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'CHINA'S INTERNAL SITUATION BEFORE THE 19TH PARTY CONGRESS: AN OVERVIEW'

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Especially since the 18th Party Congress in November 2012 and as China moves to convene the 19th Party Congress in November 2017, there has been a steady hardening of the Chinese State. Political stability and regime survival have been top on the Party agenda and to ensure this Xi Jinping has introduced progressively restrictive domestic measures and promoted the rise in nationalism.

The first sign of its toughening stance was the Party conferring on Xi Jinping China's three top positions of General Secretary of the Chinese Communist Party (CCP) Central Committee (CC), Chairman of the Central Military Commission (CMC) and President of the People's Republic of China (PRC), simultaneously for the first time in thirty years! The other was the installation in a now reduced 7-member Politburo Standing Committee (PBSC) of stolid, doctrinaire apparatchiks. The backdrop to this was the unprecedented domestic political scrabbling for top positions by senior CCP cadres witnessed through 2011-2012 when Politburo (PB) member Bo Xilai attempted to usurp the top position. The failed bid by Wang Lijun, Bo Xilai's chief of public security in Chongqing Municipality a position equivalent to a central Vice Minister, to defect to the US also severely jolted the Party's top echelons as it revealed that the CCP '*nomenklatura*' had been penetrated by the West.

The 18th Party Congress – a watershed in contemporary Chinese politics – consequently hammered out the unequivocal message of stability, assertive policies, Party supremacy and the 'China Dream'.

Xi Jinping has used nationalism and ideology to promote political stability and regime survival. He consolidated his position and today chairs thirteen central leading groups overseeing all crucial aspects of the state including direct control over the security apparatus, military, cyber security and the economy. Xi Jinping's titles are: General Secretary of the Central Committee (CC) of the CCP; Chairman of the Central Military Commission (CMC); President of the People's Republic of China (PRC); Leader of the Central Leading Group for Foreign Affairs; Leader of the Central Leading Group for Taiwan Affairs; Head of the Central Leading Group for Comprehensively Deepening Reforms; Chairman of the Central National Security Commission; Head of the Central Leading Group for Internet Security and Informatisation; Leader of the Central Leading Group for National Defence and Military Reform; Head of the Central Leading Group for Financial and Economic Affairs; Commander-in-Chief of the Joint Battle Command of the PLA; and since January 2017, Chairman of the Central

Commission for Integrated Military and Civilian Development. He now holds more formal positions than any CCP leader including Mao Zedong or Deng Xiaoping!

Xi Jinping has paid special attention to the People's Liberation Army (PLA). Among the main reasons are: the rampant corruption in the PLA where ranks were purchased and officers operated 'illegal' businesses; the existence of lobbies owing loyalty to retired veteran leaders; ousted PB member Bo Xilai's success in creating a lobby in the PLA to support his personal ambitions; and persistent propaganda by outside 'foreign forces' and 'liberal' elements inside China that the PLA is an army of the State and not the Party. Attention was buttressed by Xi Jinping's conviction that the Soviet Union had actually "disarmed" the Communist Party of the Soviet Union (CPSU) by designating the Soviet Army as a national army. Within a day of being appointed Chairman of the CMC, Xi Jinping moved to tighten the Party's grip on the PLA and discipline the PLA. At an enlarged meeting of the CMC he declared that political reliability would be the key determining criteria for promotions.

At the Third Party Plenum convened in October 2013, Xi Jinping brought the PLA within the ambit of the Party's watchdog anti-corruption body, the Central Discipline Inspection Commission (CDIC), as part of his effort to discipline the PLA and eliminate resistance to its restructuring and reform. CDIC investigators soon uncovered instances of corruption in the PLA and arrests of senior officers followed. Many PLA officers of and above the rank of Major General/Rear Admiral committed suicide while under investigation to ensure that their families received the benefits due. By September 2016, official reports stated that 86 PLA officers of the rank of Major General or above had been dismissed on charges of corruption. An additional 50 PLA officers of the rank of Major General or above were retired in January 2017. By the end of 2016, a total of 4,300 PLA officers, or over 30 per cent of the PLA officer corps, were under investigation for corruption. In March 2017, the official news agency Xinhua publicised that a total of 4,885 PLA officers had been 'punished' for graft. There is a high degree of popular support inside China for Xi Jinping in his campaign against corruption in the PLA. The campaign additionally allows Xi Jinping to build a loyal band of at least 135 PLA officers whom he will promote to the rank of Major General and above, strengthens the Party's grip on the PLA and, ensures that PLA officers unquestioningly obey Xi Jinping and the CCP.

Party control on the PLA was stressed again most recently on April 27, 2017, when Xi Jinping visited the Southern Theatre Command and asked the PLA to strengthen ideology and ensure that it "resolutely follows the command of the CCP CC". He pointedly, asked officers to "eliminate the impact" of Guo Boxiong and Xu Caihou. Such references almost 5 years after Guo Boxiong and Xu Caihou were punished suggest that their influence and that of their mentor, former CCP CC General Secretary Jiang Zemin, along with effects of their corrupt practices continue to linger. The continuing existence of problems in the PLA was highlighted by a PLA Daily commentary in March 2017, which asserted that "malpractice, including spreading political rumors, reckless comments on the Party's theories and policies, and participation of illegal associations should all be prohibited and punished"! Nonetheless, Xi Jinping has been successfully pushing through the most extensive and far reaching reforms to streamline and restructure the PLA since its founding!

Within days of the Party Congress, Xi Jinping began tackling problems within the Party including corruption, a lazy work-style and ostentation. He introduced a practice of obtaining feedback from the people and colleagues to assess the potential of a cadre. Standards for admission to the Party were sought to be enhanced and Xi Jinping told Party cadres that the emphasis should be on better

quality and not increasing numbers. In October 2016, the government announced that more than a million of the 88 million Party members had been investigated in the past three years during an intense campaign against corruption. By early this year, 176 Party cadres of the rank of Vice Minister and above had been dismissed on charges of corruption. The Party mouthpiece People's Daily complained in October 2016 against "lazy, foot-dragging officials" who were too "scared to do their jobs for fear of being accused of taking bribes, while others were unwilling to act unless the kickbacks resumed". It added that "those who complain or are nostalgic for the good old days? Well, they are just "rotten with corruption!" Xi Jinping also cut the budget of the Communist Youth League (CYL) and initiated a programme to reduce its membership. At the same time he initiated an austerity campaign to tackle corruption and ostentation in the Party and mandated a regime of 'one soup, four dishes' at banquets. A large number of restaurants and hotels have consequently closed down, but the austerity measures remain in place despite the estimated annual 2-4 per cent adverse impact on GDP.

The economy is a major factor affecting society and China's internal situation. The slowdown in growth has been faster than anticipated and the forecast for economic growth in 2017 is now officially pegged at 6.5 per cent, described by Premier Li Keqiang as the minimum essential for job creation. Very few of the 300 reforms decided upon at the Third Party Plenum in 2013 have progressed. The 106 central State owned Enterprises (SoEs) have been particularly resistant to reform not least because most are headed by 'princelings'. For example, while rules recommended a cap on salaries of senior SoE executives, the SoEs were permitted to themselves determine the salaries. The shutting down of 'zombie' enterprises, often owned by SoEs, has also made tardy progress with pilot projects being undertaken in Shanghai. Some major decisions have, however, been taken such as to lay off 5 - 6 million workers in the coal, steel and mining industries between 2016 - 2018. Official Chinese media reports say that protests by workers have increased by an estimated 30 per cent over the 210,000 reported officially in 2010. Graduate unemployment is up by 30 per cent adding to the levels of popular dissatisfaction. Early this year, responding to complaints by graduates of the lack of jobs, officials said there were adequate jobs but not of the kind the graduates wanted!

Reports of regular protests by veteran demobilised soldiers have surfaced and with 300,000 more demobilised soldiers likely to soon join their ranks the number of protests could increase. Hundreds of Chinese military veterans demonstrated in mid February 2017, outside the Central Discipline Inspection Commission (CDIC) in central Beijing for two days, demanding unpaid retirement benefits. A smaller number protested outside the Ministry of Civil Affairs the following day. In October 2016, more than 1,000 veterans demonstrated outside the Defence Ministry headquarters in Beijing.

Income inequality is also growing. Latest official Chinese figures state that while disparity between provinces is gradually reducing, the gap between the poor and rich is widening. As publicised during the National People's Congress (NPC) session in March 2017, one third of China's wealth is owned by the top one percent households. There is also a lack of confidence in the country's economy as evidenced by the continuing flight of capital. The People's Bank of China (PBoC) estimated that US\$ 1 trillion has fled the country since 2015!

Poverty is causing considerable concern. At the Politburo meeting on February 22, 2017, President Xi Jinping underscored the importance of "precision in the battle against poverty, saying that poverty relief targets should be accomplished as scheduled". Poverty alleviation was the focus again at the Politburo meeting on March 31, 2017, as well as the NPC session that month. To highlight the

leadership's concern, Xi Jinping has nominated himself as a delegate to the 19th Congress from Guizhou, China's poorest province.

Very high on the list of concerns of the CCP's higher echelons are the perceived destabilisation efforts, or 'Colour Revolution', by the West. Early in April 2013, the CCP CC issued Document No. 9, which quoted Xi Jinping as saying "regime dissatisfaction often begins in the realm of ideas". He complained of an intensification of western cultural and ideological infiltration. The CCP launched a campaign to counter such elements. In January 2015, the CCP CC issued Document No. 30 strengthening Party control over primary and secondary schools and universities. Also in January 2015, the PRC Education Minister prohibited the use of western sources for teaching and western books began being weeded out of university and college libraries.

In the third week of December 2016, a seven-and-a-half minute video issued by the CCP CC Propaganda Department focussed on the dangers of a 'Colour Revolution' of which, it said "Embassies in China are the forward command, combining forces to promote street politics". The video, which has no title, was propagated online under the head "Who most wants to overthrow China". The theme was highlighted in a high-level conference in December 2016 to discuss strengthening of ideological controls in Universities. During the conference China's Minister of Education, Chen Baosheng observed that "the first option for hostile forces infiltrating us is our education system". He added "To wreck your future, first of all they wreck your schools". Hongkong was singled out as a "bridgehead" for subversion. The video ended with the assertion that "Thoroughly expelling 'colour revolution' will be a long war, but if there is war, we will answer the call".

Reflecting the CCP leadership's concern, the 442,000 foreign students studying in China have also -- for the first time -- been formally brought within the purview of the Party's controls. On June 5, 2017, China's Ministries of Education, Foreign Affairs and Public Security jointly issued new regulations which mandate that foreign students pursuing higher education diplomas in China will have to take compulsory courses in Chinese. They require universities and colleges to teach international students about China's laws and regulations, plus its institutions and traditional Chinese culture and customs and require international students majoring in philosophy and politics to take compulsory political theories courses. The regulations state they were made to "regulate schools' admission, the cultivation and management of international students and for the convenience of international students studying in schools in China". The regulations ban any form of religious activities on campus, such as preaching or religious gatherings and say that schools should respect the customs and religious beliefs of foreign students, but are not allowed to provide any venue for their religious activities. International students who do not live in school dormitories are required to register their address with police in the neighbourhood. Universities and colleges are now also required to have "instructors" for foreign students, following a similar practice of employing "political instructors" for Chinese students. University political instructors have long been tasked with political education and overseeing Chinese students' ideological teaching. The Social Credit Management system, which ensures total monitoring of all those resident in China, is planned to be implemented across China by 2018.

These measures are reinforced by the National Security Education Campaign launched in August 2016 amidst accusations of "hostile foreign forces" meddling in China and fanning domestic discontent. In April 2017, Beijing announced incentives of up to US\$ 72,000 for people providing information on suspected spies. On May 16, 2017, China issued its first public draft of an

Intelligence Law that is expansive and allows the detention and monitoring of suspects as well as search of their premises, seizure of vehicles and devices and investigation of individuals and groups. Chinese citizens and foreigners are within the ambit of this law. There has also been a crackdown on Human Rights lawyers with almost 300 arrested till May 2017. There is also apprehension that Buddhist monks, especially Tibetan Buddhist monks, have the potential of being guided and controlled from “outside”. Consequently since March 2017 controls are being enforced on the movements of monks and they have been directed to take prior permission for their ‘teachings’.

Additionally, there is an arc of vulnerability developing around China. The Tibet Autonomous Region (TAR) remains restive despite the implementation of progressively restrictive security measures. While the ‘iron grid’ system ensures response to an incident by security forces within 3-5 minutes of the occurrence of an incident, the authorities introduced additional measures in early May 2017. The TAR public security bureau (PSB) enhanced its surveillance and rapid deployment capability across counties. The PSB budget which was US\$ 1 billion in 2014 was increased by 54 per cent in 2016 over the previous year. However, the number of medical teams visiting PLA and People’s Armed Police (PAP) personnel deployed in TAR to treat them for Post Traumatic Stress disorders has increased from one to three each year. Simultaneously, Party surveillance has been expanded with efforts to recruit one Party member in each village in TAR each year. 21,000 Party cadres also fanned out to each of TAR’s over 5000 villages. Monks and monasteries continue to be specially targeted with Party cadres deployed in each monastery. Tibetans still do not accept the China-appointed Gyaltzen Norbu as the Panchen Lama, but only as a “learned monk”. There is also a divide between Hans and Tibetans with China’s provincial media often reporting fights between Han and Tibetan students. The issue of recognition of the Dalai Lama’s reincarnation is an additional complication. China’s strong reaction to the Dalai Lama’s visit to Arunachal Pradesh reflects these tensions in TAR.

There is neither any sign of tension and violence in the Xinjiang-Uygur Autonomous Region abating. The public security budget in Xinjiang too was enhanced this year by 54 per cent from the US\$ 1.05 billion last year. A report issued last year by the Chinese Academy of Social Sciences (CASS) highlighted that incidents of terrorist violence by Uyghurs were spreading to other parts of the country with substantive Muslim populations. It said that some countries, like Turkey, were providing travel documents to Uyghurs to help them escape or enter Xinjiang through South East Asia and that China should not expect assistance from foreign countries. In the past few years Provincial communist cadres and delegates to the National People’s Congress (NPC) have, unusually, named Pakistan as the source of support to the Uyghurs. In May 2017, China expressed concern about the potential danger from the Rohingyas in Myanmar being trained by the Islamic State.

There are other tensions developing on China’s periphery. Since Tsai Ing-wen of the DPP took over as Taiwan’s President, tension has risen across the Taiwan Strait with Beijing insisting that she has plans to “sneakily” make a bid for independence. The telephone call between US President designate Trump and Tsai Ing-wen has aroused deep suspicion in Beijing and Chinese analysts have stating that “with the ruling DPP moving faster toward de facto independence, China is now preparing for a final solution by non-peaceful means, which is the last resort China would prefer to turn to”.

While political tensions in Hongkong have seemingly settled for now, it was not before Beijing cracked down hard on the advocates of ‘independence’. Beijing has also pre-empted any bid by

Hongkong residents to interpret the Basic Law, declaring that Beijing's would be the final word. Differences between Hongkong 'independence' groups and Beijing, however, remain.

When the 19th Party Congress reviews the achievements since the last Congress, it can be expected to positively evaluate the measures implemented by Xi Jinping to ensure social stability and the CCP's primacy. Despite the pools of dissatisfaction comprising those adversely impacted, Xi Jinping has initiated substantive steps to 'professionalise' the PLA and cleanse the Party. As Xi Jinping begins his second term at the end of this year and advances the 'China Dream' and 'One Belt, One Road', the hardening of the Chinese state will continue. The ensuing inflexibility will mean that negotiations are unlikely to yield concessions. This will be evident as China pursues its claims in the South China Sea and in China's relations with India and its neighbours.

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