



China's 12th National People's Congress An Analysis of the Composition and Content



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The first session of the Twelfth National People's Congress (NPC) held in Beijing from March 5-17, 2013, completed the final phase of transfer of power to China's top leadership, which was elected at the 18th Party Congress last November. Controls were predictably tight as 2,987 Deputies converged on Beijing for the event.

The Chinese Communist Party (CCP)'s Central Propaganda Department issued firm 10-point guidelines to China's media listing prohibited topics and cautioning them to use only verified reports released by Xinhua. Guangdong's provincial propaganda department cautioned journalists not to "debate or pass judgment on the results of the election in your coverage." Despite strengthened controls on internet usage, China's 'netizens' posted thousands of critical remarks and 100 Chinese 'intellectuals' urged the Government to immediately ratify the International Covenant on Civil and Political Rights (ICCPR).

As per tradition, the Chinese People's Political Consultative Conference (CPPCC), a largely advisory body which includes non-Chinese Communist Party (CCP) entities and with a membership of about 2,200, met a day earlier. Its new Chairman, Politburo Standing Committee (PBSC) member Yu Zhengsheng, presided. 23 persons were appointed to the prestigious post of CPPCC Vice Chairman. In accordance with new directives, arrangements were frugal and the CPPCC announced that its paperless proceedings would save Yuan 2 million, or US\$ 321,200 in

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expenses.

NATIONAL PEOPLE'S CONGRESS: THE COMPOSITION

The NPC session attended by 2,986 delegates -- Shao Zhanwei, Mayor of Hangzhou, died during the proceedings on the opening day -- approved the appointment in single-candidate elections of Xi Jinping as President, Li Keqiang as Premier, Li Yuanchao as Vice President and Zhou Qing as President of China's Supreme People's Court. A 'princeling' and member of the Politburo, Li Yuanchao will rank after all 7 PBSC members. He did a year's course in 2002 in Harvard. Formerly Head of the CCP CC Organisation Department, 62-year old Li Yuanchao is unlikely to continue after the next Party Congress.

In addition to the 13 Vice Chairmen appointed by the NPC, on March 16, it approved the Premier's recommendation for 4 Vice Premiers, 5 State Councillors and 25 Ministers. The Vice Premiers are: Zhang Gaoli, PBSC member as Executive Vice Premier; Liu Yandong (f), PB member and former head of UFWD; Wang Yang, former Party Secretary of Guangdong and Politburo (PB) member; and Ma Kai, PB member, former head of the National Development and Reform Commission (NDRC) and Deputy Chairman of the Tibet Work Leading Group. At least three of the Vice Premiers are cautious and unlikely to push reforms, which appears in accordance with Premier Li Keqiang's gradualist economic agenda.

The five State Councillors are: Yang Jing, an ethnic Mongol, Politburo (PB) member and long-time close associate of Li Keqiang who has been appointed Secretary General of the State Council. The Secretary General manages the daily work of the State Council as the Premier's right-hand man.

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This is the first time that someone from China's ethnic minority nationalities has been appointed to this powerful position; General Chang Wanquan as Defence Minister; former Foreign Minister Yang Jiechi as replacement of Dai Bingguo; Guo Shengkun, who continues as Minister of Public Security (MPS); and Wang Yong, with a background in the Party's anti-corruption body, the Central Discipline Inspection Commission (CDIC).

Of the 25 Cabinet appointments, two fewer than earlier, 14 are holdovers. The more important include Xu Shaoshi, till now Minister of Land and Natural Resources, as Head of the powerful NDRC; Lou Jiwei, head of China's sovereign fund the 'China Investment Corporation', as Finance Minister; Gao Hucheng, former Vice Minister for Commerce elevated as Commerce Minister; Zhou Shengxian, who continues as Minister of Environmental Protection despite opposition from NPC Deputies; and Wang Zhengwei, Deputy Party Secretary and Chairman of Ningxia-Hui Autonomous Region as Head of the State Ethnic Affairs Commission. Geng Huichang, an America expert and former Head of the Ministry of State Security (MoSS) think-tank 'China Institute for Contemporary International Relations' (CICIR), continues as Minister of MoSS. Zhou Xiaochuan has been retained as head of the People's Bank of China (PoBC).

Important are the senior appointments in China's foreign policy establishment, which will shape China's foreign policy. 62-year old former Foreign Minister Yang Jiechi replaces Dai Bingguo as State Councillor. Dai Bingguo has been China's points-man for negotiations with US, Russia and UK, and is China's nominee to the Special Representative-level talks with India on the border issue. Yang Jiechi is an expert on American affairs, fluent English speaker and graduate of the London School of Economics. Foreign diplomats view him as less hard-line than Dai Bingguo.

59-year old Wang Yi, a fluent Japanese speaker and former Ambassador to Japan and Head of China's Taiwan Affairs Office, is China's new Foreign Minister. A consummate diplomat skilled at negotiations, he is credited with conducting the

With an average age of 60, the new Cabinet is three years older than the last. All have college education and there are 21 post-graduates. Many have a background in humanities. Li Keqiang is China's first Premier with a PhD, which he earned in Economics from Peking University. He is fluent in English. Nine of the Ministers are from the Communist Youth League (CYL).

secret talks with then Chief Cabinet Secretary Shinzo Abe, which helped break the impasse in Sino-Japanese ties in 2001-2006 and facilitated Shinzo Abe's visit to Beijing as Premier in October 2006. The Taiwanese, who have welcomed his elevation, say he gave Taiwan diplomatic space by allowing it to join WHO. Both appointments reflect the importance Beijing attaches to these countries especially in the present context.

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NATIONAL PEOPLE'S CONGRESS: THE CONTENT

Chinese Premier Wen Jiabao, his image dented by disclosures about the vast sums amassed by his family's corruption, presented his final 'Report on the Work of the Government' on the opening day of the NPC on March 5. The 29-page 'Report', spelt out China's achievements and targets for the coming year. Popular concerns were reflected in the Report. Interestingly, while Wen Jiabao referred to 'Deng Xiaoping Theory', Jiang Zemin's 'Three Represents' and Hu Jintao's 'Scientific Outlook on Development', no mention was made of Mao Zedong! He was careful in reading his 100-minute long Report and did not once refer to 'political reform'. Reforms were mentioned only in one brief section of the Report. The oft-made comment, that 'without commensurate political reform, economic reform cannot succeed', was missing.

Extolling last year's achievements, like the Beidou Satellite Navigation System, commissioning of China's first aircraft carrier the 'Liaoning', and the XXIX Olympics, China's Premier highlighted that China is now the world's second largest economy with a GDP of 51.9 billion Yuan.

Among the Report's highlights were the retention of last year's economic growth target of 7.5 per cent, assurance of creating nine million jobs during the year, bringing down inflation to 3.5 per cent from last year's 4 per cent, keeping unemployment below 4.6 per cent, and promoting equitable growth including between rural and urban residents and in urban centres.

Farmer's property rights were mentioned for the first time in a Government Work Report, suggesting enhanced protection of their rights. The Report stressed that the main purpose of the country's land reform system is "to protect farmer's property rights and interests" which "is central to China's rural stability and long term development". It added "we should always protect farmer's legitimate property rights and keep them motivated".

Popular deceased Party General Secretary Hu Yaobang's son, Hu Deping, had last year publicly stressed the need for properly settling issues related to farmers' land rights. He spoke out after the clashes last year at Wukan village,

Guangdong, and was supportive of Guangdong Party Secretary Wang Yang. Hu Deping is a strong supporter of Xi Jinping.

Equitable distribution of income, a theme repeatedly emphasised by Hu Jintao, received special mention in the Premier and NDRC's Reports. The Premier described the income distribution system as "a basic system of vital importance for social and economic development, and an important cornerstone of the socialist market economy". He emphasized there is need to "narrow the income gap so that the fruits of development are more equitably shared by the people".

A separate paragraph was devoted to the Law on Regional Ethnic Autonomy and infusing "new vitality into the cause of promoting unity and progress of ethnic groups in China". There was apparent emphasis on accelerating 'leapfrog' development of the Tibet and Xinjiang Autonomous Regions, including in the NDRC Report. Specific mention was made of expanding print, TV and Radio coverage in these regions. Noteworthy is the appointment of cadres with experience of working in minority regions, or minority issues, to senior positions in the CPPCC and NPC.

The armed forces and, particularly China's maritime interests, received pointed attention. The Premier declared that "new progress was made in strengthening national defense and the armed forces". There had been "major achievements" in the "revolution in military affairs with Chinese characteristics" and the military had "greatly enhanced their ability to carry out their historic mission... and accomplished a number of urgent, difficult, and hazardous tasks." He exhorted the armed forces to "resolutely uphold China's sovereignty, security and territorial integrity and ensure its peaceful development", adding that they "provide a firm guarantee". His remarks differed from last year and absent was the emphasis on the People's Liberation Army (PLA) being 'absolutely loyal' to the Party. The routine mention of 'winning local wars under information age conditions' was also missing, but these figured in Xi Jinping's first speech after the NPC on March 17.

Pronounced focus on China's maritime interests was evident, however, in the remark that "we should strengthen comprehensive marine management... and safeguard China's maritime rights and interests". This was amplified in the restructuring of departments from which the restructured State Oceanic Administration emerged considerably strengthened.

The Ministry of Finance 'Budget Report' and NDRC's 'Draft Plan for National Economic and

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Social Development', were presented later that day. The budget for medical and health care increased substantially by 27.1 per cent over last year. Both Reports referred to, inter alia, expanding medical, old age pension and education coverage in rural areas, enhancing food grain subsidies for farmers and raising grain production.

The trend of double digit increases for National Defence was continued with a 10.7 per cent rise, bringing the allocation for defence to Yuan 720 billion, or US\$ 116 billion.

In contrast to expectations that there could be an easing in security controls, especially abolition of the 300 'Reform through Labour camps', the focus on strengthening stability remained. The budget for domestic security was enhanced by 8.7 per cent to Yuan 769.1 billion, or US\$ 123.5 billion, making it the third successive year when the domestic security budget is higher than that for national defence.

Similar sensitivity to public concern was evident in the restructuring proposal approved by the NPC, which meshed with the assurances in Premier Wen Jiabao's Work Report. It addressed public concerns regarding the Railways, where there was widespread public outcry of corruption after the high speed train disaster at Wenzhou in July 2012, adulteration of foodstuffs and medicines, and criticism of the 'one child' policy. Though initial plans called for reducing Government departments from 27 to 18, the NPC finally approved abolition of only two departments. The Ministry of State Security (MoSS), NDRC and State owned Enterprises (SoE)s remain untouched.

Under the restructuring, the Ministry of Transportation takes over all policy and planning functions and oversees rail, road, water and air transportation. A new National Railway Bureau is to be established under its management together with a new China Railway Corporation. The Ministry of Railways has been abolished.

A National Health and Family Planning Commission (NHFPC) takes over all functions of the Ministry of Health and the National Population and Family Planning Commission. The Ministry of Health and the National Population and Family Planning Commission have been abolished. There is an implication that the 'one child' policy, introduced since 1971, could gradually be relaxed.

A new General Administration of Food and Drugs (GAFD) has been established. The State Administration of Food and Drug and the State Council's Office of the Food Safety Committee are abolished.

The propaganda apparatus has emerged more powerful with the formation of the National Commission for Press, Publications, Radio, Films and Television. GAPP and SARFT have been abolished. At a conference on March 19, Luo Shugang, deputy chief of the CCP's Propaganda Department, said the merger would improve "management of ideology".

Affirming China's maritime ambitions and claims, the State Oceanic Administration (SOC) has been appreciably strengthened. It takes over all executive maritime oversight responsibilities as well as personnel of the Ministry of Public Security, Ministry of Agriculture and Customs Administration. The SOC will be managed by the Ministry of Land and Resources.

The SOC's new responsibilities include development of the seas, exercising maritime authority, overseeing and managing exploitation of the seas and ensuring environmental protection. The SOC will take professional guidance from the Ministry of Public Security. A high level National Maritime Committee (NMC), to formulate national strategy for developing the seas and coordinating important maritime matters has been established. The SOC will be the NMC's executive arm.

The National Energy Administration (NEA) takes over the State Electricity Regulatory Committee (SERC) but remains under the NDRC. The SERC will be abolished. This could be a prelude to the gradual reduction of energy subsidies on coal, natural gas and petrol, as demanded by two of the 118 powerful and wealthy State-owned-Enterprises (SoEs), namely Sinopec and PetroChina.

There were some interesting sidelights at the NPC session. Fang Xingyuan Feng, a researcher at the Chinese Academy of Social Sciences (CASS), revealed that a number of CPPCC members held

foreign passports, while Hongkong's Oriental Daily News claimed that the high number of such officials is "turning the NPC and CPPCC sessions into a UN session"! The number of billionaires in the NPC and CPPCC increased by 17 per cent over last year to 83 US Dollar billionaires. 31 in the NPC have assets worth more than US\$ 1 billion while there are 52 in the CPPCC, which additionally includes 24 'princelings'.

Deputies initiated suggestions for reforms on issues of public concern such as soil pollution, illegal house purchases and child abuse. CPPCC Deputies submitted over 500 suggestions.

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Interesting was the composition of the 20-strong Tibet Autonomous Region (TAR) delegation to the NPC, which included six non-Tibetans. Three are members of the TAR administration, namely Party Secretary Chen Quanguo, Deputy Party Secretary Wu Yingjie and the Commander of the People's Armed Police in Tibet, General Guo Yili. Of greater interest are the three who are neither concerned with, nor resident in, Tibet. Prominent are Chang Xiaobing, Chief Executive of China's second largest telecom company, China Unicom Hongkong Ltd, and Wang Huning, PB member and member of the powerful 18th Central Committee (CC) Secretariat. He has been included in earlier TAR delegations. In addition to 4 senior cadres with a background of TAR, 2 Tibetans have been appointed Vice Chairmen to the CPPCC and NPC and the Chinese-appointed Panchen Lama is a member of a CPPCC Standing Committee. These are indicators that issues pertaining to Tibet are high on Xi Jinping's agenda.

The NPC has clearly signalled that the CCP will be unchallenged, economic reforms will be gradual and the PLA and security apparatus will continue to be strengthened. Finally, it amply clarified that there would be no easing of the Party's political control. Wang Shengjun, outgoing President of the Supreme People's Court, declared in the NPC that the Party has unquestioned leadership over the judiciary and urged judges and other 'judicial workers' to profess 'total loyalty to the Party, country, Constitution and law'.

Views expressed are author's own

