

The political agenda of Chinese President Xi Jinping during his first decade in power consisted of three core components: establishing personal political dominance, revitalizing the Leninist party-state, and expanding Chinese power and influence globally. As he completes his first two terms and seeks a third term, he has made uneven progress in accomplishing his agenda. Due to his political skills and control of the regime's instruments of coercion, Xi has firmly established his political authority and dominance. The revitalization of the Leninist party-state has been most successful in reinstating tight social control. The reintroduction of ideological indoctrination and organizational discipline into the party may have produced a revival of political ritualism but questionable genuine ideological commitment and political loyalty. The reassertion of state control over the economy has just begun, and it is likely to entail immense costs. The assertive foreign policy has yielded mostly counterproductive outcomes as attempts to take advantage of the shift in the global balance of power has provoked a vigorous pushback by the U.S. and its allies.

When Xi Jinping became the general secretary of the Chinese Communist Party (CCP) in November 2012, few knew anything about his political agenda – and that certainly included those who had picked him in 2007 as the successor to Hu Jintao, whose two-term was set to expire in the fall of 2012. A decade on, as Xi's policies have transformed the Chinese regime and its relationship with Chinese society and the world almost beyond recognition, the radical nature of his agenda and its far-reaching consequences have become fully apparent. Xi has replaced collective leadership with strongman rule, centralized decision-making, and firmly put his personal imprint on party policy. Security for the ruling elites, a core feature of the post-Mao political order, has been shattered as political purges, now carried out as routine anti-corruption investigations, have become an instrument to ensure loyalty and to deter rivals.

The relationship between the party-state and Chinese society has also been transformed. The limited space for dissent, free expression, and resistance that existed before 2012 has disappeared. The party has tightened its control over the media, the Internet, and university campuses. Human rights lawyers have been arrested, debarred, and jailed. Repression in ethnic minority areas, in particular Xinjiang, has reached unprecedented levels. Even China's once-swaggering entrepreneurs have been put back in their place. Jack Ma, the founder of the Chinese

e-commerce giant Alibaba, was thoroughly humiliated after the government stopped him from listing his multi-billion-dollar fintech unicorn, the Ant Group, in October 2020.<sup>1</sup>

If Chinese private entrepreneurs thought that they could continue to make money despite the return of strongman rule, they were rudely shocked in 2021 when Xi ordered a far-reaching crackdown on China's tech industry and the private sector. Beijing banned an entire industry (after-school coaching), instituted onerous cyber security review requirements that could choke off the inflow of foreign capital, and tightened the regulatory screws on Chinese tech giants such as Tencent and Didi. The costs for China's wealthy were staggering – the market value of private companies listed overseas fell by more than \$2 trillion because of the crackdown.<sup>2</sup> In all likelihood, the crackdown on the private sector is only a prelude to a far more systematic effort to redraw China's economic landscape. Even before the dust from the crackdown had settled, Xi announced a “common prosperity” agenda that, based on its egalitarian rhetoric, raises the specter of a return to orthodox leftist policies.<sup>3</sup>

Where Xi's agenda has had the most far-reaching long-term impact is undoubtedly Chinese foreign policy. Almost immediately after he assumed power, Xi launched a series of bold initiatives that quickly turned China's relations with the West from uneasy cooperation into overt confrontation. The Belt-and-Road-Initiative (BRI), unveiled in 2013, was seen as China's strategy of extending its geo-political influence in the guise of infrastructure building. The declaration of an air defense identification zone in the East China Sea, which includes the disputed Senkaku/Diaoyu Islands, also in 2013, sounded alarms in Tokyo and Washington about Beijing's intentions. The last straw was likely the building of large artificial islands in the disputed areas in the South China Sea that began in 2014. Tactically, Xi may have won this battle since no country, including the U.S., has been able to stop China from constructing militarized artificial islands in such disputed waters. Strategically, however, China paid a huge price. The building of the militarized artificial islands made it no longer possible to maintain even the façade of America's engagement policy. Even though we had to wait another four years (until the outbreak of Donald Trump's trade war in 2018) for the total breakdown of Sino-American relations, the escalation of Chinese aggression in the South China Sea was likely one of the most important precipitating causes.

In sum, during his decade in power Xi has scored uneven progress in fulfilling his agenda. In retrospect, we can detect three core elements in his agenda. The first was to achieve personal political dominance. The second was to reinvigorate the Leninist state through a multi-pronged campaign to reimpose ideological and political discipline on the party and regain partial control over society and the economy. The third was to expand Chinese power abroad and elevate its

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<sup>1</sup> “China's President Xi Jinping Personally Scuttled Jack Ma's Ant IPO,” *The Wall Street Journal*, <https://www.wsj.com/articles/china-president-xi-jinping-halted-jack-ma-ant-ipo-11605203556>

<sup>2</sup> <https://fortune.com/2022/03/19/china-stock-market-economy-xi-jinping-biden-russia-crackdown/>

<sup>3</sup> Minxin Pei, “The Origins and Implications of Xi Jinping's ‘Common Prosperity’ Agenda,” *China Leadership Monitor*, Issue 70 (Winter 2021), [https://www.prclleader.org/\\_files/ugd/af1ede\\_add02de5a9344ff2b375c37ad078d28b.pdf](https://www.prclleader.org/_files/ugd/af1ede_add02de5a9344ff2b375c37ad078d28b.pdf)

international status. There is little question that Xi has succeeded in attaining personal political dominance within the CCP. But his progress toward reinvigoration of the Leninist party-state and reimposition of strict control over the Chinese economy and society is mixed. The biggest setback is undoubtedly on the foreign-policy front. Instead of consolidating China's strategic gains from decades of geo-political pragmatism, his bold assertion of Chinese power has apparently achieved the opposite: it has provoked a vigorous backlash from the United States and has set off alarms in most other Western countries. Consequently, the benign international environment that allowed China to rise economically in the post-Cold War era has been replaced by an environment featuring an open-ended and hostile strategic confrontation between China and the U.S. (and some of its key allies).

However radical and consequential Xi's policies have been since his rise to power a decade ago, his agenda remains far from being fully realized. Since he is poised to receive at least another five-year term at the CCP's Twentieth National Congress this fall, it is reasonable to assume that China's strongman will endeavor to protect his legacy and seek new accomplishments in the coming decade.

In the space below we first analyze Xi's agenda and review his accomplishments during the last decade. We end the essay with a prospective look at the challenges Xi will face in the coming decade.

### **Achieving political dominance**

Collective leadership prevailed to varying degrees in the decades prior to Xi's rise. When Deng Xiaoping became dominant leader in 1979, he had to share power with Chen Yun (who had equally illustrious revolutionary credentials). Other revolutionary elders who had survived the Cultural Revolution also wielded real political influence. In the post-Deng era, accidental factors, not strong institutions, helped maintain collective leadership. Jiang Zemin, CCP general secretary from 1989 to 2002, faced strong rivals, such as conservative prime minister Li Peng and dynamic economic czar Zhu Rongji. Also, Qiao Shi, another member of the Politburo Standing Committee, had more seniority than Jiang. Most critically, Jiang was politically undermined by Deng's designation of Hu Jintao (in 1992) to be Jiang's successor. The balance of power at the top of the party-state during Hu's term in office (2002–2012) was preserved also because no single faction was powerful enough to destroy its rivals.

By the time Xi took over from Hu in late 2012, Jiang's influence had begun to wane. Physically, the 86-year-old Jiang was likely too feeble to do much politicking. Most of his supporters were either retired or on the verge of retirement. Hu's decision to retire from all three of his positions – general secretary of the CCP, president of the People's Republic of China (PRC), and chairman of the Chinese Military Commission (CMC) – allowed Xi to become the only post-Mao leader to simultaneously assume all three top posts.<sup>4</sup> Even more importantly, the bitter rivalry between

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<sup>4</sup> Although Deng became paramount leader in December 1978, he chose not to name himself either chairman of the CCP or the president of the PRC. He later took over chairmanship of the CMC. When Jiang became general secretary of the CCP in June 1989, Deng still held the chairmanship of the CMC (until November 1989). Jiang retained the CMC chairmanship for two years after he stepped down as general secretary in 2002.

Jiang and Hu created an opportunity for Xi to exploit their mutual animosity and fundamentally alter the balance of power in his favor.

How Xi seized this opportunity and made himself the most powerful leader in the post-Mao era is well-known and needs not be re-told. What interests us here is the underlying factors that enabled Xi to succeed, perhaps even beyond his own expectations, in achieving personal political dominance with relative ease.

As discussed above, Xi benefited greatly from the rivalry between Jiang and Hu and, when launching his purge in 2013, he strategically prioritized destruction of the more powerful Jiang faction. But luck (the Jiang-Hu rivalry) and smarts (Xi's decision to target the Jiang faction first) do not fully explain Xi's success in demolishing the political edifice the CCP had painstakingly built in the post-Mao era.

In retrospect, Xi's success can be attributed to the CCP's flawed attempts to institutionalize elite politics and the impossibility of enforcing rules and norms in a dictatorship. Immediately after the end of the Cultural Revolution, veteran revolutionaries led by Deng instituted a series of reforms to prevent the return of a Mao-like figure. However, these attempts were partial and largely self-serving. In violation of basic institutional norms, Deng and other aging senior leaders wielded real power despite their retirement from formal leadership positions. Notwithstanding his own rhetorical commitment to the principle of collective leadership, Deng preferred to make key decisions by himself. In terms of institutional arrangements to safeguard collective leadership, Deng and his colleagues did not establish any transparent, explicit, and hard rules, especially concerning selection of the top leadership.

Regarding limitations of the power of the top leader, Deng's measures were partial at best and, in light of the ease with which Xi has circumvented them, utterly inadequate. Replacing the post of "chairman" of the party with that of "general secretary" was largely symbolic. The new general secretary may be the first among equals when his colleagues are truly "equal" in terms of political heft. But when a domineering figure becomes general secretary, he can behave exactly like Mao if the other members on the Politburo Standing Committee are pushovers.

Additionally, term limits were instituted in a sloppy if not cynical way. The two-term limit on the presidency, the least important of the three positions normally held by the top Chinese leader, was the most explicit as it was enshrined in the constitution. But since the CCP has made it easy to amend the constitution (the constitution can be amended with approval of two-thirds of the National Party Congress delegates, all of whom are selected by the party), Xi encountered no obstacles in amending the state constitution in March 2018 (of nearly 3,000 delegates, only two opposed and three abstained). The two-term limit for the tenure of the general secretary was never made explicit or written into the party's charter. Xi's predecessors had followed the practice not because they wanted to, but because their lack of power forced them to. The retirement age limit for senior leaders, also never formalized, now leaves the door open for Xi to stay on despite exceeding the informal retirement age of 68 for Politburo members (Xi is not the first top leader to exceed this age limit; Jiang Zemin was 71 when he began his final term as CCP general secretary).

Even if Deng had crafted clearer and more stringent rules to maintain collective leadership and term limits, enforcing them after he departed from the scene would have been nearly impossible.

The enforceability of rules and norms that directly affect the power of an incumbent leader in an autocracy is doubtful without a third party. The very fact that Deng picked Hu as Jiang's successor belied his own distrust of the CCP's ability to enforce the rules he had established. One potential solution would be to create independent centers of power, such as an autonomous judiciary or an empowered electorate, to enforce such rules. But Deng's antipathy toward democracy and the rule of law precluded such democratic or legal reforms. So, when Xi began dismantling collective leadership, and ultimately abolishing the term limit (for the presidency), he not only took advantage of the (deliberate) vagueness of the rules Deng had set but also paid no political price due to the absence of a third-party enforcer.

### **Reinvigorating Leninism**

The second component of Xi's agenda was the full reinvigoration of Leninist rule. The motivation behind Xi's revival of Leninism was likely his assessment that CCP members had become ideologically less committed to the party's original ideals, organizationally undisciplined, and politically unreliable during the party's single-minded pursuit of economic development in the post-Mao era. Based on his emphasis on the political supremacy of the party, it is also reasonable to assume that Xi felt that the party's control over society and the economy was eroding. Reversing these dangerous trends required the re-imposition of ideological and organizational conformity on the party and a reassertion of the party's control over society and the economy.

This effort, complementary with the attainment of personal political dominance, unfolded in several stages but achieved mixed outcomes. The first stage was marked by the most ferocious anti-corruption drive to take place in the post-Mao era. As a large number of senior and middle-ranking party officials had engaged in shady business dealings and were potentially vulnerable, Xi's anti-corruption campaign instantly accomplished two crucial objectives. Not only did it help destroy powerful rivals such as Zhou Yongkang, the former domestic security chief, and removed tens of thousands of officials who had been promoted by Xi's rivals throughout the country but also it enabled Xi to consolidate power, particularly in terms of his control of the People's Liberation Army (PLA). In less than four years, Xi's campaign claimed fifty-three PLA generals, including the two top military commanders on the CMC, the chief of the general staff and the commander of the People's Armed Police.<sup>5</sup>

During the second stage, Xi implemented a thorough revamping of CCP rules to emphasize discipline, ideological loyalty, and, not coincidentally, his personal authority.<sup>6</sup> The revision of old rules and promulgation of new rules formalized the establishment of a new centralized leadership dominated by Xi. For example, Xi revised the CCP Charter in October 2017 to institute the so-called Central Military Commission Chairman's Responsibility System (军委主席负责制), which explicitly grants him authority to "direct the work of the commission,

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<sup>5</sup> 北京青年报, "军队打虎拿下首位现役上将 18 天后逾 53 军虎落马," December 30, 2016, [http://www.xinhuanet.com/politics/2016-12/30/c\\_112021\\_6755.htm](http://www.xinhuanet.com/politics/2016-12/30/c_112021_6755.htm)

<sup>6</sup> Minxin Pei, "Rewriting the Rules of the Chinese Party-State: Xi's Progress in Reinvigorating the CCP," *China Leadership Monitor*, Issue 60 (Summer 2019), [https://www.prclleader.org/\\_files/ugd/10535f\\_c22e9e10b681444c93167478999e548c.pdf](https://www.prclleader.org/_files/ugd/10535f_c22e9e10b681444c93167478999e548c.pdf)

command the armed forces, and make decisions on all major issues regarding national defense and the military.”<sup>7</sup> These rules also have reinforced party control over the machinery of the state (such as the vast domestic security apparatus), imposed tougher penalties for violations of party discipline, and required party organizations and members to engage in party activities more actively and regularly.<sup>8</sup> Concurrently, Xi launched a series of ideological indoctrination campaigns aimed to revive the ideological commitment of the party’s rank and file and to propagate “Xi Jinping Thought for a New Era.”<sup>9</sup>

The third stage of Xi’s reassertion of the comprehensive supremacy of the CCP began in 2021 when he launched a systematic crackdown on China’s private sector. Almost simultaneously, he announced an egalitarian economic agenda known as “common prosperity.” To be sure, the CCP unveiled its plan to establish a party presence in private firms in May 2012 (a few months before Xi assumed power) and started forcing private firms to set up party cells shortly thereafter.<sup>10</sup> However, Xi did not move against the private sector more aggressively until October 2020, when he personally intervened to stop the stock-market listing of Jack Ma’s Ant Group. Subsequently, the Chinese government initiated a series of regulatory crackdowns to “prevent the disorderly expansion of capital,” targeting, in particular, high-flying tech firms such as Alibaba, Tencent, Didi, Meituan, and others.<sup>11</sup>

Reassertion of the supremacy of the party-state has also been implemented through a sustained crackdown on civil liberties that began in August 2013 when the government arrested well-known social media influencers with millions of followers (known as the “Big Vs”). Subsequently, the Cyberspace Administration of China (网信办) and China’s cyber police significantly tightened censorship of Chinese social media. The crackdown on civil liberties has now been extended to other realms, such as the traditional media, law, and educational institutions. The most infamous incident was the detention and arrest of hundreds of human rights defense lawyers on July 9, 2015. China’s ethnic minorities in Tibet and Xinjiang have experienced the most severe violations of human rights in the post-Mao era as a result of the

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<sup>7</sup> 军委主席负责制 [http://keywords.china.org.cn/2021-11/05/content\\_77853794.html](http://keywords.china.org.cn/2021-11/05/content_77853794.html)

<sup>8</sup> 中共中央印发《中国共产党政法工作条例》 [http://www.gov.cn/zhengce/2019-01/18/content\\_5359135.htm](http://www.gov.cn/zhengce/2019-01/18/content_5359135.htm); 中共中央印发《中国共产党纪律检查委员会工作条例》 [http://www.dangjian.com/shouye/zhuanti/zhuantiku/dangjianwenku/dangneifagui/202203/t20220324\\_6324034.shtml](http://www.dangjian.com/shouye/zhuanti/zhuantiku/dangjianwenku/dangneifagui/202203/t20220324_6324034.shtml); 中共中央印发《中国共产党组织工作条例》 [http://www.gov.cn/zhengce/2021-06/02/content\\_5615053.htm](http://www.gov.cn/zhengce/2021-06/02/content_5615053.htm)

<sup>9</sup> “关于‘不忘初心、牢记使命’主题教育 中央印发了这些通知,” <http://chuxin.people.cn/n1/2019/0812/c428144-31289841.html>

<sup>10</sup> “中共中央办公厅印发《关于加强和改进非公有制企业党的建设工作的意见（试行）》,” [https://www.samr.gov.cn/djzcyj/scdjgz/wjfg/201902/t20190215\\_281570.html](https://www.samr.gov.cn/djzcyj/scdjgz/wjfg/201902/t20190215_281570.html)

<sup>11</sup> “防止资本无序扩张,” 经济日报, [http://www.xinhuanet.com/fortune/2020-12/27/c\\_1126911793.htm](http://www.xinhuanet.com/fortune/2020-12/27/c_1126911793.htm)

imposition of strict security measures and, most alarmingly, mass incarcerations that allegedly have placed more than one million Uighurs in extra-judicial detention.<sup>12</sup>

Xi's project of revitalizing Leninism and reasserting the supremacy of the party-state over society and the economy has progressed unevenly. On paper, he clearly has achieved his objective of laying down a set of new rules for the party and embedding his personal authority in these rules. In addition, his ideological indoctrination campaigns have been duly carried out. Despite these observable results, it is impossible to know how the new rules influence the political calculations and conduct of the party's 96.7 million members.<sup>13</sup> Nor can one tell whether national indoctrination campaigns have made CCP members more ideologically committed and politically more loyal. In all likelihood, such efforts have resulted in more political ritual rather than substance.

The crackdown on civil liberties has been highly effective. Dissent has largely been snuffed out. Activists whom Xi's predecessors had tolerated have been imprisoned, exiled, or silenced. The adoption of advanced surveillance technologies has enabled the police to closely track individuals deemed to be threats to the party. The unrest in Tibet and Xinjiang appears to have been squashed, at least temporarily.

The most challenging task for Xi is to reestablish the party's dominance over the private sector. Although the regulatory crackdown since the fall of 2020 has temporarily reined in tech entrepreneurs in e-commerce and has sent shock waves throughout the private sector, it would be administratively too complicated and economically disastrous to reimpose old-style control over the private sector. His zero-Covid policy has already shaken the confidence of private entrepreneurs and prompted many to think about leaving the country. More aggressive efforts to control the private sector or pursue his "common prosperity" agenda will likely trigger a mass exodus of capital and talent.<sup>14</sup>

It is not difficult to explain the reasons behind these mixed outcomes. Xi can deploy the coercive power of the Chinese state to reassert control over society. The return of rule of fear has, at least for now, enabled the party to silence dissent, limit the flow of information, and crush resistance in Tibet and Xinjiang. In reinvigorating Leninism in the party, Xi also can rely on the party's organizational apparatus, backed by disciplinary threats, to ensure compliance by party members, at least ostensibly. He has made the least progress in reasserting party control over the private sector, not only because he began to take on this task relatively late but also because the private sector accounts for probably two-thirds of the Chinese economy and any hasty and crude measures could be disastrous for the economy. This compels him to move more carefully and deliberately.

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<sup>12</sup> Lindsay Maizland, "China's Repression of Uighurs in Xinjiang," <https://www.cfr.org/backgrounder/chinas-repression-uyghurs-xinjiang>

<sup>13</sup> As of the end of 2021. See [http://www.law-lib.com/law/law\\_view.asp?id=757285](http://www.law-lib.com/law/law_view.asp?id=757285)

<sup>14</sup> "Covid in China: Xi's Fraying Relationship with the Middle Class," *Financial Times*, <https://www.ft.com/content/8f4b6e8b-9b59-433e-b862-425c78a378b4>



## **Making China great again**

“The great rejuvenation of the Chinese nation” became Xi’s foreign-policy mantra shortly after he assumed power. Translated into policy, the “great rejuvenation” project meant jettisoning China’s low-profile foreign policy of the post-Mao era, undertaking projects despite risks of jeopardizing ties with the U.S., attempting to reshape the international order, and re-orienting foreign policy away from preserving a benign external environment for domestic development to acquiring more influence and power abroad.

Xi’s “great rejuvenation” project has been front-loaded. He announced the “One-Belt-One Road” Initiative, later renamed the Belt-and-Road Initiative (BRI), in September 2013. The Asian Infrastructure Investment Bank (AIIB), a China-led multilateral financial institution set up to compete with the World Bank and other U.S.-led international financial institutions, was launched in October 2013. The Chinese military established the East China Sea Air-Defense Identification Zone (ADIZ) in November 2013. China began to build large – and later to militarize – artificial islands in the disputed waters in the South China Sea in 2014. The pivot to Russia also occurred early in Xi’s tenure when Moscow became the destination of his first foreign trip in March 2013.

Remarkably, Xi did not encounter a vigorous Western pushback until his second term, and a concerted response by the U.S. and its allies did not occur until President Joe Biden began to lead such an effort shortly after entering the White House in 2021.

Even though Beijing may feel that it has scored major gains with its muscular foreign policy, the cost-benefit ratio does not validate such an assessment. After investing tens of billions of dollars in the BRI, the project’s strategic payoff for China has yet to materialize. Although some beneficiaries of the BRI may develop closer diplomatic ties with Beijing, their contribution to China’s overall geo-political influence may be modest at best since most of the participants in the BRI are low-income or middle-income countries with limited economic and military capabilities. In exchange for uncertain future returns, China has incurred significant *current* economic and diplomatic costs. Economically, China has directed precious and scarce resources to overseas projects of little practical value for its domestic development. Diplomatically, China’s BRI has galvanized the U.S. and its allies to increase their development assistance to counter that of Beijing.

On the security front, establishment of the ADIZ has not materially strengthened China’s hands in dealing with Japan, which maintains physical control of the islands. If anything, this move has driven Japan even closer to the U.S. The building of militarized islands in the South China Sea may seem to be a brilliant move. The other two claimants in the dispute, Vietnam, and the Philippines, are too weak to push back, while the U.S. lacks practical options to roll back this gray-zone tactic other than conducting “freedom of navigation operations” (sending warships into the waters near these islands). However, strategically, China’s island-building venture was a costly blunder. It was a key contributor to the breakdown of Sino-American relations because the U.S. viewed this step as crossing a red line. Regionally, the move also soured relations between China and the ASEAN countries, cancelling out years of Beijing’s investment in building friendly ties with the regional group.



The pivot to Russia, which initially appeared to have strengthened China's hands in dealing with the U.S., has yielded limited benefits and it has incurred heavy costs.<sup>15</sup> To be sure, China has improved its energy security by striking long-term energy deals with Russia and has obtained some advanced Russian weaponry, such as the S-400 air defense systems.<sup>16</sup> The two countries also improved cooperation at the United Nations Security Council and conducted numerous joint military exercises to showcase their new security relationship. But the costs of the Sino-Russian strategic alignment ultimately became clear after Russia invaded Ukraine in February 2022. China's pro-Russia stance angered European countries, whose strategic neutrality in the Sino-American strategic competition China had been actively seeking.<sup>17</sup>

In sum, instead of advancing Chinese national interests patiently, subtly, and incrementally, Xi's "great rejuvenation" project has provoked a premature confrontation with the U.S., antagonized neighbors it can ill-afford to turn into adversaries (such as Japan and India), and alienated the European Union (mainly due to the Russian invasion of Ukraine and the crackdowns in Hong Kong and Xinjiang). Cumulatively, the "great rejuvenation" project has resulted in a rapid deterioration of China's external environment. Today, not only does China find itself defined as America's greatest long-term threat but also it faces the prospect of "economic decoupling" with the U.S. and, to a lesser extent, with America's European allies. In response, Xi has embarked on a security-focused economic strategy, called "dual circulation," to reduce Chinese reliance on Western markets and technology. Externally, he has further strengthened ties with Vladimir Putin, culminating in the signing of a joint declaration in early February 2022 declaring a "no-limits" strategic partnership.

Xi's foreign-policy agenda has been the least successful because this is an arena where he has the least amount of control and where he must contend with powerful adversaries. If he wields unchallenged authority within the Chinese system, the geo-political balance of power under which he must operate does not favor China. His policies were bound to encounter pushback from the U.S., which viewed them as a direct challenge to its primacy.

Several plausible factors lay behind Xi's risk-taking foreign-policy agenda. One is his optimistic assessment that the shift in the global balance of power favors China and provides him an opportunity. Although this assessment is not necessarily wrong because such a shift has been in progress since the post-Cold War era due to the rise of China and India, the shift has not advanced to a stage that will allow China to challenge the West without adverse consequences.

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<sup>15</sup> Elizabeth Wishnick, "Sino-Russian Consolidation at a Time of Geopolitical Rivalry," *China Leadership Monitor*, Issue 63 (Spring 2020), <https://www.prcleader.org/elizabeth-wishnick>

<sup>16</sup> "Putin Hails \$117.5 bln of China Deals as Russia Squares Off with West," <https://www.reuters.com/world/putin-tells-xi-new-deal-that-could-sell-more-russian-gas-china-2022-02-04/>; "Russia Completes Delivery of Second S-400 Missile System Regimental Set to China," <https://tass.com/world/1113113>

<sup>17</sup> "国务委员兼外交部长王毅就中国外交政策和对外关系回答中外记者提问," [https://www.fmprc.gov.cn/wjbxhd/202203/t20220307\\_10649045.shtml](https://www.fmprc.gov.cn/wjbxhd/202203/t20220307_10649045.shtml)

In retrospect, it is clear that China has overestimated its strengths and has underestimated the power and determination of the U.S. to defend its primacy.

Besides overly optimistic strategic assumptions, Xi's external setbacks were also likely the result of an over-centralization of decision-making, the inevitable outcome of the restoration of strongman rule. Over-centralization of power makes it impossible to scrutinize the top leader's policy ideas because doing so implies a direct challenge to his judgment and authority. Additionally, a course correction is similarly difficult because reversing counterproductive policies may erode the prestige of the top leader.

### **The next decade**

During the last decade, Xi has proved himself to be a master of power politics in a Leninist regime, mainly by gaining control of its instruments of coercion, such as the military, the party's anti-corruption agency (the Central Commission for Discipline Inspection), and the domestic security apparatus. He has also demonstrated a risk-taking propensity that his immediate predecessors lacked, as shown in his foreign policy and his handling of the unrest in Hong Kong and Xinjiang. Even more remarkably, he has stayed the course even when his policies encountered serious difficulties or had become extremely costly, as we have seen in his major foreign-policy initiatives, the crackdowns in Xinjiang and Hong Kong, and the continuation of the zero-Covid policy after the emergence of the Omicron variant in 2022.

In the decade ahead, Xi will be navigating far more treacherous terrains. On the domestic front, his top priorities include protection of his political legacy, implementation of his "common prosperity" agenda, and reorientation of the Chinese economy toward greater self-sufficiency and resilience in face of a hostile West. However, compared to the circumstances when he began his first decade in power, Xi will have a weaker hand to play. Economic growth, which gradually started to slow down in 2012, is on course to decelerate further and likely faster due to the impact of the coronavirus pandemic, the effects of the U.S.-China economic "decoupling," accelerated demographic aging, and the growing pessimism among China's private entrepreneurs about their country's economic prospects. A slowing economy will make it much more difficult for Xi to implement his "common prosperity" agenda since the Chinese state will lack the resources normally generated by a healthy economy to fund a substantial program of redistribution.

Making the Chinese economy more resilient and self-sufficient may sound appealing in theory. But implementing China's "dual circulation" strategy and gaining greater technological self-sufficiency will inevitably incur enormous efficiency losses because of reduced integration with the advanced economies. The reversal of the open-door policy initiated by Deng more than four decades ago will inevitably hurt China's economic potential.

Deteriorating economic prospects will sorely test Xi's leadership. The party's performance legitimacy will erode if slower economic growth results in stagnant standards of living and higher unemployment. China's military modernization program and ambitious foreign-policy initiatives such as the BRI will be less well-funded. Discontent with Xi's leadership could grow within the party. The imperative of sustaining a decent rate of growth (above 5 percent) would require that Xi strike a delicate balance between achieving his prized political and national

security objectives (“common prosperity” and economic security) and maintaining pro-growth policies.<sup>18</sup>

Politically, Xi will be preoccupied with preservation of his legacy. Besides trying to stay in power as long as possible, he will be most concerned with grooming loyalists who will take over after his eventual departure from the scene. But this task will be challenging. His inner-circle – those who have worked under him in Fujian, Zhejiang, and Shanghai – will be in their 70s at the end of the decade. Identifying and grooming younger officials who are currently in their late 40s or early 50s as potential successors will be difficult because the most politically successful officials in this age group typically hold vice-ministerial or deputy provincial governor positions and lack the opportunities to meet or work with Xi directly. Plucking someone out of obscurity as a front-runner in the succession race (as Mao Zedong did during the Cultural Revolution when he picked Wang Hongwen, a political upstart from Shanghai) could antagonize his followers. Finding someone who is both loyal and competent will be difficult because loyalty can be faked and a potential successor with proven competence cannot be fully trusted. Because of the inherent difficulties in picking successors and the political advantage of delaying the succession process, it is unlikely that Xi will begin making succession arrangements until the very last minute. This task may have to wait until his (highly likely) fourth term. The delay will carry its own risks. When a sufficiently young successor is finally identified and appointed in the late 2020s, he will unlikely gain enough experience or authority to take over in the 2030s.

Xi’s domestic tasks, however difficult, pale in comparison with his external challenges. In the short to medium term, his freedom of action is constrained by the uncertainty of the war in Ukraine. If Russia is defeated and Putin loses power, the Sino-Russian strategic partnership will likely unravel, and the balance of power will instantly shift in favor of the U.S. and its allies. A prolonged stalemate will create more space for China as the conflict will continue to distract the U.S. and preoccupy Europe. But as Russia becomes progressively weakened by the costs of the war and the West’s economic sanctions, Putin will likely demand more help from Xi, thus creating a huge dilemma for China. Helping a desperate Russia would jeopardize China’s economic ties with the West but refusing to extend a hand to a struggling Russia could lead to a rupture of the Sino-Russia strategic partnership. The ideal outcome for China is a “victory” for Putin (defined as territorial concessions and a neutrality pledge by Ukraine) because such an outcome will help preserve the Sino-Russian *de facto* alliance.

However, Xi’s primary focus in the next decade will be on sustaining the new cold war with the U.S. Due to Washington’s success in rallying its allies, there is very little China can do at the moment to persuade U.S. allies to maintain strategic neutrality. The unfavorable balance of power for China and its awareness of its vulnerabilities to Western sanctions, similar to those imposed on Russia, will likely force Xi to stick to a defensive strategy to preserve existing interests rather than to seek new ventures. The essence of this defensive strategy is to conserve limited resources, strengthen his “holistic” national security, and avoid a potentially catastrophic conflict with the U.S. from a position of weakness. A premeditated and unprovoked attack on

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<sup>18</sup> Based on a forecast issued in early 2022 by the Chinese Academy of Sciences, the average growth rate in the 2020s is expected to be 5.3 percent. “2022 年中国经济增长速度的预测分析与政策建议,” [http://www.bulletin.cas.cn/publish\\_article/2022/1/20220110.htm](http://www.bulletin.cas.cn/publish_article/2022/1/20220110.htm)

Taiwan, for example, would be a low-probability event if such a defensive strategy guides Xi's policy in the coming decade.

If post-1949 Chinese history is any guide, Xi has his work cut out for him for the next decade. Mao Zedong and Deng Xiaoping, the other two strongmen who dominated the party before Xi, both began to encounter serious political difficulties when they entered their second decade in power, albeit for different reasons. Mao's greatest disasters – the Great Leap Forward and the Cultural Revolution – occurred in his second decade in power (in post-1949 China). Mao made these two monumental blunders because of his hastiness in building communism and because of his split with his more pragmatic comrades who could not be trusted to defend his legacy. In the case of Deng, his reforms in the 1980s unleashed political and economic forces the party could not contain. The Tiananmen debacle in 1989 came close to ending his modernization project when he had to purge the liberal wing of the party and he faced resurgent conservatives seeking to reverse his economic reforms. Although a politically weakened Deng managed to revive his reforms in the spring of 1992 with his historic southern tour, it was a close call. Providential intervention – such as the deaths and illnesses of his main conservative rivals, the incompetence of the conservatives in managing a stagnant economy, and, above all, the pervasive sense of doom within the regime after the collapse of the Soviet Union in December 1991 – doubtlessly played a pivotal role in bringing Deng's reforms back to life after 1989.

If anything, Xi's tasks seem more challenging than those of either Mao or Deng at comparable stages of their rule. Both Mao and Deng accumulated immense political capital prior to their second decade in power. It is difficult to argue that Xi has accrued similar amounts of political capital during his first decade in power. It remains to be seen how a top leader in possession of less political capital can navigate even more dangerous domestic and geo-political terrains and avoid calamities comparable to the Great Leap Forward, the Cultural Revolution, or the Tiananmen massacre.

### **About the Contributor**

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