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Xi Reasserts Control: Going For a Third Term

By Dylan Loh

SYNOPSIS

2022 is shaping up to be a vital year for Xi Jinping. What should have been a straightforward 20th Party Congress later this year has been complicated by pressing domestic and external challenges. What are some of the key issues and how might this play out as he seeks a historic third term?

COMMENTARY

CHINA'S PRESIDENT Xi Jinping is expected to extend his tenure at the 20th Party Congress later this year. 2022 ought to have been a laudatory year leading up to the Party Congress with some high-profile events that showcase his proactive leadership.

Key among them was the hosting of the Winter Olympics; the 25th anniversary of Hong Kong's handover; and the celebration of the 101st anniversary of the Communist Party of China. They provided the 'feel good' congratulatory atmosphere for Xi to extend his rule. Nevertheless, developments at home and abroad have conspired to take this shine off in the vital months ahead.

Headwinds at Home

Xi's persistence with dynamic COVID-zero policy have exacted a human, social cost. Scenes of mini riots and disgruntlement have emerged and circulated virally on Chinese social media at the height of lockdowns in Beijing and Shanghai this year, highlighting the frustration and grievances at perceived mismanagement of a strict COVID-19 lockdown by officials.

The Chinese government has responded by sacking upper to middle management

bureaucrats - the [health chief](#) in Beijing, and [three officials](#) in Shanghai in a bid to inoculate anger at the local level.

While the rest of the world progressively opens, China remains one of the last countries to do so and it is increasingly difficult to sell a COVID-19 success story with frequent lockdowns, frustrating the countries' elites and middle classes.

This strict COVID-19 policy has also taken its toll on the economy, with second quarter GDP growth slowing sharply to only 0.4% -- marking China's second [worst-ever Q2 figure in 30 years](#). This is exacerbated by fears of a housing and banking crisis as evinced in the case of four rural banks in Henan freezing all bank withdrawals in April.

Significantly, some of these bank holders were directly making an [appeal](#) to the central government in Beijing to bail them out and argued for greater transparency in governance and 'human rights', which are politically sensitive terms.

What is more, mortgage boycotts by growing numbers of homeowners have also prompted the Chinese state to instruct banks to fund unfinished real estate projects, complicating Xi's plan to tout his economic achievements.

Geopolitical Storms Abroad

The outlook for China's external environment has also darkened considerably. To being with, a slew of public opinion polls across the globe shows that China's image and standing deteriorating. For instance, a 2022 Lowy Institute poll found that just [12% of Australians](#) polled trust China.

A 2022 Pew research poll of 19 publics saw confidence in Xi "[hover at or near historic lows in most places](#)". Closer to home, the 2022 'State of Southeast Asia' survey revealed that 58% of Southeast Asian elites have 'little to no' confidence in Beijing 'doing the right thing' for peace and stability. Persistently negative perceptions of China abroad have the potential to erode Xi's image as a great statesman, as it oscillates between muscular diplomacy and displays of soft power.

Next, the West's relationship with China has also reached one of its lowest points in recent memory. Unhappiness in Europe over China's apparent support for Russia and Beijing's insinuations that NATO's expansion was the primary cause of War in Ukraine meant a serious strategic re-think of countries' relations with China.

This disillusionment has been percolating even before the war: The European Parliament overwhelming vote to suspend the EU-China Comprehensive Agreement on Investment in May 2021 is instructive here, denying/delaying China a foreign policy win for now.

Finally, the establishment of American-inflected groups -- notably AUKUS and Quad - - has degraded the sense of security for China, with Beijing unable to respond and react appropriately.

The post of China's ambassador to the EU is also currently vacant and Chinese officials have explained that this position is so "[high-level](#)", that it cannot be decided

before the 20th Party Congress. Thus, on one hand, some aspects of foreign policy is hamstrung by the impending Party Congress but, on the other, there is pressure to score a foreign policy 'win' for Xi before then.

Indeed, China arguably bungled its diplomatic forays in the Pacific Islands with little concrete results owing to the [failure to sign a security agreement](#). The hastiness shown in the Pacific Island example also seemed to indicate an impatience and pressure to deliver a foreign policy victory for Xi.

Re-asserting Control: Hong Kong, Wuhan and Xinjiang

The worsening economic conditions at home and menacing external geopolitical environment pose a problem for Xi as he seeks to secure a third term. Curiously timed leaks -- including an alleged massive [one billion resident](#) record leak in July -- may indicate some popular and/or elite discontent. But there is no reason to believe that the challenges at home and abroad will seriously threaten Xi's grip on power.

Even so, Xi has felt the need to publicly demonstrate his authority. Three recent visits by Xi to Hong Kong, Wuhan and Xinjiang demonstrate this. All these visits allowed him to showcase his achievements and re-emphasise his authority and control as they present themselves as 'success stories' of varying degrees.

For Hong Kong, it is the passing of the National Security Law and the return of social stability. For Wuhan, Xi's visit highlights his continued confidence in China's COVID-zero policy and how as 'site zero', things have returned to pre-COVID-19 dynamics.

His Xinjiang visit, for its part, underline how Xi's Xinjiang policy has 'succeeded' in 'de-radicalising' the province to the extent that he is confident enough to travel to the region. It is even more significant considering how all these visits took place quite closely, one after the other, and significant media attention has been devoted to them.

Jockeying Widens

Another common thread is that these were sites that attracted considerable international scrutiny and opprobrium regarding China's policies. In that way, these visits were likely connected and can be interpreted as Xi's attempt to re-assert control and demonstrate his authority to both domestic and international audiences.

As alternative power centres in China have effectively been eviscerated by Xi's longstanding anti-corruption campaign, there is no credible challenger that can mount a serious campaign against Xi. Nevertheless, opportunistic jockeying has widened as the aforementioned issues remain untamed.

In that way, the president may not be able to fill the Politburo Standing Committee -- the apex of political power -- with Xi-loyalists and could compromise on some positions.

China and the CCP have proven, historically, that they are far more resilient and adaptable than many give them credit for and will deal with the problems adeptly in

time to come. Even so, Xi would have hoped for the ground to be sweeter than it currently is.

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