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Analyzing China's Evolution:
Xi Jinping's Era in Perspective

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Abstract

Since assuming office in 2013, Xi Jinping has steered China through a transformative period marked by significant economic shifts, recalibrated external engagements, and an assertive consolidation of power within the Communist Party of China (CPC). This paper comprehensively analyses China's trajectory under Xi's leadership, examining key economic trends, the country's external outlook, and the dynamics of Party-State control.

Firstly, the paper delves into China's economic landscape, scrutinising the policies and reforms implemented under Xi's administration. It evaluates the effectiveness of measures taken to address challenges such as slowing growth, structural imbalances, and technological advancement.

Secondly, the paper explores China's external posture under Xi Jinping, analysing shifts in foreign policy priorities, strategic initiatives, and diplomatic engagements. Emphasis has been placed on China's evolving role in international institutions, regional diplomacy, and its response to geopolitical challenges including trade tensions and territorial disputes.

Furthermore, the paper looks into the intricate relationship between the CCP and the government apparatus, elucidating Xi's unprecedented consolidation of power and his elevation to the status of the ultimate 'core leader.' It examines mechanisms of Party control, ideological conformity, and the implications for governance, institutional dynamics, and socio-political stability. Drawing upon a comprehensive review of scholarly literature, official documents, and empirical data, this paper offers insights into the multifaceted dimensions of China's development under Xi Jinping's leadership.

Keywords: Xi Jinping, Anti-Corruption Campaign, PLA, CMC, Economic Reforms

Introduction

Xi was born as a princeling as his father, Xi Zhongxun, was a senior Party member who was a part of the Red Army during the Chinese Civil War (1927-1936; 1945-1949). However, Mao purged Zhongxun in 1962 during the 'Great Leap Forward' mass campaign (1958-1962) (Saran, 2019). Subsequently, after the purging of his father, Xi became a part of the 'lost generation' when he was sent for re-education in Yan'an during the Cultural Revolution. Xi's upbringing when his father was a senior Party official, and his re-education stint after his

father's purge made him see how power works and its perils up close. Ironically, despite Mao's policies having negative consequences for Xi in his youth, he turned out to be a neo-Maoist leader, emphasising the centralisation of power and ending factional policies (Kuo, 2021). Similar to Mao, Xi is taking China into isolation, disrupting its social and economic character, overemphasising on nationalism and sovereignty, isolating the West, and militarising the Taiwan Strait.

China's Economic Landscape Under Xi

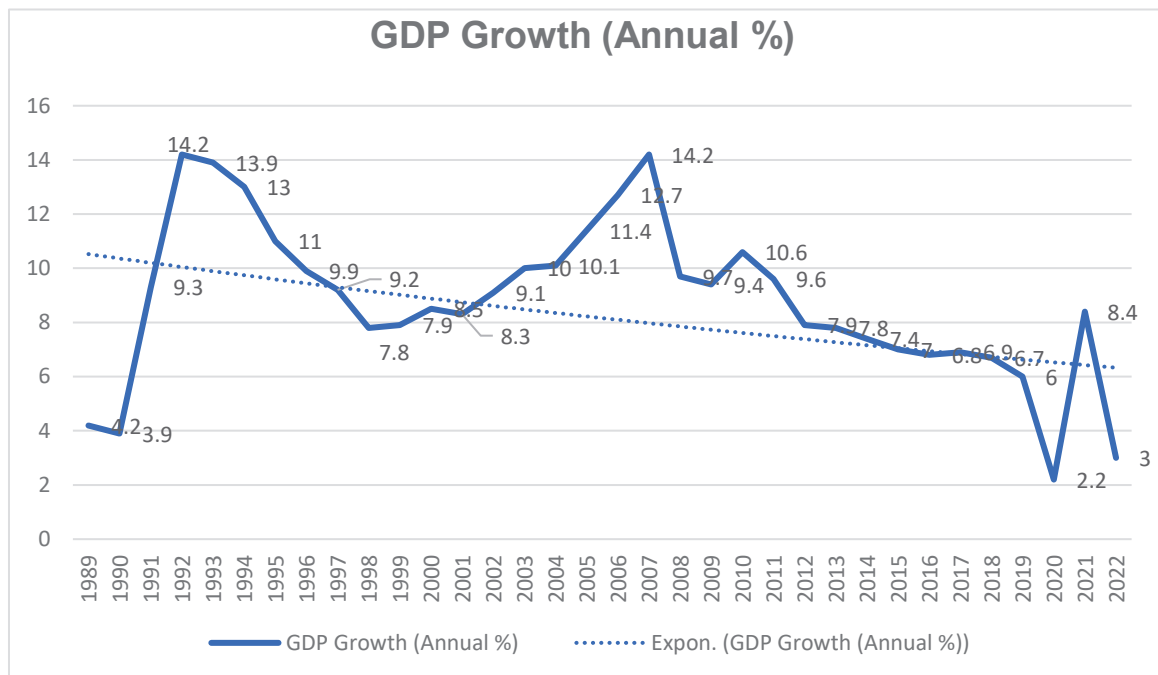
When Xi became President, the government was in charge of major economic policies such as resource distribution and macroeconomic policy. However, at the 18th Congress of the CPC held in November 2013, Xi announced a 60-point agenda to completely restructure the economy and restrict government control (Jinping, 2013). Through the document, Xi envisioned that the government's role should be relegated to the following components of the economy:

- Microeconomic Management.
- Market Regulation.
- Public Service Delivery.
- Supervision of Society.
- Environment Protection.

Xi's envisioned economic goals depicted his neoliberal tendencies as he wanted less government control and more independence to market forces to play their role in the economy. However, Xi, unable to implement his initial vision, did a complete 180 degree turn over that, as evidenced by the government's increasing control and regulation of the economy by the government (Reuters, 2023).

When Xi took the reins of power, China's economy stood at \$8.5 trillion which doubled to \$17.2 trillion when he started his third term in 2023 (Statista, 2024). However, if one looks at general trends since 1989, it is during Xi's Presidency that GDP growth has been on a downward trend. The downward trend indicated a stagnation in economic growth that can very well mean a middle-income trap for China.

Figure: Annual GDP Growth (in %)



Source: Graph made by the author by extrapolating data from the World Bank

The main drivers of the economy at that time were housing, infrastructure, manufacturing, and State-owned Enterprises (SOEs). Xi's tenure has been marked by a mix of ambitious economic initiatives aimed at sustaining growth, enhancing innovation, and making China a global economic powerhouse. Since Xi's presidency, China has tried reorienting its economy from infrastructure and manufacturing-led development. The latest tool that the Party has tried is an economy led by internal consumption and technology. However, the current prospects look bleak as both have failed to take off. Somewhere, even Xi is versed with the new reality of low growth, as evident by his recent emphasis on 'high-quality growth' rather than 'inflated growth'.

This reorientation in the economic model might be due to China's real-estate crisis. Infrastructure and real estate have been major drivers of China's economy, contributing 25-30% of GDP (Pettis, 2022). Due to the high debt incurred by real estate sector, the economy took a major hit, prompting Xi to criticise companies such as Evergrande by terming their contribution to the economy as "inflated" and "fictional" (Jinping, 2021). Current economic prospects and geopolitical alignments would only make China look inward and focus on internal consumption and self-sufficiency in the future, which would mean slow growth rates. It can also hinder Xi's prospects of "China Dream" and "Developing China into a modern

Prosperous Country” by 1949 as due to the above policies, there is an actual probability that China will enter a middle-income trap that would be difficult to overcome without structural political and economic changes as well as geopolitical compromises.

China's External Environment Under Xi Jinping

Xi inherited a relatively stable external environment from Hu Jintao when he became President in 2013—— in the immediate periphery, the border with India was stable (Gokhale, 2022), the South China Sea dispute was calm, and China had amicable relations with littoral countries. The relations with United States and Europe were good, the Taiwan Strait was quiet, and Hong Kong had not yet rebelled as the principle of ‘One Country Two Systems’ was working well.

However, under Xi Jinping's leadership, China has undergone significant shifts in its external environment, marked by a more assertive and proactive approach to foreign policy. Xi has articulated a vision of China as a major global power and has pursued strategic initiatives to enhance China's influence and security interests on the world stage. One notable shift has been the prioritisation of initiatives such as the Belt and Road Initiative (BRI), Global Development Initiative (GDI), and Global Security Initiative (GSI), which seeks to strengthen China's economic and security ties with countries across Asia, Africa, and Europe through massive infrastructure projects. Additionally, China has become more assertive in its territorial claims, particularly with India and in the South China Sea, leading to tensions with neighbouring countries and increased military presence in the region. Diplomatically, Xi's administration has engaged in high-profile summits and diplomatic initiatives, aiming to portray China as a responsible global actor and build alliances through platforms like the Shanghai Cooperation Organisation (SCO) and the Forum on China-Africa Cooperation (FOCAC). However, China's growing assertiveness has also increased tensions with the United States and other Western powers particularly regarding trade disputes, human rights issues, and technological competition (Liu, 2023). Overall, China's external posture under Xi Jinping reflects a more assertive and ambitious approach to foreign policy, characterised by strategic initiatives aimed at expanding influence, securing economic interests, and shaping the global order in line with Chinese preferences. This change has been due to Xi's overemphasis on securitisation of everything under the Total National Security Paradigm.

Party and Government under Xi

Since Xi took charge of the Party, he has muddled the lines between the Government and the Party, which were seen as separate entities since 1990. Xi has done it by concentrating power in his hands and giving the Party precedence over the government.

Over-Centralisation

Under Xi Jinping's leadership, China has witnessed a trend towards over-centralisation characterised by the consolidation of power within the CPC and the diminishing role of local governments in decision-making processes (Yang, 2021). Xi's tenure has been marked by efforts to tighten control over various aspects of governance including politics, the economy and society, under the overall banner of 'strengthening CPC leadership and maintaining stability'. This centralisation of power has manifested in various ways in the form of extensive anti-corruption campaign targeting high-ranking officials and grassroots Party members, increased role of Party Committees in policy implementation, and suppression of dissenting voices through tighter censorship and surveillance measures (Chen, 2024).

Since Deng Xiaoping's time, the Party has been on a curve toward decentralisation. Before Xi, the Party gave broader aims to provinces, and it was up to the state bureaucracy to achieve them. However, under Xi, not just the aims but also decision-making and legislation have been centralised. While centralisation can lead to more efficient decision-making and coordination at the national level, it also risks stifling innovation, inhibiting local initiatives, and exacerbating bureaucratic inefficiencies. Moreover, overcentralisation may create challenges in addressing regional disparities, responding to local needs, and fostering grassroots participation in governance, potentially undermining long-term stability, and economic development. As such, the balance between centralisation and decentralisation remains a critical issue in China's governance under Xi Jinping's administration, with implications for the country's political dynamics and socio-economic resilience.

Party over Government

Under Xi Jinping's leadership, there has been a notable escalation in the CPC control over the government apparatus, accompanied by erosion of the principle of "collective responsibility" (Lau, 2022). Historically, the CPC has maintained a tight grip on political power in China. However, under Xi's administration, this control has intensified with the Party asserting dominance over governmental institutions and functions. This trend is exemplified by strengthening Party Committees within state organs, where Party officials wield significant

influence over policy decisions, personnel appointments, and administrative affairs (Chen, 2024). Additionally, Xi has emphasised the importance of Party loyalty and ideological conformity among government officials, leading to a cadre of bureaucrats prioritising Party directives over institutional norms or public interest (Mittelstaedt, 2023). Xi has prioritised 'Party control' over 'control by commissioning new Party Committees' to oversee the governance at the central and provincial levels. The latest of those commissions was the Central Commission for Science and Technology, which will supervise an overhauled Ministry of Science and Technology.

Conclusion

The escalating control exerted by the CPC over government apparatus under Xi Jinping's leadership carries significant negative implications for governance, institutional dynamics, and socio-political stability in China. This tightening grip consolidates power within the Party elite, eroding institutional checks and balances and stifling dissenting voices. By prioritising Party loyalty over administrative competence, the CPC has promoted a culture of sycophancy and ideological conformity within government institutions, hindering innovation and problem solving. The erosion of "collective responsibility" principle exacerbates this issue, as officials may prioritise self-preservation over effective policymaking, leading to a climate of fear and risk aversion. Ultimately, the negative implications of CPC' dominance over governance include weakened institutional resilience, reduced responsiveness to societal needs, heightened policy mismanagement and stagnation risks. This phenomenon threatens to undermine the government's legitimacy and exacerbate social tensions, thus posing significant challenges to effective governance in China.

The increasing control exerted by the CPC over the government apparatus under Xi Jinping's leadership has far-reaching implications for socio-political stability in China. Firstly, this trend exacerbates social tensions by stifling already scarce avenues for dissent and political expression. At the political level, Xi's anti-corruption campaign that has led to investigation and punishing of more than 500 senior Party officials and around 4 million cadre (Reddy, 2022). This aggressive consolidation of power with impunity will have an effect on working of the executive, like Mao's period, where officials reported inflated agriculture produces out of fear, which among other things became a factor for famine.

Moreover, the erosion of institutional checks and balances further weakens mechanisms for addressing grievances and holding officials accountable, undermining public trust in the government's ability to address socio-economic challenges and ensure fairness and justice. The

erosion of the principle of "collective responsibility" further exacerbates this issue by shielding individual officials from consequences of policy failures or corruption, fostering a culture of impunity and undermining faith in the rule of law.

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