



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG POLICY BRIEF

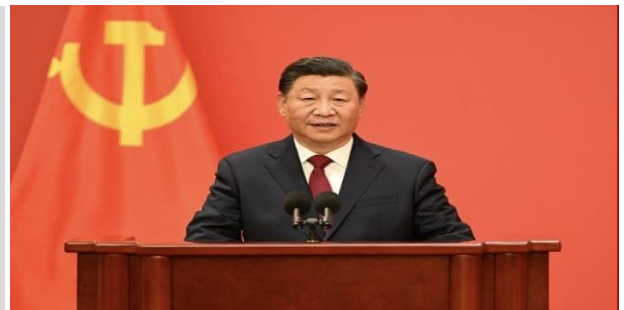
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October 2022 - an Appraisal

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Xi Jinping delivers a report to the 20th National Congress of the Communist Party of China (CPC) on behalf of the 19th CPC Central Committee at the Great Hall of the People in Beijing, capital of China, October 16, 2022 |

Source: Xinhua|www.xinhuanet.com

The 20th National Congress of the Communist Party of China (CPC) opens at the Great Hall of the People in Beijing, capital of China, October 16, 2022 | Source: Xinhua|www.xinhuanet.com

Xi Jinping leads the CPC leadership in meeting the press | Source: Xinhua | www.xinhuanet.com

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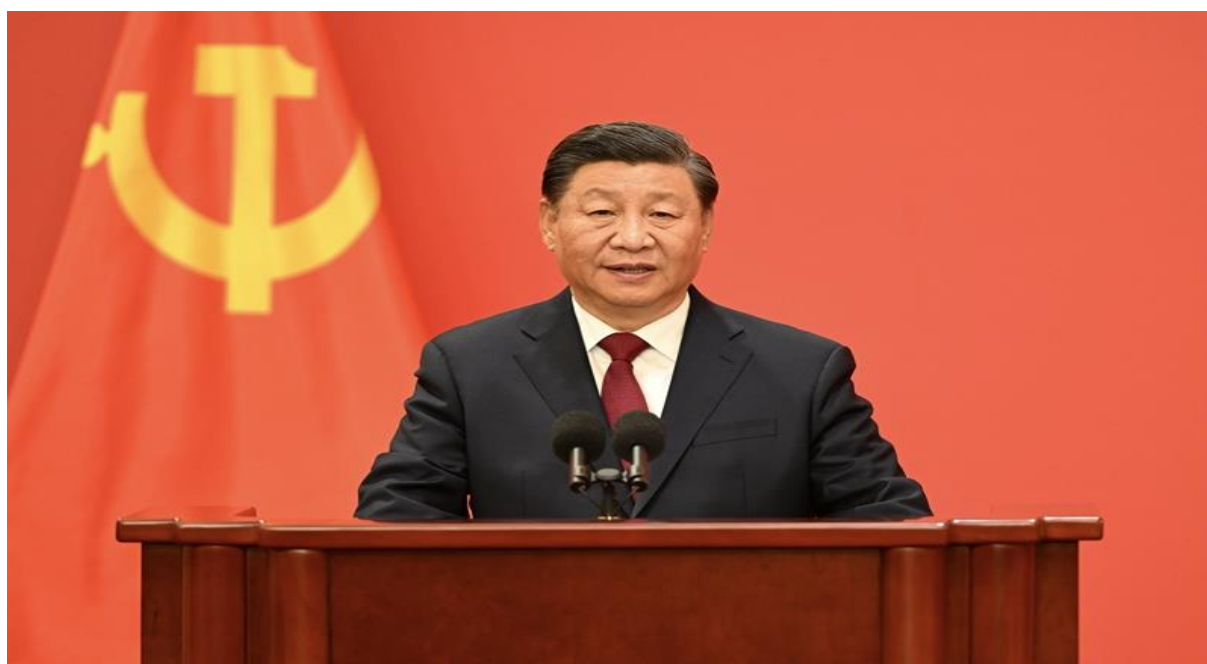
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The 20th Party Congress of the Communist Party of China (CPC), 16-22 October 2022 - an Appraisal

by
Nalin Surie

The 20th Party Congress of the CPC was a bit of a conundrum. In some respects, a non-event and in others, a very significant indicator of China's intended trajectory going ahead. It was a non-event since the outcomes were very much on pre-determined lines and well assessed by analysts. A significant event, nevertheless, since the objectives and blueprint for China's path to 2035 and thereafter to 2050 are spelt out in broad detail in Xi Jinping's Report to the Congress.

The new leadership of the CPC over the next five years has been identified. Xi Jinping has been reappointed for another (third) five -year term as General Secretary. [He will be reappointed as President of the PRC at the National Peoples Congress (NPC) next year in Spring]) The real surprise is that Xi Jinping seems to have succeeded in placing his own cohorts both in the Politburo Standing Committee and the Politburo in overwhelming numbers. Since members of the Politburo are supposedly elected by the Central Committee, the latter too are likely to be overwhelmingly Xi supporters.



Xi Jinping delivers a report to the 20th National Congress of the Communist Party of China (CPC) on behalf of the 19th CPC Central Committee at the Great Hall of the People in Beijing, capital of China, October 16, 2022 | Source: Xinhua | www.xinhuanet.com

The strength of the PBSC remains at 7 and that of the Politburo at 24, as against 25 in the outgoing one. There is no female member of the new Politburo (there was one in the outgoing one) or for that matter of the PBSC. Xi Jinping retains chairmanship of the Central Military Commission- the only civilian member. The two vice chairmen and the other 4 members are all assessed to be supporters of Xi. The constitution of the CPC makes it clear that the Party shall uphold its absolute leadership over the PLA and other People's Armed forces and implement Xi Jinping's Thinking on strengthening the military.

The first meeting of the Central Committee of the 20th Central Committee also appointed members of the Secretariat of the CPC Central Committee and the members of the Standing Committee of the Central Commission for Discipline Inspection.

The party leadership at all critical central levels for the next 5 years is now in place with Xi Jinping firmly controlling all the levers. The seemingly non choreographed incident of former General Secretary Hu Jintao being escorted out from the midst of one of the meetings during the Congress can be interpreted in different ways. Irrespective of why this happened, the question remains whether over the coming 5 years, Xi Jinping can sustain his almost complete domination of the Party whose membership now exceeds 95 million.

The fact that at the 20th Congress virtually all rules and traditions for appointment have been set aside to bring in Xi Jinping's cohorts is pertinent in this context. So also, the reality that the biggest loser at the 20th Congress appears to have been Premier Li Keqiang who is younger than Xi but has not been elected to the Central Committee and is expected to step down as premier at the NPC next year in spring. Differences between Xi and Li on major economic policies had become public in recent months. His future role, if any, is unclear.

It also remains to be seen whether during the term of the 20th Congress, Xi Jinping will make clear whether he has a preferred successor or whether he will seek yet another 5-year term in 2027. Changes have also been made, as in the past, to the constitution of the CPC that further strengthen the core role of Xi in the Chinese establishment. [Note: the Party constitution takes precedence over the State constitution.] These changes were adopted by the Congress on 22 October, 2022. Before appraising Xi's Report to the Congress in detail, it is important to take cognizance of the directional content in the chapeau of the amended constitution. There is a close correlation between this and the content of Xi's Report to the Congress. Pertinent highlights are:

1. Class struggle is no longer the principal contradiction. The latter now, is the contradiction between the ever-growing needs of the people for a better life and unbalanced and inadequate development.
2. "Development is the Party's top priority in rejuvenating the country" and it must be "people centric".
3. There is need to "accelerate efforts to foster a new pattern of development that is focused on the domestic economy and features positive interplay between domestic and international economic flows and pursue high quality development".
4. "A continued commitment to reform and opening up is the path to a stronger China."
5. "The Party shall pursue a wholistic approach to national security, promote development while ensuring security and resolutely safeguard China's sovereignty, security and development interests."
6. The Party shall "ensure that all ethnic groups work together for common development and prosperity". (This has a bearing on Chinese policies towards Xinjiang, Tibet and other ethnic minority regions.)
7. "The CPC shall uphold an independent foreign policy of peace" and work to "build a community with a shared future for mankind". The BRI shall be pursued to achieve shared growth through discussion and collaboration and
8. According to Article 3 (2) of the Party Constitution, members must "uphold Comrade Xi Jinping's core position on the Party's Central Committee and in the Party as a whole...". It follows that Xi Jinping Thought on Socialism with Chinese characteristics for a New Era must be the guiding philosophy. Xi Jinping Thought is described as being "the Marxism of contemporary China and of the 21st Century, embodying the best of Chinese culture and ethos of this era--- and a guide for action for the entire Party for the great rejuvenation of the Chinese nation and must be upheld long term and constantly developed."

The Report of General Secretary Xi Jinping to the 20th Congress of the CPC on 16 October 2022 is a significant document even though there is not too much new in it for observers who have been studying the build up to the Party Congress over the last one year. The Report is confirmation, if indeed that was required, of the very detailed process of consultations and efforts at consensus building before the Congress. Xi's report is significant, both from the perspective of the direction in which China is expected to move forward over the next five to ten years; also, since the international situation today is, to put it mildly, complex and the entire international order is perhaps at the cusp of a profound change from what the world was used to during the Cold War and during the post- Cold War era. In effect, the post- Cold War era appears to have

come to an end with the Putin directed invasion of Ukraine by Russian forces on 24 February 2022.



The 20th National Congress of the Communist Party of China (CPC) opens at the Great Hall of the People in Beijing, capital of China, October 16, 2022. |Source: Xinhua|www.xinhuanet.com

Yet, Xi is confident that the time remains opportune to pursue the rejuvenation of the Chinese nation and achieve the Chinese Dream i.e. for China to regain its status as the leading power in the world.

XI Jinping's Report is essentially divided into 15 sections all of which are important depending on the specific perspective of the reader/scholar assessing the progress made under Xi Jinping over the past 5 and 10 years and looking for pointers to predict the way forward. This appraisal is therefore not necessarily comprehensive.

The Report, like all such reports in the past, provides directions and detailed policy formulations will follow. A study of the Report would suggest that the areas of major focus are development and security, implementation of a new pattern of development, focus on green development, on national security and defense, on Chinese culture and its projection and on establishing a sustainable path for achieving the second centenary goal enunciated by Xi Jinping and the CPC namely, for China to become, by 2049, a strong democratic, civilized, harmonious and modern socialist country. Indeed, a loaded and very heavy agenda, inspired no doubt by the very significant overall progress made by China over the last four decades.

Underlying the entire Report is a repeated emphasis that the Party represents the people, works for the people and is dedicated to their well-being and future

prosperity. Everything must happen under the Party's control and direction. In this context, Chapter VI on "advancing whole-process people's democracy and ensuring that the people run the country" needs special mention. As pointed out by Dr Sanjeev Kumar of ICWA in his recent paper (of 17 October on China's 20th Party Congress and Party building project), China seems determined to highlight that its model of governance is distinct from the process of electoral (i.e., Western) democracy. This underscores the CCP's projection during the last several years that China's system of political governance is not only most suitable for it but is also suitable for other countries to adopt.

Lest there be any doubt about China's ambition, Xi Jinping has clearly stated that after basically realizing modernization by 2035, "we (China) will continue to work hard and build China into a great modern socialist country that leads the world in terms of composite national strength and international influence by the middle of the century". {Broad sectoral targets for the period up to 2035 are listed.}

For the above purpose, over the next five years China will, inter-alia, promote high quality development and create a new pattern of development, and further increase its international standing and influence to enable it to play a greater role in global governance. It will also fulfil the goals laid out for the centenary of the PLA in 2027, namely, the PLA would by then be world class armed forces.

The focus in the report on national security is unrelenting. It is described as "the bedrock of national rejuvenation and of social stability". Within this, political security is defined as "our fundamental task".

Safeguarding national security has been described in very broad terms and includes strengthening and safeguards for ensuring major economic, major infrastructure, financial, cyber, data, biological, resource, nuclear, space and maritime security. Focus is also placed on security of food, energy and resources as well as industrial supply chains.

Mechanisms for countering foreign sanctions, interference and long-armed jurisdiction are to be strengthened as well as the capacity to ensure overseas security and protection of the lawful rights and interests of Chinese citizens and legal entities abroad.

Specifically, also, China's maritime rights and interests will be resolutely defended as will its sovereignty, security and development interests.

The reiteration of the above underlines that China's aggressive approach to territorial integrity and defense of its development interests will not wane. This

approach was first set forth in the report of the General Secretary of the CPC to the 18th Congress and has been aggressively pursued. The implications for Chinese foreign policy going forward are clear.

While the PLA will be developed to world class standards by 2027, it will be ensured that the armed forces will always obey the Party's command. Ultimate responsibility will continue to rest with the Chairman of the Central Military Commission i.e., Xi Jinping.

The modernization of the PLA will be relentlessly pursued and China will establish a strong system of strategic deterrence, increase the proportion of new domain forces with new combat capabilities, etc. Further, China will move faster to translate scientific and technological advances into combat capabilities and will modernize its border, coastal and air defense.

The objective is for the PLA to be able to fight and win, including winning local wars.

The arms race in Asia will thus not only continue but could arguably be further accentuated, particularly in the post-Ukraine war period and given the growing salience of the Indo-Pacific and QUAD.

There is considerable coverage in the Report on China's Foreign Policy going forward. Some of the formulations are tautological and reflective of normal double standards espoused by great powers. Nevertheless, the reiteration of China's intention to a new type of international relations propounded by Xi Jinping is important. This new system is intended to be based on equality, openness, and broadening convergence of interests with other countries. It includes China striving to enhance friendly ties, mutual trust and converging interests with its neighbouring countries. Implementation of the latter mode will in particular bear watching.

It is stated that China's commitment to its fundamental national policy to open up to the outside world will remain and it will pursue a mutually beneficial strategy of opening up. The carrot of the huge China market is held out in this context.

Xi argues that China adheres "to the right course of economic globalization". It opposes protectionism, the erection of "fences and barriers", decoupling, disruption of industrial supply chains, unilateral sanctions and maximum pressure tactics. [Western sanctions and anticipated further restrictions are obviously hurting/of concern, but China's need for access to global markets for resources, technology, scale etc. cannot be wished away.]

It is projected that China plays an active part in the reform and development of the global governance system, upholds true multilateralism and promotes greater democracy in international relations (!). Chinese activism in the UN and other multilateral and plurilateral bodies will thus continue and China will continue to leverage these organizations for its benefit.

Xi Jinping has reiterated that China is actively involved in setting global security rules and plays a constructive role in safeguarding world peace and regional stability. This is ominous in part but, a clear signal that China can no longer be taken for granted on issues of regional and global security balances.

It is in the above context that Xi Jinping recalls in his Report that he has put forward the Global Development Initiative (GDI)¹ and the Global Security Initiative (GSI)² and stands ready to work with the international community to put these two Initiatives into action. It may be recalled that the GDI and GSI are the most recent XI Jinping Initiatives, intended to help reorient the international order with a view to bringing China and its policies further to the center stage. The GDI and GSI will now perhaps be even more aggressively pursued by the Chinese in multilateral fora and on reform of multilateral institutions.

The concluding paragraph on Foreign Policy states that “although this is an era fraught with challenges, it is also an era brimming with hope.” This can be interpreted in various ways and time will tell whether this is a reflection of China’s confidently going forward or whether this is genuinely an expression of hope in the context of the current rather difficult and fraught international situation.

In his Report to the Congress, Xi Jinping is quite fulsome in his praise of the achievements so far during the last 10 years of his General Secretaryship of the CPC. This is covered under 16 different subheads, several aspects of which have already been referred to in earlier paragraphs. Four additional points, however, bear special mention, namely, that China has achieved an overwhelming victory and fully consolidated the gains in its fight against corruption. Second, that absolute poverty has been abolished. Third, that the Party has found a second answer to the question of how to escape the historical cycle of rise and fall. The answer is self-reform. And, fourth that China’s international influence, appeal and power to shape have risen markedly.

¹ GDI: Put development first, people at the center and expedite implementation of the 2030 SDGs etc

² GSI: Maintain common, comprehensive, cooperative, sustainable and indivisible security; respect for sovereignty, territorial integrity, purposes and principles of the UN Charter etc.

But there are shortcomings which Xi Jinping also draws attention to and will no doubt attempt to address in the years ahead. These are:

- Imbalances and inadequacies in development and many bottlenecks hindering high quality development.
- China's capacity for scientific and technological innovation is not yet strong enough.
- There is need to guard against financial risks.
- There is need to ensure that food, energy and industrial and supply chains are secure and reliable.
- Several challenges remain in the ideological domain.
- There are still wide gaps in development and income distribution between urban and rural areas and between regions.
- Difficulties persist in employment, education, medical services, childcare, elderly care and housing, and
- Ecological concern and environmental protection remain a formidable task.

The above shortcomings notwithstanding, Xi Jinping argues that the rejuvenation of the Chinese nation is now on an irreversible course and that China's modernization offers humanity a new choice for achieving modernization. To underscore the latter point Xi states that the CPC and the Chinese people have provided humanity with more Chinese insight, better Chinese input and greater Chinese strength to help solve common challenges; that China has made new and greater contributions to the noble cause of human peace and development. (Humility is certainly not on display here!)

The sense of China having become a great power with global influence is unmistakable.

Xi Jinping's Report recalls that to build China into a great modern socialist country in all respects, it has adopted a twostep strategic plan. First, basically realize socialist modernization from 2020 to 2035 and second, from 2035 to 2050, build China into a great socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful.

To achieve these objectives, Xi Jinping believes that the next 5 years will be crucial and for this period the main objectives and tasks have been spelt out. In the economic dimension this will, inter-alia, require promoting high quality economic development; achieve greater self-reliance and strength in S&T; make progress in the evolution of a new pattern of development that is balanced, coordinated and sustainable; make new strides in reform and

opening up and put in place new systems for a high standard open economy. [Actual implementation in the years ahead will demonstrate whether the current policies of running the economy will remain unchanged or be tweaked or altered in any significant manner. The state of the international economy will no doubt also impact choices that are made.]

Xi Jinping once again acknowledges in his Report that “the most challenging and arduous tasks we (China) face in building a modern socialist China, remain in our rural areas”. He reiterates the need to reinforce the foundations for food security on all fronts and stresses that China “will ensure that China’s food supply remains firmly in its own hands”. (Note: Food security remains a problem for China and is a potential pressure point.) Interestingly, he has also projected that China will advance reform of the rural land system and grant farmers more adequate property rights and interests. It will also safeguard the lawful land rights of rural residents who have moved to urban areas and obtained permanent residency and will encourage law-based, voluntary and paid transfers of such rights and interests. These are crucial issues in China’s countryside and have serious implications for internal migration, for social stability, and the creation of an implicit market for agricultural land.

There are many more detailed references to the manner in which economic, scientific, technological, green, cultural and social development will be pursued in China and as pointed out earlier, in the ensuing months and years, concrete policy measures will be announced to implement the directives contained in the Report. Formulation of policies will no doubt be impacted not only by the domestic state of the Chinese economy but also by international economic and political developments.

Xi Jinping has confidently reasserted the correctness of China’s actions viz-a-viz Hong Kong SAR and Macao SAR. The capitalist system and way of life is to remain unchanged in both these jurisdictions “in the long run” (!) It is clear that any criticism of Chinese actions in this regard has fallen on wholly deaf ears.

In so far as Taiwan is concerned, the formulation in the Report is a confident one and yet not particularly jingoistic. It leaves no doubt though that China will not brook any form of Taiwan independence, since “Taiwan is China’s Taiwan.” All options are open in case Taiwan crosses the Rubicon.

Xi’s Report to the 20th Party Congress is a confident assertion that his last ten years at the helm have been a great success from the ideological, security, stability, defense, economic, technological and foreign policy perspectives though obviously there is still much work also in progress; that there are still shortfalls and challenges. The targets for 2035 and 2050 are reassertions but

there is seeming confidence that in spite of the ongoing international turbulence in the defense/security, economic, technology, finance, climate, health, food and energy sectors, China can lead the world in terms of both composite national strength and international influence by 2050. The next five years will indeed demonstrate whether this confidence is justified or belied. For it to happen though, China will have to make several serious course corrections to be able to mitigate and/or address the several headwinds it has itself generated, both domestically and externally due to its own egregious policies and behaviour in recent years, in particular in the 21st century.

India for its part must be prepared to deal with an increasingly assertive China. Its focus on development, security and intention to lead the world in terms of composite national strength and international influence will need to be addressed in our own policies to ensure that our interests are not adversely affected.

The continuing modernization of the PLA and the intention to establish a strong system of strategic deterrence and the objective to fight and win, including winning local wars will require significant responses. While much is being done already to address the threat of conventional, non-conventional and local wars, steps will also have to be taken to ensure that China's growing nuclear weapon capacities and missile capabilities do not create a permanent disadvantage for India. China's rapidly growing naval capabilities in the Indian Ocean, in particular, will also need to be directly countered. China's intention to play an active part in the reform and development of the global governance system and in setting global security rules and involve itself in regional stability will give rise to a fresh set of challenges.

The GDI and GSI are expected to play an increasing role in Chinese approach towards restructuring regional and multilateral institutions. India would have to be ready with counter strategies. If indeed, post the Ukraine crisis, the world gets divided into two or more groupings, India would need to show not only skill but also, the ability to keep several balls in the air while ensuring that its own security and development interests are not undermined.

A study of Xi Jinping's Report to the Congress and other discussions during the Congress would suggest that the basic thrust of current Chinese economic policies, both domestic and external, is unlikely to change in the short run unless there is a major economic meltdown. Doomsday predictions of Chinese internal weaknesses should not lull us into a sense of complacency. The Chinese economy is strong; has very substantial international linkages and has the ability to course correct after recognizing its own shortcomings. Higher

rates of growth are not the only requirement at the present juncture at which the international economy finds itself. Other major economies have equally serious problems. The CPC will no doubt take resolute measures to address the shortcomings that Xi Jinping himself has identified in his Report. India should not expect any respite from the economic competition and imbalance in trade with China. India will need to more actively reduce some of its critical dependencies on Chinese suppliers.



Xi Jinping leads the CPC leadership in meeting the press | Source: Xinhua | www.xinhuanet.com

Xi Jinping has made it clear that China will continue striving to enhance friendly ties, mutual trust and converging interests with its neighbouring countries. This has clear implications for India's relations not only with its immediate South Asian neighbours but also with the countries of the Gulf, South East and East Asia.

China will very closely monitor India's role in QUAD and in the evolving Indo Pacific architecture to judge whether it has leaned too far towards the USA. In short, Chinese competition with India is expected to continue to mount in the years ahead. The outcome of the ongoing war in Ukraine and its impact on the existing international political, economic and security architecture and China's role therein could impact on such competition. It also remains to be seen whether in a post Ukraine war scenario, US- China relations will continue to be as antagonistic as they appear to be at present or whether a broader based via-media would be established between them. In effect, Indian foreign and security policies and economic entities will need to be more nimble footed to continue to secure our sovereignty, economic and security interests and to ensure that India's own ongoing journey of rejuvenation and global aspirations is not disrupted.



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