

Analysis: When China's leading paper ignores Xi, all bets are off

Commentary piece extols Deng Xiaoping and successors but not Mao Zedong

KATSUJI NAKAZAWA,

Katsuji Nakazawa is a Tokyo-based senior staff writer and editorial writer at Nikkei. He spent seven years in China as a correspondent and later as China bureau chief. He was the 2014 recipient of the Vaughn-Ueda International Journalist prize.

Something unusual is occurring in China.

This became evident when a commentary was published in the People's Daily, the mouthpiece of the Chinese Communist Party, without a single mention of Xi Jinping, the party's general secretary and nation's president. For an article titled "Learning deeply about the spirit of the Sixth Plenary Session of the 19th Central Committee of the Communist Party," one would assume Xi would be part of the discussion.

After all, the four-day session held last month adopted a new "resolution on history" that showered praise on Xi.

Instead, the commentary heaped praise on the late paramount leader Deng Xiaoping, referring to him by name nine times. The reform and opening-up policy that Deng implemented in the 1970s was "a great awakening of the Party," the commentary says.

Deng also "liberated people's thoughts from the long-running constraint of leftist dogmatism," according to the piece by Qu Qingshan, president of the Institute of Party History and Literature of the Central Committee of the Communist Party.

This expression is harshly critical of the mistakes made by Mao Zedong that led to the disastrous Cultural Revolution from 1966 to 1976. The piece stops just short of lashing out at Mao's cult of personality -- a move that would have been, in effect, an implicit criticism of the concentration of power in Xi's hands.

That the commentary also details the achievements by Xi's two predecessors, Jiang Zemin and Hu Jintao, both of whom remained on Deng's reform path, makes clear the point Qu was trying to make. Jiang and Hu made China the second-biggest economy, top exporter and the world's factory, Qu said.

The article implies that since the Xi Jinping era began in 2012, China has lived on the leftovers from the wonderful feast prepared by Deng, Jiang and Hu.

What is noteworthy is Qu's position. The president of the Institute of Party History and Literature is a heavyweight whose key role is the interpretation of party history. By definition, he would have also been deeply involved in the compilation of the recently passed "resolution on history," which attempts to portray Xi as surpassing Deng in terms of status.

Furthermore, Qu is a sitting member of the Central Committee, equivalent to a cabinet minister. A participant of last month's sixth plenum, Qu is well aware of the current atmosphere hanging over the party.

"Two camps of thought exist in the party," one source said. "Historically speaking, it is always better when there is a healthy debate within the party."

Qu's article elicited a quick counterattack. Four days after it was published, the People's Daily ran an article by Jiang Jinqun, director of the Policy Research Office of the Party Central Committee, on the same theory page.

Titled "Upholding the party's overall leadership," the commentary praises Xi's policies and echoes the third resolution on history in attacking the distributism and liberalism that preceded the current leader.

Discussing the party's overall leadership boils down to nothing short of defending the concentration of power in Xi's hands.

Jiang's article, unlike Qu's, completely ignores Deng Xiaoping, Jiang Zemin and Hu Jintao. Mao makes two appearances, and Xi is mentioned by name six times.

The People's Daily is dubbed "the throat and tongue" of the party. The two articles hint at two ideological camps within the party, with those supporting the path of Deng, Jiang and Hu on one side, and those behind Mao and Xi on the other.

One major rift is likely over the third resolution on history, which many say carries huge contradictions.

Jiang Jinqun was only tapped as head of the Policy Research Office last year. He is not a Central Committee member and thus ranks lower than Qu.

But at this stage, it is hard to say which of the two theoreticians represents the mainstream view.

What is important is that the struggle over political lines is closely linked to the formulation of actual economic policies.

Qu's article was published on Dec. 9, during the Central Economic Work Conference, which discusses economic policies for the following year. Xi and Premier Li Keqiang attended.

The commentary put pressure on the conference to continue with the policy of reform and opening-up.

Speaking at an economic forum in early December, prominent economist Li Daokui, an adviser to Premier Li, made important remarks on this issue. He warned against economic optimism, citing receding domestic demand.

Harsh conditions will greet the Chinese economy in the coming years, the economist said. Over the next five years, China will face its most difficult period since the policy of reform and opening-up was put into effect four decades ago, he added.

His remarks came at a sensitive time and provoked wide repercussions.

The five years Li Daokui referred to overlap with Xi's upcoming term, presuming Xi remains China's top leader at the party's next national congress, not quite a year from now.

The economic picture Li Daokui painted was grim. Property prices will be in structural decline, and local governments will have to deal with tight finances, he said. The education and entertainment industries will have to contend with new regulations.

As a long-term prescription for boosting domestic demand, Li Daokui presented a Li Keqiang-style policy of "integrating urban and rural areas."

The 58-year-old scholar heads the Academic Center for Chinese Economic Practice and Thinking at Tsinghua University. He also serves as a member of the Chinese People's Political Consultative Conference, the country's top political advisory body. He has an influential voice.

Meanwhile, interesting remarks also came from former Finance Minister Lou Jiwei, who revealed that Chinese statistics do not reflect negative changes in the economy. His words caused a stir because they came immediately after the Central Economic Work Conference.

Lou essentially said China's economic figures, including the country's growth rate for 2021, which is to be announced early next year, omit anything negative.

He is a "reformist" close to former Premier Zhu Rongji, who was tapped by Deng to reform state-owned companies in the 1990s. As Lou has kept a delicate distance from Xi's economic line, his latest remarks are meaningful.

A statement issued after the recent Central Economic Work Conference used the Chinese character that means "stability" as many as 25 times. The repetitiveness, though, implies instability in the Chinese economy.

The statement and remarks by Li Daokui and Lou Jiwei give clues to how severe China's current economic situation is. So does the announcement on Monday that China is trimming interest rates for the first time in one year and eight months.

Amid swirling rumors that Qu might have drawn ire from Xi for praising the reform and opening-up policy, Xi quickly moved to tighten his grip on party members.

The leader issued an important instruction to all party members at a national meeting on the work of the party's internal regulations, using his unique vocabulary, such as "centralized and unified leadership," "long-term governance" and "the country's enduring prosperity and stability."

The instruction was conveyed by Ding Xuexiang, head of the party's General Office, a close aide to Xi and a skilled administrator.

The struggle over political lines is playing out between the Mao-Xi disciples, who prefer the concentration of political power, and the Deng-Jiang-Hu believers, who raise the banner of reform and opening-up.

The third resolution of history, which reflects Xi's ambitions to overtake Deng, has reignited this political struggle, which has also become a battle over how to deal with China's conspicuously slowing economy