

## **Summary of a Joint CLM and Freeman Chair of CSIS Conference on Xi Jinping's Decade in Power**

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On September 8, 2022 *China Leadership Monitor* and the Freeman Chair of the Center for Strategic and International Studies held a joint briefing on the record of Xi Jinping since he became the leader of the Chinese Communist Party (CCP) in November 2012. We provide a brief summary of the main points of the discussion below.

Since coming to power ten years ago, Xi Jinping has proven to be a master of authoritarian politics. He has successfully consolidated his personal authority and embarked on a campaign to reinvigorate party ideology and presence in Chinese society. Xi has formulated a maximalist view of national security that centers on regime and party security, and he has tied unification with Taiwan to China's path toward national rejuvenation. His leadership of the economy and foreign policy agenda have produced mixed results, as he attempts to shift away from the United States and bolster Beijing's influence in the developing world.

Many of the challenges Xi faces now will follow him into his likely third term as General Secretary. Analysis of his performance over the past decade offers insight into his weaknesses, his strengths, and possible obstacles and opportunities he may face in the coming years.

### **Leadership Skills**

Xi rose to power despite having a relatively weak power base. But he quickly overcame this handicap and began to consolidate power quickly and ruthlessly. Within weeks of becoming Secretary General, Xi launched his first anti-corruption campaign to neutralize his rivals in the CCP. Wide-reaching ideological campaigns soon followed, with the goal of reinvigorating the party and promoting loyalty to the party center and its new leader.

Xi's extraordinary success in consolidating power can be attributed to the weak checks and balances established in the post-Mao era, as well as his disregard for uncodified but previously respected party norms. In retrospect, Xi's ruthless political acumen has served him well, enabling him to destroy rivals and surround himself with loyalists. In his first five years in office, Xi's unrelenting purges, in particular of the military and the security apparatus, helped solidify his control of the gun and greatly strengthened his authority.

Unlike his practically minded predecessors, Xi is an ideologue who displays pragmatism only on occasion. This often leads him to double down on impractical policies – such as his zero-tolerance Covid policy – instead of retreating. He fears that an about-face could undermine his

political authority in the run-up to the 20<sup>th</sup> party congress which is expected to grant him a third term.

### **Conception of national security**

A series of events starting in the run-up to Xi's ascent to leadership of the CCP – including the Global Financial Crisis, the Arab Spring, Edward Snowden's intelligence leak, and Bo Xilai's fall from grace – set the stage for a new conceptualization of national security. Xi has constructed a maximalist view of national security, as outlined in the Overall National Security Outlook (ONSO) released in 2014. Under this framework, both traditional threats, like foreign military presence on China's border, and non-traditional threats, like public uproar on Weibo, are considered sources of national insecurity. National security has become synonymous with regime security, serving as a foundation and driver for ideological and material actions to protect the party's monopoly of power. The ONSO thus institutionalizes paranoia within the CCP and, as evidence from the local level suggests, incentivizes cadres to act with paranoia rather than pragmatism.

The Global Security Initiative (GSI), unveiled by Xi in April 2022 shortly after Russia's invasion of Ukraine, could prove to be Beijing's international extension of the ONSO. If the ONSO is Beijing's framework for redefining national security, then the GSI may become China's vehicle for restructuring the international security order. Although the GSI is in its infancy, it will likely serve to drive conversation on global security architecture and present an alternative model to the western-led order.

### **Taiwan Policy**

Taiwan presents both national security and regime security concerns for Xi Jinping. Under Xi's leadership, China's policy toward Taiwan has become more coercive and escalatory. Beijing has expanded the range of what it considers actions toward Taiwanese independence, thus often engaging in more aggressive responses to American or Taiwanese actions it deems movements toward independence.

Xi has also entrenched a bidirectional linkage between China's national rejuvenation and unification with Taiwan: rising Chinese power makes unification more attainable, and unification will lead to the rejuvenation of the Chinese nation. The year 2049 is a benchmark associated with rejuvenation, suggesting that it may also be a soft deadline for unification.

Additionally, Xi has moved away from his predecessors' "One Country, Two Systems" approach, which would have granted Taiwan some political, military, and social autonomy. Informed by the events in Hong Kong, Xi instead envisions a two-system solution for Taiwan, under which Taipei would be subordinate to Beijing and guaranteed no political or military freedoms. Xi is also more willing to use coercive means than his predecessors to pressure Taipei into accepting unification.

### **Economic Performance**

Although Xi has proven himself a shrewd political leader, his economic record is mixed. He did not come to power with a clear economic agenda, and only in the past few years has he put forth a more focused plan for the Chinese economy. His new economic agenda is closely tied to national security: economic security is part and parcel of national security, and by extension regime security. Thus, economic self-sufficiency has become a hallmark of Xi's new economic strategy.

Economic performance under Xi Jinping has been uneven. Although China continues to grow at a high rate in comparison to developed economies, its economic growth has slowed significantly relative to previous decades. Especially concerning is the drop in total factor productivity since 2012.

Although activist industrial policy predated Xi, his government has put more emphasis on industrial policy and made more resources available to implement it. The state-owned sector continues to be the biggest beneficiary of such policies, despite mounting evidence that China's private sector is significantly more productive. Beijing's planners have also allowed a housing bubble to grow, which is at risk of bursting. In terms of carbon reduction, China is not taking action quickly enough, even though it stands to lose the most from climate change.

Despite Xi's rhetorical push for increased economic self-sufficiency, China has become more integrated with the world economy under his leadership in many ways (although this trend is likely to reverse in the future). Trade flows and agreements have increased in magnitude and number (particularly within Asia), average tariff rates have declined, and the investment environment in China has improved, especially in the financial sector. However, rising geopolitical tension and the country's zero-Covid policy are dampening enthusiasm among foreign investors.

## **Foreign Policy**

As evidenced by China's increased trade flows to RCEP countries and economic cooperation with other global partners, foreign policy under Xi has been characterized by its ambition and scale. Bilateral partnerships have more than doubled under Xi's leadership, driven largely by the Belt and Road Initiative (BRI). The BRI, the Asian Infrastructure Investment Bank (AIIB), and other Chinese-led multilateral initiatives have situated Beijing as a leader of the developing world and an alternative architect of the global order. This second objective has also been aided by China's growing relations with adversaries of the United States, particularly Russia, Iran, and Venezuela. China's increased prominence in the international system has empowered Beijing's voice on global governance issues and given it greater influence in international institutions.

Domestically, China's narrative surrounding its foreign policy is positive, framing itself as a leader of the developing world and a successful nation, in contrast to a West that is crumbling from within. However, outside of China, perceptions are much more negative: China's relationships with much of the developed world have been deteriorating fast. At home, China also faces serious challenges such as declining population, high youth unemployment and runaway debt. China's international behavior has opened opportunities for the United States to

strengthen its alliances with China's neighbors and form new coalitions such as AUKUS and the Quad.

## **Looking Forward**

After likely securing a third term as General Secretary in October, Xi will confront difficult domestic and international challenges. His past successes and failures, as well as his personal strengths and weaknesses, shed some light on what his future years in power may hold.

As party leader, Xi has amassed substantial personal power, but at significant cost. His frequent purges of the party's ranks have resulted in more enemies, making Xi feel less secure in power and thus necessitating continued purges, even of former loyalists and allies. He also faces disgruntled party elites, having broken the post-Tiananmen consensus and deprived them of the ability to amass fortunes from their party positions. Through a historical lens, maintaining control of the party may prove challenging for Xi. Unlike Mao and Deng, who had accumulated significant political capital before they encountered serious political difficulties, Xi does not possess the same degree of authority in the party and has not amassed an equivalent amount of political capital as Mao or Deng. In the years to come, Xi will likely continue to employ purges when faced with resistance and cultivate his cult of personality to maintain power. Given Xi's limited interactions with younger cadres, it is unclear, possibly even to Xi himself, who may succeed him.

The expanded conceptualization of national security also poses challenges to China's *actual* security. Since almost anything can fall under the purview of national security, what will officials prioritize? It is possible that cadres will deprioritize truly impactful risks to China's security in order to address perceived threats to party security. In this way, the ONSO has institutionalized the party's paranoia into the governance of the state.

Taiwan serves as a major flashpoint for China's national security, and it will continue to be among Xi's top priorities, one which he may double down on after the Party Congress. Since Xi has directly tied China's national rejuvenation to unification, a perceived lack of progress on the Taiwan front will be considered a lack of progress on the national front. Although Xi would prefer to use political and economic levers to promote unification, military power is becoming an increasingly attractive tool. Cross-Strait relations will undoubtedly be marked by greater instability in the coming months and years.

Among Xi's greatest weaknesses is his poor grasp of the economy. Many of his industrial and environmental policies have proven contradictory and ineffective. Regulatory crackdowns have had a chilling effect on China's entrepreneurial scene and caused companies to put plans for expansion on hold. Xi's Covid policy and the resulting economic stagnation are looking more and more like long-term facets of life in China. It remains to be seen how successful Xi will be in making China self-sufficient, as its economy is still heavily reliant on high-end foreign inputs. Additionally, high housing costs, significant youth unemployment, and slowing economic growth could all become flashpoints of popular discontent.

Xi will likely use the next several years to bolster China's international standing and its appeal as an alternative global leader. During this period, the United States will be in the throes of elections, distracted by a polarized populace and a potentially divided government. Xi will likely push hard on a crucial piece (or pieces) of his foreign policy agenda. Xi's track record suggests that he is a leader of great ambition, and will likely take advantage of moments of perceived strategic opportunities when they arise.

*Compiled by Genevieve Collins. Many thanks to CSIS's Briana Boland, Samantha Lu, and Alexandra Chopenko.*