

XI JINPING'S NEW ERA OF SOCIALISM : WAIT AND WATCH

AUTHOR BY | BRIGADIER (DR) RAJEEV BHUTANI (RETD)

Having been declared the “Core” of the Chinese Communist Party (CCP) during last year, an honour previously been bestowed on only Mao Zedong, Deng Xiaoping and Jiang Zemin, there had never been any doubt that Xi Jinping would be elected for the second term. But Xi had amassed so much of power within the Party during past five years of his tenure – through his anti-corruption campaign and positioning his own protégés as provincial party chiefs and at important places – that there were strong rumours indicating that probably Xi would be looking beyond 2022 for a third term or even to be declared as life-time Chairman.

With all those rumours having been set aside on the fateful Tuesday (Since Wang Qishan, Xi's anti-corruption crusader, aged 69, didn't make it on to the CCP's Central Committee), Xi has been reaffirmed as Chinese President for another five years, on the culmination of the 19th Congress of the CCP. Upon having his personal philosophy engraved in to the national constitution – as Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era – Xi now joined Mao and Deng in the pantheon of modern China's most powerful leaders. In China, a leader is made immortal if an idea enunciated by him is enshrined in the country's constitution with his name. “Deng Xiaoping Theory” was etched only as posthumous honour but Mao was honoured by name in the constitution while he was alive. That is the reason why Xi is being equated in stature with no other than Chairman Mao.

Xi's vision has both domestic and foreign elements. Previous Chinese leaders were cautious in playing down China as “developing” or “poor” nation but Xi was emboldened to call China as a “great power” or “strong power” 26 times in his three hours long opening speech. Xi had not only launched the sweeping reforms for restructuring of PLA in to a modern fighting force but also ramped up the construction and militarization of islands in the South China Sea and established China's first overseas military base in Djibouti. His signature “Belt and Road Initiative” was also added to the constitution on Tuesday, indicating its central place in thinking. In his opening address, Xi said his “new era” will be one “that sees China moving closer to center stage.”

Xi's report to the 19th National Congress of the CCP contained thirteen parts and the theme of the Congress was defined as "*Remain true to our original aspiration and keep our mission firmly in mind, hold high the banner of socialism with Chinese characteristics, secure a decisive victory in building a moderately prosperous society in all respects, strive for the great success of socialism with Chinese characteristics for a new era, and work tirelessly to realize the Chinese Dream of national rejuvenation.*"

If the "*Socialism with Chinese Characteristics*" is the key philosophy through which China's leaders intend to build China's power, govern the country, bring prosperity to all of its citizens and move it closer to the centre stage among the comity of nations, then it needs to be analysed in detail. While Mao adhered to Marxism and integrated it with Chinese realities or in other words socialism but it was Deng Xiaoping, who gave a change of direction for the Chinese Communist Party, advocating 'personal responsibility' for villagers who could sell their produce in the market, and supporting free markets, foreign investment and private ownership – none of which had been allowed during Mao's Chairmanship. What is Socialism and what is Marxism? Deng had defined it in a very simple and illustrative manner in the People's daily in 1984: Marxism attaches utmost importance to developing the productive forces. Socialism is the primary stage of communism and at the advanced stage it intends to apply the principle of - *from each according to his ability and to each according to his needs*. This calls for highly developed productive forces and an overwhelming abundance of material wealth. Therefore, the fundamental task for the socialist stage was to develop the productive forces. As they develop, the people's wealth and cultural life would constantly improve.

One of the shortcomings after the founding of the People's Republic was that enough attention was not paid to developing the productive forces and further due to its closed-door policy, China was cut-off from all the developments which were taking place in the West. Deng proceeded in a very meticulous manner – he not only strengthened the rural base, where 80 percent of the China's population lived but selectively opened 14 large and medium-sized coastal cities to foreign investment and advanced techniques. While China desperately wanted Western technology to achieve prosperity but not the accompanied Western values of democracy and freedom, which would have crept in. Hence, the so-called '*Chinese Characteristics*', which refer to their own social, cultural and political values.

China, with its per capita Gross National Income (GNI) of \$ 4260 in 2010 had already crossed the dividing line between "lower middle income" and "upper middle income" countries (set by the World Bank at \$ 3975 for 2010 data). Thus China has been creeping toward the great power

status, on the one hand, and of moderately comfortable living standards, on the other. Xi Jinping in his report has brought out that the principal contradiction facing Chinese society in the New Era is between *unbalanced and inadequate development* and people's ever growing needs for a better life. Not only have their material and cultural needs grown, their demands for democracy, rule of law, fairness and justice, security and a better environment are increasing.

In fact, there is nothing new in this 'New Era'. Ten years ago in March 2007, *Chinese Premier Wen Jiabao* had stated "*There are structural problems in China's economy which cause unsteady, unbalanced, uncoordinated and unsustainable development.*"

Though Xi Jinping has laid out an elaborate plan to overcome these problems: by leveraging consumption in promoting growth, becoming more and more open to the world by easing market access to foreign investors, making China a country of innovators and so on. However, in his previous five years, Xi had concentrated on economic stability rather than economic growth and it was the service sector which grew from 45.3 percent in 2012 to 51.6 percent in 2016 and in 2017 service output has accounted for 54.1 percent of GDP.

It will be interesting to watch Xi's next term: how he enhances the household consumption, which is presently at around 35 percent of GDP to the level of Brazil or India (which are 62.8 percent and 57.3 percent of their GDP respectively), not to talk of the US, which is much higher. Whether China is going to expand its manufacturing base for its domestic consumers or will it be depending upon Xi's "Belt and Road" Initiative for reaping the dividends? To enhance its economic growth further China has to become a major centre for new technology and innovation: It has to transition from the present "*End Point of High-Tech Assembly Chain*" to the "*Hub of High-Tech products*". It may be easier said than done in a few years. Xi can enhance his political clout by placing his protégés at more number of positions to dominate the CCP but pace of technological development and innovation has to take its own time.