

**CHINA'S NEW LEADERS FOR
ECONOMIC GOVERNANCE
AFTER THE PANDEMIC**

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Executive Summary

1. China's National People's Congress approved new State Council leaders, including Premier Li Qiang, four vice premiers and five state councillors in March 2023. The State Council is a technocratic cabinet consisting largely of officials with expertise in science and technology.
2. Months after the reshuffle and establishment of new Communist Party of China (CPC) organisations overseeing finance, technology and society, two newly appointed state councillors, Qin Gang (foreign minister) and Li Shangfu (defence minister), disappeared from public view, indicating the weakness of the newly installed leadership.
3. The CPC established the Central Commission for Finance and Central Commission for Financial Work while discontinuing a similar supervisory institution at the apex of the State Council. They worked with the existing Central Commission for Comprehensively Deepening Reforms and Central Commission for Financial and Economic Affairs.
4. The CPC instituted the Central Commission for Science and Technology to enhance China's technological capacity to take up the "de-risk" challenges from the West. The commission is to consolidate and unify the party's leadership in the realm of science and technology.
5. The State Council unveiled a plan for reforming government components focusing on restructuring the supervisory bodies for the financial industry and reorganising the Ministry of Science and Technology (MOST). A new commission was set up to oversee data management.
6. Though most ministers retained their positions during the State Council reshuffle in March 2023, some were replaced by successors in the following months, such as the governor of the central bank and minister of finance.

7. This round of reforms primarily aims to adjust the Party-government relation. It strengthened the Party's authority in controlling state policies in finance and technology, thereby weakening the government's influence in these domains.
8. Despite the establishment of new commissions, the CPC has yet to announce decisions regarding their specific areas of responsibility. Personnel appointments for some of these bodies remain pending.
9. The disappearance of two state councillors and replacement of finance minister and central banker indicated the political volatility within the new State Council.
10. Xi limits the new government's power through checks and balances between Premier Li Qiang and Cai Qi, the first-ranked secretary of the CPC Secretariat, both of whom serve as deputy directors of the Central Commission for Comprehensively Deepening Reforms, the CPC's top decision-making body for socioeconomic issues.