

Xi Jinping and Chinese Power

Richard McGregor

Senior Fellow, Lowy Institute, Sydney
richardpmcgregor@gmail.com

In recent years Australia-India relations has been popularised by Australian politicians as one sharing the three common interests of cricket, curry and commonwealth or the 3Cs. In reality, the three most common interests shared by Australia and India would be cricket, curry and China. Every country has their own distinct way of conducting relations with China guided by their particular historical framework. Peter Varghese describes China's rise as "waves" that can be seen on the horizon but cannot be measured in terms of time and impact. In recent past there has been much speculation about China's rise in the west and elsewhere. While most of these perceptions have been proved wrong, even the ones that were correct did not fully grasp China's rise under Xi Jinping's leadership. Against this backdrop, this paper is broadly divided into two sections. The first section attempts to understand Xi Jinping and his leadership style. The second section addresses the question of whether Xi Jinping represents continuity, disruption or continuity through disruption.

Reform for China and the West means two different things and this is something the Western world has not fully realised.

Why is Xi, Xi? Understanding Xi Jinping's leadership style

The West's perception about China's rise has, by and large, been proved incorrect. Even the few who were right about China's rise struggled to grasp Xi Jinping's leadership approach. Many of these analysts and scholars were right in understanding China's political and economic system but none could comprehend Xi Jinping's persona as a leader. Confusion in understanding China's political system is not surprising for several reasons, the most evident reason being Western core-conceptions. Mainstream foreign analysts tend to confuse CCP's convictions about governing their country with west's views of reforming China. Many have still not been able to understand that China is neither aiming to be like the Western; nor is it aspiring to be like one of the traditional western powers. Reform for China and the West mean two different things, and this is something the Western world has not fully realised. Many believed that as China's economy strengthened, it would become more open and eventually liberalise. In terms of strategy, it wasn't a bad strategy to follow. Just look how aggressively the CCP responded and pushed back against it. In fact, they worked hard to nullify it using their propaganda campaigns.

It is also difficult for the west to understand China because of the contrasting nature of the

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political system in the west and in China. Take the US as an example: it is axiomatic how the US is vastly over-reported while China is vastly under-reported. This difference was further accentuated during the Trump era. With Trump in power, we have radical transparency. In contrast to this, in China there is a practice of radical opacity. Since the CCP is a traditional communist party, it is habitually highly secretive. In the Xi Jinping era, the emphasis on secrecy has been intensified. To give you one example, recently, a Japanese academic who was invited to visit China by CAAS was detained for breaching national security. His crime was buying books in second-hand bookstore about KMT Nationalist Party rule in China in the 1930s.

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Take the example of Hong Kong. There have been instances of daily/weekly mass protests for the last six months some of which turned violent. However, for three whole months, Xi Jinping didn't utter a single word in public about the protests. This speaks volumes about the political system, that he can stand back and say nothing. Such instances give rise to more and more speculation about China. Judgements or misjudgements about China did not matter much in the past when it was not as powerful as it is today but that is no longer the case.

What's equally interesting is how most Chinese perceptions about Xi Jinping were wrong as well. In 2012, when Xi Jinping was nominated to be the successor of Hu Jintao, the entire process was closed, as is traditional with the CCP. There have been some signals that he might get the job, such as his elevation to party secretary of Shanghai in 2007. Some foreigners had also picked Xi Jinping as the man to watch for, like Hank Paulson. He was seen as an open-minded and like-minded partner with which the West could do business with. Nobody at the time – in 2007, when he was nominated to succeed Hu Jintao – thought that Xi Jinping would be the man who would turn the Chinese political system upside down, that he was the

new strongman who would completely recalibrate the Chinese system. It was beyond imagination of anyone at that point of time that Xi Jinping would be a leader who would not be the first among his equals in the Politburo Standing Committee, but a strongman standing alone. Neither did anyone foresee the extent of his anti-corruption campaigns. Nor did they expect Xi Jinping to end the system that made him the president in perpetuity. In fact, at the time of his nomination, Xi Jinping's candidature was seen as a 'compromise' between two factions. No one expected his Presidential term to result in the end of one of CCP's greatest achievements – the peaceful handover of power from one party leader to the next.

Broadly, there were two factions – the 'Shanghai gang' and the outgoing faction 'the China youth league'. Xi Jinping's candidature was acceptable to both and to the party-elders as well (His background helped him in that respect). But no one had foreseen his mandate to tighten the system. In fact, he did not come with a mandate to do the things he has done. There are a number of reasons how a candidate chosen as a compromise between two factions could become such an uncompromising leader.

In order to understand the reasons for this, there are a number of things that needs to be looked into. In this respect recalling the Bo Xilai case and the Zhou Yongkang case is helpful. The main stated reasons for these two senior leaders to be expelled from the CCPP and stripped of their positions was corruption. A corruption case is what usually follows in case a member is found to breach party discipline. That was the official account of the Bo Xilai and Zhou Yongkang cases. However, there is another account of these two cases that have been backed by conversations with the people within China, and the state media – that Bo Xilai and Zhou Yongkang were trying to mount some kind of internal coup against Xi Jinping. In other words, what appears to have happened is Xi Jinping after having come to power was furious when he found some senior members of the Politburo conspiring against him. Additionally, such a threat triggered broader concerns within the Communist party – fear that the pillars of the party power, the SOEs, various departments and everything else - were crumbling.

By the end of the two five-year terms of Hu-Wen administration, a lot of anger was felt amongst the Neo-Left/Neo-Maoist because they believed China was not responding strongly to outside aggression and that China suffered from a 'weak nation' psychology. While 2008 Olympic Games in Beijing was viewed by most people as a great triumph, Neo-Left/ Neo-Maoist saw it more as a sign of weakness. Tellingly, when Xi came to power he did not bask in the glory of leading a strong nation, instead he sent all the officials, once again, to go back and study the fall of the Soviet Union. It is a known fact that even in the early to mid-90s, Chinese officials were asked to do the same: study what had happened in the Soviet Union. Despite the fact that the Chinese economy had grown twenty-four fold since then and was successful on every front for all the problems they faced, every cadre had to go back and study once again on the Soviet Union. Xi Jinping's speech given in Shenzhen in 2012 further clarifies this point further:

"To dismiss the history of the Soviet Union and the Soviet communist party, to dismiss Lenin and Stalin, to dismiss everything else is to engage in historic nihilism". As the old saying goes, "China might have rid itself in the reform period of many of its scriptures but it made sure to hang on to its saints". Xi believes in the centrality and indeed the supremacy of the party. He believed that it was under threat therefore he came to office accompanied with a lot of frenzy. In fact, his work during the first 100 to 200 days in office cannot be matched by any other Chinese leader since 1949.

Does Xi Jinping represent Continuity, Disruption or Continuity through Disruption?

While assessing continuity versus disruption in Xi's policies, there is a number of evidence that backs the notion: 'Xi- the disruptor'. Overturning party norms, keeping himself in power, ignoring China's long-standing positioning of maintaining a low profile globally, and challenging the US are some of the examples that help support this notion.

Having said that, in many policy areas, domestic as well as foreign, Xi represents continuity as much as he does disruption. In fact, the two go

hand in hand. Xi is much like the prince in the fabled Sicilian novel 'The Leopard', who says the only way to maintain his family's power is to upend the existing social structure. As a famous quote in the same book goes, 'Everything needs to change so that everything can stay the same'. To give a few examples – Xi built massive islands in the South China Sea in order to flex his military muscle by having his navy challenge any foreign ships which sail nearby. He unilaterally declared the Air Defence Zone near Japan and South Korea. This was something that the PLA had suggested Hu Jintao to do but Hu Jintao had always resisted doing it. None of these policies were new; Xi simply had the boldness and ability to implement them. Looking back in time and comparing Xi's coming to office with that of Hu Jintao's, China has been able to deal more assertively at present than they could in the past. In 2001, China had just joined the WTO.

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All the predictions about China failing has been proved wrong. For instance, the primary theme of the famous book title "The Coming collapse of China" was the belief that China and the Chinese companies would collapse when they faced competition from the global economy. This turned out to be wrong. China's stands on issues relating to South China Sea and Taiwan have definitely been more assertive but they don't represent new positions. . Xi Jinping is not pursuing new policies per se. However, since he is capable of pursuing new policies, a clearer view about China's intent is seen. This partly represents continuity through disruption.

How has Xi pulled this off? He not only believes in the party, he believes in the power of the party and most importantly, the executive power which resides in the hands of the party secretary. He believes that they should be able to use the executive powers if they choose to use it. The anti-corruption campaign is a classic example in this regard. If one wields such powers effectively, a leader can effectively do as he pleases. Obviously, within China, as far as

bureaucracy is concerned, it is more difficult to judge the long-term impact.

All of the factors have led to a situation where China has a leader who is under a lot of pressure.

Talking about the anti-corruption campaign, there are two important point of views on it. The first view is that it calcifies the bureaucracy and makes officials fear making decisions. The second point of view is that of party central, which believes that the anti-corruption campaign was a fantastic policymaking weapon, particularly in economic policymaking because one could finally get things done, with fewer local obstructions. . Xi Jinping, has been disruptive within the system and has been a fearsome leader within the system. As a result, he has made a lot of enemies. To put it simply, Xi has earned good and bad enemies. The bad enemies are the victims of the anti-corruption campaign. Though there are only around 400 people in this category, one has to keep in mind that each of these people have a lot of money and have a vast network of equally rich people to support them. Multiply them by 100, and you have a lot of powerful people who have been put offside. Each senior official who has been toppled have people who are willing to invest money on their behalf, people who invest money alongside them and family members who are part of various networks. This sort of calculation is important not only in this particular case but also in every political system. Not considering these numbers means failing to take into account a huge number of powerful enemies that Xi has made. Such enemies will bide their time to get their revenge. As seen in most big political campaigns since 1949, such enemies can come back after many years to take their revenge.

The good enemies include technocratic elites who are angry with the government because the space for civil society, rights lawyers and media has been rolled back. There is also resentment among them because the economic policies are focused on the state instead of the private sector. The good enemies also include Chinese nationals who are against BRI. Criticism of the BRI from outside China have helped these

people inside China to a considerable extent. The root cause of all these problems however orbit around one big policy decision which many are against – the refusal to appoint a successor. This issue is likely to come back in 2022 during the next party congress. Since Xi Jinping has been disruptive within the party, it is quite dangerous for him and the people supporting him in case he steps-down in the future.

All of these factors have led to a situation where China has a leader who is under great pressure. Internal pressure when the economy is facing a natural slow-down due to the deliberate policy of deleveraging is significant to CCP's future. The US-China trade dispute is adding to the pressure as well. Additionally, signs of financial instability such as the first closure of a bank in July and a record number of bond defaults have been visible. All of this while China is at the cusp of demographic crunch. In the next 20 years China is expected to lose about 170 million people belonging to the working age population. During this period in the future, China has done well but not as well as it would have liked. In other words, China is getting old before it is getting rich.

Apart from political and economic concerns at home, concerns over Hong Kong and Taiwan's upcoming elections are equally trying. There is backlash overseas. It is not just Australia; everyone around the world is repositioning themselves on China, most importantly the US. When the first round of tariffs was imposed by Trump on China, his tactics was working quite well. He quite successfully destabilised the Chinese leadership that did not how to handle him. When Trump imposed a second round of tariffs, the Chinese leaders were put in a corner. The Chinese have since realised that it is pointless doing a big deal with Trump. When one looks back at this year in history, the meeting of the Politburo in May to consider the draft deal document with the US could be one of the most significant moments. The document was about 150-160 pages long and at the end of the meeting it had been cut in half and sent back to the Americans. This was when the talks fell apart. Speculatively, there has been quite an unusual amount of briefing about what happened in May when the Chinese decided that they could not go through with such a deal.

Liu He, was the handpicked negotiator on behalf of Xi Jinping who came to the Politburo to report on the deal. There was an uprising in the Politburo which Xi Jinping got wind of. Allowing the proceedings meant allowing the members of the politburo to turn on Liu He. If this is true, Xi Jinping was first amongst equals in that gathering. It was not a Politburo under the rule of one person. This being the case, this particular moment can be considered as the

moment when Xi Jinping had his wings clipped and came back to work more closely with his colleagues. If that is the case, then the default mode of the Politburo is neither to be more accommodating to the West, nor to be less nationalistic but to be the exact opposite of it. In other words, if you come at Xi with a more nationalistic posture, you can gain you brownie points within the system.

The views expressed here are those of the author and not necessarily of the Institute of Chinese Studies.

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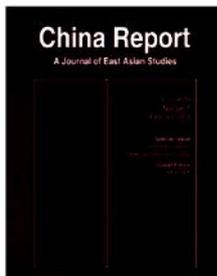


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INSTITUTE OF CHINESE STUDIES

8/17, Sri Ram Road, Civil Lines,
Delhi 110054, INDIA

T: +91 (0) 11 2393 8202

F: +91 (0) 11 2383 0728

<http://www.icsin.org/>

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