



PISM

POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

BULLETIN

No. 71 (1317), 29 May 2019 © PISM

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The Effects of the Tensions Inside the Communist Party on China's Foreign Policy

Marcin Przychodniak

There is growing dissatisfaction with Chairman Xi Jinping in China. Members of the Chinese Communist Party (CPC) charge that his centralisation of power has harmed the economy and deteriorated China's position in relations with the U.S. In response, Xi has increased control over the party, dismissed his opponents, and is trying to gain success in foreign policy by negotiating firmly with the U.S. and underlining the positive outcomes of the Belt and Road Initiative (BRI). Xi's political position is untouchable but a third term as China's chairman may be questioned. China's policy towards the U.S. will also have implications for its relations with Poland.

China's Problems. The dissatisfaction with Xi in the party and academia has its roots in the deterioration of China's economy. Official statistics confirm that the debt level (mostly by regional administrations and private companies) is threatening the country's financial stability. A speculative bubble on the real estate market is growing and the ageing of society is worsening the job market situation. Costs of doing business are rising and party control of companies does not favour the development of entrepreneurship. These and other factors mean it is more difficult to maintain the high GDP growth China has experienced. The inefficient system of social benefits is also a burden.

The condition of the economy is also worsened by the deterioration in China-U.S. relations. The Chinese authorities were surprised by President Donald Trump's policy of confrontation, symbolised by continually imposing or raising tariffs on Chinese imports. The lack of an agreement mutually profitable for China does not support the image Xi himself promotes of China as the creator of a competitive model to the U.S. of international cooperation, for example, through the BRI.

Much more apparent is the dissonance between the current problems and the government's pronouncements of the "revival of the Chinese nation" or that it is building a "moderately prosperous society." The pressure is increasing with the upcoming 30th anniversary of 1989's Tiananmen Square events. The CPC lacks enough success to distract from the problems and global media reports on the historical student protests in Beijing and other Chinese cities, and on the Chinese authorities' actions to prevent or stop the commemorations, increases the negative perception of China.

Critique of Xi's Policy. Xi's nomination as party chief (2012) and chairman (2013) and his re-election, respectively in 2017 and 2018, were based on the belief that China needed strong leadership. Xi had the support of the CPC in his drive to centralise power, including the party's revoking term limits on the head-of-state position. Using these prerogatives, Xi was supposed to reform the economy, implementing a model based on consumption and modern technology, which would enable China to successfully compete with the U.S. In the party today, though, there is the growing conviction that the accomplishment of these targets is in danger.

Xi is being criticized by the descendants of former high-ranking CPC officials—the beneficiaries of China's opening its economy in the 1980s, as well as those supporting the collective decision-making model in the

Politburo Standing Committee (SC) in the CPC. They also do not like the growing party supervision over private companies (seen as harmful to the economy), as well as the marginalisation of the importance of Deng Xiaoping by underlining the role by Xi's father in the 1980s as the governor of Guangdong province. Critical voices include Deng's son Pufang, and relatives of the former CPC Secretary General Hu Yaobang (symbolic representative of the events of 1989), Hu Deping and Hu Dehua.

Xi is also being criticized by former officials, experts, and the representatives of private companies. China's economic policy is reviewed as poor by Long Yongtu, former vice minister of foreign trade (2002–2003) and negotiator of China's membership in the WTO, and by Xiang Songzuo, an economist from Renmin University and former specialist in the Agricultural Bank of China. The negative opinions on the directions of the economy's development are also visible in the private sector. Although company owners do not publicly voice their concerns, they express them directly to CPC officials. The revocation of the term limit and collective decision-making process was also criticized in a published essay by Xu Zhangrun, professor of constitutional law from Tsinghua University.

The authorities are trying to censor the criticism. Xu was suspended from his duties at the university and a disciplinary proceeding started against him. The repression is limited though because of these opponents' high status in the party and academia.

Xi's Reaction. The chairman's solution is to continue to mobilise the party apparatus and society against his critics under the "revival of the Chinese nation" slogan. Deemed internal enemies are Xi's and the CPC's opponents. Xi himself defines patriotism as loyalty to the party.

After Xi's centralisation of power, the importance of the SC members decreased and most decisions are taken by the chairman himself. Media describe how members of the Central Military Commission and Politburo submit reports in front of the chairman. Supervisory commissions at every level are actively inspecting the work of state and party officials (since 2012, this has affected about 350,000 people), for example, in April 2019, a proceeding was started against the vice-governor of Sichuan province. Since 2018, there has been an exchange of cadres in main positions in the provinces. For example, seven governors and CPC chiefs were replaced. Some of the new officials could—according to China's informal rules of succession—take power after Xi steps down in 2022 from his CPC position. The possible candidates to higher CPC positions include the SC member from Guizhou, Liu Jie, and the CPC secretary general in Shanghai, Zhang Yujie. The strengthening of Xi's control over the party is also one of the reasons behind the changes in CPC political and legal affairs commissions in six provinces in 2019 (they oversee the judiciary and security apparatus).

Xi has tried to distract from the accusations by concentrating on foreign policy. In it, the "West", identified as the U.S. and its allies, is presented as the main threat to China's interests. Compromise on "Western" demands is then impossible, which is why Xi rejected during the trade negotiations with the U.S. a deal previously included among China's commitments. The approval of a document in which the U.S. dictates to China the contents of laws and also has the capabilities to verify implementation would be, according to official China statements, "undignified." Consent would be viewed as reinforcing an image of China as a "failure," especially in connection to the recent Huawei issue in the U.S., EU, and Vietnam. Chinese propaganda underlines the accomplishments of the recent EU-China summit (of 10 April) and frames declarations of cooperation under BRI from new countries as the authorities' success in foreign policy.

Perspectives. The number of Xi opponents relative to the members of the party is marginal and they do not endanger his position. However, an increasingly negative image strengthened by constant discussion within the party may impede Xi's election to a third term as China's chairman.

The CPC authorities are evaluated in the party through the lens of economic development and relations with the U.S., both its biggest export partner and political rival. To reduce the danger of an economic crisis, the authorities will try to help the private sector (for example, through tax reductions) but will retain party supervision. The lack of structural reform will mean these actions will be short term. Reducing the effect further is the selective legalisation of residence permits for migrant workers in Chinese cities—after moving to cities, they are deprived of access to public healthcare or education.

China's authorities will try to reach a compromise with the U.S. But they will not risk reducing Xi's image as a skilled and relentless negotiator. That is why in the coming months China will likely prolong the dispute with the U.S. hoping for a change in its rival's position. The situation may be sharpened by possible American sanctions on Chinese officials involved in repression against Uyghurs in Xinjiang province (under the U.S.'s "Global Magnitsky Act"). In relations with the EU, there also is not much hope for possible compromise on the finalisation of an investment agreement before 2020. Both sides committed to that timeframe in a common statement after the latest EU-China summit.

The reduced room for compromise in China's foreign policy towards the U.S. will also complicate relations with Poland. In EU-China affairs, Poland supports a cautious EU stance on China. With the stronger U.S. military posture in Poland, China will not be as interested in strengthening bilateral political contacts, which the Polish side was mostly interested in (as opposed to their multilateral aspect). Relations then will be oriented on developing common projects (under the "17+1" format or BRI) and Hungary, not Poland, will be perceived by China as its most important partner in Central Europe.