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Title: China's Ex-Premier Li Keqiang, a Reformer Sidelined by Xi, Dies.**Source:** Bloomberg.com. 10/27/2023, pN.PAG-N.PAG. 1p.**Database:** Business Source Premier**China's Ex-Premier Li Keqiang, a Reformer Sidelined by Xi, Dies**

(Bloomberg) -- China's former Premier Li Keqiang, who gained a reputation as a reformer but later found himself sidelined by President Xi Jinping, died of a heart attack just months after stepping down as the nation's No. 2 official. He was 68.

Li passed away in the early hours of Friday in Shanghai after all rescue efforts failed, according to a statement posted on the government's website. His death sparked a huge outpouring of grief on Friday on China's tightly controlled internet, with most comments expressing shock and sadness over his passing.

"Rest in peace, people's premier," one top comment said on microblogging platform Weibo, where the news was viewed some 1.3 billion times.

A trained economist who once rivaled Xi for the nation's top job, Li championed pro-market reforms and extolled the benefits of a more liberal economic vision while steering the world's second-largest economy through a trade war with the US, a property crisis and the coronavirus pandemic.

But his influence steadily declined over his decade as head of government, with Xi taking over key responsibilities traditionally reserved for the premier as he amassed the most power in China since Mao Zedong.

Xi's push to shape economic policy was a harbinger of a bigger shakeup in the Communist Party that played out last year, when he secured a precedent-defying third term. Despite being eligible to stay on the seven-member Politburo Standing Committee, Li was left off China's most powerful body and replaced as premier by a Xi ally, Li Qiang.

"Some are suggesting that Li is a symbol of a bygone reform era," said Richard McGregor, senior fellow for East Asia at the Lowy Institute in Sydney who has written several books about Chinese politics, including *The Party*. "He is more a symbol of the Xi Jinping era, in which putative reformers like Li were sidelined and stripped of agency, even though he was ranked number two in the party hierarchy."

The son of a minor Communist Party official, Li was born in Anhui province in central China in July 1955. During the Cultural Revolution he was sent to work in the province's countryside, spending several years doing manual labor while becoming his unit's party branch secretary.

His reputation as a relatively liberal official took hold in the 1980s, when he translated English works on constitutional law by a British judge. Li later studied for a doctorate in economics under one of China's leading advocates for market reform.

Seen as a protege of former President Hu Jintao, Li was a member of the Communist Youth League. That put him in a different camp of the ruling party to Xi, who belongs to an elite class of well-connected revolutionary families.

Li's political rise came via challenging stints as party chief in both the central province of Henan and Liaoning in the northeast. In Henan, he oversaw strong growth, although his tenure was marred by a blood donation scandal that infected rural residents with HIV.

In Liaoning, Li used electricity consumption, rail cargo volume and bank loans as proxies for growth, a method that became one of his trademarks. The Economist created the Li Keqiang Index to measure the nation's economic growth based on his three preferred indicators.

After losing out in 2012 to Xi for the chance to rule the Communist Party, Li became China's first premier with an economics doctorate, and went on to carve out a policy platform based on cutting red tape and taxes on business.

Likonomics

Early in his tenure, he cracked down on extravagant spending to rein in an economy dependent on investment following a massive government stimulus in 2008 that he helped design. His policies were dubbed Likonomics by economists — a phrase that took hold. As premier he also championed "new style urbanization," which encouraged city growth to be linked with the provision of employment and public services.

As Xi moved key economic policy decisions to a series of party committees led by himself and a trusted economic aide, Li spent much of his time responding to crises such as natural disasters — tasks that allowed him to develop a more personal connection with the public.

In 2020, Li set off a nationwide debate on poverty alleviation when he reminded the public that two-fifths of China's population earned just 1,000 yuan a month on average. "It's not even enough to rent a room in a medium-sized Chinese city," he said during the annual national parliament meeting in May.

Last year, when China's economy ground to a halt due to stringent Covid controls, which eventually sparked rare nationwide protests, Li repeatedly urged local officials to better balance economic growth with pandemic controls. In an emergency meeting with thousands of local officials, Li warned of dire consequences if they didn't move decisively to prevent the economy from sliding further.

But while other economic leaders have continued to influence policy after stepping down, Li did not seem to hold enduring sway.

"There were rumors he would play some behind the scenes role after leaving office," said Josef Gregory Mahoney, a politics and international relations professor at Shanghai's East China Normal University. "But that never seemed to materialize."

'Marginalized by Xi'

On Friday, users paid tribute to Li on China's internet, with many highlighting his comments on poverty. Others shared his remark that "once China's door is opened, it will never be closed again" — a statement that stands in contrast with the nation's widening divisions with the US and Europe as Xi's power expands.

Li's moves to push financial market reforms and capital account liberalization made him an ally to reform-minded technocrats in China, according to Eswar Prasad, former head of the IMF's China division who's now an economics professor at Cornell University.

"He seemed well attuned to the many challenges and hidden dangers the economy faced and did his part to keep growth on an even course," Prasad said of Li. "His legacy will, however, be limited on account of his having been marginalized by Xi Jinping."

--With assistance from Xiao Zibang and Lucille Liu.

(Updates throughout.)

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