

Xi Jinping's Inner Circle

(Part 2: Friends from Xi's Formative Years)

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The dominance of Jiang Zemin's political allies in the current Politburo Standing Committee has enabled Xi Jinping, who is a protégé of Jiang, to pursue an ambitious reform agenda during his first term. The effectiveness of Xi's policies and the political legacy of his leadership, however, will depend significantly on the political positioning of Xi's own protégés, both now and during his second term.

The second article in this series examines Xi's longtime friends—the political confidants Xi met during his formative years, and to whom he has remained close over the past several decades. For Xi, these friends are more trustworthy than political allies whose bonds with Xi were built primarily on shared factional association. Some of these confidants will likely play crucial roles in helping Xi handle the daunting challenges of the future (and may already be helping him now). An analysis of Xi's most trusted associates will not only identify some of the rising stars in the next round of leadership turnover in China, but will also help characterize the political orientation and worldview of the influential figures in Xi's most trusted inner circle.

“Who are our enemies? Who are our friends?” In the early years of the Chinese Communist movement, Mao Zedong considered this “a question of first importance for the revolution.”¹ This question may be even more consequential today, for Xi Jinping, China's new top leader, than at any other time in the past three decades.² During China's Communist revolution, the aims of Mao's movement and his political supporters were quite clear, and so the answer to the question of friends and enemies was easier to discern. Today, Xi Jinping is in the midst of consolidating power, both for himself, as head of the Chinese Communist Party (CCP), and for China, on the world stage. This complicated and rapidly changing environment makes it remarkably difficult to determine Xi Jinping's political rivals and allies—his enemies and friends.)

New Environment Brings New Challenges for Xi

China's political elites, its intellectual communities, and its general public are all engaged in a new strategic discourse on foreign policy. In the wake of recent international events, such as the tensions over Ukraine between Russia and the U.S.-led North Atlantic Treaty Organization (NATO), American president Barack Obama's visit to Tokyo to consolidate the US-Japan alliance, and Russian president Vladimir Putin's trip to Beijing to sign a 30-year gas deal with the People's Republic of China (PRC), the global geopolitical landscape seems to be at a critical juncture of profound change. Some Chinese analysts have adopted the term “the new three kingdoms” (新三国演义) to characterize today's triangular China-United States-Russia relationship.³

President Xi Jinping has recently embraced the concept of building a “new type of major power relationship.” This idea rejects the old-fashioned perception of a zero-sum game in world politics and the “Cold War mentality”; it seeks to prevent military conflict among rising and incumbent major powers, or, academically speaking, to avoid “Thucydides’s trap.”⁴ But growing tensions in the East China Sea and South China Sea, the PRC’s need for continued economic growth, and the country’s aspiration to become a great military power will all test Xi’s wisdom, strategy, and leadership skills. Under these demanding circumstances, Xi will have some very difficult decisions to make in the months and years to come.

Xi’s domestic challenges—consolidating power and eradicating political enemies—are at least as difficult as those he faces in the international domain. Just like his counterparts in Moscow, Washington, and elsewhere, Xi understands very well that in politics, there are no eternal allies or perpetual enemies. Xi obtained the status of heir apparent at the 17th Party Congress in 2007, and then reached the top post in China’s leadership at the 18th Party Congress, largely because of strong support from the Jiang Zemin camp; his two main patrons were former president Jiang and former vice president Zeng Qinghong.⁵ Xi and these two patrons are all princelings—leaders who come from families of veteran Communist revolutionaries⁶—and all three of them launched to the top of China’s national leadership from Shanghai.

There is no evidence that the relationship between Xi and these two patrons is in any way deteriorating. Their political bonds are likely much stronger than most analysts have recognized. On May 24, 2014, CCTV prime-time news prominently featured Xi Jinping’s visit to a medical technology company in Shanghai, during which Jiang Zemin’s son, Jiang Mianheng, the president of Shanghai University of Science and Technology, served as a host of the visit.⁷ Ten days earlier, Zeng Qinghong and Jiang Mianheng, along with Shanghai Party Secretary Han Zheng, had a highly publicized joint appearance at an art museum in Shanghai.⁸

Nevertheless, the four largest corruption cases that have been investigated over the past two years have all involved heavyweight leaders in the Jiang camp, including former Politburo member Bo Xilai, former minister of railways Liu Zhijun, former Politburo Standing Committee member Zhou Yongkang, and former vice chairman of the Central Military Commission Xu Caihou. Both Bo Xilai and Zhou Yongkang were also princelings. The first two cases yielded verdicts of life imprisonment for Bo and a death sentence, with a two-year reprieve, for Liu. The last two cases are still under investigation, and the prosecution’s charges will likely be announced to the public soon.

There were multiple reasons that these four leaders were caught, but in all of their cases, the crimes were outrageous in scope. In some, like the Bo Xilai-Wang Lijun episode, the fallen official was unlucky enough to have his crimes exposed to the outside world. Xi needed to prove his ability to curtail the rampancy of official corruption, to improve the stained image of the CCP, and, most importantly, to respond to public resentment over the convergence of political power and economic wealth that emerged from a government run by princelings.⁹ Interestingly enough, Xi’s principal political ally (and longtime

political confidant), the anti-corruption czar Wang Qishan, is also a princeling. With princelings cracking down on princelings, Xi and Wang seemed to effectively undermine any criticism that the new leadership's anti-corruption campaign was merely driven by factional politics. In addition to greatly enhancing public support for Xi's leadership, this sweeping anti-corruption campaign might also end up helping sustain the rule of the Chinese Communist Party.

Despite these "political casualties" on the part of the Jiang camp, Jiang's protégés still dominate the current Politburo Standing Committee (PSC). They hold six of the seven seats (Hu Jintao's camp is represented only by Li Keqiang), as discussed in the first installment of this series. This 6:1 control by Xi's political allies in China's supreme decision-making body gives Xi tremendous support and power. It should also be noted that most of the prominent members of the Jiang camp, including some who were very close to Bo Xilai and Liu Zhijun, still remain in power. This seems to indicate that although the ongoing anti-corruption campaign is bold and broad, it is not necessarily excessive (and thus too politically risky), as some analysts originally believed.¹⁰

Given the complexities of Chinese leadership politics, Xi confronts two daunting challenges. First, one may reasonably expect that Xi and his two patrons have made a deal regarding the major corruption cases involving prominent members of the Jiang camp, such as Zhou Yongkang and Xu Caihou. But no one can assume how the unfolding of these cases, especially the unpredictable nature of public reaction to the sensational details of their scandals, may affect Jiang and Xi's previously reached agreement. It may be beyond anyone's realm of control to guarantee that any deal between them will remain honored. If such an important deal is indeed broken, the Chinese political system will likely experience a drastic change, resulting in severe sociopolitical instability in the country. On a more personal level for Xi, just as yesterday's political target can be today's political ally, so, too, can today's political ally become tomorrow's political challenger.

The second, and perhaps tougher, challenge for Xi actually involves a more predictable factor: five PSC members (all of them Xi's political allies from the Jiang camp) are expected to retire in three years, at the 19th Party Congress in 2017. It is almost certain that the Jiang camp will no longer enjoy as overwhelming a majority after the next round of leadership turnover. Based on Chinese political norms and age requirements in elite Chinese politics, leading candidates for the 2017 PSC will likely end up including many leaders from Hu Jintao's camp, such as Vice Premier Wang Yang, Guangdong Party Chief Hu Chunhua, Vice President Li Yuanchao, and Liu Qibao, the director of the CCP Propaganda Department. All of them currently serve in the Politburo, and all are known as *tuanpai* leaders who worked very closely with Hu Jintao in the leadership of the Chinese Communist Youth League (CCYL) in the 1980s.¹¹ Hu Chunhua, as one of the two so-called sixth-generation leaders in the current Politburo, has also been viewed by some analysts as the heir apparent to succeed Xi at the 20th Party Congress in 2022.¹²

It is, of course, far too early to know how Xi will handle this challenge in the factional lineup as the next party congress approaches. But the composition of the next PSC is

undoubtedly a central concern in Chinese elite politics. One possibility is that Xi will broaden his political support to incorporate several prominent *tuanpai* leaders mentioned above into the next PSC. The idea of turning rivals into allies “for the sake of the greater good,” as Abraham Lincoln put it, has been widely cited in Chinese media in recent years.¹³ The Chinese discourse surrounding the “team of rivals” concept (政敌团队) emphasizes the great need for political compromise that maximizes common interests and political capital, in order to maintain the survival of the CCP.¹⁴

Another scenario is that Xi, in order to enhance his power and influence in his second term and beyond, will drastically change the existing selection criteria or methods for forming the next Politburo and PSC. This could take the form of an expansion of electoral mechanisms like the “inner-Party democracy,” which is used to enhance the legitimacy of the leadership. Since the 13th Party Congress in 1987, the Chinese leadership has used multi-candidate elections for the Central Committee, known in Chinese as “more-candidates-than-seats elections” (差额选举).¹⁵ At the election for full members of the 18th Central Committee in 2012, for example, over 2,200 delegates of the congress chose 205 full members from the 224 candidates on the ballot (9.3 percent were eliminated). Similarly, in the election for alternate members of the Central Committee, they elected 171 leaders from a candidate pool of 190 (11.1 percent were eliminated).¹⁶ Xi may increase the percentage of those who will be eliminated in the next Central Committee election, or even use a “more-candidates-than-seats election” for the formation of the Politburo and its Standing Committee.

At present, there is no sign that Xi and his team are interested in pursuing these bold and very consequential inner-party political reforms. One may even argue the opposite: Xi could spend any political capital he gains from his economic reform initiatives and nationalistic foreign policies to justify a Pyrrhic victory in the selection of the next PSC; he could promote some of his protégés and allies (most likely Director of the CCP General Office Li Zhanshu, Director of CCP Organization Department Zhao Leji, Xinjiang Party Secretary Zhang Chunxian, Chongqing Party Secretary Sun Zhengcai, Shanghai Party Secretary Han Zheng, and Director of the CCP Policy Research Office Wang Huning) into the next PSC, thus maintaining an absolute majority rule in his second term. Only time will tell how the competition for the next PSC will unfold.

What is clear now is that Xi has proactively promoted many of his own longtime political protégés to important leadership positions in preparation for the next party congress. The last installment of this series highlighted the strong presence of the “Shaanxi Gang” in the new leadership, and how Xi Jinping has used this birthplace or workplace association to consolidate his power. For example, most recently, in April 2014, Li Xi (李希), a well-known member of the Shaanxi Gang, was promoted to the position of acting governor of Liaoning Province. Li was a member of the Standing Committee of the Shaanxi Provincial Party Committee for seven years (2004–2011). During those years, he also served as chief of staff of the Shaanxi Provincial Party Committee in 2005–06, where he assisted then Shaanxi Province Party Secretary Li Jianguo, who is now a Politburo member.

A rising star in the provincial-level leadership, Li Xi served as party secretary of Yan'an Prefecture from 2006–2011, and is currently an alternate member of the CCP Central Committee. During Xi Jinping's brief tenure as party secretary of Shanghai in 2007, Xi invited Li to head a delegation from Yan'an to visit Shanghai. When Xi was in charge of CCP personnel affairs in 2011, on the eve of the 18th Party Congress, Li was transferred to Shanghai, where he served as both a Standing Committee member of the Shanghai Municipal Party Committee and as director of the Organization Department. Two years later, he was promoted to be deputy party secretary of Shanghai.

The personal contact between Xi Jinping and Li Xi was widely (and unusually) reported in the Chinese media, reinforcing the public perception that Li is Xi's confidant.¹⁷ According to Hong Kong media, Li Xi obtained the governor's post in Liaoning by defeating the other strong candidate, Shenyang Party Secretary Zeng Wei, who is a *tuanpai* leader and former chief of staff for Li Keqiang in Liaoning.¹⁸ It should be noted, however, that former governor of Liaoning Chen Zhenggao, a *tuanpai* leader and a protégé of Li Keqiang, has now obtained a cabinet post as the minister of Housing and Urban-Rural Development, and is well positioned to carry out Premier Li's affordable housing program nationwide. A deal seems to have been made on these personnel appointments between Xi Jinping and Li Keqiang, or between their two competing political camps.

School Ties and “Big Yards” Bonds

Xi's quick moves to promote his own protégés to important leadership positions are, from his perspective, essential. The dominance of political allies from the Jiang camp in the PSC has enabled Xi to have an auspicious beginning while he launches an ambitious reform agenda in his first term. But Xi's authority and influence in his second term—and, indeed, how effectively he implements his overall agenda, along with the future legacy of his leadership—will depend on how well his protégés are positioned, both currently and in the next round of leadership changes. Just as birthplace or workplace association has been an important foundation of Xi's political networking (as in the case of the prominent Shaanxi Gang), other kinds of associations—personal, professional, and political—can all be significant in the formation of Xi's inner circle.

Table 1 (next page) presents a chronologically based overview of the main phases of Xi's formative years and early career, as well as the patron-client ties that he formed during that time. This includes some of Xi's defining experiences, from his experiences growing up in the heyday of the radical Mao era, to toiling as a “sent-down youth” rural laborer in the country's most primitive “yellow earth” region, to serving as a “worker-peasant-soldier student” (工农兵学员) at Tsinghua University toward the end of the Cultural Revolution, to working as a personal assistant (*mishu*) for the minister of defense in the early years of the Deng era. In each of these periods, Xi developed strong personal bonds and lifelong friendships.

Not all of Xi's close friends in his formative years are listed in the table. For example, Nie Weiping (聂卫平), China's most famous professional Go player, who won the inaugural World Amateur *Go* Championship in 1979, was a childhood best friend of Xi.

Nie's father was an accomplished engineer who served as party secretary of China's Association of Science and as director of the Bureau of Intelligence of the State Science and Technology Commission. Xi Jinping and Nie Weiping have maintained their friendship and close contact since then, even when Xi worked in Fujian, Zhejiang, and Shanghai.¹⁹ It was reported that when Xi was party secretary of Zhejiang, he asked rich entrepreneurs in the province to fund Nie's *Go* team.²⁰ However, Nie has never served in any leadership role during his career, and apparently has no political ambitions.

Table 1
Friends in Xi Jinping's Early Life and Career

<i>Period/ Age</i>	<i>Life & Career Experiences</i>	<i>Personal & Political Associations</i>	<i>Main Associates & Protégés</i>
1960–69/ 7–16	Student at Bayi School & No. 25 School in Beijing	“Princelings” or grew up in “big yards” compounds	Liu Weiping (刘卫平), Zhang Youxia (张右侠), Liu He (刘鹤), Liu Yuan (刘源)
1969–75/ 16–22	Rural laborer in Yanchuan County, Shaanxi	“Sent-down youth” connection	Wang Qishan (王岐山), Wang Chen (王晨)
1975–79/ 22–26	Worker-peasant-soldier student at Tsinghua Univ.	“Tsinghua network”	Chen Xi (陈希)
1979–82/ 26–29	Mishu for Minister of Defense Geng Biao	Experience with PLA & in Taiwan, Hong Kong, & Macao affairs	Liu Xiaojiang (刘晓江)

NOTE AND SOURCE: CCP = Chinese Communist Party; Dept. = Department; PLA = People's Liberation Army. Part of the data is based on Wu Ming 吴鸣, *China's new leader: Biography of Xi Jinping* (中国新领袖: 习近平传). New enlarged edition. Hong Kong: Wenhua yishu chubanshe, 2010, pp. 572–573. Tabulated and expanded by Cheng Li.

Most of Xi's childhood friends were princelings who came from prominent official families. This was at least partially due to the social and educational environment in which Xi grew up. Xi Jinping received his early education at the Bayi School (八一学校), which was located in Beijing's Haidian District. There were a number of schools in the district that were famous for being cradles of “red nobility” (Communist offspring), most noticeably Beijing No. 101 School and Beijing No. 11 School.

Another school with an excellent academic reputation is Beijing No. 4 School, which is located in the city's Xicheng District. Many princelings, including Bo Xilai and two of his brothers—Bo Xiyong and Bo Xicheng—Ma Kai (current vice premier and Politburo member), Chen Yuan (former chairman of the China Development Bank and current vice chairman of the Chinese People's Political Consultative Conference), Kong Dan (former chairman of the CITIC Group), and Qin Xiao (former chairman of China Merchants Bank) attended the prestigious Beijing No. 4 High School.²¹

The Bayi School did not have the academic reputation that Beijing No. 101 School or Beijing No. 4 School possessed, but it was established primarily for children of senior officers in the People's Liberation Army (PLA). Children of civilian leaders usually attended Yuying Middle School (育英中学), which is also located in Beijing's Haidian District. Several children of former PRC president Liu Shaoqi and his wife, Wang

Guangmei, for example, attended Yuying Middle School.²² Students who attended the Bayi School in the late 1950s and early 1960s included former deputy director of the National Commission of Defense Science and Technology Nie Li (daughter of Marshal Nie Rongzhen), former vice commander of the Navy He Pengfei (son of Marshal He Long), former member of the CCP Central Committee Deng Pufang (son of Deng Xiaoping), former vice commander of the Beijing Military Region Su Rongsheng (son of General Su Yu), and Yu Zhengsheng, who is currently a member of the Politburo Standing Committee (and son of former Tianjin Party Secretary Huang Jing).²³ When Xi enrolled at the Bayi School, Yu Zhengsheng had already been transferred to Beijing No. 4 School. They apparently did not form their friendship at that time, but the family ties discussed in the first article of this series, along with the similarly elitist cultural environments in which both Xi and Yu were raised, likely helped strengthen their personal and political bonds. Both are now at the pinnacle of power in China.

A main reason these middle schools and high schools in Beijing were filled with princelings is that after the Communist victory in 1949, a large number of high-ranking military officers who had recently moved to Beijing (including both those who remained in the military and those who had just been transferred to the civilian leadership) settled in the so-called military residential “big yards” (军队大院), or “cadre’s compounds” (干部大院). These were sprawling housing areas for PLA officers and civilian leaders in the capital during the early decades of the PRC.²⁴ In a way, “big yards” became an important venue for socialization among princelings in the late 1950s and early 1960s, including the early period of the Red Guard movement. A half-century later, this socialization has become a crucial source of political networking among senior military and civilian leaders.

Perhaps because Xi Jinping’s father, Xi Zhongxun, had already been purged by Mao prior to the Cultural Revolution, Xi was not an active member of the Red Guard movement. This was in contrast to some radical Red Guards with princeling backgrounds, such as Song Binbin, Kong Dan, and Bo Xilai, who held a strong view about the “theory of bloodline” (血统论), claiming that one’s political attitude and moral character are determined by their family background or genetic origin.²⁵

Nevertheless, most of Xi’s childhood friends tended to be fellow princelings. In addition to the aforementioned Nie Weiping, another friend close to Xi at the Bayi School was Liu Weiping.²⁶ When the Bayi School was dismantled during the Cultural Revolution, both Xi and Liu were transferred to Beijing No. 25 School. Liu Weiping’s father, Liu Zhen, was a PLA general and served as vice commander of the PLA Air Force. Like Xi’s father, Liu Zhen was also purged when the Cultural Revolution began. Liu Weiping currently serves as deputy chief of staff of the PLA General Logistics Department with the rank of major general. Liu Weiping’s elder brother Liu Weidong was a vice admiral of the PLA Navy who previously served as deputy political commissar of the Nanjing Military Region and political commissar of the East China Sea Fleet.

It has been widely reported that General Zhang Youxia, director of the PLA General Armaments Department, is Xi’s most trusted confidant in the Central Military

Commission (CMC). Xi once proposed (according to a Reuters source) promoting Zhang to be vice chairman of the CMC in 2012.²⁷ The first installment of this series revealed the strong family ties between Xi Jinping and Zhang Youxia; their fathers were not only natives of Shaanxi but also “bloody fighting comrades” in the Communist Revolution in northern China. Both Xi Jinping and Zhang Youxia were born in Beijing and grew up in the nearby “big yards.” When Xi was sent to Yan’an to work as a rural laborer, Zhang joined the PLA. Zhang is currently one of the very few active duty officers in the PLA who have had war experience. He participated in the two Chinese wars with Vietnam, first as a company commander in 1976, and then as a regiment commander, in 1984. Zhang is qualified to serve another five-year term in the CMC after 2017, and he will be a leading contender for the post of vice chairman of China’s most powerful military leadership body.

Liu He: A Liberal Financial Technocrat

Similarly, the friendship between Xi Jinping and his chief economic advisor, Liu He, also began during their childhood years. Liu He was born in Beijing in 1952 and is one year older than Xi. According to one source, Liu He’s father was a vice governor-level leader in Shaanxi, and also may have had some family ties with the Xi family.²⁸ Some foreign and Chinese media have reported that Xi Jinping and Liu He went to the same middle school,²⁹ but in fact, Xi attended the aforementioned Bayi School and Beijing No. 25 School, while Liu He went to the nearby Beijing No. 101 School, in the same district.³⁰ It is likely that they developed their childhood friendship while growing up together in the same “big yards” or the same neighborhood.

Liu began his career as a sent-down youth in a primitive rural area in Jilin Province at the age of 17, in 1969, the same year Xi went to Yan’an as a sent-down youth. Liu soon joined the PLA, where he would serve as a soldier for four years (1970–73) in China’s elite No. 38 Army, which was stationed in Baoding, Hebei Province. He returned to Beijing in 1974 to become a worker, and later a manager, in the Beijing Radio Factory. When China restarted the national examination for college admissions in 1978, Liu passed the exam and enrolled in the Department of Economics at Renmin University, which at that time had the best program in economics in the country. He continued his graduate-level studies there, and received a master’s degree in economic management in 1986.

After briefly teaching at Renmin University, Liu pursued a research career at the Development Research Center of the State Council in 1987, and then continued to work at the State Planning Commission (SPC), where he served, consecutively, as deputy director of the Research Office and then deputy director of the Department of Industrial Policy and Long-term Planning, for a decade. At the SPC, Liu worked very closely with Zeng Peiyan (then the deputy director of the SPC and office director of the Central Financial and Economic Work Leading Group, who later became vice premier and a Politburo member). During that period, Liu spent a few years abroad pursuing advanced education. He studied in an MBA program at Seton Hall University in 1992–93 and in an MPA program (as a Mason fellow) at Harvard University’s Kennedy School of Government in 1994–95.

In 1998, along with several other distinguished economists in the PRC, including Wu Jinglian (a fellow at the Development Research Center of the State Council and later advisor to Premier Zhu Rongji) and Yi Gang (vice governor of the People's Bank of China and recently-appointed deputy office director of the Central Financial and Economic Work Leading Group), Liu He founded the Chinese Economists 50 Forum (中国经济50人论坛).³¹ The forum consists of the country's most influential economists and financial technocrats (including the current governor of the People's Bank, Zhou Xiaochuan, and Minister of Finance Lou Jiwei). The mission of the forum is to provide policy recommendations for the government on major economic issues. Over the past 16 years, the forum has organized numerous annual conferences, economic policy lecture series, internal roundtable discussions, academic seminars, foreign exchange programs, and policy briefings for the Chinese national leadership.³² In that regard, Liu He has not only helped bridge the divide between academic economists and policymakers in the financial and economic leadership, but also has contributed to Chinese think tanks' new function as a "revolving door," allowing economists and financial technocrats to play a greater role in the government.

An author of four books and over 200 articles, Liu He covers five broad areas in his research: the relationship between economic development and the change of industrial structure in China; macroeconomic theories; corporate governance and the property rights system; the new economy and the information industry; and reforms of the state-owned enterprises (SOEs) in China. These research interest areas are closely related to Liu He's leadership responsibilities. In 1998, for example, he served as director of the National Information Center. Two years later, he was appointed deputy office director of the State Council Information Office, where he was responsible for e-government and international cooperation.

In 2003, Liu was appointed deputy director of the Office of the CCP Central Financial and Economic Work Leading Group, to directly assist top leaders (Jiang Zemin, Hu Jintao, and now Xi Jinping) on economic and financial policies, especially the drafting of major speeches and resolutions for important party and government meetings. He has been one of the principal drafters of communiqués for important CCP leadership meetings, including the Third Plenum (2003), the Fifth Plenum (2005), and the Sixth Plenum (2006) of the 16th Central Committee; the full meeting of the 17th Party Congress (2007); and the Fourth Plenum (2009) and the Fifth Plenum (2010) of the 17th Central Committee.³³ Liu has been substantially involved in drafting five-year plans since the Eighth Five-Year Plan in 1991, when he worked at the State Planning Commission.³⁴

In addition, Liu has drafted eleven reform initiatives on state industrial policies, five of which were issued by the State Council.³⁵ During the 2008 global financial crisis, working closely with Premier Wen Jiabao, Liu became particularly important in China's decision-making circle by formulating the country's measures to minimize the negative impact of the crisis on the Chinese economy, which led to a V-type quick recovery in the PRC.³⁶

Because of the crucial role that Liu He has played in advising China's top leaders and

designing major economic and financial policies for the country, he has earned the nickname “China’s Larry Summers.”³⁷ A soft-spoken and characteristically thoughtful man with a low-profile personality, Liu has earned great respect from economic and political elites in both China and abroad. His economic outlook is remarkably liberal. When he was deputy director and party secretary of the Development Research Center of the State Council from 2011 to 2013, Liu was substantially involved in the collaboration between the World Bank and the Development Research Center of the State Council on the joint report *China 2030: Building a Modern, Harmonious, and Creative Society*, which forcefully argued that in order to achieve a structural change in the Chinese economy to allow for sustainable growth, China must accelerate far-reaching SOE reforms.³⁸ On many recent occasions, Liu He has also argued that at a time when many countries in the world have experienced economic slowdowns, responsible governments should particularly avoid pursuing populist (民粹主义) or ultra-nationalist socioeconomic policies.³⁹

Not surprisingly, when Xi Jinping became the CCP’s top leader, he promoted Liu He—his childhood friend and a very capable financial technocrat—to an even more important position. At the 18th Party Congress in 2012, Liu, for the first time, became a member of the Central Committee; in the following year, at the National People’s Congress, he was appointed as vice minister of the National Development and Reform Commission (NDRC) and was promoted to be director of the Central Financial and Economic Work Leading Group.

Liu He is now serving as the chief economic advisor for President Xi. It has been widely noticed both in China and abroad that Liu served as a chief drafter for the communiqué of the Third Plenum of the 18th Party Congress, which claimed to be the “2.0 version” of China’s market development. The Chinese media often compare this meeting to the Third Plenum of the 11th Party Congress in 1978, during which Deng Xiaoping announced China’s decision to “reform and open up.” The overall objective of Xi’s new economic policy, as evident from the Third Plenum communiqué, is to make the private sector the “decisive driver” of the Chinese economy.

Xi’s bold economic reform agenda, which was announced at the Third Plenum, has not only earned great support from the Chinese people and raised public confidence in his leadership, but also has been well received by the international community. Liu He has been a great asset for Xi, as Liu is both a brilliant financial expert and an effective communicator (even in English). Liu’s career path, especially over the past two decades, seemed to be very similar to that of former vice premier Zeng Peiyan,⁴⁰ and thus Liu can be considered a strong candidate for a Politburo seat and vice premiership in the next round of leadership turnover.

Liu Yuan: A Conservative Military Hawk

Xi Jinping’s inner circle consists of leaders with different personalities, varying professional expertise, and contrasting ideological stances. It includes liberal economists like Liu He, but also includes conservative military hawks like Liu Yuan. General Liu Yuan, currently political commissar of the PLA General Logistics Department, is another

childhood friend of Xi who has been seen as an influential figure in the formation of Xi's domestic and foreign policies.

Liu Yuan was born in Beijing in 1951, making him two years older than Xi. Liu attended No. 2 Experimental Elementary School in Beijing, and went on to middle school at the capital's famous No. 4 School. It is unclear when Xi and Liu Yuan first met, but both had very similar experiences in their formative years and early careers. Like Xi, Liu was born into a senior leader's family. His father, Liu Shaoqi, was the first chairman of the National People's Congress and the second president of the PRC, before he was purged in the Cultural Revolution. Xi and Liu were adolescents at a time when their veteran revolutionary fathers were persecuted by Mao, and both families were forced to move out of their prestigious residences in Zhongnanhai. As teenagers, both were sent to destitute rural areas where they worked as farmers for seven years. In Liu's case, he was a sent-down youth in Shanying County, Shanxi Province, from 1968 to 1975. Liu's father was physically and mentally tortured, and died after not receiving appropriate medical treatment in November 1969; his mother was held continuously in a maximum-security prison.

Both Xi Zhongxun and Liu Shaoqi were rehabilitated a few years after the end of the Cultural Revolution. In an interview with a Chinese magazine in 2000, Xi Jinping particularly emphasized the close similarities between himself and Liu Yuan in their early lives and work experiences. According to Xi, at that time only two young leaders with veteran Communist family backgrounds decided to leave their office jobs in Beijing to work in grassroots and county-level leadership positions elsewhere: Xi went to Hebei, and Liu worked in Henan.⁴¹ Liu advanced his political career by serving at various levels of leadership in Henan Province: deputy head of Qiliying People's Commune (1982–83); deputy county head (1983–84) and then county head (1984–85) of Xinxiang County; vice mayor of Zhengzhou City (1985–88); and vice governor of Henan Province (1988–92).

While Xi shifted from serving in the PLA (as a mishu to the minister of defense) to working in the civilian leadership, Liu Yuan did the opposite. Liu joined the People's Armed Police (PAP) in 1992, at the age of 41, when he served as second political commissar of the PAP Hydropower Troops. In 1998, Liu was appointed deputy political commissar of the PAP. Five years later, in 2003, at the age of 52, he was transferred to the PLA, where he served as deputy political commissar of the General Logistics Department, with the rank of lieutenant general. He served as political commissar of the PLA Military Academy of Sciences from 2005 to 2010, during which time he was promoted to the rank of general in 2009. Since 2010, Liu has served as political commissar of the PLA General Logistics Department.

In a military culture that values seniority, professionalism, and step-by-step promotion, Liu Yuan is understandably unpopular among senior officers, who are cynical not only about his "helicopter-like" rise in the military leadership, but also his "military career" advancement in the PAP (rather than with more professional PLA forces). Perhaps more importantly, Liu Yuan's strong anti-corruption initiatives in the PLA leadership have alienated and offended many of his peers.

It was Liu Yuan who launched the corruption investigation of Lieutenant General Gu Junshan, the former deputy director of the PLA General Logistics Department, which eventually led to the fall of former vice chairman of the Central Military Commission Xu Caihou, the highest ranking military officer to be charged with corruption in PRC history.⁴² Overseas Chinese media reported that in an enlarged meeting of the Central Military Commission held December 25–28, 2011, Liu Yuan not only showed a photo of Gu Junshan’s luxurious villa in his hometown, known as General’s Manor House (将军府), but also criticized Xu and two other top military leaders for soliciting bribes by selling military ranks and officer positions.⁴³

Liu Yuan, however, may have gained popularity among the public and among junior officers in the PLA by expressing strong nationalistic sentiments. Liu is known for his politically conservative and male chauvinistic views, in addition to his hawkish foreign policy stance. John Garnaut, an Australian journalist who lived in China for many years, observed that from Liu Yuan’s perspective, “war is a natural extension of economics and politics,” and that Liu “claims . . . ‘man cannot survive without killing.’” For Liu Yuan, “history is written by blood and slaughter,” and the nation-state is “a power machine made of violence.”⁴⁴

In his foreword to the controversial book *Transform Our Cultural Perspective of History*, by Zhang Musheng, a conservative public intellectual who also has a princeling background, Liu Yuan endorses the notion of the zero-sum game in world history and rejects the concept of universal values.⁴⁵ He states that the term “motherland” should be “fatherland” because the former overlooks the core notion of the Chinese word “forefather” (祖), which emphasizes “men worship.”⁴⁶ He also bluntly argues that the greatness and unity (大一统) of China lies in the fact that China’s neighbors to the east, west, north, and south (东夷、西戎、北狄、南蛮) have all constantly exerted pressures upon the “fatherland.”⁴⁷ Liu Yuan brought five senior officers, including Major General Luo Yuan (deputy director of the Department of World Military Research of the PLA Academy of Military Sciences), Major General Zhu Chenghu (dean of the National Defense College of the PLA National Defense University), and Major General Qiao Liang (co-author of the famous book *Unrestricted Warfare* 超限战 and professor at the Air Force Command College), all of whom are considered to be military hawks, to attend Zhang Musheng’s book launch event in April 2011.

Liu’s vision for domestic development, instead of moving toward liberal democracy, civil society, and rule of law, calls for “saving the Chinese Communist Party by turning the ideological clock back by more than 60 years” to the “Socialist New Democracy” (新民主主义) that was initiated by Liu Shaoqi (Liu’s father) and Mao in the early years of Communist China.⁴⁸ Zhang Musheng was actually famous for his outspoken support for Bo Xilai’s “Sing the Red Songs and Strike the Black Mafia Campaign” (唱红打黑) in Chongqing, before Bo’s dramatic fall. Zhang explicitly expressed hope that Bo’s “Chongqing model” would pave the way for a new round of experimentation in Socialist New Democracy. What Liu Yuan and Zhang Musheng considered to be the “Chongqing model” held three similarities to the Socialist New Democracy movement in the early 1950s: rural land reforms that aimed to please peasants; an urban socialist welfare

economy with a strong presence of state-owned enterprises that claimed to protect the interests of workers; and a clean and authoritarian government that took a strong stance against corruption.⁴⁹

In the two years leading up to the 18th Party Congress, Zhang Musheng also launched a remarkably explicit criticism of the Hu Jintao-Wen Jiabao administration. He stated, “Our country is now led by some weak, incompetent, inactive, and anti-blood leaders who will drive China into a serious political and social crisis. The incoming team of new leaders will not let this trend continue.”⁵⁰ Zhang even stated that Liu Yuan would be a very competent leader with great “ideals and ambition.”⁵¹ Not surprisingly, Zhang’s controversial views were quickly banned by the Chinese authorities; and he was not allowed to travel abroad for conferences during the final years of the Hu-Wen administration.

While Liu’s support for Zhang Musheng was unambiguous, it was not clear how Xi Jinping viewed Zhang’s ideological and policy stances on either domestic or international issues. A review of the first 20 months of Xi’s leadership, however, seems to suggest that Xi has learned some important lessons from the preceding Hu-Wen leadership. Xi has been bold, ambitious, proactive, and very nationalistic, which is evident in his aggressive anti-corruption campaign, in his glorification of the Mao era, and in his assertiveness in foreign policy, especially in dealing with the ongoing tensions in the East China Sea and South China Sea.

It should be noted that Zhang Musheng, Bo Xilai, Liu Yuan, and Xi Jinping are all prominent princelings who grew up in the “big yards” of Beijing. Despite the fact that all of their veteran communist fathers suffered during the Cultural Revolution, their mindsets, collective memories, ideologies, worldviews, and political behavior were all more or less shaped by Maoist indoctrination and the Red Guard movement during their formative years.⁵²

In his widely circulated essay on the characteristics of the so-called fifth generation of Chinese leaders, Qian Liqun, a distinguished professor of Chinese literature at Peking University, observes that the fifth generation mainly consists of former Red Guards and sent-down youths.⁵³ Compared with the preceding generation, leaders of this new generation, according to Qian, “are more courageous, more active, and have a better understanding of the lives and concerns of grassroots people.”⁵⁴ But what worries Professor Qian the most is the combination of “imperial arrogance” and “rogue habits” among many new leaders who are princelings and were also Red Guards in Beijing. Many of them now serve in the national military leadership.

The brutality and violence of the Cultural Revolution, especially the torture and suffering inflicted on their privileged and powerful families, taught these men *realpolitik* in a drastic and direct manner: “In order to achieve the goal, you can do anything.”⁵⁵ This may help explain why these princelings (Mao’s victims in the Cultural Revolution) ironically embrace Maoism at times in their political discourse. Qian insightfully warned

that the need to prevent both the rise of Chinese militarism in the Asia-Pacific region and military intervention in China's domestic politics would be a major challenge for Xi.⁵⁶

The strong bond between Xi Jinping and Liu Yuan has recently been highlighted in overseas Chinese sources and nonofficial social media in the PRC on two occasions. First, according to Hu Shiyong, former Politburo Member Hu Qiaomu's son, as early as 1979, a group of princelings formed a study group in Beijing that met several times a month. Participants included Xi Jinping, Wang Qishan, Liu Yuan, Liu Xiaojiang (son-in-law of Hu Yaobang), Chen Yuan (son of Chen Yun), Fu Yang (son of former NPC chairman Peng Zhen), and the Bo brothers.⁵⁷ This study group lasted more than one year.

In 2006, when Xi Jinping, then the party secretary of Zhejiang Province, visited Beijing, princelings came together for a dinner party reunion at the Zhejiang Mansion in the capital. A photo that has been widely circulated online since spring of 2012 (released by Hu Shiyong) shows that dinner attendees included Xi Jinping and his wife, Peng Liyuan; Wang Qishan and his wife, Yao Mingshan; Liu Yuan, Zhang Musheng, Liu Xiaojiang, Chen Yuan, Fu Yang, Yang Li (daughter of former PRC president Yang Shangkun), Hu Shiyong, Hu Muying (Hu Shiyong's sister), Song Binbin, Qin Xiao, Kong Dan, and Bo Xicheng (Bo Xilai's brother).⁵⁸

Second, in early September 2012, two months before the 18th Party Congress, when Xi Jinping was reported to have a back injury and was hospitalized in the PLA 301 Hospital, Liu Yuan, as political commissar of the PLA General Logistics Department, was in charge of the medical treatment for China's heir apparent. This reflects the trust and longtime friendship between these two princelings. It is also widely believed that Xi had intended to promote Liu Yuan to be a member of the powerful Central Military Commission, but some top military leaders, such as Xu Caihou, apparently blocked the proposal.

Now Xu is under a corruption investigation, and the PLA will most likely undergo a major leadership change. It remains to be seen whether Xi will promote Liu, whose age qualifies him for another five-year term, to obtain membership—or even the vice chairmanship—in the CMC in 2017. It is also unclear whether Liu, an outspoken and politically very ambitious military leader, would be an asset or a liability for Xi's efforts to consolidate his power in the PLA.

Table 1 shows the comradeships that Xi Jinping fostered during his sent-down youth years in Yan'an: Wang Qishan and Wang Chen (also see the first essay in this series).⁵⁹ Xi has acknowledged on numerous occasions that those seven years working in the countryside were the “defining experience” of his life and career.⁶⁰ Xi made many friends among villagers and grassroots officials, but his most important friends were his fellow sent-down youths. As discussed in the first essay of this series, the four-decade-long friendship between Xi Jinping and Wang Qishan—their strong, multidimensional bond—constitutes the cornerstone of Xi's power. Due to his remarkable expertise on finance and economics, along with his implementation of the astonishingly strong anti-corruption campaign, Wang's contribution to Xi's leadership has been unparalleled. Wang still has

three more years to help Xi gain political capital on at least these two fronts, but Wang will have to retire at the next party congress because of Chinese political norms.

Wang Chen, who currently serves as vice chairman and secretary general of the NPC, is qualified, in terms of age, to serve another five-year term at the 19th Party Congress. If his predecessor at the NPC Li Jianguo's promotion to the Politburo is indicative, Wang Chen will likely also be a strong contender for a seat in the next Politburo. His sent-down youth connection with Xi Jinping in Yan'an, as well as his leadership experience in propaganda and media, may enhance his opportunities for further promotion.

Chen Xi: Xi's Roommate at Tsinghua and Currently Chief Personnel Officer

Xi Jinping has aided the career advancement of many leaders in his inner circle, but perhaps no one has received more direct help from Xi than Chen Xi, the current executive deputy director of the powerful CCP Organization Department. Xi Jinping and Chen Xi were classmates and roommates at Tsinghua University from 1975 to 1979, when they were both "worker-peasant-soldier students" at the Department of Chemical Engineering. It has been reported that Xi greatly values the friendships he developed in his years at Tsinghua.⁶¹ Throughout his tenure as a top provincial leader in Fujian and Zhejiang, Xi regularly got together with his Tsinghua schoolmates, in Beijing and elsewhere.⁶² Even when Xi became China's heir apparent after 2007, he and his wife still attended his class's alumni reunions in Beijing.⁶³

In college, both Xi and Chen were sports fans, and they were both interested in politics and world affairs. They became close friends almost immediately after they met at Tsinghua. Chen excelled not only academically, but also once won the 100-meter track championship at the Beijing College Athletics Games. With Xi's recommendation, Chen Xi joined the Chinese Communist Party at Tsinghua in November 1978, a few months before graduation.⁶⁴

Soon after Xi became a member of the Politburo Standing Committee in 2007, he promoted Chen to be vice minister and deputy party secretary of education. It was believed that this appointment would help Chen eventually obtain the post of minister of education, but that did not happen; the promotion went to Yuan Guiren, a protégé of Premier Wen Jiabao, in October 2009.⁶⁵ In September 2010, Chen was transferred to Liaoning Province, where he served as deputy party secretary, a post in an important provincial-level administration that could broaden Chen's leadership profile. Seven months later, Chen returned to Beijing and took the post of party secretary of the China Association for Science, a position equivalent to the rank of minister that usually assures a seat in the Central Committee of the CCP. Chen indeed obtained full membership at the 18th Party Congress. Soon after Xi became the top leader of the CCP, Chen was made executive deputy director of the CCP Organization Department, essentially becoming Xi's chief personnel officer.

Chen Xi was born in Putian County, Fujian Province, in September 1953, making him three months younger than Xi. At the age of 17, he began his career as a factory worker in a university-run mechanical plant in his hometown of Fuzhou City. After graduating

from Tsinghua in 1979, he returned home to teach at Fuzhou University for a few months, and then, in the fall of 1979, enrolled again in his old department at Tsinghua University for graduate level studies.

After receiving his master's degree, Chen pursued a political career as a Youth League official, serving consecutively as director of the Department of Sports and Military Training; deputy secretary and then secretary of the Youth League Committee of Tsinghua University; and standing committee member of the party committee of Tsinghua University responsible for student affairs (1982–90). In December 1990, Chen went abroad to study chemical engineering at Stanford University as a visiting scholar for 14 months. After he returned to Tsinghua in 1992, he served as deputy party secretary of the Department of Chemical Engineering; deputy party secretary, executive deputy party secretary, and then party secretary of the Tsinghua Party Committee (1992–2008); and then vice minister of education in 2008.

Throughout these years, Chen Xi and Xi Jinping have maintained very close personal ties. For example, when Xi served as a municipal and provincial leader in Chen's hometown of Fuzhou from 1990 to 2002, Chen Xi always spent a great deal of time with Xi when Chen visited his parents at home. When Xi studied on a part-time basis for his doctoral degree in Marxism and Law at Tsinghua University from 1998 to 2002, Chen Xi was a top administrator at the university. It was also reported that when Xi was party secretary of Zhejiang Province, he helped Chen Xi establish the Yangtze Delta Region Institute of Tsinghua University in Zhejiang Province.⁶⁶

As executive deputy director of the CCP Organization Department, Chen Xi is not only a candidate for membership in the Secretariat (or even Politburo) in 2017, but also has been instrumental in promoting Xi's other friends and followers to important posts. In November 2013, for example, Chen Xi promoted his successor at Tsinghua University, party secretary of Tsinghua Hu Heping—holder of a Ph.D. in civil engineering from Tokyo University, an alternate member of the CCP Central Committee, and a rising star in the sixth generation—to be director of the Organization Department of the Zhejiang Province Party Committee. Hu will likely be promoted to minister of education, provincial party secretary, or governor around the time of the next party congress.

Over the past few months, China's higher education institutions have undergone a major leadership change. In March 2014, among the 62 top administrators (presidents and party secretaries) at the 31 universities that fall directly under the leadership of the central government, 46 (74 percent) were in their 50s and four (6.5 percent) were in their 40s, including president of Renmin University Chen Yulu (47 years old) and party secretary of Tongji University Zhou Zhuji (49).⁶⁷ Every month since March 2014, new and younger appointees have taken over top administrative positions at these universities and other important schools.⁶⁸ This seems to suggest that Chen Xi is using the field of educational leadership as an experiment before the upcoming large-scale generational leadership changes in other areas. In addition, some young top university administrators were transferred to other high-level leadership posts beyond the realm of education, as in

the case of Hu Heping. This can be viewed as an effort by the CCP Organization Department to broaden Xi's power base.

One of Xi Jinping's most important career experiences was his tenure as a mishu for Minister of Defense Geng Biao, from 1979 to 1982, when he was in his late 20s (see Table 1). This job established Xi's connections with the military, a key leadership credential. It is unclear, however, what types of networks Xi built within the PLA during these years.⁶⁹ Minister Geng had three mishu at that time, and Xi was the youngest. Because Minister Geng was also the person in the Politburo responsible for affairs regarding Taiwan, Hong Kong, and Macao, Xi was heavily involved in work related to those territories.⁷⁰

During those years, Xi developed a close working relationship with Liu Xiaojiang, the son-in-law of Hu Yaobang and current political commissar of the PLA Navy. From 1980 to 1983, Liu Xiaojiang worked as a mishu for Admiral Liu Huaqing, then deputy chief of staff of the PLA and later vice chairman of the Central Military Commission. This means that for at least two years, Xi and Liu both worked at the headquarters of China's military leadership. As discussed earlier, both of them participated in the study group in Beijing in their spare time around that period. Xi and Liu also had family ties, as Liu's father, Liu Haibin, a Communist veteran leader who participated in the Long March, worked primarily in northern Shaanxi Province in the 1940s, under the leadership of Xi Zhongxun. It has been reported that Xi and Liu became trusted friends and political confidants in that period.⁷¹

These friends of Xi during his formative years—most noticeably Wang Qishan, Zhang Youxia, Liu He, Liu Yuan, Chen Xi, and Liu Xiaojiang—are now all well positioned in the important functional areas of China's leadership. They may differ profoundly from each other in terms of personality and policy preferences, but they constitute the most reliable source of political support for Xi as he implements his agenda. The next article in this series will explore the patron-client ties Xi developed when he was a local and provincial leader that further broadened his political network to regional power bases.

Notes

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¹ Mao Zedong, "Analysis of the Classes in Chinese Society (March 1926)," *Selected Works*, Vol. I, p. 1.

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- ³ Cao Tongqing 曹同庆, “China, Russia and the U.S. Stage a New ‘Three Kingdoms’” (中俄美上演新“三国演义”). *The China Press* (侨报), May 21, 2014; also see <http://news.uschinapress.com/2014/0521/979106.shtml>. For a discussion of China’s strategic interest in promoting Sino-Russian relations, see Yan Xuotong 阎学通, “The core of Sino-Russian relations lies on strategic cooperation” 中俄关系核心是战略合作, *China Industrial Economy News* (中国产经新闻报), May 19, 2014. Also see <http://finance.sina.com.cn/roll/20140519/014519145696.shtml>.
- ⁴ Thucydides, *History of the Peloponnesian War*. Revised edition, intro. and trans. by M. I. Finley and Rex Warner (New York: Penguin, 1954). For a recent application in the rise of China, see Graham Allison, “Thucydides’s Trap Has Been Sprung in the Pacific,” *Financial Times*, August 21, 2012.
- ⁵ Wu Ming 吴鸣, *China’s New Leader: Biography of Xi Jinping* (中国新领袖: 习近平传), new enlarged edition, Hong Kong: Wenhua yishu chubanshe, 2010; and Xia Fei 夏飞, Yang Yun 杨韵, and Bai Xiaoyun 白晓云, *Xi Jinping versus Li Keqiang: Princelings and the Chinese Communist Youth League Faction* (太子党和共青团—习近平PK李克强). New York: Mirror Books, 2007.
- ⁶ For further discussion of princelings in the present-day Chinese leadership, see Cheng Li, “Rule of the Princelings,” *Cairo Review of Global Affairs*, No. 8 (Winter, 2013): 34–47.
- ⁷ Ying Zhi Ying 子, “Accompanied by Jiang Mianheng, Xi Jinping visits Shanghai” (习近平考察上海江绵恒陪同), *Duowei News Net* (多维), May 26, 2014, see <http://china.dwnews.com/news/2014-05-26/59474012.html>.
- ⁸ *World Journal* (世界日报), May 15, 2014, p. A11.
- ⁹ Robert Zoellick recently made an insightful observation regarding these three points. See Robert Zoellick, “The Aim of Xi’s Reform Is to Preserve Party Control,” *Financial Times*, June 12, 2014.
- ¹⁰ For a thoughtful discussion on this issue, see Elizabeth Economy, “The Risk of China’s Anti-Corruption Campaign,” *The Atlantic*, September 17, 2013. Also see <http://www.theatlantic.com/china/archive/2013/09/the-risk-of-chinas-anti-corruption-campaign/279732/>.
- ¹¹ For a detailed discussion of *tuanpai* networking, see Cheng Li, “Hu’s Policy Shift and the Tuanpai’s Coming-of-Age,” *China Leadership Monitor*, no. 15 (Summer 2005): 1–16.
- ¹² Liu Jingwei 刘京威 and Du Fei 杜菲, *Dual successors of the Chinese Communist Party* (中共接班双雄). New York: Mirror Books, 2013.
- ¹³ President Lincoln’s approach for the formation of his leadership team was the main theme of the book by Doris Kearns Goodwin, *Team of Rivals: The Political Genius of Abraham Lincoln*. New York: Simon & Schuster, 2006. For some Chinese discussion, see Cai Ziqiang 蔡子强, “Sleeping with the enemy or forming the team of rivals?” (与敌同眠, 还是政敌团队?), *Southern People Weekly* (南方人物周刊), December 17, 2008; also see <http://www.infzm.com/content/21274>.
- ¹⁴ Cheng Li, “China’s Team of Rivals.” *Foreign Policy*, (March/April 2009): 88–93.
- ¹⁵ Cheng Li, “Leadership Transition in the CPC: Promising Progress and Potential Problems.” *China: An International Journal*, Vol. 10, No. 2 (August 2012): 23–33.

¹⁶ Zhang Sutong 张宿堂, Qin Jie 秦杰, Huo Xiaoguang 霍小光, Li Yajie 李亚杰 “The full membership of the 18th Central Committee has an election ratio of 9.3% difference” (十八届中央委员会委员选举差额比例为9.3%), People Net (人民网), November 15, 2012, <http://politics.people.com.cn/n/2012/1115/c1001-19584526.html>.

¹⁷ Shi Qing 施卿, “Xi Jinping Welcomes Li Xi-led party and government delegation from Yan’an to visit Shanghai” (习近平欢迎李希率延安市委代表团来沪访问), Oriental Net (东方网), August 18, 2007, see <http://sh.eastday.com/qtmt/20070818/u1a343068.html>; and Fang Ledi 方乐迪, “Li Xi takes new office in Liaoning” (李希履新辽宁), Dagong Net (大公网), April 28, 2014, <http://news.takungpao.com/mainland/focus/2014-04/2446110.html>.

¹⁸ *Apple Daily* (苹果日报), May 1, 2014, also see <http://www.backchina.com/news/2014/05/01/295409.html>.

¹⁹ Gao Jun 高君, “A few episodes about Xi Jinping by his childhood friend Nie Weiping” (“发小儿”聂卫平爆习近平二三事), Duowei Net (多维网), October 24, 2010, <http://politics.dnews.com/news/2010-10-24/56584020-2.html>. Nie Weiping was also a regular guest in Deng Xiaoping’s home for two decades before Deng’s death in 1997, as both were famous for playing bridge. See <http://book.sina.com.cn/jiyizhongdeyingxiang/excerpt/sz/2008-06-23/1859239080.shtml>.

²⁰ Gao Jun, “A few episodes about Xi Jinping by his childhood friend Nie Weiping.”

²¹ For an excellent discussion of the role of princelings in the Red Guard Movement at the No. 4 School in Beijing, see Liu Huixuan 刘辉宣, “Last night stars and last night wind: Stories of the Red Guard Movement in Beijing No. 4 School” (昨夜星辰昨夜风—北京四中的红卫兵往事) *Folk History* (民间历史) the Universities Service Centre of the Chinese University of Hong Kong, accessed on May 26, 2014, <http://mjsh.usc.cuhk.edu.hk/book.aspx?cid=6&tid=157&pid=3239>.

²² Canada News Net, <http://www.newnews.ca/?action-viewnews-itemid-9342>, September 26, 2008.

²³ Wu Nan 吴楠 and Gao Xiao 高晓, *Xi Jinping and Peng Liyuan* (习近平与彭丽媛), Taipei, Taiwan: Hayek Publishing House, 2013.

²⁴ Ian Johnson, “Dynasty of Different Order Is Reshaping China” *New York Times*, November 13, 2012, p. A1.

²⁵ For a discussion of the roles of these radical Red Guards with princeling backgrounds, see Jiang Yanbei 江岩北, *From Bo Yibo to Bo Xilai* (从薄一波到薄熙来), Hong Kong: Caida chubanshe, 2009, pp. 102–107.

²⁶ Gao Xiao 高晓, “Three close friends: Xi Jinping, Nie Weiping, and Liu Weiping” (“三平”: 习近平、聂卫平和刘卫平), Mirror Net (明镜网), October 22, 2010, <http://city.mirrorbooks.com/news/?action-viewnews-itemid-17652>.

²⁷ Benjamin Kang Lim and Ben Blanchard, “Failure to End China’s Labor Camps Shows Limits of Xi’s Power.” November 6, 2013, Reuters, <http://www.reuters.com/article/2013/11/06/us-china-politics-xi-insight-idUSBRE9A514U20131106>.

²⁸ The author’s interview in Washington, D.C., in February 2014 with a Chinese scholar who went to the same high school as Liu He.

²⁹ For example, Bob Davis and Lingling Wei reported that “both [Xi Jinping and Liu He] were schoolmates in Beijing’s Middle School 101 in the 1960s.” “Meet Liu He, Xi Jinping’s Choice to Fix a Faltering Chinese Economy,” *Wall Street Journal*, October 6,

2013, also see <http://online.wsj.com/news/articles/SB10001424052702304906704579111442566524958>. Wikipedia Chinese also states that Xi Jinping attended Beijing No. 101 Middle School (see <http://zh.wikipedia.org/wiki/习近平>), but Chinese official sources reported Xi went to the Bayi School for his elementary and middle school education and later transferred to Beijing No. 25 School. Also see Wu Ming, *China's New Leader: Biography of Xi Jinping*, p. 572.

³⁰ Several prominent leaders attended Beijing No. 101 School. For example, former vice president Zeng Qinghong, former Politburo member Li Tieying, former Beijing party secretary Liu Qi, and former director of the State Council's Hong Kong and Macao Office Liao Hui.

³¹ For the website of the forum, see http://www.50forum.org.cn/index_home2.asp.

³² For a more detailed discussion of the Chinese Economists 50 Forum and its “revolving door” function, see Cheng Li, “China’s New Think Tanks: Where Officials, Entrepreneurs, and Scholars Interact.” *China Leadership Monitor*, no. 29 (Summer 2009): 10–13.

³³ Lian Zhong 连中, “The inside story about Xi Jinping’s advisor Liu He” (揭秘习近平智囊刘鹤). *Governance Outlook* (廉政瞭望), November 1, 2013. Also see <http://news.sina.com.cn/c/sd/2013-11-01/115228593457.shtml>.

³⁴ Ibid.

³⁵ *First Financial Daily* (第一财经日报), December 12, 2013.

³⁶ Ibid.

³⁷ This author was probably the first one who used that term to refer to Liu He. “Liu He is one of only a few Chinese officials who can speak the language of international finance,” said Cheng Li, a senior fellow at Washington’s Brookings Institution who met Liu in March [2009]. “He’s China’s Larry Summers.” See Michael Forsythe and Dune Lawrence, “Liu He as China’s Larry Summers Makes Politburo Appreciate U.S.” *Bloomberg News*, September 24, 2009, <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aKp9wybwC4HM>.

³⁸ The World Bank and Development Research Center of the State Council, the People’s Republic of China, *China 2030: Building a Modern, Harmonious, and Creative Society*. Washington, D.C.: The World Bank, 2013.

³⁹ Liu Xiaoguang 刘晓光, “Liu He’s internal report: Alert on the rise of populism” (刘鹤内部报告：警惕民粹主义兴起). *Decision-making Reference* (决策参考), November 6, 2013, also see <http://finance.ifeng.com/business/special/fhsd9/>.

⁴⁰ Zeng Peiyan, a longtime friend and confidant of Jiang Zemin, also served as a top leader in the State Council Information Office, the NDRC, and the Office of the CCP Central Financial and Economic Work Leading Group, as did Liu He.

⁴¹ Xi Jinping 习近平, “How I entered politics” (我是如何跨入政界的), *China’s Offspring* (中华儿女), No. 7, 2000; also see <http://china.dwnews.com/news/2012-02-21/58609785-all.html>.

⁴² This view has been widely circulated in the Chinese social media including on Baidu and Tengxun since January 2012. See <http://zhidao.baidu.com/question/1859848115454599427.html>; and <http://www.sydneytoday.com/n/bencandy.php?fid=11&id=99950>.

⁴³ “Details of how Liu Shaoqi’s son Liu Yuan revealed the huge corruption scandal of the military officer Gu Junshan” (刘少奇之子刘源扳倒军队巨贪谷俊山的点滴细节). See

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⁴⁴ John Garnaut, "Chinese General Rattles Sabre." *The Age*, May 23, 2011.

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