

Essay

A Troubled China and Asia's Growing Anxiety

Sujit Dutta

Two broad political trends distinguish the past decade of Xi Jinping's authoritarian rule in China. The trends appear mutually inconsistent but nonetheless have coexisted and define the current era in China. The first is a triumphalism about China's relentless rise as a rival global power to the US that has been prominently propagated by Communist Party General Secretary Xi Jinping and the Party elite and has fed an increasingly ultra-nationalist ideology, coercive diplomacy and expansionism that constitute the most serious threat to Asia. The triumphalism is based on large advances in Chinese GDP and several frontline technologies such as Artificial Intelligence, its manufacturing capacities and centrality in global supply chain. Its rapid and massive military build-up with an intention to secure its expanding economic and strategic interests intimidate all its neighbours.

The essence of the message China has tried to convey is that it has arrived as a global power and must get the respect of other leading powers and obeisance from lesser powers in the international system. Specifically, China expects its 'core interests' – securing its expansive and unilateral territorial claims on land and sea -- to be conceded. Both Hu Jintao and Xi Jinping formally—and in the end, unsuccessfully -- proposed global power sharing to the United States where each would accept the other's 'core interests'—a flexible and expandable term – and result in a revamped, cooperative 'bipolar' imperial order. Thwarted, it has hit out in all directions, amid a global pandemic crisis when all states were struggling to save their people and their economies. Repression at home and military actions abroad—against India, Japan, the Philippines, Vietnam,

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and steady occupation of the South China Sea isles and waters, and threat to forcibly occupy Taiwan – have become China’s markers of rise as a power.

The other trend, ironically, is a deep sense of brewing internal crisis and external setbacks -- of a looming siege. The November 2021 Party Resolution adopted at its sixth Plenum indicates an organisation that is not fully in unison behind the leader’s stated mission and policies. A restive society facing multiple problems and challenges have come to characterise Xi Jinping’s much hyped ‘new era’. The response has been a concentration of all power—political, military, economic -- in the hands of Xi, enabling him to initiate a series of political ‘struggles’ against his perceived opponents, dissidents, political re-education and stabilisation campaigns, and establishment of a dystopian surveillance state that leaves no scope for individual rights, privacy, or security. In the name of ridding the Party of corruption and enabling Xi to achieve the China Dream of national rejuvenation, the Communist Party leadership -- with a majority in the Politburo Standing Committee handpicked by Xi himself – has, in fact, given him these powers. By setting aside the two-term and 70-year age limit on leadership posts, the CPC has not only paved the way for the exercise of untrammelled power by Xi, it has also severely negated the vital gains from the rules that Deng Xiaoping and the post-Mao reformers had enshrined in the Constitution to ensure a regular and peaceful transition of power and prevent a perpetual one-man dictatorship as under Mao that had devastated China for three decades. The all-powerful Party-state is no more certain that without such unrestrained political authority of its leader, the Party’s rule would be secure, and Xi’s stated mission would be attained. Since he rose to power the number of times Xi has reminded the People’s Liberation Army (PLA) that its principal task is to protect the Party rule, are a veritable testimony to the social disaffection and the Party’s fear of protests and turmoil.

Despite the huge expansion of the economy and rapid industrialisation through the past two decades, social tensions are growing. Many segments of society – intellectuals, professionals, lawyers, workers, peasants -- suffer from alienation and anxiety because of falling growth, job losses and growing restrictions on expression of genuine grievances. Limits on dissent, absence of basic freedoms of expression and collective action, and rule of the Party cadres rather than rule of law have always been a feature of Communist rule in China, even in the post-reform period. But this has been acutely aggravated by the sweeping censorship of all printed and internet

content, including social media, and the deep penetration of society by an all-encompassing surveillance state. As wages have risen, and labour-intensive manufacturing is becoming less profitable and competitive, the debt-fuelled investment strategy has reached its limits, reflected in the collapse of real estate giants such as Rio Grande. A consumption led 'dual circulation' economy is yet to take off, and the economic model has begun to lose its sheen. The impact of the Covid-19 pandemic that began in Wuhan -- whose origins the Party has deliberately suppressed- and an expansive lockdown strategy that China has pursued to contain it has further bruised the economy and the society.

A Troubled Communist Party in its Centenary Year

The Xi led Party command recognised the problems and the challenges the country and the Party face in the important 6th Plenum document adopted in November 2021. Called the "CCP Central Committee's Resolution on the Major Achievements and Historical Experience of the Party's 100-Year Struggle"¹, the document draws attention to key problems that need to be addressed by a strong, united, nationalist leadership. As is to be expected, it does not blame either the current or the previous leaders under whom many of these problems developed or analyse their causes; instead, it underlines them as the rationale for Xi's authoritarian leadership and term extension. Nonetheless, the resolution is important for understanding the Party's concerns.

Among the crucial issues highlighted are a lack of party discipline, absence of effective governance at provincial and lower levels, and "weak, ineffective, diluted, and marginalized efforts in implementation" of the Party's policies. The Resolution says, "the Central Committee's major decisions and plans were not properly executed as some officials selectively implemented the Party's policies or even feigned agreement or compliance and did things their own way." As China scholar Joseph Fewsmith points out: "Lower levels doing things their own way has been a long-standing issue because local officials either have their interests or need to deal with local problems that are very different from those envisioned by central leaders. Nevertheless, to raise this issue as sharply as the document does suggests that many leaders are passively resisting at least some of Xi Jinping's policies".²

The Resolution further states that for some time after the reform and opening began, there has been "a blatant culture of formalism, bureaucratism, hedonism, and

extravagance, and a prevalence of privilege-seeking attitudes and behavior.” It is clearly a reference to the two-decade period of Jiang Zemin and Hu Jintao following the 1992 reforms and opening when corruption and abuse of power within the Party, and social inequality had sharply grown even as China was rapidly modernising and recording high growth rates. The Resolution, further states that during the phase “some officials engaged in cronyism and ostracized those outside of their circle.” It notes that “such misconduct, interwoven with political and economic issues, led to a startling level of corruption that damaged the Party’s image and prestige and severely undermined relations between the Party and the people...” Yet, such acute problems, especially corruption, have clearly not gone away even under Xi for all the campaigns, arrests, sackings and clean ups. The Resolution states, “corruption is the greatest threat to the Party’s long-term governance.” In other words, corruption persists within the Party at all levels.³

The problems of the differences and divide between central and local authorities, indiscipline, factionalism, institutionalization and corruption, that the Resolution underlines have been persistent issues within the Communist Party. The Resolution states that the Party is opposed to “the selection of officials solely on the basis of votes, assessment scores, GDP growth rates, or age, or through open popularity contests.” The Party’s policy now is to select and promote honest and committed cadres that adhere to the Party’s organizational line. In the run up to the 19th Party Congress many officials were retired or purged while two or more promotions were granted to some, mostly with close ties to Xi Jinping. Such exercises are likely to worsen the tendencies that the Resolution is criticizing. But just as finding honest and disciplined cadres favoured by the Party leader does not address the issues of corruption or non-implementation of the Party line, increasing centralisation in selection of officials, politically favoured promotions and purges could further alienate, demoralise and marginalise many dynamic and effective local cadres that are seen as not toeing Xi’s leftist line, as Fewsmith observes. The Party’s problems of factionalism, lack of local initiative and poor implementation can only grow.

Since purges, scrutiny of cadres, disciplining and selection of honest and politically loyal cadres, and more centralised control have not stemmed the tide of corruption and other problems, the reasons for what is described as the ‘greatest threat’ clearly are deep rooted and to be found elsewhere. It is perhaps ingrained in the very

authoritarian institutional structure of the Party, its monopoly over power, the acute concentration of powers in the hands of the top leader and his handpicked loyalist cadres, the sycophancy that this promotes, and the absence of checks and balances, freedom of expression and the rule of law. But the Party Resolution does not and cannot discuss them.

Party-Military Relations

The Communist Party's control over the military has been significantly strengthened since Xi took over as the Chairman of the Central Military Commission (CMC) that heads the Chinese armed forces. Under Xi's direction a sweeping restructuring of the PLA was carried out in 2015. It was the most significant overhaul of the PLA since 1949 -- the year the People's Republic was founded by the Communist Party, and aims to transform the military doctrine, organisation, and approach to meet the challenges of warfare in the 21st century. The organisational changes included the establishment of three new services; the merger of the seven military regions into five war zones; and an expansion of the CMC to include 15 departments, subordinate commissions, and offices. The allocations for the military have risen steadily, crossing over 200 billion dollars in 2021—second only to that of the United States, and significantly larger than those of Russia, India, and Japan.

The organisational changes and emphasis on modernization are only one dimension of Xi's work within the military. He has been deeply concerned about weak Party leadership over the PLA, rampant corruption among the high officers, and loyalty to Party line. Since he came to power in 2012, Xi has repeatedly emphasised that the military should work under the party leadership and not as a separate entity of the government. In a striking observation that can only be deemed as a criticism of Party-Military relationship under the former Party General Secretary and CMC Chairman, Hu Jintao, the 2021 Resolution says: "For a period of time, the Party's leadership over the military was obviously lacking." It claims this problem has been resolved. The "solution" has been to bring the military under Xi's personal control, multiple purges of top officers, and promotion of loyal generals. The impact on the PLA's morale and organizational effectiveness is not known but they certainly do not address the underlying structural issues.

Between 2012 to 2019, it is estimated that over a hundred PLA officers have

been retired or investigated. A growing list of top and senior PLA officers have been arrested, expelled from the Party, and imprisoned on corruption charges. These included Gen. Guo Boxiong, Gen Xu Caihou -- both former Vice Chairmen of the CMC, and Gen. Fang Fenghui – senior member of the CMC, Gen. Zhang Yang and Gen Li Jinai former heads of the PLA's Political Work Department, Gen. Liao Xilong, former head of the General Logistics Department. Gen. Du Jincui, head of the CMC's Discipline Inspection Commission was also retired, due to corruption charges. Many of the purged officers were seen to be close to Xi's predecessors –Jiang Zemin and Hu Jintao, and therefore were seen as untrustworthy. The extraordinary extent of the purges and churning of the highest rungs of the military is indicated by the fact that “perhaps 90 percent of the PLA officers” that attended the 19th Party Congress were first time participants.⁴

Shockingly, some of the most senior officers removed (Xu Caihou and Guo Boxiong) were accused at the 19th Party Congress of plotting a coup. Liu Shiyu, chairman of the China Securities Regulatory Commission declared that Xu and Guo, along with Bo Xilai (former Party Secretary of Chongqing), Zhou Yongkang (former member of the Politburo and head of the Ministry of Public Security), and Ling Jihua (former head of the General Office of the Chinese Communist Party) had been planning “to usurp the party's leadership and seize power.” “The other person Liu listed was Sun Zhengcai, Party Secretary for Chongqing until this past summer and rumoured to be among the short list for future leaders of China. The fall of Sun, his linkage to Bo Xilai, General Guo and General Xu raises questions about the extent of internal dissension, and how far that dissent might extend within the PLA.”⁵

External Challenges Grow

China's internal problems and the domestic challenges confronting Xi are compounded by the external setbacks that his foreign and defence policies have brought about for China. For three decades after its rapprochement with the United States, the Western alliance, Soviet Union/Russia, Japan and India, the PRC had an extremely positive and peaceful external environment for its reforms and modernisation. The Party under Deng and his chosen reformist leaders Jiang Zemin and Hu Jintao enjoyed global support, access to global markets, capital, technology, research institutes and academia, and low security costs. The ‘peaceful rise’ posture articulated by Zheng Bijian for this period flowed from Deng's instruction to the

Party: 'hide your strength, bide your time', and avoid conflict with the major powers, especially the United States. That phase began to close as China's power grew, the US and the West went into a financial crisis, Xi Jinping was elevated as successor to Hu, and an ultra-nationalist, statist, and more conservative political line began to prevail within the top leadership. The Party convinced itself that the US was in decline and time was ripe for a more assertive posture to advance China's 'core interests' and demand global power sharing with the US. Indeed, the thesis of a 'window of opportunity' for China's assertive rise had begun to be articulated post-2001 when the United States faced the attack on New York and Washington from the Islamic forces and was drawn in to a deleterious 'war on terror'. But an assertive stance and strategic competition with the US was not seen as advisable by most reformers. By 2009, however, the assertive foreign policy posture was clearly visible as China stepped up its military actions in the South China and East China Seas. Open declaration of China's great power ambitions and parity with the US became the official line with Xi's coming to power in 2012. Xi and his backers were convinced that the US was in decline and the moment for China to assert its 'core' interests and role as a great power had arrived.

Tensions with its neighbours have steadily grown since 2009-10 as China's occupation of islets in the South China Sea, and military actions against Taiwan, Bhutan, Japan's Senkaku, and India's Eastern Ladakh have been initiated. Following the election of Donald Trump as US President the simmering frictions with the US erupted into the open and have continued to prevail under Joe Biden. The US has declared China as its strategic rival, even as Xi's policies have led to conflicts with India, Japan and Australia. The re-emergence of the Quad is a strategic response to Xi's ultranationalism, military actions and expansionism in the Indo-Pacific region. With the European Union too declaring China as a strategic competitor, and Southeast Asia increasingly worried about Chinese actions and intentions, Xi has lost most of the gains of the 'peaceful rise' line that dominated the reform era. He now must deal with a more inimical external environment.

Beijing University scholar Jia Qingguo's recent warning that the search for absolute security internally and externally through excessive expenditure on defence and national security can be highly destabilising as the Soviet Communist Party fatally learnt, can only be seen as an indirect critique of Xi's hard-line and search for total or

comprehensive security.⁶

The Revival of ‘*Douzheng*’ or Struggle

The seriousness of the challenges facing the country and the Communist Party, and Xi’s preferred way to deal with them is reflected in the return of the politically loaded phrase ‘struggle’ or ‘*douzheng*’ in Xi’s speeches and Party writings since the 19th Party Congress. The phrase has a Maoist lineage in Chinese Party politics and recalls the grievous political attacks on the ‘enemy’, or party members who either disagreed or opposed Mao’s ultra-left political line. It invokes the violence and the vast persecutions that devastated the Party and the country during the Cultural Revolution, which finally went out of Mao’s control and the PLA had to be called in to restore a semblance of order. Xi’s revival of the phrase does not seem to bode well for the Party and the country. “For many, still, *douzheng* invokes not just the need for unity toward common goals, or a can-do attitude, but warns instead of deep and potentially traumatising division.”⁷

By 2019, the frequency of the usage of ‘*douzheng*’ had sharply risen. In a speech on September 3, 2019 to young communist cadres being trained at the Central Party School, Xi Jinping talked about the huge challenges confronting the Communist Party and the country. According to the official Xinhua News Agency, Xi in that speech mentioned the word an astonishing 56 times. The phrase appeared in over 100 articles in the Party organ *People’s Daily* that year, and continues to be regularly invoked, underlining the nature of normal politics under Xi. In David Bandurski’s words: “The Chinese Communist Party is once again the party of struggle, turning on itself as much as on the problems the country faces.”⁸

On an Uncertain, Disturbing Course

By the time of the Party centenary in 2021, the China dream had conspicuously soured. The spread of Coronavirus through China’s industrial heartland had cast a pall of gloom over the economy and the polity and had soured Xi’s plans for a smooth passage to perpetual rule and ambitions of a technology led future path of glory that would cut through the middle-income trap. Before the virus broke out in December 2019, the break-up with its principal benefactor -- the US, the open defiance of the regime day after day by millions in what was considered an insignificant outpost of

capitalism -- Hong Kong, and the attendant economic slow-down had already set in and shaken up Xi's absolutism and confidence. The 'black swan' event -- the outbreak of Covid-19 virus that began in Wuhan and spread through China's global networks -- has also struck its blow, clouding the future and sapping Xi's image and energy.

China is facing a wide set of serious structural problems. The tensions can be felt all around and have gripped its economic model, inner Party politics, Party-PLA relations, its large private sector that employs millions of workers, the Belt and Road Initiative, its banking and financial system and its foreign policy. And yet, Xi Jinping and his nationalist supporters in the Communist Party have pursued for seven years now a calculated aggressive stance both at home and abroad with the hope that the emerging crisis can be beaten. Xi's solution has been increased centralisation, acute concentration of power in his own hands, expanding state control over the private sector, a crack-down on Big-tech companies, and a return to Maoist symbolisms, struggles and socialist rhetoric. Yet no solutions to the structural problems are visible. With economic performance found wanting, a nationalist patriotic campaign is being stepped up to rally the people behind Xi and the Party, even as all-round surveillance, censorship, securitisation, and repression grow.

The 20th Party Congress later this year is expected to give Xi another term to set the troubled house in order, achieve the technological breakthroughs that would spur growth again, realise the goal of 'unification' with Taiwan and occupation of all claimed territories. In the changed domestic and external environment none of this is going to be easy. But that may not prevent Xi, the CPC and the PLA from pursuing his dangerous and high-risk strategy that can escalate into a war. The anxieties can only grow for Asia and a world already under deep stress.

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