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on

Assessing China between 18th and 19th Party Congresses

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The National Congresses of the Communist Party of China (CPC) are extremely important events in the politics of the People's Republic of China. The 18th National Congress of the CPC (hereafter Party Congress), which was held in November 2012, witnessed a transition to the fifth generation leadership of Xi Jinping and Li Keqiang. In his report to the 18th Party Congress, Hu Jintao, General Secretary of the CPC, talked about China's accomplishments as well as challenges confronting the country.

The 19th Party Congress is scheduled to be held in Beijing on 18 - 22 October 2017. The Seventh and the last Plenum of the 18th Central Committee of the CPC was concluded on 14 October 2017. The objectives of the Seventh Plenum included setting agenda and reaching consensus on major decisions. Xi Jinping, General Secretary of the CPC explained the draft report for the 19th Party Congress.

A total of 2,287 delegates have been elected from more than 89 million Party members to attend the 19th Party Congress. These delegates will elect New CPC Central Committee and new CPC Central Commission for Discipline Inspection (CCDI) during the Party Congress.¹ The Party has highlighted China's achievements in various fields ahead of the 19th Party Congress. This has set the stage for examining China's achievements as well as challenges in the last five years, which have been a matter of intense debate within the CPC. It may be noted that the Party has debated the critical issues facing China in public domain to draw practical policy lessons. A comprehensive study in late 2014 by a group of Chinese experts led by Xue Chuntao (Professor and Director of Teaching and Research Department

¹ The delegates are elected from all over the country in accordance with the Party's constitution and CPC Central Committee requirements. According to an official statement, the delegates include not only Party leaders, but also CPC members from frontline production and manufacturing, minority ethnic groups, women, and those from various sectors including the economy, science and technology, national defense, politics and judicial sector, education, publicity, culture, health care, sports and social management.

of CPC History at the Party School of the Central Committee of CPC) (hereafter the CPC study) notes that “The Communist Party of China faces challenges on at least eight fronts” and talked about measures taken by the Party to meet those challenges. The challenges are: (a) Sustaining the development of a healthy economy; (c) Developing democracy; (c) Improving cultural soft power of China; (d) Maintaining social harmony and stability; (e) Promoting ecological progress; (f) Promoting China’s peaceful reunification (g) Building a peaceful and stable environment for China (in the neighbourhood); and (h) Penalizing and preventing corruption.

It is expected that the eight issues raised by the CPC study would be covered by Xi Jinping in his report to the 19th Party Congress. It may be noted that the CPC study did not examine the issue of China’s military modernization. However, Xi Jinping is expected to highlight achievements in the military field in his report to upcoming Party Congress. This paper aims to extend the debate on the above mentioned subjects (including military modernization) by analyzing achievements under the fifth generation of leadership and challenges confronting China since the 18th Party Congress (November 2012).

I

Economy – The Era of New Normal

The CPC study notes that the first challenge for the Party is to maintain a healthy and sustained development of the economy. In his report to the 18th Party Congress, Hu Jintao highlighted China’s economic achievements but also noted that “Unbalanced, uncoordinated and unsustainable development remains a big problem”. The Third Plenum of the 18th Central Committee of the CPC in November 2013 discussed some major issues concerning “deepening the reform comprehensively”. The Fifth Plenum of the 18th Central Committee of the CPC and the 13th Five Year programme (2016-2020) highlighted that “innovation must be placed at the core of the overall national development”.¹

Employment, Income and the Rural Challenge

The period of high growth rate (1978-2011) seems to be over and the Party/government has committed itself to a ‘new normal’.² Prof. Fu Baozong, Institute of Industrial Economics, and Technological Economics, National Development and Reform Commission (NDRC), Beijing, has emphasized that China has entered into a ‘new normal’ phase which has the following five characteristics: (a) slow growth, (b) process of industrial products going down, (c) imbalance between supply and demand, (d) less profitability and (e) decrease in government revenue.² This could also be seen as a process when high growth rate turns to medium rate as a result of structural problems of the economy. The economy is currently undergoing crucial structural transformations and it witnessed a relatively slow growth of 7.3 per cent in 2014, 6.9 per cent in 2015 and 6.7 in 2016.

² The term ‘new normal’ first appeared during President Xi Jinping’s inspection tour to Henan province in May 2014.

In recent weeks, authorities from the National Bureau of Statistics (NBS) and NDRC have highlighted that China created more than 13 million new urban jobs annually for four consecutive years from 2013 to 2016. New jobs created in the first eight months of 2017 stood at 9.74 million. Further, the number of rural residents working in cities rose at an annual rate of 1.8 per cent for the period 2013-2016.³ The Government has provided annual figures for urban employment. It has not provided such figures for rural employment. Further, the number of rural people working in cities increased marginally. Some studies have suggested that it will be challenging to reach the target to increase urban Hukou population by 100 million by 2020.⁴

Further, Chinese authorities have informed that the per-capita disposable income of all residents reached 23,821 yuan in 2016, an annual increase of 7.4 per cent since 2012. The disposable income per capita of rural residents in poor areas rose 10.7 per cent on average in 2013-2016, faster than the 8 per cent for all rural residents. The number of rural people living in poverty dropped to 43.35 million in 2016, from 98.99 million in 2012.⁵ This is an achievement but the problem of inequality is still serious in China. The average urban income in China is about three times higher than the average rural income.

In August 2017, the Rural Development Institute of the Chinese Academy of Social Sciences (CASS) released a report analyzing challenges and driving forces in rural China. The report called for increasing liquidity of resources, reforming collective property rights, improving support policies to ensure steady development.⁶ Further, it can be said that the decisions of the Third Plenum have largely been implemented, however there is not much progress on the issue of giving more property rights to farmers.

Structural transformations

Hu Jintao in his report to the 18th Party Congress sought to implement the strategy of innovation driven development model and adjustment of economic structure. Therefore, it is not surprising that the issue of the structural transformation and innovation as a driver of development were focus of the reform in the last five years.

State-owned Enterprises (SOEs)

The Third Plenum sought to deepen the reform to promote a modern corporate system for SOEs. However, it is noteworthy that SOEs are the biggest interest group in China. Hence, structural changes are very difficult to be made in China as far as SOEs are concerned.

Recently, Xiao Yaqing, Chairman of the State-owned Assets Supervision and Administration Commission of the State Council, acknowledged that “In the five years, significant measures for SOE reform were implemented....we also know that the SOE reform has a long way to go. We have a lot of work to do to implement the requirements by the central government. Standing at a new higher starting point, we will double our effort in further deepening and implementing reforms and finding solutions to problems”⁷

Service sector

The NSB data suggests that the share of service output in GDP rose from 45.3 per cent in 2012, to 51.6 per cent in 2016. In the first half of 2017, service output accounted for 54.1 per

cent of GDP. The contribution of final consumption to economic growth averaged 55 per cent in the period 2013-2016.⁸ The service sector has gradually increased its share in the country's GDP. A research report by CASS has confirmed the service sector will account for 72 per cent of China's total industrial output in 2030. It will also provide 56 percent of the country's new job vacancies in that year.⁹

Supply-side reforms

Chinese authorities have informed that the supply-side structural reform have achieved remarkable results. In 2016, the production capacity of steel and coal were reduced by over 65 million tons and over 290 million tons respectively, which exceeded the annual targets. From January to July 2017, the target for reducing the overcapacity of steel was reached.¹⁰The statistics provided by the government suggests that China's supply-side reforms is showing positive signs.

Innovation

It may be noted that the 18th Party Congress report highlighted the strategy of innovation driven development. The 13th Five Year programme (2016- 2020) highlights innovation as the prime driver of economic development. It focuses on an innovation driven strategy to increase the contribution of consumption to economic growth and efficiency of investment and enterprises. It aims to achieve sustainable and environment friendly growth in China. ¹¹

China has fixed its targets in the field of innovation: entering the ranks of innovative countries by 2020; ranking at the forefront of innovative countries by 2030 and becoming a world power in Science and Technology by 2050.

The share of R&D spending in GDP rose from 1.91 in 2012 per cent to 2.11 per cent in 2016.¹² The spending on R&D might not be sufficient as the strives on innovation is under great focus as the driver of growth by the current leadership.

Innovation has also become a new 'key word' of China's bilateral cooperation with other countries. In January 2017, China and Switzerland agreed to establish a strategic innovative partnership. In March, China and Israel announced an innovative comprehensive partnership in March 2017 and in June, China and Germany agreed to strengthen cooperation on innovation.

While explaining challenges, Prof. Chen Baoming, Director General, Institute of Comprehensive Development, CASTED, notes that (a) Lack of capability is still an issue when it comes to implementation of innovation driven strategy in China (b) There are still some deep-seated contradictions and problems in the mechanism of innovation-driven development (c) The development system of creative talents is imperfect (e) The policy system surrounding innovation-driven development has not yet formed, and there is a problem of disharmony.¹³

It is pertinent to argue that technology transfer from developed countries could also be crucial to boost productivity. China lags behind in terms of cutting-edge and core technologies. This has been emphasized by President Xi Jinping in the recent past.

Rural-urban integration

Integration of urban and rural development was referred by Hu Jintao in his report to the 18th Party Congress. The issue was highlighted as a solution to the problems of agriculture, rural areas and farmers by the fifth generation leadership. China initiated a ‘new-type of urbanization plan’ in March 2014. China’s 13 Five Year Programme has referred to five components of New Urbanization in China. These are (a) Accelerate the process of granting urban residency to people with rural household, (b) Shape the pattern of urbanization, (c) Build harmonious and livable cities, (d) Improve housing supply system (e) Promote coordinated development of urban and rural areas. However, evidence suggests that the urbanization plan is not very easy to implement as many rural people do not want to leave land and shift to cities.¹⁴ Some Chinese experts have even termed the process as ‘pseudo urbanisation’ as the relaxation in *Hukou* system has not allowed people to get admission of their children in schools/collages.¹⁵ Further, some studies have established that the *Hukou* reform does not address adequately the problems faced by migrants and their families in big cities of China.³

Reflecting on the past experiences of economic reforms, Chinese journals, especially *Qiushi* (求是) and newspapers especially the *People’s Daily*, have highlighted China’s ‘new development principle/philosophy - innovative, coordinated, green, open and inclusive development’ since 2016.

II

Party Building and Developing Democracy

According to the Organization Department of the CPC Central Committee, the CPC had a total of 89.447 million members at the end of 2016. The Party had 22.982 million women members, accounting for 25.7 per cent of the total membership, while 6.3 million members are from ethnic minority groups, making up 7 per cent of total membership.¹⁶ It is evident that women and ethnic minority groups are not represented appropriately as compared to their population.

Party Building

The Sixth Plenum of the 18th Central Committee of the CPC in October 2016 argued for a need to develop the guidelines for the Party under the new situation. It talked about advancing the ‘great project’ of ‘party building’ and promoting the ‘great cause’ of socialism with Chinese characteristics in order to withstand “Four tests” (四大考验) and overcome ‘Four kinds of dangers’ (四种危险). The four tests refer to the following: (a) test of the CPC

³ For details, kindly see Zhao Litao, *China’s Development: Social Investment and Challenges* (Singapore, World Scientific, 2017) p 138.

as the ruling party (b) test of reform and opening up (c) market economy test and (d) test in external environment.

The “four dangers” are lost vitality, insufficient capacity, alienation from the people and rampant corruption. It is noteworthy that Hu Jintao, General Secretary of the CPC had highlighted the ‘tests’ and ‘dangers’ in 2011.

The Sixth Plenum underlined that the future destiny of China is tied with the fundamental interests of people of all ethnicities. It emphasizes that the Party must adhere to the fundamental purpose of serving the people and the Party must implement its “mass line” for the people. Significantly, it stressed the need to do everything possible to solve the problems of the people. It even noted that the ties between the Party and the people are like “flesh and blood”.

The Seventh and the last Plenum of the 18th Central Committee of the CPC was concluded on 14 October 2017. The Plenum focused on Party Building and talked about the “Four Greats”. These include: (a) engaging in the great battle with many new historical features; (b) embarking on the new great project in Party building; (c) advancing the great cause of socialism with Chinese characteristics; and (d) realizing the Great Dream of Revival of the Chinese nation under new situations.”¹⁷

Chinese Dream’ to ‘Four Comprehensives’

On 29 November 2012, two weeks after his appointment as the Party’s general secretary, Xi Jinping visited the National Museum in Beijing (accompanied by his colleagues from the Politburo’s Standing Committee of the CPC) and first talked about the idea of ‘Chinese dream’ and defined it as the ‘great rejuvenation of the Chinese nation’. On 17 March 2013, Xi Jinping elaborated his idea of Chinese Dream in his first public speech as the new President of China. He noted, “The Chinese dream is the dream of the whole nation, as well as of every individual. The Chinese dream, after all, is the dream of the people. We must realize it by closely depending on the people, and we must incessantly bring benefits to the people.”¹⁸

The concept of ‘Four Comprehensives’ was first raised by Xi Jinping during his trip to Jiangsu Province in December 2014 and got an interpretation by Chinese state-run media afterwards. It refers to comprehensively constructing a moderately prosperous society, comprehensively deepening reform, comprehensively governing the country according to the law, and comprehensively using strict governance of the Party.¹⁹ These are not completely new concepts. Each has been mentioned before. ‘Comprehensively building a moderately prosperous society’ was an emphasis of the 18th Party Congress where Xi officially assumed power; ‘comprehensively deepening reform’ was the focus of the 2013 Third Plenum decision; and ‘comprehensively governing the country according to law’ was the subject of the 2014 Fourth Plenum decision.

Prof. Xu Yaotong (from CASS) notes that the ‘Four Comprehensives’ is a result of long-term planning by the Party. The Four Comprehensives specifies the Chinese Dream with each ‘Comprehensive’ representing a strategic layout.²⁰

The white paper on China’s Military Strategy issued in May 2015 made an explicit reference to the Chinese Dream. It noted that China’s national strategic goal is to accomplish two centenary objectives. “It is a Chinese Dream of achieving the great rejuvenation of the Chinese nation. *The Chinese Dream is to make the country strong. China’s armed forces take their dream of making the military strong as part of the Chinese Dream.*”

Democracy and Local Elections

Many times, when Chinese leaders talk about developing or strengthening democracy in China they refer to inner-party democracy and not democracy practiced in Western countries or India. The Sixth Plenum reiterated that “inner-Party democracy is the life of the party”. China has attached importance to the inner party democracy.⁴

Some Chinese experts have lauded local elections at village level in China and have termed it the most significant political reforms in post-Mao *China*.⁵ The Third Plenum called for giving full play to democracy at community level and “open wider the channels for democracy and improve the system of community-level election” However evidence suggests that the experiment has not been very successful. The CPC study has noted that In village elections, misconduct in the form of bribery and improper canvassing seemed to be on rise one again. In some villages in Xiuying district in the city of Haikou in Hainan province, the price of buying a vote went from a past standard of 10-15 Yuan to 1,200 Yuan... keeping corruption out of the grassroots of democracy is critical...²¹

Evidence also suggests that the real issue is a tussle between Party members and Village committee.²² Therefore, the Party has not shown any interest in extending the elections above village level.

Finally, it is important to note that “the major part of the problem within China arises from the desire of people who have achieved economic prosperity to aspire for and acquire spiritual, religious and political freedom. The challenge before the Communist Party of China is to ensure that such freedoms can be provided without necessarily breaking the

⁴ The 16th Party Congress (2002) declared inner-party democracy as the “lifeblood of the Party”. Hu Jintao’s report at the 17th Party Congress (2007) noted the need to “expand inner-party democracy to bring along people’s democracy”. The 18th Party Congress (2012) again referred to the importance of inner-party democracy. The Sixth Plenum of 18th CPC Central Committee reiterated that “inner-Party democracy is the life of the party”.

⁵ In 1988, the Organic law on Village Committees was implemented on trial basis. Election for Villagers Committee started with this law following a series of grassroots initiatives by the villagers. The management and development of village economy according to the wishes of local people is the prime task of the village government. The Organic Law defined the Villagers committee as basic level mass organization of self government through which villagers manage their own affairs, educate themselves and serve their own needs.

iron hold of the Communist Party on the governance of China. If China does indeed succeed in this effort, the Communist Party would have achieved success in establishing a Chinese model of political governance that has not yet been replicated in the modern world”.²³

It is likely that the 19th Party Congress will highlight the issues related to Party building as well as relationship between Party members and masses. Promoting the cause of “socialism with Chinese characteristics” and accomplishing great rejuvenation of Chinese nation will be other highlights from the political perspectives.

III Fighting Corruption

In his report to 18th Party Congress, Hu Jintao noted “If we fail to handle this issue (corruption) well, it could prove fatal to the Party, and even cause the collapse of the Party and the fall of the state”. This shows seriousness attached to the problem.

Five years ago, China's new leadership launched the anti-corruption campaign. It started with issuing the eight point regulation aimed at improving the working style of the party and preventing corruption.⁶ The regulation was adopted in a meeting of the Political Bureau of the CPC Central Committee on December 4, 2012. Xi Jinping at the second plenary session of the 18th CPC Central Commission for Discipline Inspection on 22 January 2013 stressed that people should never loosen practices of anti corruption measures-catching and punishing both tigers and flies (high-level and lower officials) was necessary. The campaign against corruption has been continuously highlighted in party documents. The Sixth Plenum of the 18th CPC Central committee also focused on campaign against corruption The Plenum endorsed prior decisions to expel four former senior officials from the Party - Wang Min, former Party Chief of Liaoning Province, Lyu Xiwen, former Beijing Deputy Party Chief, and Fan Changmi and Niu Zhizhong, former senior military officials.

⁶ The eight point regulations are as follows: (i) Leaders must keep in close contact with the grassroots. They must understand the real situation facing society through in-depth inspections at grassroots. Greater attention should be focused on places where social problems are more acute, and inspection tours must be carried out more thoroughly 2. Meetings and major events should be strictly regulated, and efficiency improved. Political Bureau members are not allowed to attend ribbon-cutting or cornerstone-laying ceremonies, or celebrations and seminars, unless they get approval from the CPC Central Committee. 3. The issuing of official documents should be reduced. 4. Officials' visits abroad should only be arranged when needed in terms of foreign affairs with fewer accompanying members, and on most of the occasions, there is no need for a reception by overseas Chinese people, institutions and students at the airport. 5. There should be fewer traffic controls when leaders travel by cars to avoid unnecessary inconvenience to the public. 6. The media must not report on stories about official events unless there is real news value. 7. Leaders should not publish any works by themselves or issue any congratulatory letters unless an arrangement with the central leadership has been made. 8. Leaders must practise thrift and strictly follow relevant regulations on accommodation and cars. Source: Eight-point regulation http://cpcchina.chinadaily.com.cn/2012-12/05/content_15992256.htm

The previous decisions of their expulsions were made by the Political Bureau of the CPC Central Committee.

In recent weeks, the Party has highlighted that its anti-corruption campaign led to the downfall of a number “tigers,” and “flies”. Among the tigers felled in the campaign were Zhou Yongkang, a former member of the Standing Committee of the Political Bureau of the CPC Central Committee; Bo Xilai, former Party chief of Chongqing Municipality; Xu Caihou and Guo Boxiong, both former generals and vice chairmen of the Central Military Commission; as well as Ling Jihua and Su Rong, former vice chairmen of China's top political advisory body.

According to the Central Commission for Discipline Inspection CCDI, More than 70,000 officials at or above the county-head level have been investigated for suspected corruption since the 18th Party congress in 2012.²⁴ Further, 1.34 million township-level and 648,000 Party members and officials in rural areas were also punished during that period²⁵. This suggests that the Party has followed an extensive anti-corruption campaign

It may be noted that the Anti-Corruption Research Center of CASS and Social Sciences Academic Press have jointly released a series of *Reports on Combating Corruption and Upholding Integrity in China*. These reports are based on field research, surveys and public opinion analysis by a group of CASS scholars. The first report was released in January 2012 and the sixth report was released in December 2016. The first report focused on the evaluation, process and effect of anti-corruption in China in 21st Century. The third report released on 27 December 2013 focused on the anti-corruption campaign of the fifth generation of the Chinese leadership. It noted that 78.7 percent of the interviewees said that government's anti-graft work is fruitful.²⁶ This was highlighted by sections of the Chinese media.²⁷ The Chief editor of the project advised that establishing a long-term mechanism to eliminate the “four misconducts”—superficiality, bureaucracy, hedonism and profligacy—is urgent. The sixth report has put forward the proposals to further strengthen the anti-corruption campaign and fight against the corruption of the social sphere.²⁸

Therefore, it could be said that the serious focus attached to the issue of corruption in the report to the 18th party congress has been carried out by the sixth generation of the leadership. However, there has been a perception that this campaign is politically motivated and this has been used to neutralize/ penalize some factions/groups within the CPC. Nevertheless, the ant- corruption campaign of the party will be a major highlight in the Party Congress.

IV

Cultural soft power

Socialist core values

China under the CPC has always attached importance to cultivating socialist core values.⁷ From Mao Zedong to Xi Jinping all leaders tried to unite people, stimulate a sense of national identity and shape core values for the Party and the nation.

Hu Jintao had pointed out many times that Chinese people must enhance the national spirit, consolidate spiritual support and forge a common ideal. Xi Jinping emphasized that these ideals were the ‘calcium’ of the CPC member’s skeletal structure and they could not stand without it.²⁹ However, evidence also suggests that China is worried about western values influencing its citizens, especially youth.

The CPC issued guidelines on Dec 23, 2013 for practicing core socialist values. The guideline noted that “Core socialist values should be incorporated into the curriculum and classrooms and made a way of thinking for students”.³⁰ While addressing a group study of the Political Bureau of the CPC Central Committee on February 25, 2014, Xi Jinping, said “Core socialist values are the soul of cultural soft power”.³¹

The party has maintained that building a moderately prosperous society by 2020 cannot be done without building of a core value system. The party believes that a country can become stronger only when its ‘soul’ is strong enough. The key to meeting the challenges posed by moral problems lies in cultivating and protecting core values”³²

Xi Jinping’s Guidelines for Cultural Development?

Liu Qibao, Member of the Political Bureau of the CPC Central Committee and Director of the Publicity Department of the CPC Central Committee has highlighted that Xi Jinping has provided a guiding principle. ³³ Liu stressed that Xi Jinping talked about “creative transformation and innovative development” on several occasions.⁸ Liu stresses that this is correct approach to endorse China’s fine traditional culture, as well as an empirical guide to balancing the relationship between “preservation” and “change” under new circumstances. This principle, together with the principles of “serving the people and serving socialism (two serves)” and “letting a hundred flowers bloom and a hundred schools of thought contend (two hundreds),” constitutes a concept with each having their own emphases and can also complement one another.³⁴ Liu has raised a subject which needs further research by experts.

V

Harmony and social stability

⁷ Core socialist values comprise a set of moral principles summarized by as prosperity, democracy, civility, harmony, freedom, equality, justice, the rule of law, patriotism, dedication, integrity and friendliness.

⁸ According to Liu, Xi stressed the need to delve into and expound on China’s fine traditional culture in order to realize its “creative transformation and innovative development.” during a trip to Shandong in November 2013. Further, during the 13th group study session of the Political Bureau of the CPC Central Committee, In February 2014, he went further by emphasizing the need to extract the cream of Chinese thought and morality from China’s fine traditional culture, focusing efforts on “creative transformation and innovative development.”

In his report to the 18th Party Congress, Hu Jintao, referred to the Party's resolve to ensure harmony and social stability. In June 2017, Chinese President Xi Jinping urged all Party committees to advance reform, development and stability to create a sound environment for the upcoming 19th National Congress of the CPC. This reflects the importance attached to stability in general and social stability in particular in Chinese official/Party discourse.

The maintenance of social stability in China has been cited as an important guarantee for reforms and development by the Chinese leadership from time to time. Deng Xiaoping once said "In China, the overriding need is for stability. Without a stable environment, we can accomplish nothing and may even lose what we have gained".³⁵ Further, social stability is considered a manifestation of political legitimacy, especially in post-Tiananmen China. In other words, social instability in China is viewed as a threat both to the established political order and to the continued rapid growth of the economy. Therefore the Chinese discourse on 'stability maintenance' (weihu wending 维护稳定) is an issue of intense debate in academics.

Mass protests and social stability

"Mass incidents" (*Quntixing shijian*) in China are defined as incidents involving more than 100 protesters. Some mass incidents have involved more than 10,000 people.³⁶ The number of mass incidents rose from 8706 in 1993 to 87000 in 2005.³⁷ Chen Xiwen, Director of the Office of Central Rural Work Leading Group, stated there was a decline in protests in 2006, close to a 20 percent drop from the 2005. The government authorities have not provided data related to mass protests after 2006.

According to the report by the Chinese Academy of Social Sciences in 2014, public protests since 2000 were usually sparked by labor disputes, land acquisitions, forced demolitions, pollution, traffic accidents and incidents involving ethnic groups. The report is based on research into 871 mass incidents involving more than 2.2 million people that occurred between January 1, 2000, to September 30, 2013. Incidents that were reported only on micro blogs or online forums were excluded. Some experts in China raised concerns that the report did not reflect the "true situation" in China because it was based solely on mainstream media coverage.³⁸ The numbers of mass incidents in China have created a sense of insecurity and tension within the Party echelons.

VI

Ecological Development

The CPC study recognized that China has paid an environmental price for its development, which is now becoming increasingly obvious. It noted:

According to the data from the website of the Ministry of Environmental Protection, China's per unit GDP energy consumption is 8 to 10 times that of developed countries and its pollution a whopping 30 times. Sadly the productivity is in inverse proportion to this 1/30 of developed countries. Its chemical oxygen demand (COD), sulfur dioxide emissions and carbon emissions rates all No. 1 in the world. Seventy

percent of country's water systems are polluted. 40 % of them classified as seriously polluted, rivers that flow by cities are generally polluted.... Over 300 million farmers cannot find clean drinking water. In 1/3 of China's cities, over 400 million urbanites have no clean air to breathe. Of 20 most seriously polluted cities in the world, 16 are in China.

The above quotation from an authoritative study proves that the situation is critical. Recent data provided by government authorities suggest some improvement. From 2012 to 2016, energy and water use per unit of GDP dropped 17.9 percent and 25.3 percent respectively. At the end of 2016, in-grid wind power capacity rose 140.1 percent and in-grid solar power capacity surged 21.4 times from 2012. The total area of new forests stood at 7.2 million hectares in 2016, up 28.7 percent from 2012.³⁹

Apart from innovation, the inclusion of concepts, such as green development, coordination and sharing in the 13th Five Year Guideline are aimed to achieve a sustainable and environment friendly growth in China. The focus on green development may help China as past economic practices have caused damage to environment and pollution in China. In order to save energy and resources, China must control the total volume of energy consumption and raise the efficiency of resource utilization.

VII

Peaceful stable environment around the country

Now, it is well documented that Deng Xiaoping's '24 character guidelines' to keep a low profile in international affairs has been sidelined by Xi Jinping. China's long term goal is to be a dominant power in Asia and the world. President Xi Jinping is credited with putting forward the concept of China Dream or the Great Rejuvenation of the Chinese nation. After the 18th Party Congress, President Xi highlighted that China will march towards the two great goals.

Chinese experts have acknowledged that "one of the most remarkable features of Chinese foreign policy since the 18th National Congress of CPC is greater significance attached to the national interest."⁴⁰ Prof. Wang Jisi has stressed that China may regard itself as the middle of north, south, east and west when developing its overall national geo-strategy.⁴¹ This resonates with the 'middle kingdom syndrome' which is quite evident in Chinese actions over unsettled territorial/maritime disputes.

President Xi Jinping has talked about building a 'community of common destiny'. However, China's vision of a 'common destiny' could be problematic because it assumes that all countries in Asia want what China wants. A 'common destiny' according to China has enormous implications for global geopolitics and the existing Asian political order... By promoting a Chinese-led concept of 'Asia for Asia', Beijing is creating competition between its proposals and what Asian countries want to do on their own."⁴²

The CPC notes "In a world, the external challenges that confronts China at present is unprecedented... China's neighbouring countries have a complex attitude toward the expansion of China's influence."⁴³ The white paper on China's Military strategy issued in

May 2015 explicitly talked about formidable challenges facing China. It notes: “China faces a formidable task to maintain political security and social stability. Separatist forces for ‘East Turkistan independence’ and ‘Tibet independence’ have inflicted serious damage, particularly with escalating violent terrorist activities by ‘East Turkistan independence’ forces. Besides, anti-China forces have never given up their attempt to instigate a ‘color revolution’ in this country”.

Evidence also suggests that confronting challenges in the neighbourhood is an issue of serious research in China. Wu Yin, (former Vice-President of CASS) called for “deeper follow-up studies of China’s cooperation with surrounding regions, such as ASEAN, Lancang-Mekong Cooperation, Northeast Asia and South Asia, including China-India relations” during a high profile conference in September 2017.⁴⁴

It is evident from the above analysis that China has not been able to balance its relationship with some of the neighbours over the last five years and unprecedented external challenges confront the country. China’s actions have been a source of anxiety for neighbouring countries, especially those sharing land and maritime borders with China.

China’s reunification

Hu Jintao in his report to the 18th Party Congress noted: “We must continue to adhere to the one-China principle... We resolutely oppose any separatist attempt for Taiwan independence. The Chinese people will never allow anyone or any force to separate Taiwan from the motherland by any means.

Xi Jinping and Taiwan’s Ma Ying-jeou met in Singapore on 7 November 2015. The meeting between President Xi and President Ma was the first time that two such leaders had come together since the establishment of the PRC in 1949. Many experts termed the meeting as very important. However, the prospects of Cross-Strait dialogue became difficult when Tsai Ing-wen of the Democratic Progressive Party (DPP) became president of Taiwan in May 2016.

In July 2017, a prominent PRC Taiwan expert argued that Beijing should start studying a 30-year reunification timeline. He also argued that reunification is a “requirement” to accomplish the “great rejuvenation of the Chinese nation”⁴⁵

On some occasions, Xi Jinping has underscored the importance of adherence to the 1992 Consensus and called for maintaining the peaceful development of cross-Strait relations.⁴⁶ Some experts have noted that Xi Jinping’s following remarks on the 90th anniversary of the PLA had obvious meaning for Taiwan. Xi noted:

We absolutely will not permit any person, any organization, any political party, at any time, in any form, to separate any piece of Chinese territory from China. No one should expect us to swallow the bitter fruit of damage to our sovereignty, security and development interests.⁴⁷

VIII

Military reforms

The Party documents have noted that China has made remarkable progress in defence and military reforms. After the Third Plenum of the 18th CPC Central Committee, the CMC established the leading group for the work, and later drafted a reform plan. China's military area commands and military departments have been reorganized.⁴⁸ The reforms are described by Chinese leadership as historic change in the organization and structure of the People's Liberation Army (PLA).⁴⁹

The Information Office of the State Council published a white paper on China's military strategy in May 2015. The white paper stressed "Building a strong national defense and powerful armed forces is a strategic task of China's modernization drive and a security guarantee for China's peaceful development"...."We should implement the military strategy of active defense for the new period and enhance military strategic guidance as the times so require."

It is also noteworthy that domestic debate in China has referred to "Two big gaps". There are big gaps between the level of China's military modernization compared to (a) the requirements for national security, and (b) the level of world advanced militaries. "Two inabilities": (a) The PLA's ability to fight a modern war is not sufficient. (b) the ability of cadets at all levels to command a modern war is insufficient.⁵⁰

It is noteworthy that, the CPC Central Committee has attached great importance to defense and military reforms under the current leadership. Xi Jinping will certainly refer to the progress made in the process of the building of a strong army in China.

Conclusion

The Seventh Plenum (12-14 October 2017) has concluded that China has witnessed profound and fundamental changes in the last five years. It termed the period 'extraordinary'. The Plenum has not highlighted challenges confronting China in domestic as well as international field. The challenges to achieve a sustainable and environment friendly growth and development, are much evident. The initiatives to promote political, social and ecological development are also facing difficulties. External challenges that confront China are also 'unprecedented'. It is noteworthy that policies/programmes mentioned in the report to the 18th Party Congress have been implemented over the last five years. Some programme received greater focus than others, such as anti corruption programme.

Some experts have talked about Xi Jinping's guiding ideology" (指导思想). Party documents in the past have referred to Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Three Represents and the Scientific Outlook on Development. The Party has also talked about new governance concepts such as 'four comprehensives' by Xi Jinping. However, the cultural guideline has not been endorsed by many Party members. Therefore, it is likely that Xi Jinping's thought on governance and diplomacy might receive place in the Party Constitution.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.

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