Political and Diplomatic Implications of China's Two Sessions 2022

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Executive Summarv

BRIEF

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The Chinese Communist Party (CCP) is highly likely to endorse President Xi Jinping's 3rd term at the 20th Party Congress scheduled in the second half of 2022 in light of his growing political authority and uncertainties over future leadership outlooks. Since Xi's 3rd term will increase political instability in China by damaging the CCP's political conventions, such as generational leadership transition and collective leadership, the Chinese government should open Xi's 3rd term as stably as possible. Nonetheless, internal and external challenges, including an economic recession, various social problems, a resurgence of COVID-19 despite a strong Zero-COVID policy, and the Russia-Ukraine war, are embarrassing the Chinese government. In this situation, the Two Sessions, which were held in early March 2022, provided some political and diplomatic implications to estimate the direction and stance of the Xi government.

1. Seeking domestic cohesion and social stability for a successful hosting of the 20th Party Congress

During the Two Sessions 2022, President Xi Jinping repeatedly highlighted the leadership of the party and nationalism. At the group discussion with National People's Congress (NPC) deputies from the Inner Mongolia Autonomous Region, Xi Jinping mentioned the five 'only ways' (必由之路) for China's consistent development and the great rejuvenation of the Chinese nation, which include upholding the overall party leadership, socialism with Chinese characteristics, working hard in unity, putting into practice the new development philosophy, and exercising full and rigorous self-governance of the party. At the group discussion with the Chinese People's Political Consultative Conference (CPPCC) national political advisors from the sectors of agriculture, welfare and social security, he also emphasized five 'strategically favorable conditions' (战略性的有利条件) for China's development, including the strong leadership of the CCP, the marked institutional strengths of socialism with Chinese characteristics, the solid foundation laid by China's sustained and rapid development, long-term social stability, and the spirit of self-confidence and self-reliance.

Given the challenges China is facing, such as U.S. pressure, the COVID-induced economic recession, and growing anti-China sentiment in the international community, it is doubtful how the conditions Xi mentioned can practically contribute to China's development. Xi seems to be making an emotional appeal for the people's trust and support for himself and the CCP by emphasizing national resilience like working hard in unity and the spirit of self-confidence and self-reliance.

President Xi also stressed ethnic unity and a strong sense of community for the Chinese nation. As the Xi government has tried to secure the people's support by providing a future vision of the great rejuvenation of the Chinese nation, the resurgence of separatist movements can cause a serious political backlash. Given the challenges the Xi government faces related to ethnic separatist issues, Xi's comments implied that China would continue to enhance nationalism to prevent ethnic division and enhance domestic cohesion. Accordingly, historical and cultural conflicts with neighboring countries are likely to spread widely.

On the other hand, the key word of Premier Li Keqiang's government work report was 'stability.' He stated that China aimed to achieve GDP growth of 5.5% and emphasized 'stable development' (稳增长). Considering increasing instability in China's economy, that is not an easily achievable goal. In that sense, he seems to want to instill the expectation of stability and development for China's economy to maintain social stability.

2. Keeping a distance from the Russia-Ukraine war

At the press conference on March 7, Foreign Minister Wang Yi took an ambiguous stance toward the Russia-Ukraine war by stressing respect for the sovereignty and territorial integrity of all countries and at the same time accommodation of the legitimate security concerns of the parties involved. This statement expressed the dilemma China is facing. Firstly, not only Russia but also Ukraine has important strategic value to China. Secondly, China's intervention in the war could send the wrong message to Taiwan, Hong Kong, or other ethnic minorities in China. Therefore, China has tried to keep a distance from the Russia-Ukraine war through strategic ambiguity while insisting on peacefully settling the dispute through dialogue and negotiation.

This implies that China has no intention to play any role in the Ukraine crisis, because hasty intervention could make China's relationship with Russia, Ukraine, not to mention its own ethnic minorities, more complicated. In addition, China's participation in international sanctions against Russia cannot guarantee any strategic interest like the easing of U.S. pressure on China. If, however, the Russia-Ukraine war becomes protracted and the role of China becomes more significant, it is likely to profess to play the role of a mediator, while demanding U.S. concessions in other disputes, such as trade, advanced technology competition, or the Taiwan issue.

3. Seeking an omnidirectional Taiwan policy

Related to the Taiwan issue, Premier Li Keqiang mentioned 'the Party's overall policy for resolving the Taiwan question in the new era' as well as the one-China principle and 1992 Consensus. Even though details of the overall policy have not been revealed, the Chinese government indicated that China would establish an omnidirectional Taiwan policy and approach the Taiwan issue more aggressively as the U.S.-Taiwan relationship has been strengthened.

In addition, at the plenary meeting of the delegation of the People's Liberation Army and People's Armed Police Force, President Xi Jinping stressed a 'military ruled by law' (依法治军) and called for implementing more comprehensive military laws and regulations related to foreign countries and strengthening rule of law related to foreign countries in the military field. From China's perspective, international public opposition to Russia's invasion of Ukraine was the product of U.S and European information and media propaganda pressure. In that sense, as China tries to enhance the rule of law related to foreign countries even in the military field, it seems to reinforce legal warfare to justify unification with Taiwan in the international society. Accordingly, China's 'three warfare' strategy toward Taiwan is likely to be broadened this year.

4. Seeking to build a coalition to counter the U.S.-led anti-China coalition

In his press conference, Foreign Minister Wang Yi pointed out that the real goal of the U.S. Indo-Pacific Strategy is to build an Indo-Pacific version of the North Atlantic Treaty Organization (NATO) and it would damage the ASEAN-centered regional cooperation architecture and long-term interests of countries in the region, while insisting countries in the region should cooperate on an 'Asia-Pacific community with a common destiny' (亚太命运共同体). Cooperation on an 'Asia-Pacific community with a common destiny' implies that China will strengthen relationships with countries in the region based on its economic power and developing countries' need for economic development to respond to U.S. decoupling pressure.

Related to China-Russia relations, Wang Yi stressed that "China and Russia are each other's most close neighbors and strategic partners" and declared "both countries will advance their comprehensive strategic partnership, no matter how precarious and challenging the international situation may be." Additionally, regarding the North Korean nuclear and missile issues, he pointed out "the root cause for the issues is North Korea's legitimate security concerns unsolved for a long time," and called on the U.S. to take concrete measures to build mutual trust with North Korea.

It was already expected that China would enhance its relationship with Russia and North Korea, as the Biden administration has promoted a coalition of democracies in its efforts to pressure China.

China seems to have limited strategic options in its confrontation with the U.S. and other Western countries in various fields as reflected in Wang's statements.

Especially, this implies that China can use its relationships with Russia and North Korea as a bargaining chip to resolve the Russia-Ukraine war or North Korea's nuclear and missile issues. That is, China is likely to wait and watch the development of the situation while emphasizing a peaceful resolution based on dialogue and negotiation, rather than play an active mediator role. Through this China will try to find an opportunity to expand its influence and ease U.S. pressure.

Implications for South Korea-China relations

Although 2022 marks the 30th anniversary of diplomatic normalization between South Korea and China, it will likely be difficult to improve and advance South Korea-China relations this year. South Korea needs to focus on managing various conflicts and issues caused by U.S.-China strategic competition, rather than trying to improve bilateral relations with China in the short term. Firstly, South Korea needs to recognize and prepare for various conflicts that may emerge since the Xi government can use conciliation and pressure towards South Korea. This can involve not only diplomatic and economic coercion, but also maritime provocations, support for North Korea, or information warfare over cultural conflicts. Secondly, as Xi's China uses nationalist sentiment to strengthen internal unity and support, it can exacerbate cultural clashes with South Korea. South Korea should send clear messages on a case by case basis to prevent such conflicts from turning into attacks on South Korea issues by highlighting regional peace and stability and shaping security consensus with countries in the region.

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