



An irreversible march ahead for Xi

Chinese president's address to the 20th Party Congress makes it clear China will stay the course with its assertive external policies, despite the threatening international environment

The Chinese Communist Party (CCP) is meeting at its 20th Congress in Beijing. On the first day, October 16, Chinese President and Party General Secretary Xi Jinping delivered the opening address, which covers in detail the political, ideological, social, economic and technological dimensions of China's progress during the past decade and sets the agenda for the road ahead. A detailed analysis of the Congress must await its conclusion after its week-long deliberations, but broad trends are already clear.

Mr Xi intends to give a greater ideological orientation to policy making, stressing the need for inculcating Marxist-Leninist and socialist thinking among party cadres and the country generally, so that the party does not lose its socialist character. Mr Xi argues that only an ideologically empowered party can hope to "escape the historic cycle of rise and fall." To the extent that the party identifies itself with the nation, this is also a guarantee of China itself escaping such a cycle. The party will continue to lead in every dimension of national life, which has been Mr Xi's main departure from Deng Xiaoping's earlier reforms. Deng had oriented the party towards a supervisory role. Mr Xi sees the party as an active player. The stress on ideology is also reflected in the assertion that in the selection of cadres and personnel, political commitment will be the key qualification. The renewed emphasis on the role of state-

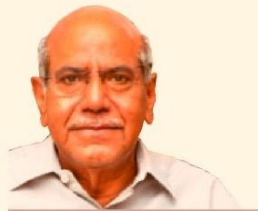
owned enterprises points in the same direction.

In an earlier speech to Chinese scientists, Mr Xi had said, "Technological innovation has become the main battlefield of the international strategic game."

This awareness of technology being the driving force of development is apparent in much of Mr Xi's speech. Not only does he underscore the priority that must be attached to technological innovation but also underlines the importance of achieving self-reliance in the high-tech field. China ranks second in global expenditure on R&D and has invested heavily in cutting edge-technologies such as artificial intelligence, quantum computing, aerospace and bio-sciences. While no mention was made of recent attempts by the US to restrict Chinese access to high-tech, in particular, semiconductors, Mr Xi makes it clear that in the coming years China will have to rely mainly on its own advances

in these fields. We should expect investment on a much larger scale in these areas.

On the economic policy front, Mr Xi reiterated the commitment to his "dual circulation" strategy, which places the priority on the domestic economy with external trade and investment playing a supplementary role. The contribution of the private sector is recognised, even encouraged, but within the limits imposed by the party and its priorities being observed. The inequality of wealth and income continues to be a matter of concern and this is reflected



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in the commitment not only to create a much larger middle class but also to make available a range of social services in health and education to the Chinese people. This is "common prosperity" that Mr Xi has often spoken about. Mr Xi has reiterated China's adherence to the open door and reform policy, but this is clearly tempered by a turn towards self-reliance in what is seen as a much more risky and uncertain international political and economic environment.

The zero-Covid policy pursued by Mr Xi has been categorically reaffirmed. Therefore, economic disruptions are likely to continue as a result. China is unlikely to grow at more than 3 per cent this year against a target of 5.5 per cent gross domestic product (GDP) growth. This is beginning to affect external trade and investment. Several foreign personnel deployed in China have left or are planning to and foreign investors are holding back on their China plans.

Mr Xi did not make any reference to relations with particular countries, nor specifically to the ongoing Ukraine war. However, preoccupation with national security is evident throughout the speech and there are several references to a much more risky, even dangerous outlook for the future. Mr Xi warns the party that "external attempts to suppress and contain China may escalate any time." This is also the reason why a powerful and technologically advanced People's Liberation Army is necessary but under the absolute leadership of the party. It will serve as a "strategic deterrent." The Taiwan issue figures prominently in the speech and China's long-standing position of not ruling out the use of force to achieve reunification has been repeated but to be used only in case of an imminent pursuit of independence and foreign intervention. The formulation is relatively mild considering the military threats to the island in the wake of the visit to the island by US House of Representative Speaker Nancy Pelosi recently.

On China's foreign policy, Mr Xi has referred to three categories of countries —major countries, neighbouring countries and other developing countries. There is willingness to work with each category on the basis of convergent interests and mutual benefit. There is no specific reference to "new type of great power relationship" which was a codephrase for Sino-US relations. These boilerplate formulations are not as revealing as what Mr Xi describes as achievements in foreign policy during the decade of his rule over China: "Confronted with drastic changes in the international landscape, especially external attempts to blackmail, contain, blockade and exert maximum pressure on China, we have put our national interests first, focused on internal political concerns and maintained firm strategic resolve. We have shown a fighting spirit and a firm determination to never yield to coercive power. Throughout these endeavours we have safeguarded China's dignity and core interests..."

Thus, we are likely to witness the continuation of assertive external policies by China, though tempered by the awareness of a much more challenging, even threatening and unpredictable international environment.

At the end of the day, Mr Xi still considers the current stage of history as one of strategic opportunity and is confident that China's path to pre-eminence is on a "irreversible historical course."