



Rowan Callick

Rowan Callick, an Industry Fellow at Griffith University's Asia Institute, is a UTS:ACRI Advisory Board member.

Xi Jinping was born in a Year of the Snake. But his career has been dedicated to creating an aura not so much of the snake's quiet cunning as of the tiger's power, strength and nerve – for the Communist Party of China (CPC) above all, but also for himself, seeking to embody the Taoist concept of 'yang', positive energy.

This Tiger Year of 2022, then, appears an auspicious one for Xi to gain the right results from the sole event that really matters in the People's Republic of China (PRC): the 20th National Party Congress, probably to be held in early November. He [said](#) at a leaders' tea-party for this calendar new year that the congress would be 'a major event in the political life of the party and the country.'

In economic terms, the focus will not be on growth – as the PRC's declining growth rate starts to be overtaken by other countries in the region – but on stability. In December 2021 the Politburo [stated](#) that it would 'place the word 'stability' as the top priority' for 2022. The word appeared 25 times in the report of the central economic work conference that immediately preceded the Politburo meeting.

All the PRC's governance structures are being mobilised to promote, during 2022, the two chief outcomes required of the congress: the elevation of Xi to Mao Zedong equivalence with his being accorded, in effect, a further decade in power; and unanimous party support for the ambitious platform to cement the PRC's 'rejuvenation' that Xi will deliver in a two to three hour speech.

The Covid-constrained year 2021 ended on a bright note for Xi – who as a result of the pandemic has not travelled out of the PRC for two years.

For the Central Committee of the Party passed in November only its third key resolution on historic accomplishments, following those in 1945 as it launched its civil war campaign in earnest, and in 1981 after Mao had died and Deng Xiaoping opened up the PRC economically. This new [resolution](#) glorified Xi's 'Socialism with Chinese Characteristics for a New Era' thought as 'a new breakthrough in adapting Marxism to the Chinese context', and stressed Xi's 'core' position in Party and nation.

Deng introduced meritocratic reforms that led to Xi's predecessors Jiang Zemin, then Hu Jintao stepping down after serving two five-year terms. The Party adhered to a norm under which leaders aged 68 or more in the year of a Party Congress had to step down at that meeting.

But in March 2018, Xi [introduced](#) at the National People's Congress, the annual session of the country's parliament, a change to the state constitution that had limited the presidency to two consecutive five-year terms. This meant that he could stay on as national president as long as his authority held.

The PRC's supreme leader has over the last 30 years held three positions, in level of power starting from the prime role: General Secretary of the Party, Chairman of the Central Military Commission, and state President.

Xi's rule-change allowing him to stay on as President is almost certain to ensure that the coming Party Congress reappoints him, following a decade as General Secretary, for a further five years. The lack of a nominated successor or of someone already in the top leadership of the appropriate age to be groomed as such, virtually guarantees that this will be renewed in 2027 so that he remains paramount ruler at least until 2032, when he will be 79. Mao remained in power until his death aged 82.

But what approach will Xi take to the conventions around retirement established within the Party under Deng Xiaoping and maintained since then? Eduardo Jaramillo [writes](#) for the SupChina website that 'ultimately, whether or not Xi Jinping chooses to eliminate age limits for his allies will have significant implications for the system as a whole. If Xi's over-age allies don't retire in 2022, not only will it indicate a political environment in which Xi has virtually no checks on his authority, it will also point to a further erosion of institutions in the CCP.'

This question is linked to another: is it possible that rival individuals or even factions are quietly emerging, to cause the congress to become contested?

In this New Era of Xi, inside information from the Central Committee or General Office of the Party is rare indeed, let alone from the Politburo or its Standing Committee of the seven top leaders.

Some analysts, scanning TV footage or official photos, attempting to read the runes by parsing official statements and counting the mentions of politicians, posit a re-emergence of factions or of covert opposition to Xi. But while many cadres – including friends and family members of the millions purged in Xi's now-institutionalised 'anti-corruption' campaign – have reason to be unhappy, they have virtually zero capacity to express this let alone act on it in the most ubiquitously surveilled and controlled state in world history.

Foreign Policy magazine's deputy editor James Palmer [says](#): 'This year will likely see Xi purge any potential challengers, as well as an increased need for officials whom the president may see as a threat to fervently demonstrate their loyalty, even if they seethe in private. My sense from Chinese friends is that among the public, discontent over 2021's cultural and business crackdowns – from the targeting of celebrities to the dismantling of Jack Ma's business empire – eclipsed the wave of new patriotism that followed China's success against COVID-19 in 2020.'

Thus Xi's need for a fully supportive party congress will provide the central driving theme for the PRC in 2022. The messages that matter are mostly already laid out prominently: in the economy, 'common prosperity' whose adjective seeks to distract attention from the declining growth of the noun; in international affairs, 'whole process people's democracy' presented – especially to Beijing's Belt and Road partners – as the PRC's effective alternative to liberal, elected forms of governance; and in politics, the title first used of Xi five years ago as 'the core' will remain at the fore.

Xi's personal priorities remain ideology, controlling the historical narrative, and education. The leading thinker guiding Party policy in these key areas has for two decades been Wang Huning, a member of the seven-man Politburo Standing Committee led by Xi. But in 2022 signs are likely to emerge of a transition in personnel terms and also possibly thus in ideology, towards Jiang Jinqun, who in October 2020 replaced him as director of the Central Policy Research Office, the Party's leading think-tank, and whose thinking may be perceived to be more thoroughly aligned with that of Xi.

The PRC is the last major country to retain a Covid elimination strategy, which will become more challenging as the pathogen, struggling to retain its potency, becomes more contagious even as its strength weakens. The strategy suits the continuing political priorities however, and will likely be maintained in broad measure until the congress is over.

For it will limit the potentially troublesome foreigners attending or participating in the Winter Olympics in February, and it keeps provincial and municipal leaders very much on their toes since they are blamed for any and every Covid case discovered in their community while 'People's Leader' Xi is vaunted for continuing to lead 'the People's War' against the pathogen at the national level where favourable comparisons with the US and elsewhere are underlined. But this convenient strategy is complicated by growing evidence that government-prescribed vaccines made by Sinovac offer limited protection against the omicron variant.

Economically, Premier Li Keqiang – who turns 68 in mid 2023 and may thus survive the major reshuffle due following the 20th Party Congress, but may be sidelined for political reasons – has stressed for several years the importance of replacing quantity with quality as the main target.

This is going to be helpful politically in 2022, since in two core areas – real estate and tech – the economy is in serious and difficult transition, and energy supply may recur as a challenge. As a result, the sheer pace of the PRC's growth which has been so valuable in driving the global economy is reverting to a steadier pace, if one still rapid for its size.

The Singapore-based business analysis firm IMA Asia expects the PRC's gross domestic product (GDP) to grow at 5.4 percent in 2022, behind the pace of Indonesia, the Philippines, Vietnam and Indonesia, and on a par with Malaysia. It says that the surge in exports made manufacturing the strongest sector in 2021, and expects that while growth in that sector may slide by 30 percent this year, Beijing will provide sufficient fiscal and monetary stimulus to achieve 5.4 percent overall this party congress year, before sliding to 5.1 percent in 2023.

Real estate development has provided up to a third of total economic output, so the crisis for market leader Evergrande – seemingly dying the corporate death of a thousand cuts – and by extension of other developers with similar if smaller profiles, will continue to cause considerable disruption for share markets and for retail investors, with much of the PRC's middle class having placed the lion's share of their savings in property. Xi continues to court broader popularity however by reiterating that 'homes are for living in, not investing.' This leaves local governments, however, to struggle with growing debt loads as they have depended heavily on land sales for revenues. And it is the lower government levels that are required to provide welfare funding that can ease popular pain including joblessness.

Damien Ma, co-founder of the Paulson Institute's Macro Polo think tank, [anticipates](#) a 30 percent decline in private property construction by 2025, shaving an average 0.6 percent per year off the overall GDP growth rate – forcing a rise in the central fiscal deficit to three percent of GDP.

Politically, Xi can wear this with his reasonably well-received new stress on common prosperity. But it may test the prospect of China's overtaking the US as the world's biggest economy by 2035, providing a propaganda challenge.

The extent of Xi's authority within the PRC system, and of his determination to reshape the PRC, has been underlined by his preparedness to take on the great success story of the PRC economy in the last decade: tech.

Multiple ministries were authorised and encouraged to use anti-trust and other measures to bring to heel those vast corporations that had formerly been the darlings of both Beijing and Wall Street, including Alibaba (owner, among other hugely successful subsidiaries, of Taobao), Tencent (ditto, of WeChat), Didi Chuxing (the dominant ride-share operator) and ByteDance (TikTok owner). The business models of virtually the entire online education sector were suddenly made illegal.

South China Morning Post reporters Coco Feng and Shinmei Shen [note](#) that 'the opening of China's tech sector to regulation made it particularly tempting for Chinese officials to jostle for a seat at the table, and prove their party loyalty by enthusiastically responding to edicts from state leaders.'

They say that in 2022 however, Beijing must walk a fine line as it cannot afford a weakened technology sector, which has been a key source of economic growth – including jobs for young graduates – in recent years, and 'the country's tech entrepreneurs also play a key role in maintaining links with international tech firms and capital.' But Xi's stress on the domestic part of his 'dual circulation' economic strategy reduces concern about diminished global connections, despite the latter's crucial role in the resurgence of the importance of manufactured exports.

The official report of the December economic work conference [said](#): 'We are facing threefold pressure, including contraction of demand, supply shocks and weaker expectations. Our policy support should be front-loaded appropriately.' Stimulus will thus continue, but restrained. And the conference statement

insisted: ‘Cadres must increase their knowledge of economics and science and technology’ – as well, of course, as upgrading their ideological thinking, their understanding of Xi Jinping Thought.

This Tiger Year will prove a tough one for the PRC, and especially demanding for its cadre class that is required to maintain stability in all social and economic spheres even as Xi Jinping intensifies his mission to remould both party and nation, and to cement his own leadership for a further decade in order to supervise this rigorous process.

Author

Author, columnist and UTS:ACRI Advisory Board member Rowan Callick worked for almost 20 years for *The Australian Financial Review*, finally as Asia Pacific Editor. He was China Correspondent for the *AFR*, based in Hong Kong, from 1996-2000. From 1990-1992 he was a senior writer with *Time* magazine. He worked for *The Australian* from the start of 2006 until mid-2018, twice serving as China Correspondent in Beijing, and also as Asia-Pacific Editor. He continues to write regularly for the newspaper.

Rowan is a board member of the National Foundation for Australia-China Relations, and a member of the Advisory Boards of La Trobe University's Asia Institute and of its China Studies Department. He is a Fellow of the Australian Institute of International Affairs and an Industry Fellow at Griffith University's Asia Institute.

He has written three books published in both English and Chinese, including *Comrades & Capitalists: Hong Kong Since the Handover* (UNSW Press, 1998); and *Party Time: Who Runs China and How* (Black Inc, 2013) in Australia, then internationally as *The Party Forever* (Palgrave Macmillan, 2013). He won the Graham Perkin Award for Journalist of the Year for 1995, and two Walkley Awards, for Asia-Pacific coverage, for 1997 and 2007. He was awarded an OBE in 2015 for services to journalism and to the training of PNG journalists.