can be put in its place, as Jack Ma, Alibaba, and Ant Financial can attest. And, of course, they are expected to give back to party priorities under the Common Prosperity project.

The party's founders might look askance at the levels of foreign investment in China and its global economic engagement. However, even here the attitude remains one of caution and suspicion. Foreign businesses are there to promote party objectives, but normally sympathetic organizations such as the European and American Chambers of Commerce have been more critical publicly about what they see as the favoritism shown to domestic companies and the lack of a fair playing field for their members.

The Adaptable and Flexible Party

The attitude toward the private sector reveals one further inheritance of the revolutionary struggle: adaptability, and flexibility. We tend to think of Leninist regimes as remarkably staid and incapable of significant reform. This ability to maneuver, despite the party being wedded to the ideology of Marxism-Leninism, is reinforced by the indigenous nature of the Chinese revolution, unlike the "baggage-train" governments of Eastern Europe. Not only did the party shift from an urban-based revolution to one nested in rural strongholds, but the precarious nature of survival also meant that local politics usually adapted to meet local conditions. Peng Zhen, when leading one of the pre-1949 base areas, rejected the viability of building state-owned enterprises in the countryside, responding curtly that it was akin to building a "skyscraper on shifting sands" or "painting a cake to prevent hunger." By contrast, for small and medium businesses, "if it gives milk, it is mother."[8]

This flexibility is encapsulated by the concept of the "united front," which the CCP adopted twice before 1949 to build a broader coalition, even if on paper it was the junior partner. However, at times, post-1949, when it has needed outside help from the private sector, scientific and technical staff, and "patriotic intellectuals," it appealed for their engagement under this flag of convenience. The tactic has also been used to gain external support for its global objectives.

The Global Party

The founders of the party thought that they were launching a movement that was linked to a global revolution destined to overthrow the colonial masters and bring a new dawn led by the representatives of the proletariat. Xi Jinping no longer proposes such a radical break and the CCP is now one of the most fervent defenders of the nation-state. Still, Xi shares the founders' view that what is needed is the construction of a new, more favorable global order. While not rejecting the current global order in its entirety—not surprising as China has been a major beneficiary—the CCP's mission is to restructure the global order to reflect China's core interests and priorities. To achieve this objective, Xi Jinping has tools, power, and influence at his disposal that previous generations of leaders could not have imagined. These comprise the carrots of trade and investment as well as the sticks of threats over sovereignty claims in the South China Sea and across the Taiwan Strait, and the rise of a more aggressive public diplomacy.

Current party thinking comprises elements of the inherited Marxist tradition combined with the selective use of the traditional Chinese view of the global order. Xi frequently references historical materialism to buttress his perception that a socialist China is on the rise, while the West's decline, especially the United States, is inevitable. At the same time, the vision of a contemporary China resembles the traditional notion of *tianxia*, with the nation at the center of a cultural sphere, and now an economic one, which radiates out to draw others into its sphere of influence. While the field of radiation is far more extensive than in

the days of empire, the CCP is not forcing others directly to adopt its system wholesale or pushing for other nations to become subordinated states, in the manner of the former Soviet Union. That said, there is a sense within the Chinese elite that its economic and political model is one that enjoys legitimacy, deserves respect, and that others might be wise to follow. Xi has been actively promoting "Chinese-style modernization" as a positive alternative to "Western models."[9] The ill-timed Joint Statement between Xi Jinping and Putin indicated a greater conviction that the world was on the cusp of a major global realignment.[10] The failure, to date, of the invasion of Ukraine and the West's response seems to put this on a back burner.

That said, the CCP has made it clear that it will exert global leadership in those areas where it sees America withdrawing and on regulations and in institutions that will formulate frameworks for new global public goods. Naturally, as China has become more explicit about its aims, this has caused concern within the region and in the West. Thus, in October 2017, Xi, despite stating that China would be a global leader in terms of its strength and influence by 2050, noted it would be a "defender of the international order," not a threat or destabilizer.[11]

The question arises as to what kind of international order? The answer depends on the challenge and the institution. China is a strong defender of the UN Charter but rejects international scrutiny on rulings over the South China Sea. Similarly, it has sought to undermine the impact of the international human rights regime, an approach supported by other authoritarian regimes. Clearly, the internationalism of China's founding fathers has been replaced by a laser focus on pursuit of the national interest.

The practices of the past have served the CCP well but are they suitable for the future? There is a clear correlation between good governance indicators and those countries that have risen above the middle-income trap. On this metric, China performs poorly. China needs to develop institutions that encourage innovation and entrepreneurship, providing resources to the economy's most productive areas. China's economy offers scale but has been slower to adapt. Much innovation has relied on global engagement and the ability to adopt cutting-edge technologies to China's needs. The question arises as to how innovative the economy can be, if the country is isolated from global technological innovations. One practice the party has not developed throughout its history is a process for orderly leadership transition. Xi Jinping's desire to remain in power simply pushes the challenge of providing effective leadership into an uncertain future.

02

The Trajectory of Chinese Communist Party Discourse

Alice Miller

A broad analysis of the evolving concepts, vocabulary, and logic of the Chinese Communist Party's public discourse since 1949 shows that the party's transition forty years ago to a rhetoric of national wealth and power has given it a foundation that sustains its power and facilitates China's interests globally. But its retention of the key Leninist principle that only the party can hold power generates a tension that impedes and may ultimately disrupt the effectiveness of its drive for wealth and power.

Propaganda Analysis and the CCP's Trajectory

Scrutinizing the CCP's public discourse is the priority of an analytical approach sometimes called Pekingology, or, more generally, propaganda analysis with Chinese characteristics. From the perspective of that discipline, the December 1978 Third Plenum of the Eleventh Central Committee stands out as the major watershed in PRC history. The plenum's communique announced a "unanimous" decision to curtail ongoing movements of mass criticism of the Cultural Revolution era and "to shift the focus of the party's work" from class struggle to "socialist modernization." Henceforth, the plenum announced, the success of the party would be measured by its ability to spur economic growth and raise the living standards of China's people.[12]

From a comparative communism perspective, this revision of the party's "general task" from waging class struggle to pursuing economic development marks the fundamental turning point in the evolution of communist regimes. In a landmark 1970 essay, Richard Lowenthal identified this shift as a transition from a communist party's revolutionary phase—during which it pursued egalitarian social transformation (utopia in his word)—to its post-revolutionary phase—during which it pursued modernity (development).[13]

A communist regime committing itself to modern development would no longer require cadres adept at tactics of class warfare. Instead, the party must recruit members possessing managerial and technical expertise. It would abandon top-down dictatorial direction in favor of a collaborative and consultative decision-making process. It would also replace mass mobilizational campaigns with codes of law to regulate the conflicts that naturally attend a society undergoing modernization. In Lowenthal's reckoning, the Soviet Union entered its post-revolutionary phase with its adoption of a new party program at the Twenty-second Congress of the Communist Party of the Soviet Union in 1961, which called on the party to "create and promote the material and technical basis of communism" and to "improve the living standards" of the Soviet people.[14]

The CCP's 1978 Third Plenum's change in the party's "general task" fits within Lowenthal's framework. The policies of "reform and opening" that emerged after the Third Plenum followed directly from the party's new fundamental mission of economic modernization. Between 1979-1981, agriculture returned to market-based household farming. In 1984, the party launched an effort to break down the massive state-owned and collective enterprise system that took until the late 1990s to complete. The PRC's powerful planning apparatus evolved into a forecasting bureaucracy for an increasingly market-driven economy. Meanwhile, the party opened China to the world economy, establishing "special economic zones" in 1984 and extending comparable trade incentives to China's coastal cities in 1987.

Complementing the economic reforms were a series of reforms to recast the political system. The endless mass campaigns of past decades were dropped. In 1983, the party launched an incisive two-year rectification campaign to weed out cadres recruited according to the class struggle criteria of the previous Cultural Revolution decade, and it prioritized the recruitment of technocrats. In 1979, the National People's Congress passed the PRC's first civil and criminal codes, the first of a torrent of laws adopted in the following years. A party discipline code was set down in 1980, the first of several steps to reassert the foremost authority of the party's organization. Over time, the top leadership in the Politburo included engineers, economists, and lawyers.

The party's public discourse changed as well. References to the proletariat, the bourgeoisie, and to social class generally evaporated. By the late 1990s, as Jiang Zemin's so-called "three represents" rubric brought reform-minded elites, including millionaires, into the party; under the rubric, social divisions were routinely described in terms of strata rather than class and based on interests. In 1984, the party redefined China's economy from a "socialist product economy" to a "socialist commodity economy"—the difference being that "products" are produced under state planning while "commodities" are produced under markets. The new designation was a compromise because the idea of markets in a socialist economy was politically delicate at the time. At the Fourteenth Party Congress in 1992, such sensitivities were overcome, and the economy was redesignated as a "socialist market economy."

Foreign policy discourse changed as well. Changes first emerged in the early 1970s, coinciding with the PRC's entry into the United Nations and its acceptance as a legitimate member of the international community. The class-based framework of PRC's foreign policy

up to that point began to give way to a vocabulary based on sovereignty, especially after the normalization of relations with Tokyo in 1978 and Washington in 1979. Diatribes against hegemonism and power politics displaced attacks on imperialism and social-imperialism. At the Eleventh Congress in 1977, Hua Guofeng stated that China's foreign policies were based on "proletarian internationalism and Chairman Mao's revolutionary line in foreign affairs."[15] By 1982, in his report to the Twelfth Party Congress, Hu Yaobang declared that Beijing's foreign policy was based on "proletarian internationalism and the interests of the Chinese people."[16]

Thereafter, references to "proletarian internationalism" largely disappeared in media discourse, except during party anniversary greetings to fraternal allies like the Korean Workers Party. By the 1990s, speeches such as Jiang Zemin's to the UN General Assembly in 1997 retained only the faintest traces of Marxist-Leninist jargon (and no trace of Confucian ideas). Instead, discussions of international issues used concepts and terms familiar to Western students of realism, such as balance of power and liberalism, and references to the utility of multilateral organizations and economic interdependence became standard. Foreign policy speeches then and now sound as though they might have been drafted by analysts at the RAND Corporation.

Taking the changes in both foreign and domestic discourse together, the CCP's post-revolutionary variant of Marxism-Leninism amounts to a rhetoric of national wealth and power. It fosters a politics of interest that has driven China's rapid modernization, and it has facilitated the PRC's rise in the international system.

Before the Third Plenum

The course of CCP politics and policy over the three decades preceding the 1978 Third Plenum featured a visible tension between the agenda of egalitarian social transformation (Lowenthal's utopia) and that of economic modernization (Lowenthal's development). The first years of the PRC under "new democracy" (1949-1954) and "socialist transformation" (1953-1956) saw the establishment of a Stalinist political and economic order with massive Soviet assistance fused with Yanan-style mass campaigns to achieve social objectives. During those years there appeared to be no contradiction between the party's commitment to social revolution and modernization.

In September 1956, as the party announced completion of socialist transformation and the new phase of socialist construction, it took steps toward a focus on post-revolutionary modernization. In his political report to the Eighth Party Congress, CCP Vice Chairman Liu Shaoqi declared that, with the establishment of the public ownership system, "the question of who will win in the struggle between socialism and capitalism has now been decided." Henceforth, he continued, "the period of revolutionary storm and stress is past, new relations of production have been set up, and the aim of our struggle is changed into one of safeguarding the successful development of the productive forces of society, and so a corresponding change in the methods of struggle will consequently have to follow and a complete legal system becomes an absolute necessity."[17]

The line positing the party focus on development in Liu's report to congress was contested soon thereafter by party Chairman Mao Zedong. In a speech entitled "On the Correct Handling of Contradictions among the People" in early 1957, Mao argued that:

> *Although socialist transformation has in the main been completed as regards the system of ownership and although the large-scale, turbulent class struggles of the masses characteristic of times of revolution have in the main come to an end, there are still remnants of the overthrown landlord and comprador classes, there is still a bourgeoisie, and the remolding of the petty bourgeoisie has only just started. Class struggle is by no means over…[T]he class struggle between the proletariat and the bourgeoisie, the class struggle between the various political forces, and the class struggle between the proletariat and the bourgeoisie in the ideological field will still be protracted and tortuous and at times even very sharp…In this respect, the question of who will win out—socialism or capitalism—is not really settled yet…Marxism therefore must continue to develop through struggle.*

This difference in characterizing the fundamental stage of socialism in China shaped the course of leadership politics and policy over the next decade, from the 1958–1960 Great Leap Forward to the 1961 economic retrenchment policies to recover from the aftermath of the Great Leap Forward and further to the launch of the Great Proletarian Cultural Revolution in 1966. From then on until his death in 1976, Mao's priority on class struggle as the party's foremost task—encapsulated in his theory of "continuing the revolution under the dictatorship of the proletariat"—dominated public discourse, with all the attendant revolutionary jargon.[18]

The 1978 Third Plenum overturned Mao's priority on class struggle. In reasserting economic modernization as the party's fundamental mission, the plenum communique borrowed the language used by Liu Shaoqi in his report to the 1956 Eighth Party Congress, though with some tricky elisions to suggest Mao Zedong's endorsement of it. In that sense, the 1978 plenum marked a full-scale restoration on the 1956 party line.

The Xi Leadership

Commentary on Xi Jinping's leadership often depicts Xi as a dominating leader in the mold of Mao Zedong, breaking institutions and procedural norms established by his predecessors as far back as Deng Xiaoping and reaching farther back to reassert "Maoist" policy directions. Analysis of the party's discourse under Xi yields a different picture.

From that perspective, the Xi leadership has pursued policies and approaches firmly based on the same ideological premises of the program launched at the 1956 Eighth Party Congress and of the reform era launched by Deng Xiaoping forty years ago. Xi Jinping's pronouncements share none of the hallmark themes associated with Mao, such as: the necessity of waging class struggle as the party's foremost priority; his insistence that major

economic leaps may be made, even where objective material conditions are lacking, through the collective assertion of human will; and his preference for mass movements, especially to discipline a party membership he believed vulnerable to corrupting privilege and political retrogression. To the contrary, Xi has consistently embraced reform themes set down by Deng Xiaoping in the post-Mao period, those being: economic development is the party's foremost task; development must be based on objective economic realities; and a Leninist party dedicated to iron organizational discipline must guide China's development and at the same time police itself.

Xi Jinping's declaration at the 2017 Nineteenth Party Congress of a new stage in the party's evolution and with it a new general task follows explicitly from the party's completion of the general task set down at the 1978 Third Plenum. And the name encapsulating the party's new general task—Xi Jinping Thought for the New Era of Socialism with Chinese Characteristics—does not signal a fundamental departure from the Third Plenum framework.[19] It is advertised instead as an evolution of the label given to it by Deng himself—"socialism with Chinese characteristics."

Within the overall framework established by Deng Xiaoping, successive leaderships have introduced notable shifts in emphasis. The Jiang Zemin leadership (1989-2002) sought to restart the pace of economic growth, putting a particular focus on science and technology as "the foremost factor of production." The Hu Jintao leadership (2002-2012) accented policies that "put people first," seeking to address the social and environmental impact of previous leadership's lopsided focus on high-speed growth.

Xi Jinping came to power warning of the danger of Soviet-style collapse and reasserting party discipline in a context of looming crisis brought on by several concurrent concerns. These included: ethnic unrest and the potential for a color revolution; economic slowdown in the wake of the 2008 financial crisis and in the face of long-term demographic trends; spreading party corruption and the hardening of vested interests resistant to central direction; and the emergence of a restive society energized by social media. At the same time, Xi also pushed to completion the goal of making China a "moderately prosperous society" by the party centenary in 2021, a target elaborated by Jiang Zemin at the Fifteenth Party Congress in 1997 and sustained by Hu Jintao at the Seventeenth and Eighteenth Party Congresses in 2007 and 2012. In short, each successive leadership has not sought to overturn the reform framework launched by Deng Xiaoping, but to sustain it by setting new goals and addressing side-effects of its success.

CCP Discourse and the Party's Prospects

Several conclusions follow from the preceding discussion of the trajectory of the CCP's discourse. First, Marxist-Leninist ideology is not dead in China; it has simply been reinterpreted. In a useful analysis, Leslie Holmes argues that ideology in communist systems performs five basic functions:

- **Legitimation:** Ideology defines the regime's authority—its rightful use of power;
- **Prescription and rationalization:** Ideology defines regime goals and how to achieve them;
- **Mobilization:** Ideology explains the obligations of the political community's participants and provides the rationale for their support;
- **Socialization:** Ideology defines the political community and the place of each participant in it in terms of the expectations of the state and society and of their interactions as individuals; and
- **Communication:** Ideology provides a political community with its ideas and concepts, together with the vocabulary to express them, creating the community's discourse that allows one to understand one's place in it.[20]

In some measure, each of these functions remains true for the CCP today, but especially so for the last. That continuity underscores a continued utility of propaganda analysis in assessing China today.

Second, the party's post-revolutionary rhetoric reflects the CCP's underlying preoccupation from Deng Xiaoping to Xi Jinping with building China's wealth and power. By turning away from Mao's pursuit of utopia to prioritize development, to use Lowenthal's terms, the party has built foundations of legitimacy that help sustain it in power.

One of these foundations is nationalism. "Socialism with Chinese characteristics" implies a form of Chinese exceptionalism. According to this formulation, the laws of Marxism-Leninism are as universal as ever and apply to all human societies in every stage of their development. But socialism in China must be Chinese, adapting Marxism-Leninism's universal principles to the specifics of China's economy, society, political order, and cultural traditions. Only socialism can save China, the party insists, but it will succeed only to the extent it is Chinese. This limits whatever evangelistic impulse that the CCP may have globally to offering only the reference value of its experience to other polities seeking to emulate China's success. But at home it enables the CCP to claim that it rightfully speaks for Chinese nationalism. Believers in Marxism or not, all Chinese are patriots, the party's 1986 resolution on socialist spiritual civilization declared, to the extent that they support China's modernization led by the CCP.[21]

Another is economic progress. As often observed, the CCP's legitimacy rests on its ability to deliver economic gains for all of society. This observation is usually made with respect to the efforts of the party to overcome the disaster of the 1989 Tiananmen crisis. The supposed bargain is that if the party delivers economic progress, China's society will acquiesce to the party's grip on power. But the origin of this bargain actually reverts to the 1978 Third Plenum, when the party made economic development its raison d'être. To the extent that the party performs this mission, it may claim authority.

At the same time, the transition to ascribing the divisions among the strata of Chinese society to questions of interest has transformed the dynamic of party-society politics. The role of the party is now to referee among increasingly diverse interest groups produced by four decades of reform competing in the political economy. Jiang Zemin's 1999 "three represents" initiative was a program to enlist into the party the economic and social elites generated by the reforms, recognizing that those elites increasingly have the resources and organizational skills to potentially mount an effective opposition. Better that they pursue their interests within the structures and processes of the party rather than outside of it. Celebrated as so-called important thinking in the CCP Constitution, it nevertheless puts the onus of political stability on the capacity of the party to referee those competing interests sufficiently equitably to satisfy the interest groups in contention. As China's society and economy continue to diversify and as the party membership nears 100 million, one wonders how long the party can perform this role effectively. Today, Xi Jinping's forceful effort to extend the reach of the party deeper into society after three decades of its withdrawal from major sectors of society intimates the scale of the problem the party believes it faces.

In that context, the party's abiding Leninist insistence that only it has the authority to lead China generates a tension with the economic and social elites it seeks to govern. As Richard Lowenthal projected, anxieties about a post-revolutionary party's hold on power inevitably lead it to reimpose itself in society to sustain its grip, reversing its relaxation of direct control to facilitate modernization. In China, a cycle of "relaxation" (放) and "re-tightening" (收) has been visible to many observers across the entire reform era. In that regard, the force of the party's effort to concentrate power back into the hands of the central leadership and its reassertion into Chinese society and economy under Xi Jinping invites contemplation about how serious the party's concerns are about its hold on power.

03

Adaptation with Faulty Memory: How the Party's Quest for Historical Legitimacy Undermines its Ability to Learn from Past Mistakes

Daniel Koss

Over the course of one hundred eventful years, the Chinese Communist Party (CCP) has demonstrated its ability to learn from party history and adapt to changing circumstances. Despite the major instances where the CCP was slow to adjust, and at a high cost, one would still be hard-pressed to find another party that matches its remarkable track record. However, in its new quest for historical legitimacy, leaders now disregard earlier doctrines that balanced the propaganda value of history with the vital need to learn lessons from past mistakes. Deng Xiaoping's call for "seeking truth from facts" facilitated a confrontation with the Maoist past, involving official historians at all levels of the state hierarchy.[22] Yet in the last decade, a narrower vision of how historians are to serve the party has prevailed. Today's selective and purposeful historiographies risk losing an extensive repertoire of experience.

The question addressed in this essay could be vital for the future of the CCP: Does the party learn from its historical experiences? With an experiential horizon spanning revolutionary struggles, Maoist radicalism, and pragmatic reforms, the party has diverse material to work with. Party-builders in fact, draw heavily on tried-and-tested models found in the CCP's past, routinely reverting to ostensibly outdated recipes while adapting them to the 21st century. The organizational engineering to make the CCP fit for emerging challenges involves institutional bricolage, that is, the deliberate use of temporarily discarded and then retrieved instruments for exercising authority.[23] For instance, Leninist-style party cells were once imported to China to launch a revolution. Today, party cells provide leaders with leverage over state-owned and private firms. This approach works efficaciously, only because party organizers are aware of the strengths and weaknesses of party cells, thanks to their familiarity with party history.

A major obstacle for the party to learn from history is its insistence on curating its own past. Party leaders have always paid meticulous attention to historiography, in part because telling the "correct" version of China's history helps to legitimize the CCP's authority.[24] At times, the myths that were deployed to mobilize the population had little resemblance to either the original events or the lived experiences of the citizens.[25] At other times, the party promoted a more sober outlook, for example, investigating the dystopian Cultural Revolution to chart the journey into the reform era.[26] Most of the time, the party made compromises, allowing more accurate versions of history to circulate among elites, but censoring the versions propagated among the people. This left room for productive research. The party learned hard historical lessons. Yet when Xi Jinping repeats his slogan to use party history as a mirror, he refers exclusively to the party's successes and not its failures.[27] Such a one-sided perspective obstructs learning from mistakes.

Since the 2010s, the noticeable turn to a more sanitized version of history can be traced to top leaders such as the former anti-corruption czar Wang Qishan.[28] Considering major economic uncertainties and slower growth rates, performance legitimacy became risky. Predicated on good performance at all times, performance legitimacy is of little use in times of crisis; historical legitimacy emerged as an alternative to bolster regime legitimacy.[29] The party's history provides a narrative that paints itself as the natural and worthy successor to imperial rulers. The decision to draft history to serve regime legitimacy followed a decade after the patriotic education movement of the 1990s. For this movement, historians were needed to provide the patriotic material, but they did not need to abandon unrelated research agendas. Still in the 2000s, researchers pursued their own agendas and propagandists picked what they could use. The CCP's generously funded Qing History Project of 2003 certainly created useful propaganda material, but it also advanced substantive research, massive digitization, and novel insights. The 2010s are different: History gains primacy as a tool for legitimacy building, at the expense of truth. Sanitizing history to maximize its value for the party now goes beyond propaganda and shapes underlying research processes, including party-internal ones, thus impeding the organization's capacity to learn effectively from its experiences.

Following the spirit of the 2021 decision on CCP history, to be addressed later in this chapter, the Third Plenum of 2024 set the goal to "boost our cultural confidence and work to develop advanced socialist culture, promote revolutionary culture, and carry forward fine traditional Chinese culture."[30] History as a confidence booster leaves little room for bitter memories. To be sure, when censors meet imaginative citizens, diverse memory landscapes still flourish.[31] China's amnesia is incomplete, thanks to underground counter-historians.[32] Yet the restricted space fails to harness the full potential of history, especially if findings do not reach and inform elite thinking. Official historians, many of whom once chose their profession to serve the truth, are hamstrung since the new definition of what it means for history to serve the party is enforced through inspections, as described below.

The Party's Mastery of Adaptation

The CCP has long been recognized as one of the most adaptable political parties of all time, a remarkable distinction for a colossal organization of 100 million members. Its adaptability is credited for escaping from the "Leninist mass extinction" of the 1990s, to use Kenneth Jowitt's famous coinage. Early on, the party's survival hinged on its ability to switch from an urban to a rural movement and back. The CCP successfully transformed an urban proletarian movement into a rural peasant movement; and after taking over power managed to return to the cities.[33] Prior to these macro-strategic adjustments, individuals had made micro-tactical adjustments when navigating the Anyuan workers movement—a hybrid of a proletarian/urban and peasant/countryside setting.[34] In 2001, fifty years after its victory, the decision to allow "capitalists" into the party demonstrated that the party had not lost its nimble maneuverability, and could still pragmatically adjust the CCP's doctrine.[35]

With the benefit of hindsight, we know that the adaptability was good enough to secure the party's century-long survival despite the odds. But the party could also stubbornly persist on a course of action that had run into disaster. The Lushan Conference of 1959 stands as an infamous example of a drastic failure of the CCP to adjust failed policy. At the time, the Great Leap Forward had already resulted in severe famine. Had the movement stopped right then and there by the assembled top leadership, arguably tens of millions of famine deaths could have been prevented. Yet, when the courageous, perhaps tactically unwise, Defense Minister Peng Dehuai confronted Mao, the Chairman doubled down on his radical policies.[36]

Overall, the party's adaptability has resulted in extraordinary resilience. Most remarkably, the party seamlessly incorporates ostensibly incompatible institutions. To govern China, the CCP effectively combines a disparate array of ruling techniques with origins in imperial China, Maoism, Soviet Leninism, and occasionally even Western democracies. Under Xi Jinping, the party has revived mobilization techniques and party organizations from the Mao era. China defies the experience that institutions taken from different institutional contexts do not function together. With such a good track record of adaptability, there is significant potential for making good use of experiences with historical mistakes and for learning from techniques that worked best, while knowing their undesired side effects. However, will leaders and institution-builders have access to sufficiently candid knowledge about the past for their decisions in the present? Under Xi Jinping, the answer has changed.

Enforcing Amnesia Under Xi Jinping

Since the Nineteenth Party Congress in 2017, party history has undergone a systematic purge. There is a clear digital footprint of local party historians throughout China coming under intense pressure to rewrite history in a way that reflects greater loyalty to Xi Jinping. Local discipline inspection teams play a pivotal role in Xi's directive to enforce amnesia. In addition to the well-known inspection teams dispatched by the central committee, thousands of inspectors are dispatched by lower-level authorities. Since 2017, the teams'

mandate has greatly expanded and can now cover any policy formally or informally issued by Xi.[37] While corruption remains on their agenda, the goal of achieving party discipline also encompasses political and organizational discipline.

Inspections of history offices follow the same high-pressure procedures that we encounter in other sectors of the CCP's network.[38] To take the example of the two provincial-level history offices in Hebei, one directly under the Party Committee and the other part under the provincial government, they each hosted an inspection team for two full months, received feedback about deficiencies, and needed to report back half a year later on progress in implementing change.[39] In both offices, for decades one could find professional historians committed to contributing to truthful history, albeit under significant political constraints. Institutionally, both history offices have been independent from the propaganda department, so that in principle, questions about propaganda messages came only after historians had completed their analytical work. Between the two offices, a pragmatic division of labor had evolved. Whereas the party's own office writes politically conscious chronologies of local party history with attention to the ideological implications, the provincial government's office compiles voluminous gazetteers including meticulous detail across societal sectors. Party historians have privileged access to classified information, but government historians enjoy more discretion writing up the narratives. This division of labor led to information-rich collections documenting social change at the local level.

Xi's campaigns have given rise to uniform expectations that historians in both offices should ostentatiously serve the party in every aspect of their daily work. The discipline inspectors' approach to party-affiliated versus government-affiliated historians is merely procedural: In the case of the party office, the entire office can formally be held accountable. In the case of the government office, with researchers who are not necessarily party members, inspectors hold the embedded party organs accountable for deviations within the larger work unit. In the latter case, party organs are criticized for not exercising supervisory functions over the history office. In practice, the experience for party members in both offices is similar. In the wake of the inspection process, party members undergo dreaded procedures of criticism and self-criticism and risk party sanctions for failing political loyalty.

The to-do list for the Hebei Party Committee's history office consists of forty-one items.[40] Ostensibly disparate, the tasks on the list all seek to turn the office into a more disciplined tool of the party and for Xi Jinping personally. Monthly study sessions meet to read and formally respond to Xi Jinping's latest proclamations, such as the ones transmitted through the three-volume compilation "Xi Jinping on Governance" (習近平談治國理政), so that the historians will speak and write in Xi's language, focusing on his preferred topics, reiterating his lines of argument, and even copying his phrases.[41] The office is tasked with writing a "History of Poverty Alleviation" in Hebei, using historical narratives of past suffering to glorify the party's success in fighting poverty, with Xi's signature campaign wrapping up a century-long effort. Inspectors instruct the historians to adhere more strictly to Xi Jinping's principles on historiography, known as the "four histories" (四史).[42] The slogan, which began as Xi's canonical periodization of Chinese history that highlights the time since

2012 as a new and distinct historical era, explains how history should be studied. If used as a mirror, what one should see are the successes of class struggle. The inspectors chastise a blatant lack of control over ideological positions and single out specific contributions by the Hebei Party Office to platforms and publications. Historians are to "self-examine" (自查) and "clean up" (清理) their own social media presence. With these ideological strictures in place, the version of CCP history circulated among contemporary elites is misleading and certainly not accurate enough to provide useful guidance for decision making.

The Risks of Glorifying Party History

To legitimize its rule, beyond the more tenuous performance legitimacy, the party under Xi has discovered the value of historical legitimacy. If history is deployed for the purposes of supporting legitimacy, there is a greater need to embellish the narrative. To be sure, one may not expect the ideal of a crisp, clear historiography, unaffected by politics, to be realized in China or elsewhere. But the almost mechanical bureaucratic record keeping, the dutiful recording of leaders' "daily activities" (年譜) and the understanding that the facts of local history should be truthfully recorded, at least for internal consumption in the 1980s, has led to a pluralistic cacophony of voices, even among the officious party historians themselves, well into the 2000s. Unfortunately, historical lessons learned then are now being unlearned.

On November 11, 2021, the Central Committee of the CCP adopted a centennial resolution endorsing a new official history of the party, entitled "Major Achievements and Historical Experience of the Party over the Past Century."[43] The title reflects the fundamental tradeoff encountered by party historians. On the one hand, they eulogize "major achievements" of the party to legitimize its rule. On the other hand, they understand the value of "historical experience" for informing challenging decisions in the future. The two uses of party history are incompatible: By effectively sanitizing narratives, CCP historians will increase history's propaganda value, but only at the expense of accurate analysis. Beyond the title, the 2021 resolution appears as a document of political amnesia, glossing over the events that led to tens of millions of deaths during the Great Leap Forward and calamities during the Cultural Revolution.

This enforced amnesia stands in sharp contrast to the "Resolution on History" adopted by the Central Committee in 1981.[44] At the time, the party leadership acknowledged that it was time to learn "profound lessons" (深刻教訓) from the catastrophes that had occurred during the first three decades of the People's Republic of China, especially the Great Leap Forward and the Cultural Revolution. Not only did the resolution apportion much blame to Mao Zedong, who continues to be critical for the CCP's legitimation, but it pointed fingers at other leaders including the rising star Deng Xiaoping, and to other systemic issues. At the time, the party spelled out the quasi-pluralistic lesson that the Maoist disasters resulted from "over-concentrating power in one individual." To be sure, few prominent, official documents would go so far. And yet, time and again less explicitly stated ideas of pluralistic enlightenment could be encountered in the PRC. For Xi Jinping, this lesson would have

been inconvenient at a time when he was putting together a coalition to achieve a third term in office. But instead of seeking new explanations and reinterpreting the disasters of the Maoist era, they are glossed over and largely ignored—the inconvenient past is simply dropped.

Conclusion

In its dealing with history, the party runs into the dictator's dilemma, familiar to political scientists in the context of many authoritarian systems: By exercising authority over public discourse and restricting the permissible space for citizens to express themselves, regimes lose vital information.[45] As with the CCP's learning system, the systematic submission of local historiography under party discipline creates a situation where the party controls the message, but in the process misses out on critically important insight.[46]

Classic precedents from the imperial era routinely let the state write history to serve its own purposes—ideally with each dynasty writing the history of the preceding dynasty. History was instrumentally used for immediate political gain, such as exhorting the greatness and legitimacy of the current leader. But at the same time, another tradition called for the use of history to learn from mistakes and make states better. Different emperors have handled these trade-offs differently, and so have leaders of the CCP differed in their approach to the party's "bygone" mistakes. In the years ahead, embellished accounts of the past promise gains in the party's historical legitimacy. But are these gains worth the predictable damage for China that comes with unlearning hard-won lessons of the past?

04

The Chinese Communist Party's Conflicted Relationship with Globalization

Yeling Tan

China's growth story over the past century has been nothing short of dramatic.[47] The country was war-torn and impoverished at the close of its century of humiliation, and it went on to experience greater upheavals from collectivization, famine during the Great Leap Forward, and the Cultural Revolution during the Mao era. Despite years of tumult, China has become deeply integrated into the global economy, making it the world's second-largest economy and the largest exporter, while also improving the living standards for millions of people. While popular narratives associate this economic expansion with China's unmatched capabilities in manufacturing exports, China's and the Chinese Communist Party's engagement with globalization has been driven by more than this factor alone.

China's economic trajectory has been the product of two competing visions of globalization: one that views the external economy as a source of vulnerability, and another that sees global markets as a source of growth opportunities. These competing visions manifest themselves in the form of a hybrid system, comprising an exports-based model located along the coast, and a state-led investment-based regime concentrated in the interior. The relative salience of each has ebbed and flowed, shifting not just alongside changing material conditions in the global economy, but also with the CCP's dominant perception of the nature of globalization.

This essay charts major turning points in the CCP's engagement with the global economy, examining six critical events: Mao's death in 1976; the 1998 Asian financial crisis; China's admission to the World Trade Organization in 2001; the 2008 global financial crisis; the trade and technology tensions that emerged from 2018 onward; and the 2020 COVID-19 pandemic.

The CCP was founded during a period of hostile military and economic coercion for China. Major European powers, as well as Russia and Japan, controlled foreign concessions on Chinese territory, many of which were located at strategic ports.[48] For colonial powers, new technology lowered transportation costs for their state-run trading companies and expanded the prowess of their militaries. Globalization, therefore, meant the opening up of new colonial markets overseas, with the use of force if necessary. For the CCP, Marxism-Leninism provided a narrative that explained this state of affairs in terms of imperialism as the highest form of capitalism. The coercion that China faced was, therefore, part of an internationalization of the capitalist system of exploitation. In practice, the Maoist approach to globalization was perhaps more ambivalent compared to Marxist-Leninist theory. As Jason Kelly convincingly argued in his book, China's economy was by no means entirely closed off to the West.[49] Instead, the party adroitly deployed covert and overt means to use commercial linkages with capitalist economies to fulfill their strategic needs. Nevertheless, trade policy under Maoist China eschewed any formal embrace of global markets, a stance that would continue in large part even after Mao's death.

Feeling for the Stones: from 1980s Experimentation to the Coastal Development Strategy

The reform and opening period led by Deng Xiaoping reflected a greater willingness to explore alternative modes of economic governance compared to the planned economy under Mao. That period therefore involved vibrant experimentation. Some of the most effective trials occurred in the countryside with a relaxation of command economy planning. Households regained control over agriculture and small-scale rural industry expanded at a rapid scale. In contrast, trade liberalization occurred more tentatively with the establishment of four Special Economic Zones (SEZs) along the coast.[50] The heavy hand of state guidance was lifted within these zones and manufacturing inputs were allowed to enter at lower tariff rates to facilitate the export of cheap products. In the rest of the country, administrative guidance continued to govern trade. The dual track approach kept much of the planned economy in place while the majority of China's economy stayed relatively disconnected from global markets. The main engine of growth in China during the 1980s derived mainly from the bold changes occurring in China's rural interior.

Over time, these coastal experiments became much more influential. The SEZs became vital linkages to global economic networks, with foreign capital and manufacturing exports driving growth and job creation. By the 1990s, SEZs expanded to most of China's coastal urban centers, shifting the country away from rural industrial growth and toward an export-led growth regime.[51] The country's export share of GDP grew from about 14 percent in 1990 to around 21 percent by 2000.[52]

This trade strategy, although successful, remained highly circumscribed geographically and administratively. Coastal zones benefited from lower trade barriers, tax incentives, and lighter regulation. Outside these zones, however, trade was restricted to licensed state-owned

firms and was subject to stricter regulation through administrative guidance. This bifurcated strategy highlighted the CCP's continued reservations regarding a full-fledged embrace of globalization.

External Vulnerability: The 1997–1998 Asian Financial Crisis

Trade expansion was by no means the CCP's only growth strategy. The 1990s coastal model was accompanied by efforts to develop alternative growth sources based on land development. Land policies during this period separated ownership from use rights, enabling the commercialization of state-owned land. The CCP could then use state-led investment to drive growth through infrastructure and housing development.[53] In 1994, fiscal reforms led to centralized tax-sharing arrangements, increasing pressure on local governments to emphasize land development for alternative sources of revenue. For the central government, land-use policies served as a useful macroeconomic tool to stimulate aggregate demand in times of economic vulnerability.[54]

China deployed this strategy during the Asian financial crisis of 1997–1998. The country's capital controls and underdeveloped financial markets meant that it was insulated from much of the regional crisis. Nevertheless, the crisis provoked a sharp decline in foreign direct investment flows and poor prospects for export growth.[55] State-led investments could compensate for a lackluster regional economy: infrastructure spending tripled between the start of the crisis and 2002.[56] Reforms to enable private housing purchases and reductions in mortgage interest rates sought to further boost domestic demand as well.[57]

2001: China Joins the World Trade Organization

The Asian financial crisis notwithstanding, China continued its pursuit of export-led growth. China's entry into the WTO marked a sharp change in the CCP's posture on globalization, shifting toward an embrace of the global economy as a source of opportunity rather than vulnerability. This was achieved despite strenuous objections from major bureaucratic-industrial interests, who feared trade liberalization and increased competition, amid a broader debate over whether globalization was "good" for China. The dualistic coastal-interior trade regime was dismantled and trading rights extended to all firms. China's trade and legal regimes were overhauled to bring the country into conformity with its WTO obligations and tariffs were lowered to an average of 10 percent.[58] Domestic controls on internal movement were relaxed, allowing domestic migrants to move from the countryside to manufacturing hubs along the coast.

The reconfiguration of global supply chain networks during this period led to a surge of foreign firms seeking to capitalize on China's comparative advantage in low-cost production. The spread of just-in-time manufacturing relied on dense logistics and trade networks very much centered on China's deepening linkages with the world economy. From 2001 to 2008,

China's export share of GDP increased from 20 percent to 35 percent.[59] By 2009, as the 2008 financial crisis was spreading from the United States to the rest of the world, China stood as the world's number one exporter.[60]

The 2008 Global Financial Crisis and External Dependency

The 2008 global financial crisis sharply disrupted China's reliance on the global economy, triggering a reassessment by China's leadership of the costs and benefits associated with global economic integration.[61] As demand in the rest of the world collapsed, the central government responded with a $580 billion stimulus (4 trillion RMB). Much of this stimulus was directed toward infrastructure construction echoing (albeit at a much larger scale) measures deployed during the Asian financial crisis. As with the Asian crisis, the deterioration of the external environment led the CCP's senior ranks to reconsider the merits of relying on exports as a rational growth strategy.

In response, the party-state doubled down on infrastructure and construction in China's interior regions. This domestic expansion of aggregate demand compensated for the collapse in exports and attended to potential social instability arising from the surge of domestic migrants returning to the countryside as factories along the coast shuttered.[62] The CCP officially articulated this shift away from global sources of growth at the Third Plenum of its Seventeenth Party Congress in 2008, which recognized land development and urbanization as stronger economic priorities.[63]

Over the years, the CCP has leaned on two dominant approaches to growth: either embracing globalization or insuring against it in favor of self-reliance. These two growth strategies, however, fit poorly as substitutes for each other and each contains pathologies that generate spillovers for the rest of the world. The current account imbalances between China and the United States, which fed into the global financial crisis, lay bare the instabilities associated with China's export-oriented strategy. Irrationalities also persisted in the state-led investment strategy. Even as the global economy recovered, local governments—especially those in interior regions poorly connected to global markets—resisted efforts to wind down investment projects. By 2010, China's exports were growing again and the central government had suspended its short-term stimulus measures. Land development projects, however, continued apace, leading to an accumulation of local government debt and problems of excess capacity.[64] As China reached the upper limits of its drive for urbanization and infrastructure construction, it began searching for global markets to export its excess infrastructure capacity. The Belt and Road Initiative (BRI), launched in 2013, provided one such avenue.

Trade Wars, Technology Wars, and COVID-19: Dual Circulation in a Coercive World

The election of Donald Trump as president of the United States in 2016, and the battery of economic actions launched against China from 2018 onwards, marked another inflection point in China's relationship with globalization. In a series of announcements, the Trump administration repeatedly raised tariffs on Chinese exports to the United States, in the end imposing a tax of 25 percent on goods totaling over $360 billion.[65] This was accompanied by export restrictions targeting China's major telecommunications companies Huawei and ZTE Corporation—the Biden administration further expanded the export controls regime to include cutting-edge semiconductor technology and equipment.[66] The asymmetric trade relationship between China and the United States meant that while China sought to retaliate in kind against the tariffs, it could not meet the same level of protection against American goods exports to China. Likewise, but in much starker fashion, U.S. export restrictions on telecommunications (semiconductors in particular) highlighted the existential risks to China of relying on foreign technology. China responded by shifting its posture toward hedging against globalization. Xi signaled this shift by noting that "[u]nilateralism and trade protectionism are rising, forcing us to adopt a self-reliant approach . . . [China must] depend on itself for economic development."[67]

The COVID-19 pandemic in 2020 brought unexpected shortages of vital supplies, leading many governments to prioritize supply chain resilience and rethink the merits of sourcing critical products solely from China. Alongside these threats of re-shoring, sudden lockdowns around the world yet again created sharp dislocations in China's external trade. The CCP responded with a "dual circulation" strategy that drew on its two growth models in coastal and inland China. While seeming to signal a new stance, dual circulation in fact reflected a formalization of a by-now familiar approach of balancing against shocks in the external economy. Philosophically, this new concept captures the CCP's underlying ambivalence towards globalization: seeking to harness growth benefits through external integration while also insulating itself from potential vulnerabilities.

In terms of expanding China's domestic sources of demand to meet the "internal circulation" policy, political economy problems continue to hinder long-standing calls from economists to boost private consumption. Local governments whose prospects depend on an investment-oriented economy resist policies geared to stimulate other sources of demand as their local economies are not suited to alternative growth models premised on, say, exports or consumption. The levers for increasing investment also remain easier to activate. Recent years have therefore seen a surge in infrastructure construction to strengthen China's digital economy, alongside guidance from the 2024 Third Plenum's call for greater investment in high-tech manufacturing.

Unlike the economic crises of 1998 and 2008, however, the shocks stemming from the U.S. government's policies toward China contain a coercive element that has led to the securitization of economic policy. National self-sufficiency has been elevated as a matter of

national security rather than just economic risk diversification. This shift can be observed most clearly through a comparison of the thirteenth and fourteenth Five-Year Plans (FYP). Xi Jinping's speech accompanying the release of the thirteenth FYP in 2015 used the term security five times. In contrast, Xi mentioned security seventeen times in his speech for the fourteenth FYP in 2020. This emphasis on security continued in Xi's political report at the Twentieth Party Congress in 2022, with ninety-one mentions of the term security.

The manner in which security is discussed also varies distinctly across time. Xi's 2015 speech focuses on security in terms of "ecological security" and sustainable development, food security, and rural income support. In contrast, the 2020 speech employs the term "security" in starkly different ways. Xi emphasizes the link between national security and economic development, noting that "security is a prerequisite for development, and development is a guarantee of security."[68] In this new approach, national strength is required in "preventing and resolving various types of risks and hazards, and actively responding to the challenge of shocks brought about by shifts in the external environment."[69]

And yet, seen through a historical lens, this securitization is perhaps not entirely novel. Indeed, official government reactions to the United States' coercion repeatedly invoke historical events. Bilateral efforts in April 2019 to resolve the trade war crumbled in part because members of the Politburo Standing Committee viewed American demands as being disproportionate, reminiscent of the unequal treaties signed by China and imperial powers in the close of the nineteenth and early twentieth centuries. Official media responses to U.S. technology restrictions regularly invoked China's "two bombs, one satellite" success with developing nuclear capabilities during the Mao era in the face of Soviet restrictions on technology transfer. Current events, therefore, are interpreted through the lens of China's historical experiences with globalization and imperialism. Yet China's contemporary strategic posture diverges from historical episodes in important ways. Notably, it is itself exercising economic coercion against other states through the imposition of import bans on countries such as Australia, Norway, and Lithuania.[70] At the same time, China continues to double down on integration, pushing through the Regional Comprehensive Economic Partnership (RCEP) and applying to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Through such trade agreements, and with the BRI and high-tech industrial policy, China continues to seek a greater, rather than weaker, position in the global economy and in global value chains. Therefore, while contemporary events seem to be bending somewhat toward the past, history is not quite coming full circle.

05

The CCP and Capitalism: Accommodation, Reprisal, and Rule by Market

Meg Rithmire

More than seventy years after the founding of the People's Republic of China (PRC) and now 100 years into the life of the Chinese Communist Party, how are we to make sense of the relationship between the party and capitalism—the political-economic system the party was founded to overcome?

The life of the PRC is often periodized via its relationship to capitalism and markets. The first thirty years were the period of state socialism, with an emphasis on ideology and state-driven efforts at modernization. This time was also marked by a series of campaigns to transform life through centrally planned consumption and production. Following those tumultuous years, Deng Xiaoping's initiation of reform and opening is frequently viewed as the era of deepening capitalism; a slow embrace of markets and gradual rapprochement with the global economy generating a form of capitalism with adjectives. Whether "red," "crony," or with "Chinese characteristics," the manifest success of incentives and markets produced an economic advancement at an unimaginable speed, only strengthening elite and mass commitments to capitalism in some form, even if political institutions continued to distort and decay.[71] And now, following the CCP's celebration of its first centenary in 2021, China has emerged as a global economic and technological superpower and an exporter of capital. Yet the political economy under Xi is decried as an end of an era, a moment at which a resurgent state strikes back against the markets and capitalists that made it powerful.[72]

Such a periodization captures some essence of the CCP's relationship with political economy, but as do most declarations of eras and their ends, it elides important fluidities in the CCP's treatment of markets, capitalists, and capitalism. Rather than characterizing

the PRC's political-economic history in terms of the battle between state and market, I propose an alternate framing of the role of capitalism and markets in the party-state's efforts at achieving modernization and retaining its monopoly on political control. Instead of supplanting the party-state, I argue that markets have supplemented the party-state's power in a sort of rule by market, and instead of advancement and retreat, the state has managed private capital (and capitalists) in a pattern of accommodation and reprisal with important consequences for how capitalists think and behave.

Rule by Market

> "Markets should be the decisive force in allocating resources."
> - Xi Jinping 2013

Famously, Deng's reforms of the late 1970s and early 1980s first introduced markets without embracing private ownership.[73] In the countryside, collective ownership of land was retained amidst the birth of agricultural product markets where households sold at market prices what they produced above state procurement quotas. In the industrial sector, product markets developed before political or legal foundations were laid for non-state, or private, corporate forms; the intent may have been to push state firms to be more competitive, but creative and experimental action saw the flourishing of hybrid forms of ownership and rapid industrialization.[74]

In their ideal form, markets and market mechanisms exert discipline over economic actors. Markets facilitate firm entry, competition, and the exit of underperforming or noncompetitive providers of goods and services.[75] In the majority of sectors of competition in China, they do not perform these functions. Instead, market mechanisms have been introduced to induce competition and provide a source of information, but the state retains the disciplinary prerogative. Market-supplied discipline would relieve state agents of having to decide which firms should win or lose and how prices should be set, but market discipline also requires a tolerance for some instability (for example, bankruptcies and price movements) and eliminates some political discretion.

The CCP has introduced market mechanisms in various arenas with the intention of having market discipline generate economic efficiency, only to decide it would not tolerate instability or the loss of political discretion. The result is a system in which market mechanisms exist and facilitate competition but do not exert discipline. Following the literature on legal development in China that characterizes the law as a means through which the party-state rules but does not constrain itself, this can be called rule by market, by which markets are a tool in the state's arsenal of mechanisms for managing society.[76] Let me illustrate with a brief narration of the introduction of markets in China's land and capital factor markets. Both trajectories show the party's use of markets to, as Xi says, allocate resources, and show the limits of markets for exerting discipline and the party-state's retention of discretion.

At the start of the reform era, land was allocated through government planning, given at essentially no cost to public enterprises or institutions. Over the course of the 1980s and early 1990s, however, policymakers in Beijing and in various local governments, with the aid of overseas Chinese capitalists, settled on monetizing land as a means of generating much-needed capital for the state and incentives for urban development. Initial experiments in Shanghai and Hainan in the late 1980s appeared promising, and by the early 1990s, market mechanisms for leasing land that remained "state-owned" cropped up in cities all over China, generating a frenzy for real estate development by which various claimants to "state-owned" land, including firms, universities, and hospitals, were leasing the land they had been allocated. Predictably, a real estate bubble emerged in the early 1990s. Noting that economic behavior in real estate and land development affects urban planning along with real estate's penchant for destructive bubbles, the central government decided to designate municipal governments as the owners of urban land but to continue pursuing market mechanisms for leasing land and the generation of capital.[77]

Over the course of the 1990s and 2000s, a system of management for land transactions emerged in which the central government (the Ministry of Land Resources, or MLR) would manage the macro supply of land while its monetization and exchange would be conducted through modified market mechanisms. As local governments converted greater amounts of arable land to urban rental land to generate capital, the MLR developed a hierarchical system of quotas, controlling how much land governments could convert and, therefore, affecting prices. During moments of economic downturn—such as 2001 and 2009—the overall supply of land for conversion was expanded. This process also worked conversely during moments of overheating. In land management, markets facilitate transactions with retained state ownership, and the central state retains discretion over supply, demand, and ultimately, prices. Various market mechanisms, including complex land ticket exchange systems and auction procedures, ensure some competition and firm outcomes. The state retains the ability to determine the entry and exit of firms while not tolerating the instability that comes with market discipline over actors in this critical sector.[78]

China's experience with the development of equities markets over the last ten years follows a similar trajectory over a more compressed period. After Xi declared that markets should allocate resources, significant public political enthusiasm for investment in the stock market appeared in speeches, editorials, and policies intended to expand access to stock markets for firms seeking to list and investors seeking to hold shares.[79] Quickly, a bubble developed in late 2014 and early 2015, though official discourse denied it. In the summer of 2015, authorities tepidly welcomed an initial sell-off as an appropriate market correction, but the speed of the correction prompted authorities to declare just days later that the correction was too rapid and the state to respond with coercive and corrective power in full force.

In addition to suspending IPOs and arresting journalists, authorities mobilized large quantities of state capital—some 2.3 trillion RMB total ($352 billion in 2020)—to be injected into markets via a national team of state shareholding firms to stabilize the exchanges. At the height, state firms held shares in more than half of firms listed in

Shanghai and Shenzhen, positions they mostly retained years after the crisis.[80] Few firms were allowed to fail in the equities crisis, but discipline would come in the form of the state's coercive apparatus. Several high-profile business elites and financiers were detained and found their firms' assets under state control, and eventually the party-state trained its sights on attacking the regulators who oversee financial markets. Like in land, the party-state sought to benefit from the information and transaction facilitation of financial markets, but it would not tolerate the disruption that comes from market organization of firm entry and exit. In both factor markets, and in the realms of competition such as industrial policy, innovation, and even labor, the party-state experiments with market mechanisms to uncover how actors will behave, retains limited market mechanisms to induce competition and transparency, but retains its own disciplinary capacity.

Accommodation, Reprisal, and the Moral Economy of Chinese Capitalism

If markets have been harnessed as a tool of state control, how has the CCP dealt with the emergence of a new class of private capitalists who, by virtue of the wealth and assets they control, wield power within China's economy and society? The question inspired a generation of earlier work on capitalists and the party. This work largely asked whether capitalists in China would make political demands of the party-state, a role in which they were historically cast in the modernization of much of the West. For the most part, this work concluded that they would not: capitalists in China did not share a cohesive class identity. The capitalist class included former party-state officials who "jumped into the sea" (下海) into private business, and were broadly co-opted by the CCP, whose economic policies facilitated their success.[81]

Yet from the present vantage point, the limits of co-optation are apparent. Under Xi Jinping, a cascade of campaigns has targeted capitalists, including the anti-corruption campaign, the "sweep away the black" campaign (扫黑) against illegal business practices, and ad hoc crackdowns on various sectors, such as tech, finance, education, as well as individual businesses. China's capitalists' insecurity is evident in China's external financial flows. At the moment when China became a capital exporter and public discussion focused on whether its state-driven investments would transform global power, irregular capital flight equaled or exceeded formal outward direct investment for most years since 2009.[82] Many see the PRC's antagonism toward capitalists as evidence of a return to ideology or a "neopolitical turn" in the CCP's approach to society and economy.[83] Indeed, politics are paramount, but the treatment of capitalists under Xi Jinping is less a break with the past and more a new bout of a similar pattern of accommodation-reprisal that has characterized relations between these groups since the revolution.

Chinese capitalists did not emerge spontaneously in the late reform era. New sources of historical research on the Maoist period have confirmed in archives and oral histories what many Chinese citizens will readily convey: markets and capitalists existed under state

socialism. There was, to be sure, temporal, spatial, and sectoral variation, but the CCP never really liquidated capitalists, and it never intended to. The early years of state-building featured gradual socialization, and capitalists who remained on the mainland were initially accommodated. Gradually, capitalists were persuaded to sublimate their talents and assets into the project of building a new China, but during the campaigns of the mid-1950s, they were rapidly and violently forced to acquiesce. The regime initially rewarded loyal national capitalists, but the campaigns of the Cultural Revolution would again reveal the precariousness of their situation. Past actions, real and imagined, were grounds for expropriation, violence, and worse.[84]

Private ownership did not find political legitimacy in the PRC until market reforms had been underway for a decade or more. Throughout the 1980s and early 1990s, many private capitalists masqueraded as collective firms, "wearing the red hat" to protect themselves. Later they engaged in capital round-tripping, masquerading as foreign firms, to take advantage of preferential policies and again protect their property rights. Jiang Zemin's 2001 decision to welcome entrepreneurs into the party itself was preceded and followed by vitriolic debates about the legitimacy of private capital. Capitalists in China, even in the 2000s, the era of open private ownership and massive entry into global markets through multilateral institutions, have remained what one scholar calls "anxious," vulnerable to the political whims of a CCP whom they have long known to embrace them when practical and persecute them when politically expeditious.[85]

If Xi's ascent has brought reprisal, we can expect a return to accommodation. While crackdowns are never permanent, this pattern of accommodation and reprisal has implications for the moral economy of capitalism as experienced under the CCP. Vulnerable capitalists develop short time horizons and invest in behaviors, such as asset expatriation and mutual enmeshment in illicit corruption networks, that have deleterious effects on society. The surge in debt accumulation, capital flight, and fraudulent behavior in financial transactions are manifestations. These phenomena show that capitalists and the CCP may appear close, but they do not trust one another, and Xi's efforts at political discipline for capitalists may only further alienate them.

06

International Sources of China's Adaptive State Capitalism: State-Owned Enterprises in Global Perspective

Wendy Leutert and Sarah Eaton

Adaptive State Capitalism

One hundred years after the founding of the Chinese Communist Party in 1921, the party continues to use state ownership to influence resource allocation and economic decisionmaking in China. Chinese state-owned enterprises today are bigger, stronger, and more active abroad than ever before. SOEs are the leading players in China's heavy industry, equity markets, and overseas direct investment. They account for an estimated one-quarter of China's GDP—and have done so for nearly twenty-five years.[86] China today leads the world with both the largest total number of SOEs and the highest share of SOEs among its biggest companies.[87] Under Xi Jinping, state firms continue to serve dual economic and political functions under tight CCP control. To Xi, like his predecessors, SOEs "constitute an important pillar of the national economy and play a role as pillars of the economic foundation of the CCP's rule and China's socialist state power."[88]

Although the public-private boundary in China is increasingly blurry, SOEs remain subject to tighter CCP control than private firms. Private firms are also expected to support government initiatives, ranging from the Belt and Road Initiative to rural development.[89] They too can benefit from government subsidies and discounted factors of production, especially those in targeted industries like semiconductors, artificial intelligence (AI), biotechnology, and new energy vehicles (NEVs). However, SOEs assume more responsibility for party-state policies and priorities than private firms.[90] Furthermore, the state assigns SOEs explicit

targets and tasks, directly evaluates company and leadership performance, and controls executives' salaries and career trajectories.[91] SOEs' greater embeddedness in Chinese bureaucracy is further evident in their highly regimented systems of internal approvals and rank-based promotion.[92]

The CCP continually refines its strategies of governing and reforming SOEs to generate what we term China's adaptive state capitalism. State capitalism refers to an economic system that combines market institutions with a strong form of state guidance, partially exercised by large SOEs in strategic sectors. Although the party-state in China exerts significant influence over private enterprises too, SOEs remain its most important tool for mobilizing resources and steering the domestic economy. Deep, sustained integration of the Chinese and global economies also raises the stakes of China's adaptive state capitalism for international actors. An array of multinational corporations, international non-governmental organizations (INGOs), foreign governments, and other international actors do business with Chinese SOEs. Specific SOE activities abroad range from participating in humanitarian development projects to potentially facilitating economic coercion by disrupting global supply chains.[93] What makes China's state capitalism adaptive over time and space is the CCP's ability to respond to governance and policy challenges with continual adjustments, flexibility, and innovation.

Conventional narratives of China's adaptive state capitalism during the reform era center on domestic actors and institutions. The most common characterization emphasizes gradual, bottom-up experimentation by state and non-state players in the context of administrative decentralization. As Sebastian Heilmann describes it, China's successful market transformation derives from an "institutional structure that, despite ubiquitous uncertainties, enables it to try out alternative approaches to overcome long-standing impediments to economic development, tackle newly emerging challenges, and grasp opportunities when they open up."[94] Other accounts credit state actors' top-down exercise of authority, like the central government's institutional design of the CCP's cadre management system or top leaders' authority to designate special economic zones or specific sectors as strategically important. All of these perspectives, however, focus on the domestic story.

In contrast, this essay highlights the international sources of China's adaptive state capitalism. It builds on the insight of Peter Gourevitch that "the international system is not only a consequence of domestic politics and structures but a cause of them."[95] Beginning in the late 1970s, Chinese policymakers engaged intensively with Japan and the World Bank as they sought to reform the country's state-dominated economy. In the 1990s, as China negotiated to join the World Trade Organization, Beijing's concerns about intensified competition with foreign multinational corporations catalyzed efforts to build internationally competitive national champions: large, government-owned enterprises in strategic sectors. American along with international legal and financial communities also played a key part in repackaging China's large industrial SOEs for public listing in Hong Kong and overseas. During the 2000s, Chinese policymakers referred to Singapore's government ownership agency Temasek while designing a national system to manage state-owned assets and develop corporate governance institutions in SOEs.

This essay examines China's adaptive state capitalism in global perspective through the lens of SOEs. By revealing how Chinese policymakers have interacted with actors and ideas from abroad throughout the post-Mao reform era to govern and reform the state sector, we identify how international engagement can affect domestic policymaking—and, ultimately, sustain the power of the CCP.

SOE Governance and Reform

The CCP has routinely sought out and selectively incorporated policy ideas and practices from abroad. When Chinese policymakers contemplated overhauling the country's state-dominated economy in the late 1970s, one of their first steps was to study the emerging economic powers of East Asia. Deng Xiaoping was especially interested in the success of Japan's economy and companies.[96] Through a series of bilateral exchanges, Chinese officials and economists studied the corporate structure and operations of Japanese industrial enterprise groups like Nippon Steel and Panasonic. They published detailed analyses and recommendations for restructuring SOEs at home to improve their performance and technological development.[97]

The organization of industrial enterprise groups in Japan offered solutions to several of the CCP's most vexing state ownership dilemmas. These quandaries included how to increase access to capital without privatization and how to balance monopoly with competition. As China established its first stock exchanges, enterprise groups were attractive because they could flexibly encompass different types of ownership. For example, individual subsidiaries could be publicly listed, while the holding company and the overall enterprise group remained state-owned.[98] Japan also showed how enterprise groups could promote competition without full marketization. As economists Gao Shangquan and Chi Fulin wrote in 1997, "So far as competition related to the [Japanese enterprise] groups is concerned, there is monopolistic competition among the different groups, selective competition between enterprises inside and outside of the groups, and internal competition arising from changes in the internal organization of the groups. All this shows that the groups themselves are characterized by the dual existence of monopoly and competition."[99]

The World Bank served as another important international broker of capital and ideas about SOE reform. After the World Bank welcomed the People's Republic of China as a member in 1980, it funded development projects, implemented training programs for government officials, and published several influential reports on the Chinese economy.[100] The World Bank's reports identified SOE reform as a top priority. For instance, a 1983 report endorsed ongoing enterprise group formation and called for "establishing more enterprises and organizations that cut across the administrative boundaries between industrial ministries."[101] Another report in 1985 argued, "To be efficient, enterprises must be motivated to improve their economic performance; they must have some freedom to maneuver; they must be faced with economically rational prices; and they must be subjected to competition."[102] In addition, the World Bank also brokered exchanges between Chinese policymakers and foreign

economists on enterprise reform, price reform, and other topics.[103] In these ways, the World Bank formally and informally provided Chinese policymakers with external assessments and recommendations about SOE restructuring.

In the 1990s, international pressures influenced Chinese policymakers' thinking and efforts to build a national team of large, state-owned enterprise groups in strategic sectors. China's negotiations to join the World Trade Organization renewed domestic debate about how the state could still steer the economy in the context of market liberalization demanded by the WTO. Policymakers came to view nurturing large, state-owned enterprise groups in strategic sectors as a way to compete with foreign multinationals at home and abroad.[104] This thinking underpinned the Jiang Zemin administration's decision in 1995 to promote large SOEs while releasing small SOEs to downsize the state sector. It also informed later efforts to increase the size and competitiveness of national champion SOEs by making them bigger and stronger.

American and international legal and financial communities were deeply involved in SOE reform during this period. These actors played a key role in the restructuring of large industrial Chinese SOEs prior to public listing in Hong Kong and overseas. Dubbing China Mobile's IPO as "God's work by Goldman Sachs," Carl Walter and Fraser Howie observe: "International markets introduced Chinese companies to world-class investment bankers, lawyers, and accountants and brought their legal and financial technologies—the entire panoply of corporate finance, legal and accounting concepts, and treatments that underpin international financial markets—to bear on China's SOE reform effort."[105] China's leaders recognized that expanding SOE access to capital markets was crucial for China's state capitalist system to adapt and endure. In private meetings with the leaders of China's largest SOEs, then Premier Zhu Rongji ordered them to "restructure and go to market at any cost."[106]

In the twenty-first century, China developed a new national-level system for managing state-owned enterprises. As mentioned earlier, the design of the State-owned Assets Supervision and Administration Commission (SASAC), established in 2003, referenced international models like that of Singapore and its state-owned holding company Temasek.[107] Officials and economists in China proposed multiple designs, ranging from vesting management authority in the State Council to forming a state-owned assets management committee under the Standing Committee of the National People's Congress (NPC), to establishing a hybrid system of dual State Council and NPC authority, to creating a state-owned assets management bureau under the Ministry of Finance.[108] China's leaders ultimately opted for the first approach: setting up SASAC as a special commission of the State Council.[109]

Singapore and Temasek were also important referents for SOE corporate governance development.[110] The first SASAC director, Li Rongrong, visited Singapore multiple times after SASAC's establishment in 2003. He lauded Temasek's approach of putting a state investor representative onto company boards of directors, thereby replacing top-down administrative management with delegated state participation in corporate decisionmaking.[111] SASAC and the Central Organization Department, the CCP's powerful personnel agency, selected seven

SOEs to restructure as wholly state-owned firms and establish boards of directors at the group company level, with at least two SASAC-appointed external directors.[112] Li repeatedly invoked lessons from Singapore, observing in 2006, "The experience of Temasek, a state-owned enterprise, is worth learning, and the most important thing is its corporate governance structure."[113] Since the early 2000s, SASAC has regularly conducted exchanges with Temasek, ranging from the SASAC-Temasek Directors Forum to reciprocal leadership visits.

International actors now have greater stakes than ever in the governance and reform of Chinese SOEs. Global index maker MSCI's addition of Chinese A-shares to its Emerging Markets Index since 2018 means that international institutional investors now have direct, long-term exposure to SOE performance and governance. How SOEs operate and perform, including potential CCP influence on commercial decisionmaking, also affects their foreign joint venture partners and governments worldwide. Chinese SOEs' acquisition of assets abroad further amplifies the international context and content of reform. Before the COVID-19 pandemic, China's state firms had completed almost 200 mergers and acquisitions annually since 2012, with deals peaking at more than 500 in 2017.[114] But as governments around the world become increasingly concerned about the national security implications of Chinese SOEs' technology exports and involvement in critical infrastructure, these companies will face growing international scrutiny and pressure.

Conclusion

In contrast to conventional domestic-centered accounts of China's adaptive state capitalism, this essay highlights its global context and content. Our analysis of reform-era SOE governance and reform policies contradicts characterizations of the state-owned economy as one of the domains most closed off from the world. Faced with deepening international integration and forces, Chinese policymakers navigated external pressures, engaged foreign actors, and selectively incorporated policy inputs from abroad. Key episodes in CCP governance and reform of SOEs, such as forming enterprise groups, developing a national team, publicly listing large industrial state firms, designing SASAC, and promoting corporate governance institutions have all been fundamentally international.

This analysis helps to explain the CCP's resilience a century after its founding. China's state capitalist system is both subject to and supports CCP rule. Yet it is neither static nor a product of domestic actors and institutions alone. International actors and policy inputs and pressures from abroad remain more important than ever today. However, deeper global integration does not necessarily generate increased foreign influence over Chinese policymaking. On the contrary, China's adaptive state capitalism can generate points of congruence, like boards of directors in SOEs, without fundamental convergence in either preferences or outcomes.[115] Even as overseas engagement and domestic policy experimentation wane under Xi, adaptive state capitalism supports the continued resilience of CCP rule.

07

Think of Danger in Times of Peace: The CCP's Evolving Approach to National Security

Jude Blanchette

Since assuming power in late 2012 as the leader of the Communist Party of China, the chairman of the Central Military Commission and, in the spring of 2013, the President of the People's Republic of China, Xi Jinping has made dramatic changes to the orientation, structure, composition, and organization of China's political, military, and economic systems. A significant amount of analytical work has explored these important shifts in detail, while offering important insights into economic policy, anti-corruption work, domestic surveillance, ethnic policy, and changes to the structure and doctrine of the People's Liberation Army (PLA).

An underexamined change in the Xi era is the evolving approach to building systems and institutions to address perceived national security threats.[116] Addressing threats to the regime (both real and imagined) has been a central theme of CCP discourse for nearly the entirety of the party's history. Yet for much of the post-1978 "reform and opening" period, Beijing prioritized economic development and international integration, seemingly deprioritizing a focus on hard security issues.[117] By the early 2000s, growing concerns over domestic and international risks provoked new conversations about how the party should re-emphasize security issues in the face of a rapidly evolving internal and external environment. Recent events, from the outbreak of COVID-19, Russia's invasion of Ukraine, and the U.S. imposition of significant technology exports have transformed the way Beijing conceptualizes and confronts national security challenges at home and abroad. As Xi remarked in a 2014 speech, "the internal and external factors [facing China] are more complex than at any time in its history," necessitating that the party "embark on a national

security path with Chinese characteristics."[118] In other venues, Xi has described the totality of these changing international factors, both the opportunities and the risks, as "great changes unseen in a century."[119]

To confront this fundamentally new environment and prepare China for a period of growing geopolitical tensions, the Xi administration has taken significant steps to build a high functioning, institutionalized, and well-resourced national security state. To this end, the CCP has articulated conceptual frameworks that have eradicated distinctions between internal and external security risks and intentionally blurred the demarcations between economics, culture, and society on the one hand, with national security on the other. "National security" is now a "holistic" idea, one that moves beyond a laundry list of specific and evolving threats, to an ecosystem of risk that requires all actors within China to remain vigilant and active.

To bolster this expanded conception, Xi has driven the construction of a new security architecture, including new institutional bodies, such as:

- The Central National Security Commission and the conceptual-cum-governance framework, the Comprehensive National Security Outlook;
- The 2015 National Security law;
- The 2016 Cybersecurity law;
- The 2017 National Intelligence law;
- The 2020 Hong Kong National Security law;
- The 2021 Data Security Law;
- The 2023 revision of the Counter-Espionage law.

Xi has also overseen two rounds of whole-of-party-state reform, in 2018 and 2023, that have further strengthened the national security state. Finally, Xi has overturned the overall priority of the party-state from an all-encompassing fixation on economic growth and development to a more "balanced" prioritization of growth and security.

Over the course of its one hundred plus years of history, never before has the CCP put so much institutional heft behind "national security system" (国家安全体系). The result has been the rationalization and institutionalization of a siege mentality, one that will likely strengthen as China faces slowing economic growth at home and a dramatically more contested environment abroad.

Despite the overhaul of its approach to national security, CCP top-level discourse clearly states that more work needs to be done. At the Twentieth Party Congress in October 2022, Xi declared:

> *Our country has entered a period of development in which strategic opportunities, risks, and challenges are concurrent and uncertainties and unforeseen factors are rising. Various 'black swan' and 'gray rhino' events may occur at any time. We must therefore be more mindful of potential dangers, be prepared to deal with worst-case scenarios, and be ready to withstand high winds, choppy waters, and even dangerous storms. On the journey ahead, we must firmly adhere to the following major principles.*[120]

An assessment just prior to the Twentieth Party Congress concluded, "Compared with the situation and requirements faced, China's ability to maintain national security is insufficient, its ability to deal with a variety of major risks is not strong, and the maintenance of national security coordination mechanisms are not sound."[121]

This brief essay explores the origins and possible future trajectory of the CCP's efforts around national security, concluding with an exploration of the broader implications for China's domestic politics and political stability.

The CCP has always possessed an acute sense of potential danger, dating back to its near decimation at the hands of the Kuomintang (KMT) during the "White Terror" of 1927. Out of the crisis of 1927, Mao rose to power, embodying a new spirit of hypervigilance to internal and external threats. Accordingly, danger and threat, both from internal and external enemies, permeated Mao's worldview. In his 1956 treatise *On the Ten Major Relationships,* Mao wrote, "[t]he suppression of counterrevolutionaries still calls for hard work. We must not relax. In future not only must the suppression of counter-revolutionaries in society continue, but we must also uncover all the hidden counter-revolutionaries in Party and government organs, schools and army units."[122] This sense of omnipresent threat shaped the CCP's subsequent development as an underground organization that operated through subversion, subterfuge, and guerilla tactics to eventually consolidate its rule over the entirety of China in 1949. The party built itself under conditions of significant and frequent existential threat.[123] Many of the party's fears of external and internal subversion therefore are reasonable and justified by the historical record.[124] However, these rational concerns are counterposed by elements of rank paranoia that stem from the undemocratic nature of the party's rule, which, without a truly popular and legitimately demonstrated mandate, leads rulers to inflated fears popular uprisings and internal coups. Campaigns such as Mao's "Third Front" (三线建设), which saw the construction of a massive industrial defense project in China's hinterlands out of a fear of a U.S. or Soviet strike on the mainland, are also concrete manifestations of how hypervigilance can deteriorate into unjustified paranoia.[125]

The mass protests which broke out across China in the spring of 1989— most notably at Tiananmen Square—were immediately followed by the collapse of the Soviet Union in 1991, which catalyzed a profound reassessment of the CCP's institutional, organizational, and ideological stability. These events provoked a visceral awareness within the CCP of the potential vulnerabilities that could threaten its long-term survival. In response, the party adopted a dual strategy: politically, it resisted all pressures for liberalization while instituting significant reforms to strengthen its internal capacity and ideological control. Economically, it embraced an authoritarian-version of market reform, under the precondition that these changes would not compromise its governing authority.[126] Even still, party leadership primarily utilized existing tools and institutions, from elevated propaganda campaigns to party building activities in universities. Some of these attempts, such as the nation-wide "Patriotic Education Campaign," which was aggressively pursued starting in 1994, strengthened popular nationalism amongst the Chinese public.[127] Other efforts, such as attempts to better instill organizational discipline within the CCP, were largely ineffective. Ideological indifference and widespread graft continued to persisted well into the 2000s.

Beginning in the Hu Jintao administration (2003-2012), the party adopted more meaningful structural, administrative, and institutional reforms to China's national security system. During the Sixteenth Party Congress in 2002, the party first proposed the broadening the definition of security to include both "traditional" and "non-traditional" components, stating in the formal report to the Central Committee that "traditional security threats and non-traditional security threats are intertwined."[128] A subsequent commentary in the *People's Liberation Daily* explained that the recent "prominence of non-traditional security issues reflects the new changes that have occurred in security threats," including the post-Cold War expansion of globalization and changes in science and technology, the environment, and information technology.[129] At the Fourth Plenum of the Sixteenth Party Congress in 2004, the Central Committee called for focusing on "ensuring national political security, economic security, cultural security and information security," an early indication that the party's conception of what constituted "national security" was already expanding beyond traditional notions of military, defense, and domestic political and security threats (protests, terrorist attacks, et cetera). Also of note, that 2004 fourth Plenum decision called for "urgently build[ing] a scientific, coordinated, and efficient working mechanism for safeguarding national security."

Driving this pronounced shift towards national security was a series of internal and external events that provoked new anxiety within the CCP leadership. The September 11, 2001, terrorist attacks against the United States intersected with Beijing's long-standing fears of Uygur separatism in the Xinjiang Uygur Autonomous Region.[130] This was followed by the outbreak of SARS in southern China in late 2002—the ensuing panic within the leadership over its spread—and the possible deleterious governance implications. The SARS outbreak was followed up by massive protests in Hong Kong due to opposition towards a proposed national security legislation, in 2003. Finally, a newly energized worker protest movement began to take hold in the early 2000s, as the effects from the dismantling of the state-owned enterprise "iron rice bowl" and hyper-growth in the country's export economy put unprecedented pressures on its labor force.

Under the leadership of Xi Jinping, however, the CCP has launched a far more concerted and focused effort to institutionalize and systematize its approach to national security.

The first prominent sign of this shift occurred on April 15, 2014, when Xi presided over the inaugural convening of the newly established Central National Security Commission, which had been announced at the Third Plenary of the Eighteenth Central Committee of the previous year. In his speech to the Commission, Xi called on the party to "accurately grasp the new features and trends of the changing national security situation, adhere to the comprehensive national security concept, and walk out a national security road with Chinese characteristics," adding that these efforts should "consolidate our party's ruling position and to unite and lead the people to uphold and develop socialism with Chinese characteristics, ensuring national security is the top priority."[131]

This marked the origin of the "Comprehensive National Security Outlook" (总体国家安全观) which has since become the driving framework for subsequent innovations and expansions of national security systems, legislation, policies, and institutions.[132] At the core of this general security outlook, is what Chinese national security scholars call the "Five Major Elements" and the "Five Relationships." The former refers to Xi's statement that national security work should be structured in such a way that "the people's security is the purpose, political security is the foundation, economic security is the basis, military, cultural, and social security is the guarantee, and international security is the support."[133] The "Five Relationships" refers to the interconnectedness between development and security, internal and external security, homeland and national security, traditional and non-traditional security, and personal security and common security. Focus areas of this security program have grown to twenty concepts, with "traditional" fields being political security, military security, homeland security, and non-traditional security—including new domains of data security, outer space security, AI security, food security, overseas interests' security, and deep-sea security, among others.[134]

The intent of this comprehensive bundling of security concepts is to break down traditional silos of risk classification between internal and external risks, and between traditional and non-traditional security threats. Some security scholars describe this as creating a "realm of threat" in which more fluid and interconnected links exist between and across risk categories. As one Chinese scholar wrote, "national security is integral and systemic. That is, national security in various fields constitutes an interconnected whole, and security situations in different fields interact with each other."[135]

A few notable features of the established "comprehensive national security" discourse are worth highlighting. First, Xi has used his security framework to drive a shift away from a development-first approach to a rebalancing between the weightings of economic development and security in the overall policy agenda. Xi made this clear in 2016, when he stated, "to achieve the great rejuvenation of the Chinese nation's Chinese dream, to ensure that people live and work in peace and happiness, national security is the top priority (头等大事)."[136] This was re-emphasized in the 2021 "Resolution of the CPC Central Committee

on the Major Achievements and Historical Experience of the Party over the Past Century" ("History Resolution") which declared that "Comrade Xi Jinping has stressed that our party should make national security its top priority."[137] More recently, when announcing his new "Global Security Initiative," Xi declared "security is the prerequisite for development" (安全是发展的前提).[138]

Second, the new security outlook has become an important catalyst of significant legislative and institutional actions. As the 2021 History Resolution concluded, the Xi administration had "established a national security commission under the Central Committee, and it has improved the centralized, high-performing, and authoritative leadership system and the legal, strategic, and policy systems for national security. It has also put in place coordination and emergency management mechanisms for national security." In 2015, the Politburo adopted a "National Security Strategy Outline," and in November 2021, it released (internally) its first ever "National Security Strategy," which covers the period 2021-2025. The totality of these measures, and their firm institutional and legal footing, add up to a significant outward expansion of a national security worldview on aspects of Chinese society that previously had once enjoyed relative autonomy from the security bureaucracies.

Third, the CCP's evolving conception of national security holds that political (or regime) security as the critical foundation for the entire national security enterprie, with ideological security figuring as a pre-requisite for regime survival. As one party scholar explained, "The fundamental purpose of China's ideological security is to maintain the leadership of the [party] and the fundamental socialist system, to prevent and resolve the ideological infiltration of Western capitalist countries that conspire to undermine and subvert the socialist system, and to maximize the recognition and acceptance of the general public by giving full play to the advantages of the party's leadership and the socialist system."[139] A narrower definition put forth by an academic at the School of Marxism of the Central Party School in 2019 posits that ideological security "refers to the situation wherein the state's dominant ideology is relatively secure and free from internal and external threats as well as to the ability to ensure a continuous state of security."[140] This expansive and stark view of ideological security all but assures that elements of pluralism, non-conformity, and heterodoxy within society will experience an even more oppressive environment in the years to come.

Finally, working within the limitations of China's political environment, some scholars have pointed out the clear shortcomings of Xi's metastasizing view of national security. At a recent conference on the Comprehensive National Security Outlook, Peking University's Wang Yizhou warned against "securitizing all problems and turning all troubles into national security challenges as the list of national security is extended. This may lead to an overwhelmed country with limited time and limited resources, various ministries and commissions [becoming] overburdened, and national decisions may [become] misguided, which may have significant negative consequences for the development of the country, the nation, and society."[141] Wang's main point seems to be that if *everything* is a national security

threat, then *nothing* is. Even with the impressive array of financial and organizational resources Xi Jinping has at his disposal to enforce his vision of national security, time, bandwidth, and attention are scarce commodities.

How far will Xi stretch his comprehensive view on national security considering the challenges Wang Yizhou and other observers raise? Xi's determination to remain in power for the foreseeable future, coupled with an increasingly contentious external environment, likely points to the continued outward expansion and institutional deepening of modern China's national security state.

08

Invisible Nemesis: The Party Confronts Peaceful Evolution and Color Revolution

Matthew D. Johnson

On January 8, 2022, China's state media delivered a conspicuous statement to the president of Kazakhstan, Kassym-Jomart Tokayev. Just two days prior, Tokayev's security forces had fired on demonstrators in Almaty, leaving 225 people dead and thousands arrested.[142] "Dozens of attackers were liquidated," a police spokesman told Kazakh state television.[143] In a televised address, Tokayev declared, "Whoever does not surrender will be destroyed. I have given the order to law enforcement agencies and the army to shoot to kill, without warning."[144]

The statement from the *People's Daily* arrived just hours after Tokayev's statement. Part of what made it unusual was that it was described as a "verbal message" coming directly from Xi Jinping—a rare event in the context of party media diplomacy. It read:

> *I would like to solemnly express my sincere condolences to you on the recent large-scale riots that have occurred in Kazakhstan, causing major human casualties and destruction of property. At the critical moment you decisively took forceful measures and quickly pacified the situation, embodying the responsibility and commitment of a statesman and taking a highly responsible position toward [your] country and people.*[145]

The message of support for Tokayev's ordered killing of protesters, issued in Xi's name, was even more unusual than just the manner of its delivery. As praise for a neighboring state's use of deadly force against its own citizens, it was unprecedented.[146]

A clue to the motivation behind Xi's unambiguous endorsement of Tokayev's "shoot to kill" order appeared in the message's following lines. As the statement from China's state media continued, Xi said:

> *The China side resolutely opposes any force damaging the stability of Kazakhstan and threatening the security of Kazakhstan, resolutely opposes any force destroying the peaceful lives of the people of Kazakhstan, resolutely opposes external forces premeditating to create unrest and instigate "color revolution" in Kazakhstan; and resolutely opposes any intentions to destroy China-Kazakhstan friendship and interfere with cooperation between the two countries.*

Xi's reference to "color revolution" (颜色革命) can be read as indicating his conviction that Kazakhstan—a country that shares a 1,000-mile border with China's Xinjiang region—had faced a severe test to the legitimacy of its authoritarian system. It also revealed something deeper, because in the Chinese Communist Party's lexicon, few terms are more loaded. Color revolution invokes the methods by which the West, led by the United States, subverts illiberal regimes, and or nations deemed within a sphere of influence, through insidious ways other than direct military confrontation (the "invisible smokeless war", Xi has called it).[147] For Xi to refer to events unfolding in Kazakhstan as Color Revolution was therefore a kind of signal to a fellow authoritarian to remain vigilant against continuous acts of U.S. subversion.

The fact that political events outside of China's borders could trigger this kind of defiant response speaks to Xi's conception of a shapeless, existential struggle between illiberalism and democracy unfolding across the world. More than that, his response reveals an increasingly militant preoccupation with one of the chief existential threats that has haunted the CCP throughout much of its hundred-year history—the specter of internal collapse through ideological change.

"Peaceful Evolution": Mao's Response to U.S. Strategies Against Socialism

Before the specter of Color Revolution, there was "peaceful evolution" (和平演变). During the 1950s, CCP leaders paid close attention to statements from former U.S. secretary of state John Foster Dulles concerning the use of "processes short of war" to bring about socialism's collapse.[148] Fromer vice premier, Bo Yibo recalled Dulles' words as signaling the United States' intention to destroy socialism through a combination of mental pressure (in this context, triggering a crisis of ideological conviction) and propaganda.[149] In China, Dulles' strategy became known as "peaceful evolution" or "peaceful victory" (和平取胜) strategy. This policy left an indelible impression on leaders in Beijing. According to the memoirs of officials around him, Mao Zedong first became aware of the U.S. evolution-based approach to confronting socialism through Dulles' comments, which regularly appeared in international media from 1957 onward.[150]

Warnings against internal "enemies without guns" were not new in Maoist politics after

1949. However, Mao's personal concerns with rightism and infiltration of the CCP, contradictions between the CCP and the rest of PRC society, and the "erosion" of values by degenerate capitalist thought ("sugar-coated bullets") had already reached new heights in 1956. In his speech to the Second Plenum of the Eighth Central Committee Mao warned that, in losing the "two knives" of Lenin and Stalin, European communist parties were making themselves vulnerable to the forces of imperialism, and mentioned Dulles by name—an analysis undoubtedly driven by Nikita Khrushchev's polemic "secret speech" denouncing Stalin's legacy at the Twentieth Congress of the Communist Party of the Soviet Union in 1956, and anti-communist uprisings in Poland and Hungary that same year.[151] Mao's chief fear was that infiltration of socialist states by the "soft" enemy forces of capitalist thought and values change would undermine the Soviet bloc and, ultimately, CCP authority in China.[152]

Dengism and the Threat of Subversion: Safeguarding China's Socialist System from Western Influence

As a successor to Maoism, Dengism shared nearly all of its predecessor's predispositions toward viewing the West—particularly the United States—as bent on undermining the party-state system through subversion and liberalization. "Socialist modernization construction" (社会主义现代化建设), an early Dengist euphemism for fast-paced development in the productive sectors of the economy, was equally focused on securing "thought" (思想) against ideological change.[153]

Deng's March 30, 1979, signal statement on the Four Basic Principles portrayed a world of "international struggle" between socialism and imperialism.[154] With CCP leadership under criticism by post-Mao rights and democracy activists, Deng alleged that subversive collusion existed between internal forces and foreigners—this force of critics of the CCP included: foreigners inside of China, foreign governments, and the Kuomintang dictatorship in Taiwan. Deng also asserted that a more economically open "socialism with Chinese characteristics" would require vigilance against "foreign decadence [and] capitalist lifestyles."[155] Reform and opening was itself a double-edged sword: "All kinds of disorderly things (乌七八糟的东西) will come in and entangle us," he cautioned.[156]

Deng Xiaoping's apprehension that reform and opening could lead to chaos was realized during the 1989 Tiananmen Square protests. Deng read the widespread demonstrations as confirmation that he was correct in seeing signs of United States-inspired threats to CCP leadership behind protesters' calls for political reform.[157] Following the armed suppression and killing of protesters, Politburo member Qiao Shi and CCP elder Wan Li informed visiting members of the soon-to-be-dissolved Socialist Unity Party of Germany (*Sozialistische Einheitspartei Deutschlands*) that:

> *External and domestic factors had worked together and led to the situation of counterrevolutionary unrest in Beijing, endangering the socialist order in China. Imperialism hoped for a favorable opportunity to implement its strategy of peaceful change and ideological infiltrations together with domestic counterrevolutionary forces…imperialism exploited in this process general societal tendencies facilitated through the neglect of life within the party and political-ideological work of the Communist Party.*[158]

During Deng's own post-Tiananmen speech to high-ranking cadres of the "capital martial law forces" (首都戒严部队), he emphasized that the main goal of the June Fourth movement was to establish a "completely Westernized bourgeois republic" in place of CCP rule.[159] The 1989 protests and aftermath thus highlighted, in the eyes of Deng and other CCP elites like Qiao Shi and Wan Li, that China's socialist system remained vulnerable to conjoined internal and external attacks.

Jiang Zemin's Response to Peaceful Evolution: Combating Corruption and Preserving Party Loyalty

The Soviet Union's collapse delivered a massive shock to the post-Deng CCP's understanding of "peaceful evolution" and its dangers. New general secretary, Jiang Zemin, came into his role with a view roughly similar to Deng's: "international hostile forces" were trying to achieve "peaceful evolution" by driving a wedge between different generations of party members, he told the party in December of 1989.[160] The solution was to "remain loyal to Marxism" and ensure that loyalty to the party's cause was "passed on from generation to generation."

> *These directives, however, also contained a subtle shift. The threat of peaceful evolution, according to Jiang, was now a threat to be confronted within the CCP itself. As he said to delegates at the April 1991 meeting of the National Party Construction Theoretical Symposium:*
>
> *Against peaceful evolution, we must unremittingly fight against corruption. Our Party is generally good, and corruption only exists in a small number of party members, but it must not be taken lightly. Because it damages the prestige of the party and destroys the relationship between the party and the masses. It is closely related to the peaceful evolution of hostile forces and the proliferation of bourgeois liberalization, which in turn serves as a pretext for hostile forces at home and abroad to attack us.*[161]

This was the warning that he delivered on the occasion of the CCP's Seventieth Anniversary—that the "test of reform and opening" was also a "test of opposing peaceful evolution."[162]

From Peaceful Evolution to Color Revolution: Xi Jinping's Blueprint for Resisting Western Influence and Ideological Threat

The tenure of Jiang's successor, Hu Jintao, and of Hu's own successor, Xi Jinping, coincided with the replacement of peaceful revolution with color revolution as the party's most threatening image of uncontrolled internal political change.

For Hu and his leadership circle, this change in perspective was the direct result of inescapable evidence that U.S.-led cultural and technological globalization was corroding authoritarian governments around the world. Speaking in October of 2011 at the Sixth Plenum of the Eleventh Central Committee, Hu complained that "the pattern of international culture and public opinion in which the 'West is strong and we are weak' has not been fundamentally reversed."[163] If the party was unable to correct this imbalance, he warned, "international forces" would succeed in infiltrating China's cultural and ideological fields, leading to "Westernization and division of the country."

Hu's Sixth Plenum speech was not publicly circulated until a year later amidst an online media crackdown reminiscent of the party's crackdown on "bourgeois liberalization" and "spiritual pollution" during the 1980s.[164] As Hu stepped down and Xi Jinping emerged, resistance to Westernization and peaceful evolution became more pronounced. This shift was codified in an internal directive to party cadres in April 2013 known as "Document No. 9" or "Communiqué on the Current State of the Ideological Sphere." Document No. 9 became a foundational text of the Xi era. It was set against the backdrop of a decade of popular anti-authoritarian uprisings, known by colorful names such as: Georgia's Rose Revolution (2003), Ukraine's Orange Revolution (2004), Kyrgyzstan's Tulip Revolution (2005), Lebanon's Cedar Revolution (2005), and Burma's Saffron Revolution (2008). For the CCP, these "color revolutions" represented the new guise of a familiar threat—Western-instigated ideological subversion.

Document No. 9 told an unambiguous story: Western countries conspired to infiltrate, subvert, and overthrow the Chinese Communist Party.[165] According to the party, of all the weapons used in the West's "anti-China" ideological struggle, Color Revolution was among the deadliest:

> *[S]o long as we persist in CCP leadership and socialism with Chinese characteristics, the position of Western anti-China forces to pressure for urgent reform won't change, and they'll continue to point the spearhead of Westernizing, splitting, and "Color Revolutions" at China. . . .Historical experience has proven that failures in the economic sphere can result in major disorder, and failure in the ideological sphere can result in major disorders as well.*

In response, the authors of Document No. 9 directed the party to eliminate Western "false trends," constitutional democracy, universal human rights, civil society, economic neoliberalism, journalistic independence, challenging the party's historical narrative, and an accelerated "reform and opening" initiatives.

Two months later Xi, proselytizing his message of anti-Western resistance directly to the military, told the *PLA Daily*:

> *At present, various hostile forces have been trying to create a "color revolution" in our country, trying to subvert the leadership of the Communist Party and socialist system of our country.*[166]

Document No. 9 represented a blueprint for a more coherent response to Western subversion instead of exclusively securing China and the party against undesirable foreign influence. The targets that it named, and the audience that its message was delivered to, signaled that Xi was prepared to confront the West directly in global competition on the borderless terrain of political warfare.

This is why Xi's unprecedented message to his fellow statesman Tokayev was so important—it was the first signal of commitment to systemic confrontation beyond China's borders. While Xi's desire to decisively confront and overcome the threat of color revolution has been expressed since the earliest years of his leadership, he has always acknowledged that the struggle between China and the West would be long-term, as expressed in his own secret inauguration speech from 2013:

> *Some people think that communism can be aspired to but never reached, or even think that it cannot be hoped for, cannot be envisioned, and is complete illusion. . . . Facts have repeatedly told us that Marx and Engels' analysis of the basic contradiction of capitalist society is not outdated, nor is the historical materialist view that capitalism will inevitably perish and socialism will inevitably triumph outdated. This is the irreversible overall trend of social and historical development, but the road is winding. The ultimate demise of capitalism, and ultimate triumph of socialism, will inevitably be a long historical process.*[167]

Xi's endorsement of Tokayev's decision to liquidate forces of "color revolution" in Kazakhstan, by contrast, is an urgent and immediate clarion call for the forceful defense of socialist authoritarianism wherever it is threatened. Like Mao, Xi has come to see the fate of China's party-state system as fundamentally intertwined with the survival of illiberalism in other countries. The specter of global color revolution and "smokeless war" continues to haunt the halls of Zhongnanhai, only now Xi has hinted at a new willingness to offer support for those regimes which align with the party's political values rather than those of liberal democracy.

09

Party–Military Relations in China: Evolution and Paradox

Yali Chen

History has shaped the People's Liberation Army's prestige and unique position in the Chinese Communist Party-dominated political structure. The CCP, established in 1921, and the PLA, founded in 1927, are the oldest and most powerful institutions born out of the Chinese Revolution. For nearly 100 years, the party's survival has hinged on the PLA's loyalty and military capability. In 1949, the PLA ushered in a new era by turning the party's utopian blueprint into a political regime through battlefield victories. Since then, the CCP and the PLA have inevitably departed from their original union—but a certain dualism was preserved in both institutions. Protecting China against all threats, economic, political, and social, remains a special responsibility reserved for the PLA beyond its traditional mission of defense. Whenever the party's legitimacy and stability are questioned during a crisis, internal or external, the party has a muscle memory to first think of and ultimately command the PLA's coercive force as its last line of defense.

As an inalienable part of the foundation of the party's political hegemony in domestic politics, the PLA continues to serve as the nuclear option for leadership during extraordinary times. In delicate moments of domestic politics, how the PLA leadership both speaks and maintains silence plays the role of a political weathervane. It is fair for outsiders to question why the PLA, as an institution, has never challenged the party's authority. The PLA is unlikely to initiate a coup or support rebellions to overthrow the party, as that would fundamentally contradict the PLA's tradition and professionalism, which constitutes its core values.[168] It will also undermine the PLA's foundational goal of maintaining domestic stability. The professionalization of PLA officers inevitably increases resistance to politicization and detaches them from the control system of the party apparatus. The more the party becomes increasingly fragmented, the more the party attempts to drag soldiers into high politics,

(that is, politicize the PLA), resulting in more push back from the officer corps. This tension persists as a dominant contradiction in China's civil-military relations and may exacerbate China's political uncertainty when the party is fraught with disunity under Xi Jinping.

Crucial but Limited Political–Military Power

Among all the tools of power and control available to the CCP, military power is undoubtedly the most important.[169] The military establishment in any authoritarian society is the fulcrum for the regime's survival. The PLA possesses vast coercive power, giving it an essential role in the party's struggle to maintain its hegemony in politics. The party depends on the PLA for its capability in times of severe governance distress and debilitating internal insecurity. These circumstances include systematic revolts and large-scale disasters that risk the dissolution of the authoritarian system unless stable governance is quickly reestablished and services are delivered. As one PLA officer unequivocally asserted, "if the party loses control and leadership over the military, it loses the right to survive, not to speak of its right to stay in power and govern."[170] Even Mao Zedong, the paramount domineering leader, relied on ordinary PLA units to "deal with mass violence," and to execute personal security plans and restore social order.[171]

With the passing of Deng Xiaoping in 1997, the last paramount leader with a career in both the party and the PLA, removed the vital force that had held together all the pillars of power in China. When the party faces a deepening crisis of legitimacy, the leadership's primary instinct remains to resort to the PLA. China's police force, combined with the People's Armed Police (PAP), is comparable to the PLA in scale, but the PLA stresses organizational loyalty and is far more cohesive, disciplined, organized, and lethal in coercive capability—even domestically.[172] Indeed, the PAP has failed to act in accordance with the party's will, as the PAP failed to quell the early stages of Tiananmen Square protests in 1989.[173] The party, more than ever, relies on the PLA for its role as the party's last line of defense during social and political upheaval.

As a seasoned Chinese political insider concluded, "Military power [in China] is [like] a gold reserve, and all other power is paper money; without military power, all other power [the top leader holds] may face [the danger of losing its value to] inflation."[174] In times of grave intraparty fissure, the top leader relies on the PLA's acquiescence at a minimum, and may even require its coercive force.[175]

The PLA has never been directly used for political coups, with the exception of the arrest of the radical Gang of Four in 1976.[176] It is noticeable that past leaders who fell from power such as Liu Shaoqi in 1968, Hua Guofeng in 1981, Hu Yaobang in 1987, and Zhao Ziyang in 1989 lacked effective control over the military, although the PLA was not the main factor in their respective downfalls.[177] Even Mao, who held absolute control over the PLA, toured military bases in 1971 to ensure support from commanders of military regions during the height of his power struggle with Marshal Lin Biao, Mao's original designated successor.[178]

While China's leadership succession seemed to become more institutionalized and predictable for Deng's two successors, Jiang Zemin and Hu Jintao, China's lack of established procedures for leadership succession led to Xi Jinping's indefinite extension of his tenure. Such uncertainty makes "the strongest or the most cunning faction" the most likely candidate in power succession.[179] Tactically, the PLA can provide additional and independent means by which to investigate, detain, and punish the top leader's political opponents, independent of other state security agencies. For example, Xi relied on the PLA to detain Zhou Yongkang and Ling Jihua, his most daunting political rivals in the party.[180]

Another crucial role the PLA plays in intraparty politics is by acting as a political weathervane. The PLA's support or opposition is an important indicator for those undecided about which factions are winning and therefore rally around the PLA's chosen power center. For example, the PLA unequivocally pledged allegiance to Hu Jintao after Bo Xilai, an ambitious princeling who taunted Hu, was taken down on corruption charges.[181] It is noticeable that the PLA is also willing to advance its own political agenda when necessary. This was evident when the PLA provided powerful backing to Mao in the wake of the Cultural Revolution.[182] Similarly, the PLA's display of support for Deng's contested liberal economic policy by sending waves of senior officers to Guangdong on study trips after Deng's southern tour in 1992 intimidated the conservative camp and pressured Jiang, Deng's successor, to alter the trajectory of China's economic policy.

Any top leader who stayed in power but lacked the PLA's full allegiance would face deep political vulnerability. Even a muted signal sent from the PLA during a period of struggle or political deadlock could have a deleterious effect. PLA leadership, for example, was lukewarm in expressions of support for Hu Jintao and his signature policy, the scientific development concept, prohibiting the PLA political propaganda department from publicizing articles mentioning Hu's new policy.[183] The PLA's conspicuous silence, or even absence at times could tip the balance during a volatile period for the party. Therefore, for any top leader in a modernizing authoritarian China, the benefit from direct military support is less salient than are the risks and dangers that arise from an absence of such support.

That said, the PLA has neither become a kingmaker nor an omnipresent force particularly in the post-Mao party politics. The PLA's political role should be emphasized but not exaggerated. Mao asserted in 1938 that "political power comes from the barrel of a gun."[184] The Chinese military, however, possesses neither the legitimacy nor the self-interest as an institution to actively intervene in party politics without fracturing its own political integrity. The PLA officer corps understands this taboo without any ambiguity.

Party–Military Detachment

As the party increases its reliance on the PLA's support in the post-Deng era, party-military relations are driven further apart. The PLA's political tendency is an understudied area of China's domestic politics. One can confidently surmise that the decades-long

professionalization has led the PLA officer corps, and almost all CCP members, to internalize some independent values of the military profession. A new sense of corporateness is forged when officers "see their highest duty as improving the PLA's military effectiveness" and such officers are moved into senior command and staff positions based on their competence.[185] Such a sense of group consciousness tends toward questioning and resistance against the army's politicization.

The party-military frictions are primarily reflected in commanders' challenges against the system of political officers, "the dual leadership structure" (双首长制)—through which political officers achieve parallel hierarchical status as commanders almost at all levels.[186] Approximately 100,000 political officers, embedded from platoons to the top military leadership, constitute the party's control system within the PLA.[187] They penetrate the day-to-day operations of the military indoctrination, coercion, and manipulation, seeking to minimize the military's independence and deprive soldiers of their distinct identity. Political officers assert their power by shaping and even controlling the results of officer evaluations.[188] Evaluation results, even if subjective and flawed, could greatly affect officers' careers by deciding who should be kept on the promotion track.[189] Moreover, political officers have adopted an intrusive system of supervision through "democratic evaluation," which encouraged officers to inform on each other. This impedes the PLA's force development by breaking up the officer corps' cohesiveness. Political indoctrination consistently interferes with and disrupts officers' professional duties, thus making politicization a major obstacle in the drive to enhance warfighting effectiveness. The PLA's professionalization is undermined as the system of political officers grows, cementing the party's hegemony.

The resistance against the system of political officers has persisted throughout the past nine decades, including challenges by former defense minister Peng Dehuai in 1953 and senior colonel Cai Tiegen, who tried to exclude political officers when leading the drafting of the "PLA Routine Service Regulations" (内务条令) in the 1950s.[190] This debate over the dual-leadership structure was revived in 1985 and 1986 when many professional soldiers advocated to abolish the system of political officers.[191] Such tensions have sharpened again as the PLA accelerates the application of information technology in weapon systems. Controversial placements of political officers'—for example, deputy political commissars on submarines—have been challenged repeatedly by those with a high degree of technical expertise. Political officers on submarines rarely receive the technical training to make themselves militarily useful, and therefore are often mocked as "ballast stone," taking up valuable space on the submarine and crowding out operationally capable sailors.[192]

PLA officers' efforts to back away from politicization is captured by evolutions of the *Soldier's Oath*. The *Soldier's Oath* lays out the party's normative guidelines for the PLA. Changes to the *Oath* show us how the PLA's position shifts with the changing political and social reality. Even the party, often cocooned inside its ideological cover, must admit the PLA's transformation, confront challenges, and adjust its expectations from soldiers. The 1984 version of the PLA's *Soldier's Oath* in Deng's era, dropped personalized allegiance to the top leader. It, however, continued to emphasize love for the party. The 1997 *Oath* broke with the previous

versions by replacing "love" with "obey," clearly indicating the party's realization of the receding power of ideology. The PLA's professionalization is a process rather than a finished product.[193] This process does little to obscure the fact that the officer corps continues to participate in and bargain with the party, so long as they can also fulfill professional duties. As a former PLA officer commented, "The crisis China is facing now is like trying to re-route an out-of-control train before it reaches the Cassandra Crossing.…The PLA should play the role of political stabilizer, ensuring that stability is maintained and that the rules of the game are enforced."[194] The PLA's role as an indispensable stabilizer ensures the tensions between the party and the PLA sustain, which makes party politics a pressure cooker.

Future Trends in China's Civil-Military Relations

The separation of the PLA's trajectory from that of the CCP has caused constant tensions and struggles for control. The reason is twofold: first, the PLA is too important for the party to leave it out of politics. Yet, the PLA's predominant trend since 1978, as Andrew Scobell astutely observed, is the "creeping *guojiahua*"—the transformation from the party army to a national army.[195] This trend changes how the party interacts with the military. The more vulnerable the party is, the less confident the party is in securing the PLA's support. Would the PLA indeed "come to the rescue once summoned by the party" (召之即来)? This fundamental doubt about the PLA's loyalty brings on the more ferocious political indoctrination of the PLA, as Xi said the PLA's loyalty "must be exclusive, thorough, unconditional, without any impurities."[196] The PLA is, after all, the last resort for the party in securing its hegemony in politics. However, the radicalized political indoctrination could push the PLA officer corps to diverge further from the CCP.

Xi Jinping's relationship with the PLA entails a paradox. On the one hand, Xi raises the PLA's "full-time combat readiness" as the paramount task and the most important criterion to measure the success of the military reform.[197] On the other hand, professionalism, arguably the foundation of combat readiness, is overwhelmed by politicization which is unprecedentedly high compared to all leaders since Mao.

The conundrum is that any political intervention by the party—whether systematic change or just a trajectory shift that the party presses on the PLA—will require the officer corps' backing. The more radical the politicization, the more divergent the party-military relations become. This conundrum is a central contradiction in China's civil-military relations in the post-Deng era, but has become acute under Xi. Politicization was ramped up primarily because indoctrination is an indispensable tool to control the PLA when the top leader wants to see dramatic change—even for the goal of military effectiveness—a goal which the officer corps shares.

The mobilizational style Xi adopted is comparable to that of Mao, in that it tends to enhance rather than limit the PLA's political role. Heated politicization is used to push through the organizational reform. In one PLA officer's explanation, "one must execute (the order of

military reform) if he understands; one must execute the order even if he does not understand it"(你理解要执行,不理解也要执行).[198] The campaign-style inspections and political indoctrinations hurt organizational cohesiveness and the morale of the officer corps.

Xi's decade-long anti-corruption campaign does far more than cleansing the PLA of bribery and embezzlement. It has a strong political component and deters any critics from voicing anything that deviates from the party line. The conflicts between the PLA and the party have inevitably grown more intense as a result. In December 2023, the PLA officers accounted for 43 percent of the twenty-eight ousted members of the National People's Congress, China's legislature. Morale is at rock bottom—not because of efforts to root out military corruption—but because the method of political indoctrination to realize these goals is deeply unsettling. Officers are reluctant to make mistakes or take initiative during this delicate time. As a result, the officer corps is so disincentivized to act that the Central Military Commission (CMC) was forced to issue a series of guidelines in 2019 to boost morale, promising greater leniency and understanding for mistakes made during training. Silence on these subjects is deafening within the PLA, which indicates a culture of fear rather than unity.

The organizational shocks due to Xi's military reforms undermine the PLA's loyalty to the party by hurting many officers' interests, even if they understand and accept the logic of these major organizational changes. The officer corps is required by Xi to not only understand the party line, but they must promote it, test it, and put it into practice. This includes initiatives like the alcohol ban, the sweeping anti-corruption campaign, and cleansing of Xi's opponents, such as former CMC Vice Chairmen Guo Boxiong and Xu Caihou.[199] Between 2015 and 2016, Xi announced a reduction of 300,000 military personnel, including 160,000 officers—one-third of total officers in the PLA.[200] With units being downsized and transitioned to lower administrative ranks, very few officers leap-frogged in their career while the majority faced career setbacks. More importantly, the long-existing officer promotion mechanism was broken, with less predictability for upward mobility, which greatly hurt the morale of the officer corps.

The CCP's attempt to continuously assert monopolistic control over the PLA through politicization is likely to face more challenges in the coming decades. The period for military recruitment changed in 2013 from December to September and then in 2020 expanded from once to twice a year to accommodate university graduation.[201] With university recruits joining the PLA, officers of higher caliber are more likely to be independently minded and aware of their rights and therefore likely to challenge simplistic political indoctrination and flawed promotion standards.[202] Such educated recruits have made up 10–15 percent of platoon-level personnel, and about one-eighth of new military recruits annually.[203] Given time, these educated recruits will gradually but fundamentally transform the PLA's bureaucratic culture and mindset. Honor, instead of ideological indoctrination, and the pursuit of fairness under professional rules and standards will play an increasing role in motivating these officers. If the current officer corps only tacitly rejects politicization, the future officer corps will inevitably bring such rejection to the open once a momentous change comes.

Party politics may encounter more volatility in the decades to come as the widely accepted rules of political succession are rewritten under Xi. Grudgingly, the PLA plays an indispensable part in maintaining the stability of that process. If history could shed any light on China's future civil-military relations, the PLA will remain the most crucial but uncertain puzzle piece of China's domestic politics.

The rise of military professionalism serves as an organizational shield against politicization.[204] It works as an antidote to political indoctrination by insulating officers from the party's control system. The more aggressive the encroachment from the party and its representatives—the system of political officers in the PLA—the stronger the "antidote" becomes. China's civil-military relations will continue to reflect the constant conundrum of politicization and professionalization. The PLA officer corps is hedging its evolution against radical indoctrination, a fact that will emerge once the political wind shifts. Even though it is unlikely to initiate any change to the party politics despite grievances, the PLA creates tensions with the party. The PLA's sheer force, if ever utilized, no doubt constitutes a "nuclear option" in party politics. The deep involvement of the PLA in high politics—a low probability occurrence—would have catastrophic consequences for both China's domestic politics and the PLA's professionalization over the long run.

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10

Conclusion: Can the Center Hold?

Yvonne Chiu, Isaac Kardon, and Jason Kelly

The essays in this volume remind us that a paradox haunts the Chinese Communist Party's leadership—and, indeed, the leadership of all revolutionary, Leninist parties. Single-party states are buffeted between competing currents of control and chaos. Seizing power in China meant destroying the old system with a vanguard of committed revolutionaries. Yet wielding power in a "new" China requires that this same party suppress its radical DNA and pursue stable governance. The "party center"—embodied in the elite Central Committee of the CCP and now personified by General Secretary Xi Jinping—has tacked between these extremes. Since the initial revolution, successive generations of central leadership have sought to mobilize the masses to transform the prevailing political, social, and economic order. With these forces unleashed, however, the party has retrenched, seeking to suppress perceived threats to the center's monopoly on political power.

China's remarkable shift from a planned economy to a "socialist market economy" has been one of the most profound changes engineered but also resisted by the party. "Getting rich" meant devolving power and control to individuals, organizations, and ideas far from the center. This meant ceding ground to private entrepreneurs and enterprises, provincial and local authorities, foreign businesses and governments, and the unforgiving discipline of supply and demand. Yet, as various crackdowns and controls during the era of Xi Jinping have made increasingly clear, the impulse to reassert party control remains powerful to this day.

Both releasing and clawing power back to the center are recurring exercises for the CCP. Such contradictions figure in Mao Zedong's own writings and methods of rule. "Marxist-Leninist-Mao Zedong Thought" employs dialectical reasoning in which contradictions continuously emerge and then resolve through historical, material processes.[205] In this light, the ascendance of "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" is not simply the latest update to an old ideology, but also the synthesis of contradictory impulses that persist through the generations. Xi is at once reprising Mao's turbulent

campaign to "bombard the headquarters" and purge the party of his rivals, while seeking to stabilize the party organizationally by ridding it of endemic corruption and inoculating it against foreign influence.

Xi seeks to build China into a high-tech superpower, but his most decisive actions have been to empower the party-state security apparatus and the state-owned sector, stifling the entrepreneurial energies and innovation on which such economic development typically depends. The CCP has been locked in a perpetual struggle to reconcile the contradictory forces of control and chaos for more than a century. By relentlessly reconstructing and revising the party's history and organization, its leaders have nonetheless built a remarkably resilient authoritarian party-state, even as its ideology and goals continue to evolve.

As this volume is published, China's dizzying economic performance across decades of reform and opening—growth once believed essential to regime legitimacy and survival—appears to be giving way to a security-centric political economy. It remains an open question precisely how the party center will navigate this latest transition in the days and years ahead, just as it remains unclear, ultimately, whether the party center itself will hold. By addressing various dimensions of the struggle between chaos and control at the heart of CCP rule, the essays in this volume offer concepts and perspectives vital for contemplating what lies in the future not just for the CCP itself, but also for the 1.4 billion people over whom it rules.

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