

**CHINA'S POLITICS 2015:
BOLD REFORMS AND UNABATED
WAR ON CORRUPTION**

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Executive Summary

1. Barely three years at the helm, Chinese President Xi Jinping has shown himself to be a charismatic statesman with a highly decisive and persevering ruling style.
2. In 2015, the administration snared 30 ministerial-and-above officials including Guo Boxiong, former vice chairman of the Central Military Commission, for corruption; abolished the long-delayed one-child policy; restructured state-owned enterprises; and overhauled the military by rejigging existing military regions and executing a cut of 300,000 army personnel.
3. Following months of stock market meltdown in summer, the Chinese authorities arrested a large number of officials, securities brokers and fund managers for insider trading and market manipulation. The stabilisation of the market laid the foundations for the long-awaited reforms to China's initial public offerings.
4. Infighting at the Party's top level is evident as Xi exercises his consolidated power and populist support to eliminate interferences and influences from retired party leaders.
5. In 2015, Premier Li Keqiang encountered critical challenges including an economic slowdown, stock market crash, deadly Tianjin blasts and sluggish property market. A number of senior officials in the Li-led State Council have stepped down to take responsibility and are currently under investigation.
6. Officials who developed their personal and political ties with Xi during his tenure at the provincial or central level have now become trusted members of Xi's team. Xi relies heavily on his cohorts to consolidate power through his anti-corruption campaign and aggressive reforms.
7. Anti-corruption purges are now based on mentor-protégé ties or townsfolk relationship built by party barons.

8. The Party's 18th Central Committee held its Fifth Plenum in October 2015, rolling out a new Five-Year Plan (2016-2020) for the next stage of development. The Plan is an action plan as top-policy design had already been laid out in 2013 and 2014.
9. For 2016, the top leadership is expected to accelerate the reshuffling of provincial and ministerial leaders to pave the way for political rising stars trusted by the Xi-Li administration to emerge in the 19th Party Congress.