

The 14th NPC Meeting

Work Report, New Government, and Institutional Reform

Brødsgaard, Kjeld Erik; Beck, Kasper Ingeman

Document Version

Final published version

DOI:

[10.22439/101061700_2](https://doi.org/10.22439/101061700_2)

Publication date:

2023

License

CC BY

Citation for published version (APA):

Brødsgaard, K. E., & Beck, K. I. (2023). *The 14th NPC Meeting: Work Report, New Government, and Institutional Reform*. Copenhagen Business School, CBS. https://doi.org/10.22439/101061700_2

[Link to publication in CBS Research Portal](#)

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please contact us (research.lib@cbs.dk) providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 08. Dec. 2023





CHINA
HORIZONS
DEALING WITH A RESURGENT CHINA

April 19th, 2023

The 14th NPC Meeting: Work Report, New Government, and Institutional Reform

Kjeld Erik Brødsgaard and Kasper Ingeman Beck*

Copenhagen Business School

*Corresponding author: keb.egb@cbs.dk



Funded by
the European Union

The project "Dealing with a Resurgent China" (DWARC) has received funding from the European Union's Horizon Europe research and innovation programme under grant agreement number 101061700. Views and opinions expressed are however those of the authors' and do not necessarily reflect those of the European Union. Neither the European Union nor the granting authority can be held responsible for them.

Contents

Key Findings	- 3 -
“Two Sessions”	- 4 -
Government Work Report	- 4 -
Personnel Changes	- 6 -
Party and State Institutional Reform	- 9 -
Conclusion	- 12 -

Key Findings

- The 14th National People's Congress (NPC) convened its first annual plenary session from March 5 to March 13, 2023. As usual, the annual Chinese People's Political Consultative Conference (CPPCC) was concurrent with the NPC.
- The government work report was presented by outgoing Premier Li Keqiang: China's gross domestic product (GDP) had risen to 121 trillion yuan, registering average annual growth of 5.2 percent; the volume of trade goods exceeded 40 trillion yuan, registering an annual growth rate of 8.6 percent; breakthroughs were made in core technologies in key fields; and spending on R&D increased from 2.1 percent to 2.5 percent of GDP.
- The projected targets for economic growth and inflation in 2023 were set at around 5 percent and 3 percent respectively, and an aim of 12 million new urban jobs was announced.
- The work report also highlighted worrying trends: unemployment; weak domestic demand; difficulties confronting small private businesses; a volatile real estate sector; and the budgetary imbalance of local governments.
- One of the most striking aspects of this year's government work report is its emphasis on the past rather than the future with 26 pages out of 32 pages dedicated to summarizing past achievements.
- As usual, several personnel changes were announced: Xi Jinping was re-elected as president; Li Qiang was elected premier; Zhao Leji took over Li Zhanshu's role as NPC chairman; and Wang Huning succeeded Wang Yang as CPPCC chairman. Ding Xuexiang, He Lifeng, Zhang Guoqing and Liu Guozhong were all endorsed by the NPC as vice premiers.
- Zhang Guoqing is a prime member of the aerospace group in Chinese politics: executives transferred from big business into government and Party positions. The group now counts 24 members on the Central Committee.
- Han Zheng was appointed vice president, which was a surprise since he is not considered a member of Xi Jinping's inner circle.
- Among the 26 ministers, who form the new State Council, there are only five reappointments compared to the government formed in 2018. A new generation of leaders dominate the cabinet.
- Shen Yiqin has become the most senior woman official in the Chinese leadership. She was appointed to the State Council inner cabinet but is not on the Politburo. There is no longer any female representation at the apex of Chinese politics.
- The NPC engaged in institutional reform, inaugurating several new Party-led central committees: the Central Science and Technology Commission (CSTC), Central Finance Committee (CFC), Central Financial Working Committee (CFWC), Central Social Work Department, and Central Office of Hong Kong and Macao.
- These institutional changes significantly strengthen the Party's authority within science, technology and financial work, and signify the ongoing transfer of functions, responsibilities, and resources from the state to the Party under Xi Jinping.

“Two Sessions”

Five months after the Communist Party of China (CPC) held its 20th Party Congress, the National People's Congress (NPC) convened the first its annual session. The meeting lasted from March 5 to March 13, 2023, and focussed on several important issues, such as Premier Li Keqiang's government report, leadership reshuffles, and institutional reform.

As usual, the annual Chinese People's Political Consultative Conference (CPPCC) was concurrent with the NPC. The two parliamentary events are often simply named the “two sessions.” The CPPCC is a united front organization that brings together the CCP and the eight so-called democratic parties. Since united front work is considered essential for the CCP's legitimacy and exercise of power in all areas and corners of Chinese society, the chairman of the CPPCC is a high-ranking member of the Politburo Standing Committee. On the recommendation of the CCP, Wang Huning was elected new chairman, succeeding Wang Yang, who has been pushed into retirement.

The CCP's United Front Department is in charge of daily united front work. It sits at the top of a united front system that reaches down to the county level and is created to make sure non-CCP organizations and individuals follow the Party line.

The CPPCC has a mostly ceremonial function. It exists to show that the CCP has created a political system where the CPC wields power, but always in consultation with other social forces in China. In recent years, many wealthy entrepreneurs have been delegates to the annual meetings of the CPPCC, indicating the Party's interest and efforts in co-opting new social forces and strata. However, in terms of state affairs, such as government appointments and policies, the CPPCC has no actual function. Therefore, this brief will focus on the proceedings of the NPC session and the decisions that were made there.

Government Work Report

A major task of the NPC session was to hear and approve the government work report presented by outgoing Premier Li Keqiang.¹ The report summarizes the economic achievements and problems of the past five years and outlines the government's goals and policies for 2023. It mentions that China's gross domestic product (GDP) had risen to 121 trillion yuan, registering average annual growth of 5.2 percent. It also notes that over the past decade, China's GDP has increased by almost 70 trillion yuan, twice the size of the Japanese economy. The volume of trade goods exceeded 40 trillion yuan, registering an annual growth rate of 8.6 percent.

Breakthroughs were made in core technologies in key fields and spending on R&D increased from 2.1 percent to 2.5 percent of GDP. The value-added of high-tech manufacturing increased by an annual average of 10.6 percent. A stream of innovations emerged in areas

¹ Li Keqiang, “Report on the Work of the Government,” March 5, 2023. https://english.www.gov.cn/premier/news/202203/12/content_WS622c96d7c6d09c94e48a68ff.html (accessed 14 March 2023).

such as manned spaceflight, lunar exploration, supercomputers, satellite navigation, nuclear power technology, and artificial intelligence. The digital economy expanded, and broadband internet was installed in every administrative village in China.

However, there were also worrying trends such as unemployment. Li quoted the official figure of 5.5 percent, but did not mention that unemployment among youngsters aged 16–24 is around 17–18 percent. Perhaps an even more serious long-term challenge, especially in light of the rapidly aging population, is the declining population caused by a drastic fall in the fertility rate.

The projected growth rate would create 12 million new urban jobs and keep the registered urban unemployment rate below 5.5 percent.

Deep in the report, Li Keqiang mentions several other problems and headwinds China faces. Domestic demand, which has been defined as the new economic driver, remains weak. Self-employed individuals and small private businesses faced difficulties in the current economic and business environment. In real estate there were hidden dangers, according to Li, indicating the market remained volatile. A related issue was the budgetary imbalance of local governments, which had contributed to a substantially enlarged government debt.

The work report also outlined the projected targets for economic growth in 2023. The growth and inflation rates were set at around 5 percent and 3 percent, respectively. The projected growth rate would create 12 million new urban jobs and keep the registered urban unemployment rate below 5.5 percent. A steady rise in import and export volumes and a basic equilibrium in the balance of payments were expected. Steady reductions in energy consumption per unit of GDP were expected, but, unlike the premier's 2021 report, no exact figures were provided.

One of the most striking aspects of this year's government work report is its emphasis on the past rather than the future. The Chinese version of the report spans 32 pages, with 26 pages dedicated to summarizing past achievements and only six focused on the outlook for the coming year. The report was obviously prepared by the outgoing premier's team, who will have limited influence on the policies of the incoming government (Li Qiang's new team). As a result, the report may only offer recommendations in the outlook section and is perhaps not as useful for predicting policy directions as some analysts might believe.

One of the most striking aspects of this year's government work report is its emphasis on the past rather than the future.

The work report and the discussion at the NPC indicate that China has finally entered the post-Covid era. There is now a focus on reviving the economy after its sluggish performance in 2022. A three-year reform of the SOE sector has just been completed and the restrictions applied to the private sector in the name of "Common Prosperity" have been eased. In 2018, there were early signs of a change in the structure of the Chinese economy towards one that

was less unbalanced and more reliant on the consumer demands of the Chinese population rather than the massive investments of the past. Whether this reorientation of the economy has survived the Covid-19 crisis remains to be seen.

Personnel Changes

As expected, Xi Jinping was reelected president with all votes in favor. Since the 14th Party Congress in 1992 and the NPC meeting in March 1993, the positions of general secretary of the CCP and president of the PRC have been held by the same person. The Party constitution does not limit how many times a general secretary can be reelected. However, until 2018 there was a term limit for holding state and government positions. The rule was instituted by Deng Xiaoping in the 1980s and was observed by both Jiang Zemin and Hu Jintao. At the 2018 NPC meeting, Xi Jinping had the rule abolished and, in the run-up, to the 20th Party Congress in October 2022, a new regulation abolished term limits for all positions. Appointments at the 20th Party Congress also indicated that the informal rule of “67 up, 68 down” would no longer apply. Xi Jinping will turn 70 in July, but it is generally believed that he might go for reelection in 2027/2028.

Li Qiang was elected premier with three votes against him and eight abstentions. His election also came as no surprise as he is ranked number two in the Party hierarchy, and the candidate for the premiership normally is only second to the general secretary in terms of rank. However, there are exceptions. In 1998, Li Peng stepped down as premier due to the rule of term limit for holding the same position. Instead, he was elected chairman of the NPC and was allowed to keep his high rank in the Party. The same arrangement could have been made for Li Keqiang, if Xi Jinping had wanted him to continue in office.

At the NPC meeting, Zhao Leji took over Li Zhanshu's role as NPC chairman. This was expected since the number three in the Party hierarchy typically functions as head of the NPC. Zhao Leji belongs to Xi's inner circle and has been extremely important to Xi, having served as head of the CCP's internal discipline and inspection work. Similarly, Wang Huning, number four in the Party hierarchy, succeeded Wang Yang as CPPCC chairman. Wang Huning will now shift his attention to united front work, which has received new priority due to the internal challenges, the CCP leadership faces after three years of Covid 19, as well as the external challenges exacerbated by a deteriorating relationship with the West, in particular the US. Importantly, as CPPCC chairman, he will play a key role in trying to resolve the Taiwan issue.

Leading up to the NPC meeting, there were speculations about who would be appointed vice president. Since age and terms limits have been lifted, 74-year-old Wang Qishan could have continued. He has been a powerful ally of Xi Jinping and was a key person in brokering the 2007 deal that enabled Xi Jinping to spring over Li Keqiang as the top candidate to succeed Hu Jintao. He was also rumored to have been a regular participant in the weekly meetings of the 2017–2022 standing committee, though no longer a formal member. In the event, however, he was replaced by Han Zheng, a former executive vice premier and standing committee member. The selection of Han Zheng is a surprise since he is not a member of Xi Jinping's inner circle; he is the only representative of a rival faction (the “Shanghai gang”) at the state leader level. Xi Jinping right-hand man in economic affairs, Liu

He, had been mentioned as a possible choice for vice president and so had Chen Xi, the minister for the powerful Central Organization Department and Xi Jinping's former roommate at Qinghua University.

New Vice Premiers

Ding Xuexiang, He Lifeng, Zhang Guoqing and Liu Guozhong were all endorsed by the NPC as vice premiers. Given the fact that Ding Xuexiang is the lowest ranking of the seven Standing Committee members, it was expected he would take over Han Zheng's portfolio. Having served as head of the CCP's general office, he will be in a good position to liaise between the Party leadership and the State Council if there should be any issues concerning responsibilities and division of labor. As former minister of the National Development and Reform Commission, He Lifeng has the background and capacity to fill the void left by the departure of Liu He. Liu Guozhong worked for five years in Shaanxi, first as governor and then as Party secretary. He thus qualifies to be a member of the Shaanxi clique that Xi Jinping has relied on since he came to power. His future work responsibilities as vice premier remain unclear.

State Councilors and Ministers

The appointment of Zhang Guoqing is noteworthy. He is highly educated, with a doctorate in economics from Qinghua University and postgraduate experience at the Nanjing University of Science and Technology. Until he entered politics in 2013, he was president of China Northern Industries (NORINCO) and is a prime example of executives transferred from big business into government and Party positions. He has served as deputy Party secretary of Chongqing, Mayor of Tianjin and Party secretary in Liaoning. He was promoted to the Politburo in October 2022, together with Ma Xingrui and Yuan Jiajun, also former business executives.² The three form a key part of the rising aerospace group in Chinese politics, now with 24 members on the Central Committee. They are highly educated and have the expertise within science and technology that China desperately needs to carry through its ambitious technology, science and innovation programs, such as Made in China 2025 and Internet+.

Given his comparatively young age (58), Zhang Guoqing's promotion to vice premier positions him to enter the Politburo Standing Committee at the next Party Congress in 2027 as a representative of the emerging sixth generation of Chinese leaders.

The three form a key part of the rising aerospace group in Chinese politics that can count 24 members on the Central Committee.

The group of state councilors was completely replaced. The new state councilors are Li Shangfu, member of the Central Military Commission and Minister of National Defense; Wang Xiaohong, minister of Public Security; Wu Zhenglong, secretary-general of the State Council; Shen Yiqin, former Party secretary in Guizhou; and finally, foreign minister Qin Gang. Li Shangfu has worked for 31 years as an aerospace engineer and then director at the Xichang Satellite Launch Center, where he oversaw several rocket launches, including the Chang'e 2 lunar probe in October 2010. He is a prominent military member of the rising aerospace group in Chinese politics. Wang Xiaohong has a long career within the Chinese security establishment both at the

² Kjeld Erik Brødsgaard and Kasper Ingeman Beck, "The 20th Party Congress of the CCP: Personnel Appointments and Policy Directions," *DWARC Policy Brief*, February 20, 2023.

central and provincial levels. Wu Zhenglong has made a career as governor and Party secretary of Jiangsu; Shen Yiqin is of Bai ethnic heritage and the only female in the new State Council; Qin Gang is a career diplomat who has most recently served as ambassador to the USA. As state councilor, he replaces former foreign minister Wang Yi, who has been promoted to the Politburo.

Among the 26 ministers who form the new Council, only five are reappointments from the government formed in 2018. They are Wang Zhigang, minister of Science and Technology; Liu Kun, minister of Finance; Li Xiaopeng, minister of Transportation; Ma Xiaowei, minister of the National Health Commission; and Yi Gang, President of the People's Bank. However, several new ministers were appointed during the last year, including some, such as Wang Xiaoping and He Rong, just a month before the NPC meeting.

At 65, Wang Zhigang, Li Shangfu, Wang Xiaohong, Li Kun and Yi Gang are the oldest members of the State Council. At 57, Qin Gang is the youngest. The average age is 59.1 which is higher than the average age of the government ministers in 2018. The tradition of Chinese ministers retiring at 65 seems to have been discarded.

Among the 26 ministers who form the new State Council, only five are reappointments from the government formed in 2018.

In addition to selecting state and government leaders, the NPC also appoints members of the State Military Commission. They are always the same as the Party's Central Military Commission. The reason is that the military is not the military of the People's Republic of China; rather, it is the military of the CCP. The CCP has always resisted any attempt to transfer authority over the military to the state. Therefore, the chairman of the Central Military Commission and the State Military Commission will normally be the person who also is the general secretary or the chairman of the CCP. A notable exception is Deng Xiaoping, who served as chairman of the Central Military Commission until November 1989. Another exception is Jiang Zemin, who stayed on as head of the military until 2004, although he retired as general secretary in 2002 and president in 2003.

In addition to Ding Xuexiang and He Lifeng, several other appointments in financial and economic affairs are worth highlighting. Yi Huiman, aged 57, will serve as chairman and Party secretary of the China Securities Regulatory Commission (CSRC), which has been elevated to an organization directly under the State Council. Yi is a banking veteran committed to open capital markets. He is also rumored to be a candidate to lead the newly established and powerful National Financial Regulatory Administration (NFRA) (see below on institutional reform). Wang Wentao, aged 58, has been appointed Minister of Commerce. Zheng Shanjie, aged 61, replaces He Lifeng as chairman of the National Development and Reform Commission (NDRC) and is expected to work closely with Premier Li Qiang due to their shared work experience in Zhejiang and the Yangtze River Delta. Finally, Yi Gang, aged 65 and with strong connections to foreign peers in other central banks, has been reappointed governor of the People's Bank of China and is a key reformist and technocrat in China's new cabinet. However, Yi is likely to be a temporary caretaker governor in a PBOC that is poised to become less autonomous.

Gender Inequality in Chinese Politics

There is a serious gender issue at the top of Chinese politics. Shen Yiqin is the only woman among the newly appointed vice premiers and state councilors. She has served as governor and Party secretary of Guizhou province and was rumoured to be in line for promotion to the Politburo at the 20th Party Congress to replace the only female member of the outgoing Politburo, Sun Chunlan. However, the expected promotion did not take place and an all-male Politburo was elected. Shen remains on the Central Committee, where women account for just five percent of the 205 full members. With her appointment to state councilor, she has become the most senior woman official in the Chinese leadership, but her failure to enter the Politburo is a clear indication that there is a glass ceiling for female officials in the Chinese political system.

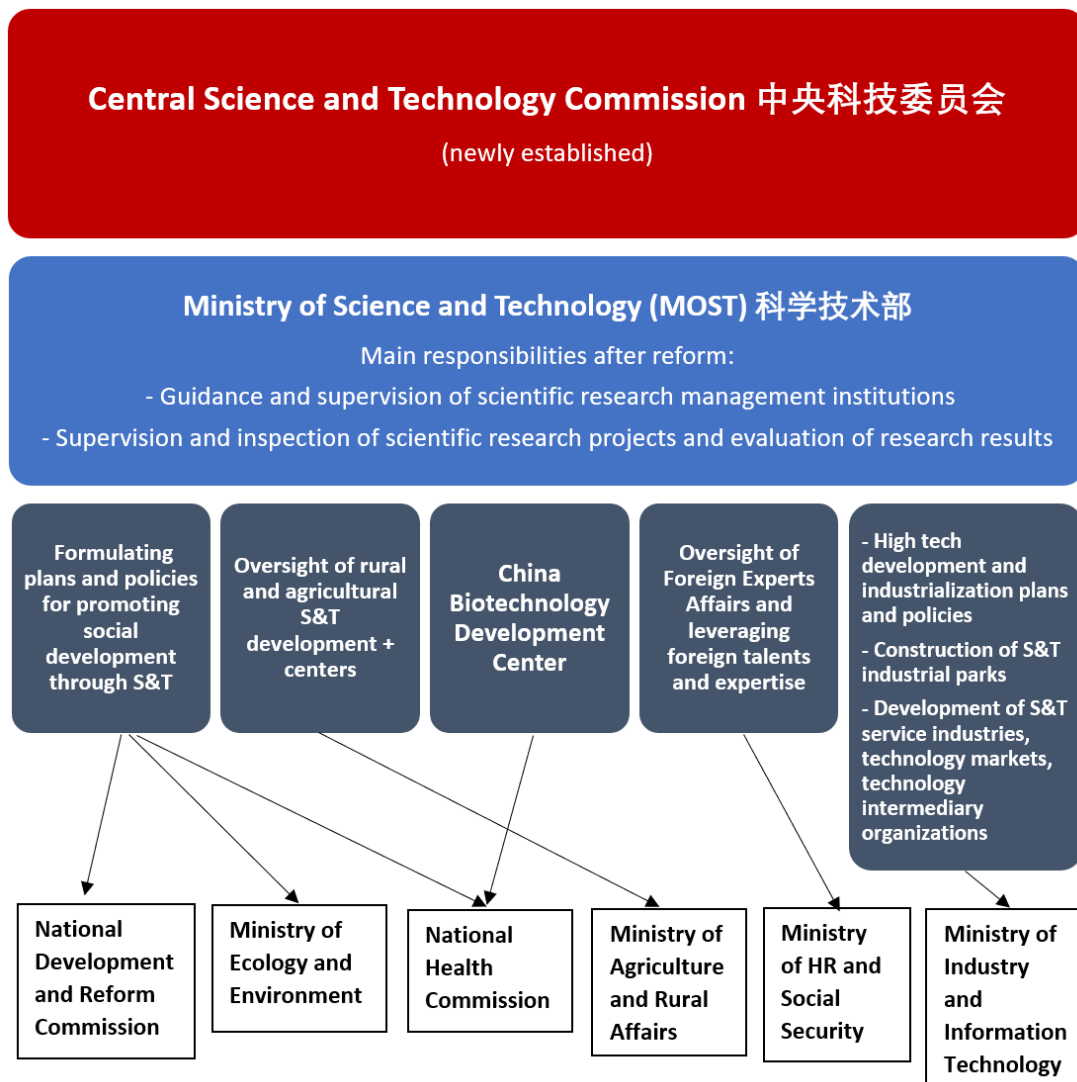
Only two new ministers are women: He Rong and Wang Xiaoping. He Rong, now atop the Ministry of Justice, has served as vice president of the People's Supreme Court and is a full member of the Central Committee. Wang Xiaoping, the new head of the Ministry of Human Resources and Social Security, comes from a position as deputy head of the Central Organisation Department and is a member of the Standing Committee of the Central Commission for Disciplinary Inspection.

There are currently no female Party secretaries among the 31 provincial bosses, and only one female provincial governor. Women may “hold up half the sky” in China, but they are poorly represented at the top of the political system, which has become even more male-dominated under Xi Jinping.

Party and State Institutional Reform

The NPC passed a decision on institutional reform (*jigou gaige*) which primarily affects the Ministry of Science and Technology (MOST). A number of functions and responsibilities will be transferred from the ministry to, among others, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Ministry of Agriculture and Rural Affairs (see Figure 1). For example, the responsibility of organizing plans and policies for high-tech development and industrialization will be transferred to the Ministry of Industry and Information Technology. In respect of advancing social development through S&T, the task of formulating plans and policies will be transferred to the NDRC. A new Central Science and Technology Commission directly under the Central Committee will guide and supervise the MOST and the science and technology (S&T) area. The reorganization implies that the Party is establishing increased supervision and control over S&T development and that MOST will be weakened, with substantial decentralization of responsibilities to functional ministries. These changes are illustrated in Figure 1 below.

Figure 1: Reorganization of Science and Technology Governance



It was also announced that directly under the State Council, a new National Financial Regulatory Commission (NFRC) would be set up. The NFRC will be established on the basis of the China Banking and Insurance Regulatory Commission, which will not be retained. Certain functions of the People's Bank of China and the China Securities Regulatory Commission will be transferred to the new commission.

Already in his report to the 13th NPC meeting in 2018, Li Keqiang mentioned that the government had to gain more coordinated control over the financial sector and engage in the "critical battle" of containing financial risks.³ At the time, it was decided to merge the China Banking Regulatory Commission and the China Insurance Regulatory Commission into

³ Kjeld Erik Brødsgaard and Nis Grünberg, Structural Reform and CPC Power after the Third CC Plenum and the 1st Session of the 13th NPC, *The Copenhagen Journal of Asian Studies*, Vol. 36, No. 1 (2018), pp. 106–125.

a new entity under the State Council. Apparently, the battle has not been won and therefore it has been deemed necessary to establish a new financial regulatory administration.

About every five years, i.e., in 1982, 1988, 1993, 1998, 2003, 2008, 2013 and 2018, the Chinese leadership has implemented institutional and administrative reform in an attempt to streamline and downsize the bureaucracy in order to make it more efficient.

The 2018 reform reduced the number of ministries by eight, but except for the Ministry of Supervision they reappeared as new ministries with slightly different names and added responsibilities. Two new ministries were added: Ministry of Veterans Affairs and Ministry of Emergency Management. The result was a State Council consisting of 26 ministries. The reason the Ministry of Supervision was abolished was that its functions were transferred to a new National Supervisory Commission.⁴ The current revamping of state institutions and ministries is less radical.

Institutional reform and restructuring in China are closely related to the concept of *bianzhi*, which often is translated into English as “establishment”. *Bianzhi* refers to the number of personnel a Chinese institution or organization is allocated and the budget that goes with it. *Bianzhi* also determines the overall administrative layout in terms of institutions and their functions or responsibilities. *Bianzhi* allocation is based on the three so-called “three fixes” (*san ding*) as the basis for change of the bureaucratic system. This concept has three dimensions: (i) determining the necessary functions needed in state and administrative organs at different levels; (ii) determining the number of administrative organs on the basis of the defined core functions; and (iii) determining the number of personnel. This is to be done on the basis of the

Institutional reform and restructuring in China are closely related to the concept of *bianzhi*, which often is translated into English as “establishment”.

functions and administrative organs deemed necessary to uphold. Every institutional reform involves *bianzhi* cuts. The current one is projected to involve a five percent reduction of the central bureaucracy.

The financial institutions do not appear to be affected by *bianzhi* cuts. In fact, the new National Financial Regulatory Commission and the China Securities Regulatory Commission will be allocated so-called administrative *bianzhi* rather than the public service *bianzhi*, which public institutions under the State Council

normally receive. The change will raise their status in the state administrative setup and provide their employees with better employment conditions.

Three days after the conclusion of the NPC meeting, it was revealed that the 2nd plenum of the 20th Central Committee, in its meeting in February 2023, had decided on an institutional reform plan that not only approved the plans to be formally passed at the NPC meeting but also involved additional changes to the organizational structure of the central state and Party. They included a strengthening of the Party's authority within science, technology and financial work. A new Central Science and Technology Commission was to be established. China had a Science and Technology Commission in the 1980s and 1990s, but it was placed under the State Council and not, as now, directly under the Central Committee. The Party

⁴ “Shenhua dang he guojia jigou gaige fang'an” (Plan for Reform Deepening of Party and State Structure). *Xinhua News*, March 21, 2018. http://www.gov.cn/zhengce/2018-03/21/content_5276191.htm#1 (accessed 20 March 2023).

envisions the formation of four new central Party organs: Central Finance Committee, Central Financial Working Committee, Central Social Work Department, and Central Office of Hong Kong and Macao.⁵ The State-run Financial Stability and Development Committee (formerly headed by Liu He) will be replaced by the Party-run Central Financial Commission (CFC) and the Central Financial Work Commission (CFWC). The CFC will take care of top-level design over financial development and supervision, while the CFWC will provide ideological and political guidance for financial work. This suggests that the Party wants to build its unified and supreme leadership over finance – an area that the Party has accused of "disorderly expansion of capital" and subjected to regulatory crackdowns. The new Central Social Work Department is intended to unify Party work in the economic sphere making sure that mixed ownership enterprises and private enterprises follow recent Party directives and engage in Party building. The Central Office of Hong Kong and Macao transfers authority and functions from the State Councils Hong Kong and Macao Affairs Office to the Central Committee.

...the Party wants to build its unified and supreme leadership over finance – an area that the Party has accused of "disorderly expansion of capital" and subjected to regulatory crackdowns.

The reform plan underlines that institutional reform is no longer a state affair. The process of transferring state functions to the Party has been strengthened, subordinating the state even further to the Party. The state has in fact always been subordinate to the Party, but it used to have a certain autonomy encapsulated in the notion of "separation of Party and government." This was a notion that Deng Xiaoping promoted in the 1980s in his attempt to reform the bureaucratic setup and limit the Party's involvement in administrative affairs. "Party and government" separation is no part of the official discourse, and the current Party line is that such separation weakens the overall political system. China needs a broad and inclusive governing system consisting of a unified Party and government, rather than separation.

Conclusion

Overall, the appointments and decisions made at the 14th NPC meeting show the CCP's and Xi Jinping's strong dominance over the state apparatus in China. A new government has been put in place headed by Li Qiang, who is regarded as one of Xi Jinping's closest allies in the CCP's top leadership. He will undoubtedly be given more authority and responsibility than the outgoing prime minister, whom Xi never really trusted. Li Qiang's new State Council is unusual in the sense that there are only five ministers who also served in the outgoing State Council, established at the 13th NPC meeting in 2018. Among the vice premiers and state councilors who comprise the inner cabinet are trusted Xi Jinping loyalists such as Ding

⁵ "Dang he guojia jigou gaige fang'an" (Party and State Institutional Reform), *Xinhua News*, March 16, 2023. http://www.news.cn/politics/zywj/2023-03/16/c_1129437368.htm (accessed 16 March 2023).

Xuexiang and He Lifeng. Moreover, the 6th generation coming leaders is represented by, among others, Zhang Guoqing, an important member of the rising aerospace group in Chinese politics. With the renewed focus on technology, science and innovation, they are badly needed to help address the challenges China is facing in this area.

The institutional reform revealed at the NPC meeting was modest compared to 2018. However, seen in connection with the reform decided at the 2nd plenum of the 20th Central Committee held in February 2023, it is nevertheless of great importance. It signifies the ongoing transfer of functions, responsibilities, and resources from the state to the Party. As pointed out in Party documents: "Party, government, military, the people, and education, the East, the West, the South, the North, and the Center, the Party is the leader of everything." China has turned into "CCP Inc."⁶

The Chinese State Council, Standing Committee (Executive Meeting), March 2023

Name	Age	Position
Li Qiang	63	Premier
Ding Xuxiang	60	Vice premier
He Lifeng	68	Vice premier
Zhang Guoqing	58	Vice premier
Liu Guozhong	60	Vice premier
Li Shangfu	65	State councilor*
Wang Xiaohong	65	State councilor
Wu Zhenglong	58	State councilor*
Chen Yiqin	63	State councilor
Qin Gang	57	State councilor*

Notes: * Concurrently Minister of Defence; ** concurrently Secretary General of the State Council; *** concurrently Minister of Foreign Affairs.

⁶ Jude Blanchette, "From 'China Inc.' to 'CCP Inc.': A New Paradigm for Chinese State Capitalism," *China Leadership Monitor*, 66 (Winter 2020): 1–13.

The Chinese State Council, Ministries (March 2023)

Name	Age	Ministry
Qin Gang	57	Foreign Affairs
Li Shangfu	65	National Defence
Zhang Zhajie	61	National Development and Reform Commission (NDRC)
Huai Jinpeng	60	Education
Wang Zhigang	65	Science and Technology (R)
Jin Zhuanglong	59	Industry and Information
Pan Yue	62	State Ethnic Affairs Commission
Wang Xiaohong	65	Public security
Chen Yixin	63	State Security
Tang Dengjie	63	Civil Affairs
He Rong	60	Justice
Finance	66	Liu Kun (刘昆)
Wang Xiaoping	59	Human Resources and Social Security
Wang Guanghua	59	National resources
Huang Runqiu	59	Ecology & Environment
Ni Hong	60	Housing and Urban-Rural Development
Li Xiaopeng	63	Transport
Li Guoying	63	Water resources
Tang Renjian	60	Agriculture and Rural Affairs**
Wang Wentao	58	Commerce
Hu Heping	60	Culture Tourism
Ma Xiaowei	63	National Health Commission
Pei Jinjia	59	Veterans Affairs
Wang Xiangxi	60	Emergency Management
Yi Gang	65	People's Bank of China
Hou Kai	60	National Audit Office

State Leaders in China (March 2023)

President: Xi Jinping

Vice president: Han Zheng

NPC chairman: Zhao Leji

CPPCC chairman: Wang Huning

CMC chairman: Xi Jinping

CMC vice chairmen: Zhang Youxia, He Weidong

Head of National Supervisory Commission: Liu Jinguo



Funded by
the European Union

The project "Dealing with a Resurgent China" (DWARC) has received funding from the European Union's Horizon Europe research and innovation programme under grant agreement number 101061700. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union. Neither the European Union nor the granting authority can be held responsible for them.