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THE SATURDAY ESSAY

The Coming Chinese Crackup

The endgame of communist rule in China has begun, and Xi Jinping's ruthless measures at only bringing the country closer to a breaking point



Chinese President Xi Jinping, front center, and other Chinese leaders attend the opening meeting on Thursday of the third session of the National People's Congress at the Great Hall of the People in Beijing. PHOTO: XINHUA/ZUMA PRESS

By **DAVID SHAMBAUGH**

March 6, 2015 11:26 a.m. ET

On Thursday, the National People's Congress convened in Beijing in what has become a familiar annual ritual. Some 3,000 "elected" delegates from all over the country—ranging from colorfully clad ethnic minorities to urbane billionaires—will meet for a week to discuss the state of the nation and to engage in the pretense of political participation.

Some see this impressive gathering as a sign of the strength of the Chinese political

system—but it masks serious weaknesses. Chinese politics has always had a theatrical veneer, with staged events like the congress intended to project the power and stability of the Chinese Communist Party, or CCP. Officials and citizens alike know that they are supposed to conform to these rituals, participating cheerfully and parroting back official slogans. This behavior is known in Chinese as *biaotai*, “declaring where one stands,” but it is little more than an act of symbolic compliance.

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Despite appearances, China's political system is badly broken, and nobody knows it better than the Communist Party itself. China's strongman leader, Xi Jinping, is hoping that a crackdown on dissent and corruption will shore up the party's rule. He is determined to avoid becoming the Mikhail Gorbachev of China, presiding over the party's collapse. But instead of being the antithesis of Mr. Gorbachev, Mr. Xi may well wind up having the same effect. His despotism is severely stressing China's system and society—and bringing it closer to a breaking point.

Predicting the demise of authoritarian regimes is a risky business. Few Western experts forecast the collapse of the Soviet Union before it occurred in 1991; the CIA missed it entirely. The downfall of Eastern Europe's communist states two years earlier was similarly scorned as the wishful thinking of anticommunists—until it happened. The post-Soviet “color revolutions” in Georgia, Ukraine and Kyrgyzstan from 2003 to 2005, as well as the 2011 Arab Spring uprisings, all burst forth unanticipated.

China-watchers have been on high alert for telltale signs of regime decay and decline ever since the regime's near-death experience in Tiananmen Square in 1989. Since then, several seasoned Sinologists have risked their professional reputations by asserting that the collapse of CCP rule was inevitable. Others were more cautious—myself included. But times change in China, and so must our analyses.

The endgame of Chinese communist rule has now begun, I believe, and it has progressed further than many think. We don't know what the pathway from now until the end will look like, of course. It will probably be highly unstable and unsettled. But until the system begins to unravel in some obvious way, those inside of it will play along—thus contributing to the facade of stability.



The Gate of Heavenly Peace in Beijing's Tiananmen Square, the site of pro-democracy demonstrations in 1989.
 PHOTO: NATIONAL GEOGRAPHIC/GETTY IMAGES

Communist rule in China is unlikely to end quietly. A single event is unlikely to trigger a peaceful implosion of the regime. Its demise is likely to be protracted, messy and violent. I wouldn't rule out the possibility that Mr. Xi will be deposed in a power struggle or coup d'état. With his aggressive anticorruption campaign—a focus of this week's National People's Congress—he is overplaying a weak hand and deeply aggravating key party, state, military and commercial constituencies.

The Chinese have a proverb, *waiying, neiruan*—hard on the outside, soft on the inside. Mr. Xi is a genuinely tough ruler. He exudes conviction and personal confidence. But this hard personality belies a party and political system that is extremely fragile on the inside.

Consider five telling indications of the regime's vulnerability and the party's systemic weaknesses.

First, China's economic elites have one foot out the door, and they are ready to flee en masse if the system really begins to crumble. In 2014, Shanghai's Hurun Research Institute, which studies China's wealthy, found that 64% of the “high net worth individuals” whom it polled—393 millionaires and billionaires—were either emigrating or planning to do so. Rich Chinese are sending their children to study abroad in record numbers (in itself, an indictment of the quality of the Chinese higher-education system).

Just this week, the Journal reported, federal agents searched several Southern California locations that U.S. authorities allege are linked to “multimillion-dollar birth-tourism businesses that enabled thousands of Chinese women to travel here and return home with infants born as U.S. citizens.” Wealthy Chinese are also buying

property abroad at record levels and prices, and they are parking their financial assets overseas, often in well-shielded tax havens and shell companies.

Meanwhile, Beijing is trying to extradite back to China a large number of alleged financial fugitives living abroad. When a country's elites—many of them party members—flee in such large numbers, it is a telling sign of lack of confidence in the regime and the country's future.

Second, since taking office in 2012, Mr. Xi has greatly intensified the political repression that has blanketed China since 2009. The targets include the press, social media, film, arts and literature, religious groups, the Internet, intellectuals, Tibetans and Uighurs, dissidents, lawyers, NGOs, university students and textbooks. The



A military band conductor during the opening session of the National People's Congress on Thursday at the Great Hall of the People in Beijing. PHOTO: ASSOCIATED PRESS

Central Committee sent a draconian order known as Document No. 9 down through the party hierarchy in 2013, ordering all units to ferret out any seeming endorsement of the West's "universal values"—including constitutional democracy, civil society, a free press and neoliberal economics.

A more secure and confident government would not institute such a severe crackdown. It is a symptom of the party leadership's deep anxiety and insecurity.

Third, even many regime loyalists are just going through the motions. It is hard to miss the theater of false pretense that has permeated the Chinese body politic for the past few years. Last summer, I was one of a handful of foreigners (and the only American) who attended a conference about the "China Dream," Mr. Xi's signature concept, at a party-affiliated think tank in Beijing. We sat through two days of mind-numbing, nonstop presentations by two dozen party scholars—but their faces were frozen, their body language was wooden, and their boredom was palpable. They



A protester is pushed to the ground by a paramilitary policeman March 5, 2014, in Beijing before the opening of the National People's Congress nearby. PHOTO: ASSOCIATED PRESS

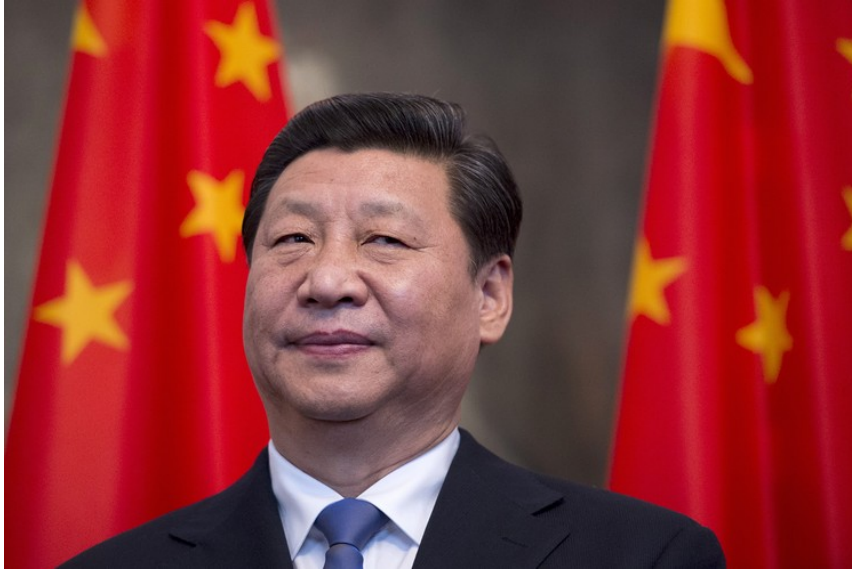
feigned compliance with the party and their leader's latest mantra. But it was evident that the propaganda had lost its power, and the emperor had no clothes.

In December, I was back in Beijing for a conference at the Central Party School, the party's highest institution of doctrinal instruction, and once again, the country's top officials and foreign policy experts recited their stock slogans verbatim. During lunch one day, I went to the campus bookstore—always an important stop so that I can update myself on what China's leading cadres are being taught. Tomes on the store's shelves ranged from Lenin's "Selected Works" to Condoleezza Rice's memoirs, and a table at the entrance was piled high with copies of a pamphlet by Mr. Xi on his campaign to promote the "mass line"—that is, the party's connection to the masses. "How is this selling?" I asked the clerk. "Oh, it's not," she replied. "We give it away." The size of the stack suggested it was hardly a hot item.

Fourth, the corruption that riddles the party-state and the military also pervades Chinese society as a whole. Mr. Xi's anticorruption campaign is more sustained and severe than any previous one, but no campaign can eliminate the problem. It is stubbornly rooted in the single-party system, patron-client networks, an economy utterly lacking in transparency, a state-controlled media and the absence of the rule of law.

Moreover, Mr. Xi's campaign is turning out to be at least as much a selective purge as an antigraft campaign. Many of its targets to date have been political clients and allies of former Chinese leader Jiang Zemin. Now 88, Mr. Jiang is still the godfather figure of Chinese politics. Going after Mr. Jiang's patronage network while he is still alive is highly risky for Mr. Xi, particularly since Mr. Xi doesn't seem to have brought along his own coterie of loyal clients to promote into positions of power. Another

problem: Mr. Xi, a child of China's first-generation revolutionary elites, is one of the party's "princelings," and his political ties largely extend to other princelings. This silver-spoon generation is widely reviled in Chinese society at large.



Mr. Xi at the Schloss Bellevue presidential residency during his visit to fellow export powerhouse Germany in Berlin on March 28, 2014. *PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES*

Finally, China's economy—for all the Western views of it as an unstoppable juggernaut—is stuck in a series of systemic traps from which there is no easy exit. In November 2013, Mr. Xi presided over the party's Third Plenum, which unveiled a huge package of proposed economic reforms, but so far, they are sputtering on the launchpad. Yes, consumer spending has been rising, red tape has been reduced, and some fiscal reforms have been introduced, but overall, Mr. Xi's ambitious goals have been stillborn. The reform package challenges powerful, deeply entrenched interest groups—such as state-owned enterprises and local party cadres—and they are plainly blocking its implementation.

These five increasingly evident cracks in the regime's control can be fixed only through political reform. Until and unless China relaxes its draconian political controls, it will never become an innovative society and a "knowledge economy"—a main goal of the Third Plenum reforms. The political system has become the primary impediment to China's needed social and economic reforms. If Mr. Xi and party leaders don't relax their grip, they may be summoning precisely the fate they hope to avoid.

In the decades since the collapse of the Soviet Union, the upper reaches of China's leadership have been obsessed with the fall of its fellow communist giant. Hundreds of Chinese postmortem analyses have dissected the causes of the Soviet disintegration.

Mr. Xi's real "China Dream" has been to avoid the Soviet nightmare. Just a few months into his tenure, he gave a telling internal speech ruing the Soviet Union's demise and bemoaning Mr. Gorbachev's betrayals, arguing that Moscow had lacked a "real man" to stand up to its reformist last leader. Mr. Xi's wave of repression today is meant to be the opposite of Mr. Gorbachev's perestroika and glasnost. Instead of opening up, Mr. Xi is doubling down on controls over dissenters, the economy and even rivals within the party.

But reaction and repression aren't Mr. Xi's only option. His predecessors, Jiang Zemin and Hu Jintao, drew very different lessons from the Soviet collapse. From 2000 to 2008, they instituted policies intended to open up the system with carefully limited political reforms.

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They strengthened local party committees and experimented with voting for multicandidate party secretaries. They recruited more businesspeople and intellectuals into the party. They expanded party consultation with nonparty groups and made the Politburo's proceedings more transparent. They improved feedback mechanisms within the party, implemented more meritocratic criteria for evaluation and promotion, and created a system of mandatory midcareer training for all 45 million state and party cadres. They enforced retirement requirements and rotated officials and military officers between job assignments every couple of years.

In effect, for a while Mr. Jiang and Mr. Hu sought to manage change, not to resist it. But Mr. Xi wants none of this. Since 2009 (when even the heretofore open-minded Mr. Hu changed course and started to clamp down), an increasingly anxious regime has rolled back every single one of these political reforms (with the exception of the cadre-training system). These reforms were masterminded by Mr. Jiang's political acolyte and former vice president, Zeng Qinghong, who retired in 2008 and is now under suspicion in Mr. Xi's anticorruption campaign—another symbol of Mr. Xi's hostility to the measures that might ease the ills of a crumbling system.

Some experts think that Mr. Xi's harsh tactics may actually presage a more open and reformist direction later in his term. I don't buy it. This leader and regime see politics in zero-sum terms: Relaxing control, in their view, is a sure step toward the demise of the system and their own downfall. They also take the conspiratorial view that the U.S. is actively working to subvert Communist Party rule. None of this suggests that sweeping reforms are just around the corner.

We cannot predict when Chinese communism will collapse, but it is hard not to conclude that we are witnessing its final phase. The CCP is the world's second-longest ruling regime (behind only North Korea), and no party can rule forever.

Looking ahead, China-watchers should keep their eyes on the regime's instruments of control and on those assigned to use those instruments. Large numbers of citizens and party members alike are already voting with their feet and leaving the country or displaying their insincerity by pretending to comply with party dictates.

We should watch for the day when the regime's propaganda agents and its internal security apparatus start becoming lax in enforcing the party's writ—or when they begin to identify with dissidents, like the East German Stasi agent in the film “The Lives of Others” who came to sympathize with the targets of his spying. When human empathy starts to win out over ossified authority, the endgame of Chinese communism will really have begun.

Dr. Shambaugh is a professor of international affairs and the director of the China Policy Program at George Washington University and a nonresident senior fellow at the Brookings Institution. His books include “China's Communist Party: Atrophy and Adaptation” and, most recently, “China Goes Global: The Partial Power.”

Corrections & Amplifications:

A photo shows a protester in Beijing being pushed to the ground by a Chinese paramilitary policeman before the opening of the National People's Congress in March 2014. An earlier version of this article contained a photo caption that incorrectly said the incident was this month. (March 9, 2015)

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