

## **China: coronavirus shock, factional dynamics and future trends**

This paper examines the impact of the COVID-19 pandemic on China's domestic politics and economy, the rise of dissent and pressure on President Xi Jinping as well as factional dynamics. It will also assess the latest success of China in curbing the coronavirus epidemic internally, juxtaposed against the escalating healthcare crisis in the US and EU and Wang Huning's reorientation of China's domestic and international propaganda effort. It will then evaluate the implications for domestic factional dynamics between the liberal reformist and nationalist hardliner factions, and the likely personnel changes at the 20th Party Congress in October/November 2022.

### **I.       Xi on the defensive**

The coronavirus crisis is the most serious challenge to the Chinese Communist Party's performance-based legitimacy since the 1989 Tiananmen incident.

President Xi Jinping's authority has apparently taken a big hit. He learned of the outbreak as early as January 7, when he convened the Politburo Standing Committee to discuss how to respond. Curiously, despite his "repeated instructions," the Chinese government did not sound the alarm for a public health emergency, nor did he cancel his planned state visit to Myanmar on January 17-18.

The critical decision to wage an all-out war to contain the virus was not made until January 20 --- two days after he returned to Beijing. His absence on the front line during the first two weeks of the crisis -- in particular his decision to send Premier Li Keqiang to the epicenter of the outbreak, Wuhan, instead of going there himself -- has also raised doubts about his leadership.

The most serious incident in this crisis undermining Xi's position was when Dr Li Wenliang, the whistleblower doctor widely seen by Chinese citizens as being unfairly persecuted for sounding the alarm among healthcare colleagues, was pronounced dead at 2.58am on February 7th. Chinese social media exploded into uncontrolled rage. Around 11.16pm on February 6th, hours before official confirmation of his death, the social media platform Weibo saw 20 million searches, 540 million hits, and 730,000 discussion notes about Dr Li's death.

The hashtag “#LiWenliangHasPassedAway” was the number one trending topic on China’s Weibo, with 10 billion mentions by around noon on February 7th. His admonition: “I think there should be more than one voice in a healthy society, and I don’t approve of using public power for excessive interference,” resonated with a frightened and enraged public.

In July 2019, Professor Xu Zhangrun of Tsinghua University in Beijing published a passionate essay. The essay denounced Xi’s authoritarian tendencies as driving China back to closed, repressive politics. As the coronavirus crisis raged on, Xu posted this assessment online on February 4<sup>th</sup> 2020: “The coronavirus epidemic has revealed the rotten core of Chinese governance; the fragile and vacuous heart of the jittering edifice of state has thereby been revealed as never before.” He noted that: “angry people are no longer frightened.”

On the very same day that online assessment was posted, another powerful, sarcastic analysis of China’s party-state appeared online. In an open letter addressed to Xi, legal expert and rights activist Xu Zhiyong called on the president to take responsibility for numerous political missteps and step down.

On February 20th, Qiu Menghuang, a former host at state broadcaster China Central Television, posted a comment on Weibo suggesting that China apologize to the world. “Without being panicky or arrogant, should we not just bow to the world while wearing face masks and say, ‘Sorry for causing trouble to you?’” he said.

A much more serious challenge to Xi came from Ren Zhiqiang, nicknamed “the cannon”. Ren, an outspoken property tycoon in Beijing, wrote a scathing essay accusing Xi as a power-hungry “clown.” He said the ruling Communist Party’s strict limits on free speech had exacerbated the coronavirus epidemic. “I see not an emperor standing there exhibiting his ‘new clothes,’ but a clown who stripped naked and insisted on continuing to be an emperor,” he wrote pointedly.

While critical barbs from liberal intellectuals like Xu Zhongrun and Xu Zhiyong are commonplace, the severe criticism from Ren is much more significant as he is a well-known princeling with seniority comparable to Xi’s among the second generation descendants of the long march generation with Chairman Mao.

It is likely he represents factions within the princelings and the establishment who are angry with Xi’s anti-corruption campaign and the confiscation of their wealth. This anger stemmed from their accusation that Xi repaid their support with persecution via the sustained anti-graft drive. Ren dropped out of sight in mid-March and ended up being detained in the outskirts of Beijing.

The pressure on Xi must have been immense. On January 28th, Xi told visiting World Health Organization Director General Dr Tedros Adhanom Ghebreyesus that he was personally in charge of the anti-coronavirus operation. However, the next day Xinhua news agency suppressed this message and emphasized that the operation was that of the collective leadership. After January 29th, Xi disappeared from public view for 7 days. CCTV had no news and reports on his whereabouts.

Curiously, there was a report on CCTV of him chairing the PSC meeting on February 3rd, but the report had only the announcer reading that news, without any footage of Xi or his colleagues at the meeting as were normally the case. Rumors about his physical and political health were rife. It was only on February 5th that he reappeared to receive Prime Minister Hun Sen of Cambodia.

## II. The tide turns

The unprecedented lockdown in Wuhan was announced on January 23rd. Since then, extremely draconian measures affecting over 500 million of China's population were implemented.

By early March, COVID-19 cases in China have come down. More crucially, the cases have exploded in the EU and US, and the situations there have been poorly managed.

By early March, there were still residual criticisms of Xi, but the tide had turned. The propaganda machinery headed by Wang Huning has allowed the population to vent off some steam during the tense period in February. For example, Dr Li was included in the party's honor list of heroes that contributed to the national fight against the virus. The Wuhan local government has also publicly apologized. These moves helped to soothe the public's anger.

By early March, liberals like PM Li Keqiang and Wang Yang - who have been critical of Xi in private - as well as the intellectuals who have criticized Xi publicly, had gone silent.

For President Xi, the key lesson to take away from China's worst virus outbreak in modern history was: centralized control works and more is needed. Xi shared this conclusion in an unprecedented conference call with 170,000 officials on February 24th. In this conference call, according to excerpts released by state-run media, he defended the ruling party's judgment as "accurate" and argued that the outbreak "demonstrates the remarkable advantages of the leadership of the Communist Party of China and the socialist system with Chinese characteristics."

Since early March, Chinese public opinion of Beijing's response to the new coronavirus had undergone a wild reversal in the weeks since the epidemic began, with online comments turning from bitter criticism into loud applause.

These swings suggest that the successful control of the spread of the virus as well as Beijing's employment of methods to influence and steering online public comment, such as planting its own messages on the web and presenting them as independent opinion, has helped to turn the tide.

On March 2nd, Xi visited the leading military medical research center and Qinghua University's medical research center. Prominently broadcasted on CCTV news, the announcement particularly highlighted the two vice chairmen of the Central Military Commission who accompanied him: Xu Qiliang and Zhang Yuxia. The cameras focused on these two military generals staying very close to Xi throughout the trip. It was a blunt message to the other factional leaders, particularly the Jiang Zemin and Zeng Qinghong factions, who could be attempting to undermine Xi's position.

On March 10th, Xi finally arrived at the epidemic's ground zero, Wuhan. It was a victory parade. His visit to the Donghu new town went smoothly. The apartments were mostly inhabited by government civil servants. Residents waved and cheered. It was partly genuine relief that the coronavirus lockdown has eased. Local officials distributed meat, sent police officers to neighborhoods beforehand for "safety inspections" of apartments, and advised residents to be cooperative.

It was a strong signal by Xi to pacify the country after 48 days of painful lockdown, heralding the stabilization of the coronavirus situation, and that it was time to get back to work and revive the economy.

### III. Future trends

As it turned out after the Asian Financial Crisis (1998), the September 11th attack (2001), and the Global Financial Crisis (2008), after the dust of the COVID-19 crisis (2020) settles, China's global geopolitical position will likely edge up another few notches.

One of the most robust findings in the study of Chinese politics is that citizen anger over corruption or abuse of power is often directed at local officials, rather than the central government. Senior party leadership tends to enjoy very high levels of trust. In my extensive travels throughout the 32 provinces over the past 30 years, I have often been struck by the anger of ordinary people with corrupt local officials but see Beijing as the savior. This has

echoes from the imperial dynasties. The party's present narrative of Xi — that he is leading the “people’s war” against COVID-19 — has strong historical and cultural resonance, and dominates all Chinese state media.

Most western analysts have concluded that the successful control of the coronavirus in China amidst Western fumbling will result in the likely outcome of not only Chinese President Xi Jinping remaining in power, but also the Chinese Communist Party emerging bigger and stronger despite the current economic challenges.

There is a sense that a more hardline and authoritarian CCP will emerge in the wake of the virus outbreak, because such an outcome “is a cyclical and structural feature of crises internationally – that the state expands to deal with the crisis and then remains at a new expanded level even after the crisis fades away.”

While this is likely to be the trend over the next two years, the medium to longer term trend could witness the steady transition from a hard to soft authoritarian model, especially in the post-Xi era.

This was the trend line before Xi came along in 2012, and vastly consolidated his power after 2017.

There is another way for the party to rule: what we might call the participatory model. During Hu Jintao’s tenure from 2002 to 2012, it was an evolving and participatory model. I had a sense of this reformist direction when I spent several hours discussing with Hu’s senior advisor on political reform in 2015. While the party remains in absolute control, civil society is allowed some space to develop. The government is more transparent about its activities and invites citizens to take part in policy making. Journalists, human-rights lawyers, and non-governmental organizations were allowed some scope for checking on the government. Non-governmental institutions were empowered, within boundaries and redline. Guangdong province under Wang Yang was even experimenting with elections for local village heads in 2012.

Unlike commoners such as Hu Jintao and Wen Jiabao, a second-generation princeling like Xi has a natural propensity to take advantage of his “Red Genetic Endowment” and focus on the party, the military and state-owned enterprises. These are the institutions that are the foundation of his political support, especially when he was initially insecure about his position.

Ironically, with his recent consolidation of power and greater confidence, and weathering both the backlash from the US, Hong Kong, and Taiwan as well as the initial rage against the

party during the outbreak, Xi would be in a better position to resurrect some of Hu Jintao's softer authoritarian approaches.

It should be noted that during the August 2019 Beidaihe meeting, there were extensive discussion on the US China trade and tech war as well as Hong Kong. The elders like Jiang Zemin, Hu Jintao and Wen Jiabao took a more moderate position while present PSC members like Xi Jinping, Li Zhanshu, Wang Huning (all Xi faction) took a more hard line position. The moderates in the PSC like Premier Li Keqiang, Wang Yang (both Hu faction) and Han Zheng (Jiang faction) apparently were quite. After the extensive discussion, former Premier Wen Jiabao, famous for advocating universal western values, summed up the meeting by saying: "What we wished to say we had already said. We leave it to you in office to carry out the appropriate implementation."

As it is impossible to pierce through the secretive political maneuvering in Zhongnanhai, what would be the leading indicators for such gradual political transformation?

As we approach the upcoming leadership transition in 2022, these would be the signs of an evolutionary trend towards a softer authoritarian model:

- (1) Wang Yang is selected as the new Premier
- (2) While Chen Miner is designated as the heir apparent to Xi, Hu Chunhua is placed in line for the position of Premier
- (3) Xi's liberal chief of staff, Ding Xuexiang is given a major position in the upcoming PSC

While Xi will still be dominant for the period 2022-2027, it is not clear that the post-Xi era soon after that will continue along a similar trajectory. The Cultural Revolution Red Guards like Xi, as well as the second-generation princelings of the Long March generation, will be no more. The red genes will be much diluted in the third generation, who are keener on private equity investments and other ventures. It is likely that the liberalization trend spearheaded during the Hu Jintao era (2002-2012) will re-emerge.

If this assessment is correct, there would be enormous implications for global geopolitical dynamics, as well as the critical Sino-US relationship in the twenty first century.