

**CHINA'S PARLIAMENTARY SESSIONS 2012:
THE BEGINNING OF POLITICAL
MANEUVERINGS FOR
LEADERSHIP TRANSITION**

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EAI Background Brief No. 706

Date of Publication: 16 March 2012

Executive Summary

1. The recently concluded China's National Peoples' Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) or *lianghui* were widely expected to simply take stock of China's achievements over the past year and what to expect in the coming year.
2. This was all the more so with an impending leadership transition in the fall of this year. Yet, Premier Wen Jiabao stunned many at his wrap-up press conference with his indictment of the Chongqing leadership over the Wang Lijun affair and veiled criticism of its "red revival" campaigns.
3. Within 24 hours of Wen's remarks, Chongqing's Party Chief Bo Xilai, who had been an ardent advocate of Maoist campaigns of launching egalitarian programs and singing revolutionary songs, was replaced by his Political Bureau colleague, Vice Premier Zhang Dejiang.
4. With this change, Bo is no longer a contender for a seat at the next Politburo Standing Committee (PSC). The Chongqing model has also been somewhat discredited. Zhang's appointment also seems to indicate that Jiang Zemin is still a factor in the eventual line-up of candidates to the PSC as Zhang is regarded as belonging to Jiang's camp. Bo's stepping down has created greater political dynamics for the coming leadership transition.
5. More importantly, Bo's replacement is not a simple personnel matter. It is indicative of the direction that China is heading. Clearly, the leadership has reached a consensus that the country cannot go back to the Maoist style of politics, and it has to move ahead along the "right" direction, namely, market-oriented reform.
6. During the NPC session proper, Premier Wen in an effort to leave a legacy, pared down China's economic target from the long-standing annual growth target of 8% to 7.5%.

7. This new target is an extension of Hu (Jintao)-Wen's "harmonious society" ideology as opposed to the pro-growth mindset of Jiang Zemin and Zhu Rongji, their predecessors.
8. In his government work report, Wen listed a number of measures to stimulate domestic consumption including minimum wage increase and government support for consumer credit expansion, on-line shopping and purchase of energy efficient vehicles.
9. The deputies to the NPC also revised the Criminal Procedure Law. With the exception of crimes relating to national security or terrorism, the police are now required to inform the suspect's family within 24 hours of arrest and surveillance.
10. On the military front, China will boost its defense budget by 11.2% or 670 billion *yuan* (US\$106.4 billion) in 2012, a rate which outstrips its projected GDP growth of 7.5%. This however is not surprising as, with the exception of year 2010, annual double-digit increases in China's military spending have been the norm for six years from 2006 to 2012.
11. Politically, the NPC and the CPPCC are now under increasing pressure to shed their "rubber stamp" status. In response, however, Wu Bangguo, the current NPC Chairman, maintained that China will continue to build the people's congress system with Chinese characteristics. Simply put, as long as the CCP continues to dominate Chinese politics, the *lianghui* will remain largely symbolic and marginal.