



Xi Jinping's Third Term, the Outlook for China's Domestic and Foreign Policy, and South Korea's Response

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At the 20th Party Congress in October 2022, Xi Jinping was formally reappointed for a third term as General Secretary of the Chinese Communist Party (CCP). The results of the CCP's next leadership on the Central Committee showed that Xi's political power is stronger than expected. Xi's third term does not simply mean the extension of his ruling period but rather implies that China's domestic and foreign policy is likely to be changed and implemented based on his political ambition and perception of the current circumstances.

1. Utilizing 'Zero-COVID policy' to control an unstable Chinese society

The CCP has clamped down on demands for democratization in Chinese society, which were shaped due to the inflow of western ideas and the appearance of various classes, by propagandizing the collective leadership as 'Chinese democracy.' In that sense, Xi's third term will cause the Chinese people's political backlash because it damaged the political institutionalization the CCP has promoted since the reform and opening up period. Before and after the 20th Party Congress, protests against Xi's third term already took place sporadically. Under the CCP's ruling system, it is hard for those voices to unify and spread throughout China. Still, the Chinese government needs to manage the people's discontent at the situation in which concerns about personal rights and welfare, such as employment, medical treatment, and human rights, etc., has accumulated.

It is expected that the Chinese government will utilize the Zero-COVID policy as a form of social control with the extension of nationalist education. The Chinese government has maintained the Zero-COVID policy due to promoting Xi's performance, the spread of COVID-19 variants, and the absence of China-developed mRNA vaccines. This was even though it damaged the Chinese economy and brought great inconvenience in the people's livelihood. However, according to the Zero-COVID policy, all people must register their 'health code' and can move to other places after getting a 'green' code. This Zero-COVID policy is efficient to identify and restrain people's gathering and movements. According to China's economic situation or the development of mRNA vaccines, the Chinese government can ease quarantine measures, but it seems set to maintain the Zero-COVID policy until it judges that Xi's third term is stabilized.

2. Practicing aggressive foreign policy against the U.S. and countries which attend anti-China coalition

In his report to the 20th Party Congress, Xi mentioned that China is “confronted with drastic changes in the international landscape, especially external attempts to blackmail, contain, blockade, and exert maximum pressure on China.”ⁱ Specifically mentioning “external attempts” raises questions about whether the direction of Chinese diplomacy based on development and peace is changing, not to mention exacerbating U.S.-China conflict and competition. In doing so, Xi seems to be making the comment with the following intentions.

Firstly, it is to induce internal unity and secure the people’s support for the CCP. Considering nationalist sentiment in Chinese society, this comment reminds the Chinese people of ‘the Century of Humiliation’ and the exploitation of western countries by blaming external countries for the difficult situation in China. During Xi’s third term, the Chinese government is likely to maintain an aggressive foreign policy to meet the people’s expectations.

Secondly, this comment also signals pressure and conciliation to countries which are joining the anti-China coalition. Xi clearly defines the U.S. containment against China as a form of maximum pressure. From China’s perspective, joining the U.S.-led anti-China coalition is a threat to China, not just U.S. pressure and containment. Considering the Chinese government’s position to protect core interests of the Chinese nation more actively rather than submitting to those pressures, this comment can be read as a warning message to the U.S. and countries which join the anti-China coalition.

3. Strengthening a China-led authoritarian coalition

At the 20th Party Congress, Xi Jinping also stressed China will assist other developing countries, expand the influence of the BRICS and the Shanghai Cooperation Organization (SCO), and enhance emerging markets and developing countries’ say in global affairs to promote ‘a new type of international relations.’ This implies that China, in the face of pressure from developed countries such as the U.S., Europe, Japan, and Australia, will actively seek a coalition with developing and authoritarian countries to escape from the diplomatic isolation and respond against the anti-China coalition. Russia, which used to be concerned about balancing China’s influence in Central Asia, cannot help but concentrate on the Ukraine war. In that sense, China will strengthen relations with developing and authoritarian countries based on its economic power and the Belt and Road Initiative (BRI) to seek the establishment of a China-led coalition.

4. Maintaining and heightening military tensions in the Taiwan Strait

In his report, Xi Jinping implied that China would respond to countries which intervene in Cross-Strait relations by mentioning the possibility of the use of force against “external forces,” as well as “Taiwan separatists.” The strengthening of U.S.-Taiwan relations after U.S. House Speaker Nancy Pelosi’s visit to Taiwan and China’s blockade military exercise is a political burden for Xi who has highlighted the reunification with Taiwan to accomplish the ‘Great Rejuvenation of the Chinese nation.’ To show that he is working towards unification with Taiwan and that unification is achievable to the Chinese people,

the Chinese government is likely to put diplomatic, economic, and military pressure on Taiwan more actively before the Taiwanese presidential election in January 2024.

In addition, the Chinese government may try to change the status quo across the Taiwan Strait with the use of force before and after 2027. Considering China's military power, political burdens in case of a failed Taiwan invasion, and lessons from the Ukraine war, China is not likely to conduct a full-scale invasion of Taiwan in the short term. But 2027 is the year Xi will prepare for his fourth term. A contingency may occur in the Taiwan Strait if Xi tries to promote a blockade, occupation of islands near Taiwan, or missile launches for his political ambition for a long-term grip on power.

Policy Implications for South Korea

In his third term, Xi Jinping is likely to strengthen his political position by showing his efforts to protect China's core interests and achieve the 'Great Rejuvenation of the Chinese nation' as he declares. Therefore, U.S.-China strategic competition will be more intensified, and China also will reinforce the unilateral diplomacy against neighboring countries based on its economic power to extend its influence in the region. Especially, China is likely to enhance pressure and conciliation towards South Korea, since it recognized South Korea as a weak link of the U.S. allies in the region. In that sense, South Korea needs to consider the following in making its China policy.

Firstly, South Korea should take a clearer stance towards China by strengthening strategic clarity in its foreign policy. Considering China's foreign policy direction and the result of the 'balanced diplomacy' of the Moon administration, South Korea's ambiguous stance risks leading to China's unilateral and oppressive policy toward South Korea, rather than recovery or development of South Korea-China relations. In that sense, South Korea needs to enhance strategic clarity in its overall foreign policy by actively participating on issues related to universal values as a liberal democracy, or expanding the cooperation fields with the U.S. beyond the Korean Peninsula.

Secondly, South Korea needs to shape consensus that China is only not a partner to cooperate with. Although South Korea experienced China's unilateralism in the THAAD incident, it seems that there is a domestic consensus that South Korea should maintain cooperation with China out of national interests due to geographical proximity, economic gain through bilateral trade, expectation for China to play a constructive role in dealing with North Korea's nuclear issue, and concern about China's economic sanctions. However, to establish and consistently practice China policy based on strategic clarity needs the people's support and social sympathy. It is expected that China will enhance its pressure and conciliation towards South Korea in the structure of the U.S.-China competition. In this situation, for its national interests, South Korea needs to ponder how to balance China as well as how to cooperate with China. South Korea should implement the diversification strategy from China by analyzing China's threat degree in each field, such as diplomatic security, economy, and culture, and seeking delicate countermeasures to each case, while keeping at a distance a one-way stance to consider China only as a threat.

Thirdly, South Korea needs to actively participate in restructuring of global supply chains to respond against China's pressure and retaliation. In terms of economic security, South Korea is promoting diversification of strategic materials imports, but it takes time. Therefore, South Korea needs to actively attend to the restructuring of global supply chains like the Chip 4 alliance. Because it is to stabilize

semiconductor supply chains, it will help South Korea extend its influence in the international society. At the same time, it can be used as a card against China, since China is one of the world's biggest consumers of semiconductors.

Fourthly, South Korea needs to enhance the South Korea-U.S. alliance on the North Korean nuclear issue, while highlighting China's responsibility rather than its constructive role. China has reinforced relations with North Korea in the structure of the U.S.-China strategic competition. In that sense, China is likely to use favorable relations with North Korea as a diplomatic card. In this situation, South Korea's expectation of China's role in dealing with the North Korea nuclear issue can aggravate the resolution of the North Korean nuclear issue, as well as the South Korea-U.S. alliance. Therefore, South Korea needs to focus on building a circumstance which makes China participate in the North Korea nuclear issue. While seeking to establish consensus with countries in the region that North Korea's nuclear issue is threatening peace and stability in the region and the world, South Korea should try to realize extended deterrence, or security cooperation among South Korea, the U.S., and Japan to make China aware of the possibility that the security environment in the region can develop unfavorably to China and entice China to support international cooperation on the North Korean nuclear issue.

Fifthly, South Korea should recognize the severity of the Taiwan issue and consider measures for contingencies in the Taiwan Strait. In Xi's third term, the Taiwan issue will emerge as a key security issue due to Xi's political ambitions. The outbreak of armed conflict in the Taiwan Strait will directly damage South Korea's economy and national security. Therefore, South Korea needs to consider South Korea's role at the military level and discuss it with countries in the region, including the U.S.

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i Xi Jinping, "Report to the 20th National Congress of the Communist Party of China," October 16, 2022.