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## Xi Jinping's New Era

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Jenny Teng is senior fund manager in the equity team of Erste AM. Born in China she is employed since 2008 at ERSTE-SPARINVEST and responsible for the Asian equity markets.

Certainly, the National Congress of the Communist Party of China held every five years in Beijing is an important political event, but this year's Party Congress was a milestone. It marked that a new era has begun in China. President Xi Jinping cemented his power further as China's paramount leader, a leader, who might rule the country on the coming decade, a leader, who has high ambitions.

Xi Jinping, born in June 15<sup>th</sup> 1953 was rather unknown in China and for the rest of the world before he assumed power in 2012. As son of a high-ranking Chinese Communist Party official, Xi was considered as one of the "princelings" and supposed to rise within the party due to good family connections. His life changed dramatically when his father was jailed in 1968 during the Cultural Revolution. At the age of 15 Xi, like other tens of millions of "sent-down youth", was sent to a remote farming village doing hard physical works. He spent seven years in the village and grew up from a boy to a man. Another turning point of his life came in 1974, when Xi after nine unsuccessful attempts, was finally accepted into the Chinese Communist Party. He

started his political career as the Party Branch Secretary of the village and from there marched through several ranks of the Communist Party to the peak of power.

Xi showed his high ambitions soon after he became the leader of China. During his first five-year term starting in 2012, Xi unveiled his vision for China: a great renaissance and a more prominent international standing for the Chinese nation; better education, healthcare, pension system, stable jobs, higher income, better life quality and environment for the Chinese people. His vision is referred to as the “Chinese Dream”. Unlike his predecessors playing down China as a developing and poor country, Xi calls China a “great power”. Xi also consolidated his personal power through a relentless anti-corruption campaign. The campaign has seen more than one million officials disciplined 440 of them at ministerial rank or above, including many Xi’s political rivals.

Five years later, Xi further strengthened his position and received overwhelming endorsement of his authority from the 19<sup>th</sup> National Party Congress. Most members in the new Standing Committee of the Politburo announced on 25 October 2017 are Xi’s supporters. Xi’s full name has been included in the Communist Party constitution, matching his status to the former legendary Communist Party leader Mao Zedong, who united China in 1949. It shows that Xi has accumulated enough support in the Party to carry out his plans to achieve the “Chinese Dream”. In his three-and-a-half hour marathon speech on the opening of the Party Congress, Xi announced a “new era” in China and outlined a specific timetable for China’s development: from 2020 to 2035, China will become a “fully modern country”; from 2035 to 2050, China will become “a global leader”. It is reasonable to assume that China will be more active in international and domestic policies in Xi’s second term.

While some celebrate Xi as China’s strongman leader, others accuse him of developing a personality cult. No matter which side one agrees with, the fact remains that Xi has become China’s most authoritarian leader since Mao Zedong and is expected to shape China in the coming years.

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