

# Xi's imperial presidency has its weaknesses

Tom Mitchell in Beijing

*Paralysis ensues as courtiers try to 'guess the will of the emperor'*

Since assuming power three years ago, Chinese president Xi Jinping has done nothing to discourage the spread of a popular nickname – Xi Da Da or ‘Big Xi’. In addition to literally being a bigger, taller man than his predecessors and peers, the moniker enhances his aura as a strong leader who takes charge and gets things done.

Even Barack Obama seemed to endorse this view during a December address to business leaders. The US president noted that since becoming head of the Chinese Communist party in November 2012, Mr Xi ‘has consolidated power faster and probably more comprehensively than anyone since Deng Xiaoping’, adding that ‘everybody’s been impressed by his clout inside China’.

While Mr Obama was in fact citing Mr Xi’s rise as part and parcel of a more assertive nationalism that worries China’s neighbours, to Beijing officials it was more validation of the Communist party and Chinese government’s ability to act, from speed-building infrastructure to projecting military power across the Asia Pacific region.

But in recent weeks there have been suggestions that Mr Xi’s imperial presidency has its downsides as well. In particular, his leadership style can give rise to a kind of policy paralysis as officials try to ‘guess the will of the emperor’, as a Chinese adage puts it. Some believe this was in evidence during the government’s initially unconvincing response to China’s recent stock market sell-off.

‘People are afraid of the big man and everyone is trying to guess what he is thinking,’ said one investment strategist, who asked not to be identified. ‘The problem is that the policy-making mechanisms are not working. Everything is top-down. When you wait for Moses to come down from the mountain, you can wait for a long time.’

During the government’s initial attempt to stabilise the markets, Premier Li Keqiang and the State Council presided over a grab-bag of measures that culminated on July 5 with a statement by the market regulator that the central bank would provide brokers with liquidity.

But the markets continued to fall for three more days before the central bank finally broke its silence and the government banned large shareholders from selling shares. To some analysts paid to peer into the black box that is elite Chinese politics, these belated responses suggested that an altogether more powerful body than Mr Li’s cabinet – the Communist party’s Leading Group for Financial and Economic Affairs, headed by Mr Xi – had finally knocked heads together after 72 hours of drift.

‘Sometimes [the government] acts kind of like a bumbling idiot,’ said another analyst. ‘Like with the stock market, that was not China in control. Initially it was a kitchen-sink approach.’

China’s markets did eventually stabilise, but only after the extraordinary intervention raised questions about Mr Xi’s commitment to difficult economic reforms.

It was not the finest hour for a man who had previously put hardly a foot wrong as he deftly projected both hard power in the form of a ruthless anti-corruption campaign, and soft power via mechanisms such as the well received Asian Infrastructure Investment Bank.

Mr Xi's tougher-than-thou leadership style can have drawbacks in policy areas well beyond market regulation, such as the South China Sea. Here China's projection of power involves a host of actors, from the military to fisheries administrators, who are obsessed with divining the president's will and acting accordingly.

In this case, at least, there is no question about the direction of travel. But Mr Xi's aggressive posture is so clear that it instead gives rise to another problem – how to restrain bureaucratic interests who might go even further than he intends, especially when reining them in could be interpreted as a sign of weakness.

That seemingly happened when a Chinese oil rig entered contested waters near Vietnam last summer, sparking deadly anti-Beijing riots across China's erstwhile Communist ally.

“Xi Jinping's style across the board is demonstrably bolder, more ambitious and more risk-tolerant,” says Yanmei Xie at the International Crisis Group, adding that as a result few have the courage to call for restraint.

As Ms Xie quotes one PLA analyst as telling her: “Analysis in China means validating what the leader thinks and proving how smart he is.” Mr Xi may soon discover, willingly or not, that humility too has its uses.