

China's Xi Jinping shocks rivals with plan to scrap term limit

President set to tighten grip on power after central committee recommendation



Chinese president Xi Jinping, left, and Wang Qishan at the Chinese People's Political Consultative Conference last year © AP

Tom Mitchell in Singapore and Charles Clover in Beijing FEBRUARY 26, 2018

Four months after a historic Chinese Communist party congress was expected to answer most questions about Xi Jinping's second five-year term in office, China's president has demonstrated that he can still "shock and awe" his political rivals.

Until Sunday afternoon, most guessing games ahead of the March 5 opening of China's annual parliamentary session focused on the imminent political reincarnation of Wang Qishan, the recently retired head of Mr Xi's anti-corruption campaign, and the race to succeed Zhou Xiaochuan, the veteran central bank governor.

But the party's announcement that its central committee had recommended scrapping the two-term limit for the state president and vice-president was a reminder that in Mr Xi's China, such personnel reshuffles matter much less now.

One person with close ties to China's leadership says that people worried about Mr Xi's authoritarian tendencies are "not just scared, they are desperate".

This person adds that scrapping the two-term limit "has put us back 30 years", by threatening painstaking efforts to institutionalise peaceful party and government leadership transitions every 10 years

This is not what anyone was expecting at the beginning

After the chaos of the Cultural Revolution, the two-term limit on the presidency and vice-presidency was written into China's state constitution by Deng Xiaoping, who launched China's era of "reform and

of the reform era

Kevin Carrico, Macquarie University

opening” in the late 1970s and wanted to prevent a return to the excesses of one-man rule experienced under Mao Zedong.

“We’ve had so many steps backwards [under Xi],” says Kevin Carrico, a lecturer in Chinese studies at Macquarie University in Australia.

“Media controls have become stricter, [internet controls](#) have become stricter. And now one of the few seemingly effective checks on a senior leader’s power — that he can only be in power for two terms — is now just being completely cast aside. This is not what anyone was expecting at the beginning of the reform era.”

While last October’s congress made it clear that Mr Xi would remain the party’s dominant figure as long as he is alive and healthy, Sunday’s announcement paves the way for him to [retain the presidency](#) indefinitely, too.

Mr Xi’s willingness to shatter established norms may also be reflected in what happens to Mr Wang at next week’s annual session of the National People’s Congress — and who succeeds Mr Zhou as central bank governor.

Mr Wang, 69, was one of five members of the party’s most powerful body, the seven-seat Politburo Standing Committee, to step down in accordance with party tradition that no one aged 68 or older should be appointed to a new five-year term.

In January, however, Mr Wang was officially named a delegate to the NPC, making him eligible for a senior government post. People close to Chinese policymaking circles say it is most likely that he will be named vice-president and given special responsibility for China’s fraught relationship with the US.

[Mr Xi](#) also appears poised to hand day-to-day responsibility for economic and financial matters to one of his most trusted advisers, Liu He.

Mr Liu is now in line to become a vice-premier and head of a commission overseeing China’s financial regulatory bodies, including the central bank. Mr Liu was elevated to the politburo in October, making him one of the party’s 25 most powerful officials.

Any new central bank governor would struggle to match the authority of Mr Zhou, who has headed the People’s Bank of China since 2002, even if Mr Liu was not looking over his shoulder. Perhaps as a result, Chinese officials say privately that Mr Liu is himself a candidate for the PBoC job, in the mould of Zhu Rongji who also served concurrently as a vice-premier and central bank governor in the mid-1990s.

Neither Mr Wang nor Mr Liu’s new jobs will be officially confirmed until the NPC concludes in mid-March.

Both appointments could signal Mr Xi's determination to push through difficult financial and economic reforms that eluded his administration during his first term.

But they would also highlight Mr Xi's dominance of previously consensual party decision making processes and invite unflattering comparisons with Vladimir Putin of neighbouring Russia, who returned for a third term as president in 2012.

"The rumours that Xi Jinping would follow Putin down the path of the perpetual president are no longer rumours," says Jude Blanchette, a China politics expert at the Conference Board think-tank.

Andrew Polk at Trivium, a Beijing-based consultancy, says: "Xi Jinping is finally laying his cards on the table and he has a straight flush."

"Strictly from the point of view of foreign businesses and investors, we don't yet know what the impacts will be, either positive or negative. But suffice it to say there is not a lot of capital flocking to the likes of Russia these days."

Rare foray into limelight

When Liu He was tasked with leading China's [delegation to the World Economic Forum](#) in Davos, Switzerland, last month, it marked a rare foray into the public limelight for President Xi Jinping's most trusted economic adviser.

It was also a harbinger of things to come as Mr Liu prepares to take up a vice-premier role with a financial and economic portfolio. This week he is due to visit Washington as Mr Xi's administration tries to avoid a trade war with its largest trading partner, according to two people briefed on the visit.

Mr Liu, 66, had previously wielded his influence in a much more private role as head of a party "leading group" on financial and economic affairs. Mr Xi has used such leading groups to exert influence over areas previously entrusted to the country's premier.

For foreign financial officials, a private appointment with Mr Liu at his party offices adjacent to Zhongnanhai, the Chinese leadership compound in central Beijing, was highly coveted once Mr Xi assumed power in 2012. Such audiences are about to become much harder to secure.

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