

# ISSUE BRIEF

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## Bo Xilai's Fall Is Not Going to Lead to Reform in China

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Before Chen Guangcheng's dramatic arrival at the U.S. embassy, the drama involving Bo Xilai, with near-daily revelations of titillating details and ever more outrageous conspiracies, had made China's leadership appear to be more an Asian version of *Dallas* or *Dynasty* than sober-minded, colorless technocrats focusing on economic expansion. Yet the TMZ-ization of these events reflects a serious gap between many Western perceptions of Chinese politics (and an emphasis on individuals) and the much larger issues at stake.

The Bo scandal is at least as much about the implicit threat of populism to the consensus-oriented leadership policies of the Chinese Communist Party (CCP) as it is the tale of one exceedingly ambitious politician. It reflects the importance of better American understanding of China's leadership structure and reinforces

the need for maintaining consistent policies.

**The Fall of Bo Xilai.** Officially, Bo Xilai, the son of longtime senior Chinese leader Bo Yibo, is charged with "serious disciplinary infractions." Bo and his wife were apparently involved in a range of corruption schemes and even a murder conspiracy. The sudden appearance of Wang Lijun, top police official in Chongqing and longtime Bo counterpart, at the American consulate in Chengdu on February 6 apparently triggered a senior leadership decision to remove Bo, who was already under investigation. Of special note is that Bo's brother has been forced to resign from his position with China Everbright Bank, and his college-age son has reportedly also been ensnared in these investigations.

Bo had already attracted significant attention to himself over the course of his 30-year career. Rising from mayor of Dalian to governor of Liaoning Province and eventually minister of commerce, Bo often behaved more like a politician than a technocrat, including open campaigning for ever higher office—something not done in the Chinese system. Projecting a populist image, he was associated with a number of anti-corruption efforts,

some conducted in conjunction with Wang Lijun. But he was also accused of being as corrupt as those he was investigating and arresting.

Beijing would like to present this entire situation as a tawdry affair of greed and ambition gone awry. The current Chinese emphasis that Bo's fall reflects the "rule of law" in modern China further reinforces the impression that this is a matter of one individual, albeit quite senior, going too far.

But the attacks on Bo's son and wife suggest that more is at work. Other Chinese senior Chinese leaders have fallen from power—just last year, the Chinese Railway Minister Liu Zhijun was charged with massive corruption and forced to resign. But not since the Cultural Revolution have attacks been aimed at entire families; even former premier Zhao Ziyang's children were not targeted, although Zhao remained under house arrest from 1989 until his death in 2005. Moreover, the willingness to call attention to Bo Guagua's luxury cars and flamboyant lifestyle jeopardizes the CCP's overall image, as he is not unique. It also suggests higher stakes are in play.

**Discouraging the Bo Approach.** Bo Xilai's policies, as practiced in Dalian, Liaoning, and Chongqing,

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consistently involve enlisting populist themes on behalf of personal political gain. Bo pushed anti-corruption measures knowing that that this is a key source of popular discontent. Indeed, many “mass incidents,” including the recent ejection of Communist cadre from Wenzhou village in Guangzhou, are rooted in frustration with corruption. Similarly, Bo’s massive public housing program in Chongqing addressed unaffordable housing, which is also infuriating many Chinese. Most intriguingly, Bo may have also exploited regional disparities in his pursuit of personal power. In a meeting with foreign visitors in May 2011, Bo stated that Chongqing was not being treated as a genuine equal to the other provincial-level cities of Beijing, Shanghai, and Tianjin: Previous investment had all been focused on the Chinese coast, and it was now the inland provinces’ turn.

Bo was prepared to pursue openly populist lines in order to build his power base. In this light, Bo’s oft-cited emphasis on Mao-era ideology should be seen more as a reference to the egalitarianism and relative lack of corruption of that period than a genuine nostalgia for Mao’s policies. More disturbingly for the top Chinese leadership, it may also have constituted an implicit threat of popular reaction should Bo not be elevated.

With the passing of the revolutionary-era leaders (primarily Deng Xiaoping), there is no leader with the authority and credibility to firmly reject Bo’s efforts. Instead, the current leadership cohort, divided between princelings (including Bo himself) and “self-made bureaucrats” of the Hu Jintao faction, seems to have been unable to bring him to heel, except through drastic measures.

With the ongoing political transition in the PRC, it is not enough to frustrate Bo; it is essential that anyone else who might think of following the Bo line be dissuaded.

Attacking Bo’s family effectively casts his entire reputation into question. More importantly, it signals potential Bo imitators that they risk not only themselves but their families. Challenges to the CCP leadership’s consensus will not be tolerated.

This response bodes ill for any prospect of political reform. After all, how would one differentiate a policy of anti-corruption measures, popular economic steps, and regional emphasis grounded in genuine concern for the people from one rooted in personal ambition? More to the point, it suggests that reform will occur only if a clear consensus for it can be built—a daunting prospect in the face of factional differences and with no ultimate authority to lend credibility or even adjudication.

In this context, economic modifications might occur if there is sufficient *internal* pressure from flaws in the development model; there is some evidence that at least some PRC leaders recognize the need for a renewed commitment to economic reform. Moreover, any such changes can be justified under the rubric of Deng Xiaoping’s policies of “Reform and Opening.”

But there seems little chance for political reform (e.g., greater democratization). In a divided leadership, each faction would fear disproportionate loss of power and benefits in any reform program. Moreover, anyone who advocated substantive reforms, especially democratic measures, could easily be accused of pursuing populist policies. Bo’s fall may therefore have delayed any possible political liberalization for a decade or more.

## What the US Should Do.

- **Expect More Mixed Signals from Beijing.** If China’s leadership is unable to forge a consensus, it is likely that the various factions will pursue policies and issue statements in an uncoordinated fashion. There may therefore be conciliatory and hard-line policy pronouncements emerging near simultaneously; the Chinese may also seek concessions in order to mollify or weaken supposed “hard-liners.”

At the same time, it is likely that Beijing will be unable to initiate new policies for some time. Washington should therefore use this strategic breathing space to reinforce its position in the western Pacific. This should include strengthening not only military but diplomatic and economic cooperation with both formal allies and friends.

Among other things, the U.S. should expand joint military cooperation with India, do all it can to position the Philippines for effective external defense, and explore the legal basis for deepening military interactions with other Southeast Asian states.

- **Plan for Internal Chinese Unrest.** The worst outcome may be a China that is unable to implement economic or political reforms, leading to substantially more unrest. The number of “mass incidents” is already on the rise, fueled by ethnic tension, frustration with corruption, and victims of environmental degradation.

American policymakers need to take into account the potential of more asylum seekers, especially if there are violent crackdowns on dissidents. Similarly, a common policy is needed on how to investigate Chinese claims against émigrés and defectors of corruption or criminality in order to filter out criminals.

Finally, the U.S. should have clear internal guidance about how to handle potential Chinese defectors who may be unsavory but who possess vital information on Chinese internal developments.

**Expect the Unexpected.** For the U.S., the implications of Bo Xilai's fall mean preparing for a period of greater uncertainty in Sino–American relations, as China's own leadership situation is likely to remain murky. The U.S. should expect and prepare for this uncertainty.

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