



TOP LEADERSHIP

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Supreme political power in China lies with **Xi Jinping**, who won a precedent-defying third five-year term as General Secretary of the Chinese Communist Party (CCP) after the 20th Party Congress in October 2022. Xi packed the CCP's top leadership with allies, ejected the remaining representatives of rival political networks, and established extraordinary control over the party and the country. He also exempted himself and several of his associates from the 20-year norm of Politburo members aged 68 or older retiring (Xi was 69 at the time of the Congress), while forcing leaders with other patrons to retire early, achieving a dominance of Chinese politics not seen since Deng Xiaoping or even Mao Zedong.

Xi's incredible political maneuvering over the past decade enabled him to take greater advantage of a hierarchical government system that already concentrated a significant degree of decision-making power in the paramount leader. Xi leads the party, the state, and the military, serving concurrently as CCP General Secretary, President of the People's Republic of China, and Chairman of the Central Military Commission (CMC). A critical dimension of his consolidation of power is his ability to install loyal supporters in the lower-level leadership positions to which he must delegate tasks in these institutions.

Of the three institutions that Xi leads, the CCP by far the most important. Put simply, the party decides policy, the state implements policy, and the military defends the party and the country. The party boasts 96.7 million members, but its top decision-making body is the seven-person Politburo Standing Committee (PSC). These leaders of top party and state institutions meet about weekly to address domestic and foreign issues of national concern. Past meetings have focused on COVID-19, Five-Year Plans, natural disasters, economic policy, and Xinjiang. Xi chairs these meetings and sets their agendas.

The current PSC comprises Xi and, in rank order, six other national-level party leaders: **Li Qiang**, Premier of the State Council, China's state cabinet; **Zhao Leji**, Chairman of the Standing Committee of the National People's Congress (NPC), China's state legislature; **Wang Huning**, Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), the party's advisory body; **Cai Qi**, First Secretary of the CCP Central Secretariat, the

party's organizational nerve center; **Ding Xuexiang**, Executive Vice Premier of the State Council; and **Li Xi**, Secretary of the CCP Central Commission for Discipline Inspection (CCDI), the party's internal watchdog. Zhao previously served as the CCDI Secretary and Wang Huning was the outgoing head of the Central Secretariat; the other four members are newcomers to the PSC.

This lineup embodies the “Maximum Xi” outcome of the 20th Party Congress, as all the PSC members have ties to Xi—having worked under Xi, worked under a close Xi ally, or having other personal or familial connections—while senior officials associated with former leaders had to retire. Outgoing Premier **Li Keqiang** and former CPPCC Chairman **Wang Yang** retired from the PSC even though they were young enough to stay, while rising star and former Vice Premier **Hu Chunhua** lost his seat on the Politburo. These three were the last senior leaders associated with the Communist Youth League, which nurtured Xi's predecessor **Hu Jintao**. Many analysts in China and abroad believed their rich experience and political norms of power sharing would lead Xi to include at least one of them on the new PSC.

A rung below the PSC are the other 17 members of the 24-person Politburo, who occupy positions at the deputy national level in the administrative hierarchy of the party-state. The Politburo meets monthly to discuss domestic and foreign issues of national importance and to hold a study session on an emerging policy priority. At the 20th Party Congress, Xi promoted several political associates, especially from the ranks of provincial leaders, and increased his effective majority on the body from about 60 percent to well over 80 percent of Politburo seats, with the remaining seats held mostly by technocrats. The lines between people on the wheel above illuminate these personal and professional connections.

The remainder of the Politburo is constituted by directors of CCP departments such as United Front chief **Shi Taifeng**, personnel chief **Li Ganjie**, propaganda chief **Li Shulei**, and law enforcement chief **Chen Wenqing**; State Council vice premiers **He Lifeng**, **Zhang Guoqing**, and **Liu Guozhong**; CMC Vice Chairmen **Zhang Youxia** and **He Weidong**; top provincial-level party secretaries **Ma Xingrui**, **Yin Li**, **Chen Jining**, **Chen Min'er**, **Yuan Jiajun**, and **Huang Kunming**; CCP Central Foreign Affairs Commission Office Director **Wang Yi**; and NPC Standing Committee First Vice Chairman **Li Hongzhong**. The retention of Zhang Youxia and the promotion of Wang Yi came as particular surprises because both were well over the previous retirement age. The current Politburo is the first since 1992 without a single female member.

The Politburo shows how Xi emerged from the 20th Party Congress with an unprecedented grip on the CCP. No paramount leader since Mao has achieved a PSC or Politburo with a greater proportion of their personal allies than Xi has now. His political grip on the top party bodies flows from his control of the selection process. Before the 19th Party Congress in October 2017, Xi introduced an interview-based process of “conversation and investigation” to evaluate leadership

candidates and discontinued the variable practice of taking a straw poll of senior cadres. In 2022, Xi included new requirements to “put political standards first” and promote officials who were “firm supporters” of his leadership. Xi reportedly spoke with only 30 leaders in 2022, compared to 57 in 2017; this time, he did not consult with retired party elders or with national government leaders who did not hold top party positions. These apparent snubs suggest the political impotency of the State Council compared with party leadership bodies and the weakness of old political networks tied to former leaders Jiang Zemin and Hu Jintao.

Xi’s consolidation of power shows that he prioritizes political trust over governance experience and past norms such as age, power sharing, and collective leadership. An amendment to the CCP constitution at the 20th Party Congress strengthened Xi’s personal rule by obliging party members to implement the “two upholds”: “uphold Comrade Xi Jinping’s core position on the Party Central Committee and in the Party as a whole and uphold the Central Committee’s authority and its centralized and unified leadership.” But the composition of these top bodies also shows that Xi increasingly values technocratic expertise. The new Politburo includes eight technocrats, defined as leaders with an educational and professional background in STEM, compared to five in the previous lineup. The eight include all seven provincial leaders promoted to the Politburo. This increase likely reflects Xi’s focus on technological expertise as a critical policy input for China to innovate itself out of the middle-income trap and out of the Western chokehold on core technologies. Xi may also see technocrats as more capable administrators and more dependable political subordinates.

In Xi’s view, tighter political control is a good thing, because it enables a clearer policy agenda and better policy implementation. Surrounding himself with trusted allies could give Xi the political breathing room necessary to adopt more pragmatic policies or unpopular but necessary reforms. However, the stronger likelihood is that “Maximum Xi” increases political risk. Other leaders are less likely to push back against Xi’s views, as their careers depend more than ever on supporting Xi’s agenda. Major policy decisions will likely become increasingly defined as expressions of Xi’s personal leadership, creating a sticky political dynamic in which correcting errors becomes more difficult as criticism of policy is tantamount to criticism of Xi. And when Xi does decide on a new direction, his power renders policymaking susceptible to volatile shifts, as demonstrated by the sudden about-face on zero-COVID. Xi’s leadership team also have less experience in national or even provincial leadership roles than their predecessors, especially his top economic team of Li Qiang, Ding Xuexiang, and He Lifeng.

However, the change relative to expectations for Chinese politics after Xi’s power consolidation at the 20th Party Congress is one of degree rather than direction; firms and investors should not expect radical policy shifts as much as an accelerated continuity of strategies laid out in Xi’s 14th Five-Year Plan, third “history resolution,” and report to the 20th Party Congress.

Ties to Xi

Xi has promoted mostly officials whom he knows, and who sometimes know each other, from various parts of his career. This pattern partly reflects the personal ties and policy aptitudes of individual leaders, but given that it is those closest to an authoritarian leader who can end up posing the greatest threat, elevating officials from different backgrounds may reflect an effort by Xi to ensure his team are not too close to each other, so as to guard against the formation of political groups outside of Xi.

Groups of officials who know Xi from a particular place, or who have worked or studied together, are often referred to as “factions” or “sub-factions” under Xi’s leadership. Such terminology, which is sometimes used in this product, offers a helpful way to track the relative fortunes of different types of leaders, but the concept of factions in Chinese politics should be treated with caution. These groups are typically not as united in action or intention as the term may suggest.

The opaqueness of Chinese politics means the fact that officials have studied together, spent time together, or share other personal ties can be a powerful clue as to the strength of their political relationship, but such a connection is not sufficient to establish them as friends or allies. The academic literature suggests the most powerful “factional” indicator is a direct professional relationship where a factional “client” works for and is then promoted by a factional “patron.”

Xi’s power is the decisive factor in personnel and policy decisions that casts doubt on the strength or existence of factions below Xi, at least at present. The only relative certainty is that Xi leads a dominant faction in the CCP. His unusually strong influence on personnel decisions over the last decade has allowed him to elevate loyal allies, personal associates, and many others into leadership positions, all of whom now owe some degree of political fealty to Xi’s leadership and policy preferences.

Xi has promoted several officials who worked under him in Fujian Province, where he served as a local official from 1985 to 2002, including as Deputy Party Secretary from 1995 to 2002 and as Governor from 1999-2002. This group includes Cai Qi, He Lifeng, He Weidong, Huang Kunming, and Wang Xiaohong, all of whom also grew up in Fujian. Chen Wenqing worked with several Xi loyalists in Fujian after Xi left.

Xi also promoted officials who worked for him in Zhejiang Province, where he was Party Secretary from 2002-2007, most notably Chen Min’er and Li Qiang, both of whom also grew up in Zhejiang. Cai Qi, He Weidong, and Huang Kunming also worked under Xi’s leadership again in Zhejiang.

Xi was then Party Secretary of Shanghai from March to October 2007, where he met Ding Xuexiang, who worked as his top political secretary. Xi's number-two in Shanghai was Han Zheng, who belonged to the "Shanghai Gang" of former paramount leader Jiang Zemin, but later got behind Xi's leadership. Chief ideologue Wang Huning is also a Shanghai native who started as a Jiang acolyte, but he has served as a loyal advisor to three paramount leaders, and especially on "Xi Jinping Thought."

Xi has known some top leaders for a long time because of family connections through his father Xi Zhongxun and his ancestral province of Shaanxi, including Shaanxi native Zhang Youxia and onetime Shaanxi official Li Xi, and, to a lesser extent, Shaanxi native Zhao Leji and former Party Secretary of Shaanxi Liu Guozhong.

Other top leaders built their careers around Xi's alma mater Tsinghua University in Beijing, most notably Chen Jining, a Tsinghua graduate who found favor with top leaders, including Xi, as he rose through the university administration. Xi's previous personnel chief Chen Xi, who was his college roommate at Tsinghua in the late 1970s, also helped promote Tsinghua graduates, possibly including Li Ganjie.

The "Military-Industrial Gang" is a loose group of technocratic experts with extensive experience managing complex state-owned technology projects who were put into contention for top leadership positions earlier in Xi's tenure through promotions to provincial leadership roles. It includes Li Ganjie, Ma Xingrui, Yuan Jiajun, and Zhang Guoqing. They were trained as aerospace, nuclear, or weapons engineers before rising through the military-industrial sector to leadership positions in major state-owned enterprises or technical ministries. Their elevation reflects Xi's focus on technology but also his desire to promote politically dependable officials without strong connections to former leaders.

Other top officials have looser connections with Xi. Li Shulei and Shi Taifeng worked as deputies to Xi while he was President of the Central Party School from 2007 to 2012. Public health expert Yin Li is purported to have helped Xi's wife Peng Liyuan become a World Health Organization Goodwill Ambassador for Tuberculosis and HIV in 2011. Liu Guozhong worked under retired Xi confidant Li Zhanshu in Heilongjiang in the 2000s. Li Hongzhong was a follower of Jiang Zemin before becoming a vocal Xi supporter during his first term. Wang Yi is a career diplomat and trusted foreign policy expert.

Policy Trends

The political report to the 20th Party Congress, a truncated version of which Xi delivered in a speech at the conclave, represents the most authoritative statement of the party's current

worldview and policy priorities. Changes in the language used by party leaders in these reports, or tweaks to the rigid format that the reports typically follow, can evince meaningful policy shifts. These policy shifts are both reflected in and driven by the type of officials whom Xi has promoted to the top party bodies.

Political reports do not go into detail about specific policies, but their high-level messages inform policymaking for the next five years and beyond. Xi said that the most recent report constitutes a “grand blueprint” for governing China. Its content signaled continuity rather than change in Xi’s personal leadership and policy agenda, drawing heavily from the most recent Five-Year Plan and the third history resolution, both issued in 2021. Overall, it suggests that Xi will keep pushing China in a more authoritarian, statist, and nationalist direction in the coming years and even decades.

This includes the Chinese economy, where the party plans to play a stronger role—for example, by taking board seats in major firms and guiding capital toward favored sectors. The political report introduced “systems thinking” as part of Xi’s ideology. According to Xi, “all things are interconnected and interdependent,” as economic, political, and social reforms involve adjusting the balance of interests such that “pulling one hair moves the whole body.” The increasingly complex policy issues facing China therefore require enhanced party oversight and more government “systems” to manage all aspects of the country’s development. This more centralized leadership is reflected in Xi’s appointment of Cai Qi as the first PSC member to lead the powerful CCP General Office since the Mao era, of chief ideologue Wang Huning to lead the party’s influence efforts in Chinese society and beyond, and of Shi Taifeng as the first incoming Politburo member since 1977 to serve as director of the United Front Work Department.

Xi justifies this increase in party control as necessary to counter rising threats. The party previously presented China as in a “period of strategic opportunity,” in which favorable domestic and international environments enabled a focus on economic development. Xi’s latest report shows that he believes China has now entered a period in which “strategic opportunity co-exists with risks and challenges, and uncertain and unpredictable factors are increasing.” Moreover, the report continues, “various ‘black swan’ and ‘gray rhino’ events may occur at any time,” highlighting the party’s rising concern with preparing for both unexpected crises and foreseeable threats, respectively. The promotion of Wang Yi to the Politburo, despite his age, signals Xi’s desire for continuity in his more assertive diplomacy.

Xi wants to balance economic growth with national security. The 2022 political report contained a new section devoted to national security, which should “permeate every aspect and the whole process” of governance. To prepare for “high winds, choppy waves, and even dangerous storms,” Xi’s report called for stronger party leadership, people-centered policymaking, and a spirit of struggle. The report also added a section on science, education, and human capital, priority areas

to bolster indigenous innovation and address the political risks of lagging productivity growth and the Western chokehold on key technologies. Xi's fixation on security is evidenced by the promotion of Chen Wenqing as the first intelligence chief to lead the party's top law enforcement body, and the elevation of Chen, public security chief Wang Xiaohong, and top CCDI Deputy Liu Jinguo to serve on the Central Secretariat.

Even high-single-digit GDP growth targets now seem beyond reach. Development remains the party's "top priority," but its "primary task" is now "high-quality development." This includes elevating Xi's "new development pattern," a strategy that unites development and security goals by boosting domestic demand and homegrown technology while increasing global reliance on Chinese supply chains. Xi's political report identified new growth drivers—AI, IT, biotech, green industries, high-end manufacturing, renewable energy, and new industrial materials (such as those engineered with nanotechnology)—but it was notably less enthusiastic about markets, openness, and supply-side structural reform than even his previous report in 2017. The report's vision of strategic economic management also requires the party to expand oversight of the private sector by "strengthening Party building" in nonstate firms and "improving corporate governance" of financial firms, and of private wealth, by "regulating the mechanism of wealth accumulation." While growth remains an important goal for Xi, and new premier Li Qiang is known for his business-friendly policies as a provincial leader, Li is an inexperienced economic policymaker and won promotion for his political closeness to Xi. Other personnel movements also suggest Xi's continued move away from market reforms, with Western-trained technocrat Liu He replaced as Vice Premier by former local party boss He Lifeng, and former Xi chief of staff Ding Xuexiang becoming Li's number two on the State Council.

The report suggested that Xi is preparing China for long-term strategic competition with the United States. It defined the party's overarching goal for China as "building a socialist modern great power" by the centenary of the People's Republic in 2049 and "us[ing] Chinese-style modernization to comprehensively advance the great rejuvenation of the Chinese nation." The party has long wanted to achieve "modernization" by midcentury, but this report stated in the clearest terms yet that Xi wants China to "lead the world in comprehensive national power and international influence." The new link between "Chinese-style modernization" and "national rejuvenation" emphasizes Xi's determination to steer China on the party's own course, one that rejects democratic politics, individual freedoms, and US leadership in global governance. That includes efforts to "actively participate" in global human rights governance and the formulation of global security rules. Xi's report did not change Taiwan policy, but a new phrase—"resolving the Taiwan question is for the Chinese people themselves to decide"—portends stronger pushback against US and allied efforts to upgrade their interactions with Taiwan.

The Future of Xi

What the 20th Party Congress did not do was provide any indication of how long Xi would remain as leader. But Xi's third term, the new history resolution, no apparent political heir, and Xi's personalization of party ideology suggest that he plans to rule indefinitely.

Shortly after his reappointment, Xi led the new PSC on a visit to Yangjialing in Yan'an, where Mao cemented his absolute authority at the Seventh Party Congress in 1945. Xi said that Party Congress "marked the Party's political, ideological, and organizational maturity," which included "forming a group of well-tested politicians who held high the banner of Mao Zedong." Xi drew a parallel between Mao in 1945 and his own consolidation of power in 2022, implying that he plans to lead the party for decades to come.

But Xi's succession remains a "gray rhino" political risk for China: we know it will happen, but we do not know when, we do not know how, and we do not know what comes next. The longer Xi rules, and the older he gets, the more other officials will eye a post-Xi future. Political competition could start to emerge between different leaders, or between groups of officials with different ties to Xi. A contested succession could bring policy confusion, economic stasis, or even political chaos.