Xi Jinping's power grab reveals the real nature of China's politics
By Nick Geoff Raby

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China's unconventional ruler, Xi Jinping, has confirmed what everyone increasingly expected, or feared: that he intends to stay on for an indefinite time beyond the end of his current five-year term.

Sunday's extraordinary 3rd Party Plenum changed the Chinese Communist Party's constitution that required the party's General Secretary, and hence the country's President, to step down after two five-year terms. Xi is now free to stay in office after the current lustrum.

The constitutional change was a mere formality to give the pretence of a legal, institutional, process. In reality, the Communist Party's leadership is unconstrained by either constitutional requirements or the rule of law.
Xi first indicated early in his first term that he was not going to be bound by conventions that his predecessors had scrupulously followed. In October 2015, Xi held a military parade to commemorate the 70th anniversary of what the Communist Party likes to call "Victory Over Japan". It was the first time that this historical event had been celebrated in this way and broke the convention of one parade every 10 years – one per leader's term – to mark the anniversary of the founding of the People's Republic.

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Observing the break with precedent, which few at the time had noticed, this column said that the significance of the parade was in what it said about Xi's intention to do things his way and, most importantly, about whether he would feel bound to step aside at the end of his second lustrum.

Again, last October, when commenting on the 19th Party Congress, this column observed that it marked the end of the Deng Xiaoping legacy of collective leadership: to constrain the ruler and an institutional mechanism for the orderly, and predictable, transfer of power from one generation to the next.

Significantly, and in breach of precedent, Xi did not appoint a successor at the Party Congress. It would normally be the Standing Committee member appointed vice-president.

Dazzled by the sparkling economic success of Deng's policies of economic reform and openness, commentators have often overlooked another significant reform of Deng's which has had far-reaching consequences for China's political stability. Deng and his colleagues engineered a mechanism to institutionalise the transfer of power in a one-party state. In doing so they pulled off a remarkable trick, which has worked for as long as everyone accepted the fiction that five-plus-five years would always be upheld in the absence of a legally binding and enforceable law.

Power in one-party states is transferred either dynastically, as in North Korea today; by waiting for the leader to die in office while the system atrophies as in the old Soviet Union; or by violence, which is the most common way. Until Deng, China had tried a bit of each – Mao degenerating and dying a protracted death and the country, watching from the sidelines, stagnating, while Mao's wife Jiang Qing using her family position to snatch power, until tossed out by the palace guard at Zhongnanhai in the dead of night on Deng's orders.

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It was to avoid such chaos that Deng introduced his political reforms, which have served China remarkably well and which Xi has now formally cast aside. Since assuming the top job, Xi has been busily consolidating power, mainly through the prosecution of his anti-corruption campaign executed by his enforcer-in-chief, Wang Qishan. It is seldom said, but today in China much of the political opposition, or at least what we know of it, is now in prison.

The question then is this: if Xi is so powerful, why has he felt the need to change the party's constitution now? Some foreign commentators speculate that despite the appearance of unchallenged and unchallengeable power, Xi is still uncertain about his grip on power and fears that, come 2022, he may not be able to prevail in order to remain in office.

But such is the opacity of China's elite politics that others argue that Xi has decided to move now to formalise his intention to remain while he is so strong and while – in most respects – major problems on the economy and in foreign policy still lie ahead.

Next week, China's National People's Congress (NPC), the annual meeting of China's parliament, opens in Beijing. The precise timing of last weekend's Party Plenum would seem to be influenced by the NPC. Xi most likely wanted to have the party's constitutional changes done before the NPC to settle down speculation and perhaps head off troublemaking. It has been widely speculated in the weeks leading up to the NPC that some significant leadership changes would be made then.

Most attention has been focussed on whether Wang Qishan will be recalled from his recent retirement after last year's Plenum to be vice-president. Were this to happen, it would be another breach of both precedent and "rules" as Wang is well over the age limit for the most senior officials.

For some time now, it has been becoming increasingly obvious that the major risks in China are with the politics not the economy. By removing the albeit weak institutional arrangements for transferring power, Xi has made the Chinese political system more brittle and exposed to political shocks.

The preternaturally medieval opacity of the system, however, most likely means that we will only become aware of those shocks long after they have occurred: when we are trying to understand and manage the consequences as they affect both the economy and Australia's decades of good fortune in China.

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