

China Personnel

Beijing Elevates New Technocrats

Following the kickstart of institutional reforms of the Chinese Communist Party and central government during the annual meeting of the National People's Congress (NPC) last March, Beijing has been installing a new cohort of technocrats into key positions.

January 29, 2024

Hutong Team
HQ@hutongresearch.com

China's new data regulator takes shape

On 26 January, the State Council appointed **Xia Bing** as a deputy director of the National Data Administration (NDA). A veteran of China's state-owned telecommunication sector, Xia spent his entire career at China Mobile and China Telecom, most recently as the latter's deputy general manager.

Analysis:

- Xia's move to the NDA follows last July's appointment of inaugural director Liu Liehong, who had been China Unicom's chairman since 2021. Liu also held leadership roles at the Ministry of Industry and Information Technology (MIIT), Cyberspace Administration of China (CAC), and the state-owned China Electronics Corporation (CEC) and China Electronics Technology Group Corporation (CETC).
- Two other NDA deputy directors who have appeared in earlier media reporting are Chen Ronghui and Shen Zhulin. Chen was a head of Fujian province's big data bureau and general manager of state-owned Fujian Big Data Co., Ltd., which is responsible for the development of digital economy, digitalization, and related investments.
- Shen had spent his entire previous career at NDA parent National Development and Reform Commission (NDRC) and has been a key proponent for digital economy, a national strategy for big data, and investment in computing power.
- These appointments align with NDA's mandate in building data infrastructure and fostering a robust ecosystem in which China's data resources can be utilized. The appointment of telecom veterans will facilitate coordination between the NDA and the state-owned telecom operators, which are among China's largest data possessors.
- Notably, none among the NDA top leadership revealed thus far comes from the CAC—Beijing's leading coordinator on cyber- and data security—despite the CAC's handover of data-related functions to the NDA. This is likely intentional, as Beijing seeks to send a clear message to the market that the NDA will focus on development of data as a production factor, while CAC will focus more narrowly on data's security aspect.
- Being established from the ground up, the NDA yet lacks a formal structure. Rather, it
 is currently composed of five working groups <u>covering</u> general affairs, data factor (data
 as a production factor), digital economy, data infrastructure, and public data.
- The general affairs working group is <u>led</u> by **Song Xianrong**, a former CAC section chief who also worked for years on informatization at the MIIT. The data factor working group is <u>led</u> by **Luan Jie**, a former NDRC section chief on digital economy.

- This configuration suggests that the NDA could operate more efficiently, at least at this initial stage. Moving forward, we expect Beijing to roll out rules and regulations on data governance much more quickly.
- This more technical approach to national data policy is not being mimicked at the provincial level, likely due to a lack of available talent. Over half of China's provinces have established their own data agencies, but these are led mostly by officials from provincial development and reform commissions who lack strong technical background.
- A key metric for the execution of data policy in China will be the ability of these less technical, local technocrats accurately to interpret policies issued by the NDA's more tech-savvy leadership.

A new approach to internet propaganda

This month, **Dong Xin** was appointed deputy director of the National Radio and Television Administration (NRTA). He had spent the entirety of his career at China Mobile, most recently as general manager.

Analysis:

- Last May, Cao Shumin was appointed as Central Propaganda Department deputy head and NRTA director. She is an electronic engineer by training and earned bachelor's and master's degrees from Beijing University of Aeronautics and Astronautics. Cao is the first head of the NRTA and its forerunners to have such a strong technical background.
- Cao is a renowned ICT expert who played a crucial role in China's development of 4G. She had headed the China Academy of Information and Communications Technology (CAICT)—the country's leading ICT research house—before her selection in 2016 as mayor of Yingtan, Jiangxi province, in a central-local cadre transfer program. In her two years in Yingtan, Cao became a key local proponent for the development of smart-city and IoT technology.
- The appointment of two NRTA leaders with such solid technical footing is highly unusual and could signal a change in Beijing's approach to managing the broader internet sector, including data, cybersecurity, content, and ideology. For decades, it had been predominantly controlled by the Party's propaganda apparatus, manned with cadres with little or no technical background.
- Beijing needs more engineers leading its propaganda machine to keep up with the fast-evolving internet sector, as industry players employ AI and other frontier technologies to generate content and shape public discourse. Old-fashioned propaganda cadres can no longer govern effectively.

Beijing gets serious with anti-corruption in healthcare

On 20 January, **Zhang Ke** was appointed as party secretary of the National Healthcare Security Administration (NHSA). Earlier, he was deputy auditor-general of the Party's Central Organization Department and responsible for the auditing of all central state-owned enterprises (SOEs), state-owned financial institutions, and the social security system. Zhang

also oversaw these entities' overseas assets as well as China's international aid programs.

Analysis:

- Zhang is all-but-guaranteed to become the NHSA's next director, pending State Council approval. As an outsider with extensive experience in auditing but no prior direct links to the NHSA, this appointment signals Beijing's intention to continue its all-important anti-corruption campaign.
- Thang's appointment closely aligns with priorities set by the Central Commission for Discipline Inspection (CCDI) in its latest plenary session on 8 January. The <u>readout</u> therefrom identified healthcare and pharmaceuticals as new focal points for the anti-corruption campaign in 2024, alongside universities, sports, tobacco, and statistics. None of these were mentioned as priorities in the same <u>document</u> from 2023.