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INSIGHTS

January 2020

Cercius Group - Insights

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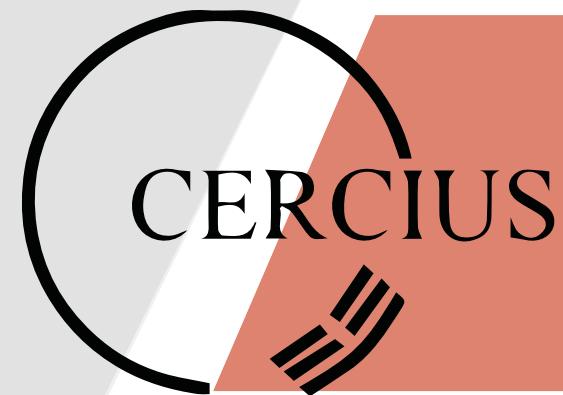
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Intra-Party tensions, trade deal, and economic decline

Editorial

Since 2017, and probably a bit before if we look closely enough, the Party has been trying to manage several open fronts, including Hong Kong, the trade war (now partially “solved”), the Taiwanese election, the Xinjiang issue, the renewed (destabilizing) anti-corruption campaign. The top leadership remains split on key issues, which is emblematic of potential systemic instability in the wider political structure. The Party, which faces internal tensions, but also foreign pressures and backlash on several of the abovementioned issues with no end in sight, has had a long year in 2019.

The leadership structure, which has dramatically changed since the arrival of Xi Jinping 习近平, has shown signs of weakness – as close allies are not always the best individuals to carry out certain functions (and their failures reflect poorly on whoever promoted them) – both internally and externally. Internally, since Xi’s allies are divided on key issues (ideology versus pragmatism); and externally, since other informal groups are able to exploit these divisions (in the case of the trade war, for example) in addition to creating other problems for the top leadership to contend with (the Hong Kong protests being a good example).

This has created a very frustrating environment for top Cadres to work in and has tested the relationship between the tuanpai (the Chinese Communist Youth League) – the last “viable” option for Xi to close rank with – and Xi’s associates. On the other hand, the remnants of the jiang-pai has been hard at work creating traps for Xi to fall into in order to create more doubt regarding his leadership inside the Party at large.

As more voices are now expressing concerns with the “outcome” of the Hong Kong situation, Xi is left to explain how the Party can solve a seemingly dead-ended issue which puts enormous strains on the “one country two systems” and on the ability of the Party to govern (hence all of the recent discourse on governance, governance capabilities, and new governing methods).

The complicated relationship between Xi and the other groups might be exacerbated by what has stemmed out of the phase one trade deal, which opens the Chinese market, forces it to buy goods from the US, while getting not much, if anything, in return. This outcome, although predictable, is sure to create an open field of opportunities for competing forces to take shots at Xi’s leadership and his allies.

This slap on the wrist, accompanied by a now compromised leadership selection mechanism – which also created resentment from a wide range of Party Cadres – has forced the Party back into the propaganda and ideology corner (such as talking about political security, removing “western” education from schools, pushing forward the “amazing China” rhetoric) while citizens are still faced with pragmatic daily concerns.

As 2020 opens with a New Year’s Day protest in Hong Kong, a mediocre trade deal with tariffs still in place, and the victory of Tsai Ying-wen in Taiwan, Xi’s administration remains in a precarious situation trying to put out fires with a dwindling supply of water. With the 20th Party Congress only two years away, 2020 also promises to be an interesting year in terms of provincial reshuffling as all sides are trying to make gains before the halfway mark of Xi’s second term.

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