



Annual Assessment of PRC's Political and Military Developments 2019 **《2019 中共政軍發展評估報告》**

Executive Summary

(Please refer to the full report in the original Chinese language)

The legacy of Chinese President and Communist Party (“CCP”) leader Xi Jinping and the reform of the People’s Liberation Army (“PLA”) both remain works in progress as 2019 concludes. Compared to the previous year, even though Xi made himself leader for life, the PRC’s domestic challenges have become more pronounced and the CCP’s goal to unite Taiwan to the PRC looks even more distant from this side of the Taiwan Strait.

Among the findings in INDSR’s annual assessment on the PRC’s political and military developments, the PRC’s people and its society will face closer and stronger controls by Beijing in 2020. Moreover, no matter how the international environment or the situation in Hong Kong plays out, the CCP will continue its carrot and stick strategy in pressuring Taiwan.

Under Xi, the PLA continued to reform and iron out the institutional system – the laws, provisions and methods – underpinning the world’s largest armed forces. Realistically, to comprehensively complete the work and achieve smooth operations by 2020 or even 2022 will be difficult. That said, if the PLA can achieve what it propagates, it is only a matter of time, regardless if it is later rather than sooner, that it becomes an effective, formidable and modernized force.

Xi has decidedly chosen to follow in Mao Zedong’s footsteps, eschewing the leadership and governance style of even those as charismatic as Deng Xiaoping and Jiang Zemin. Despite trying to keep instability to a minimum in the sensitive 2019 year – it marked the 70th anniversary of the PRC’s founding and 30 years since the Tiananmen crackdown – the unrest in Hong Kong and the accelerated trade war with the United States blindsided Xi’s efforts.

At home, Xi is facing slow economic growth not seen in nearly 30 years, exacerbating endogenous structural problems within the economy and society – debt burden, asset bubbles, rich-poor gap, joblessness, capital outflows, to name a few. On the CCP level, party cadres are still bruised from Xi’s anti-corruption drive and concentrated ideological pursuits.

Confronted with internal and external risks threatening the CCP’s rule and the country’s stability, Xi believes it is necessary to strengthen patriotism education at all levels of society and solve the challenges through continuous “struggle.” Xi will continue to invoke Mao’s thinking as the basis for his strategic considerations during his tenure, such as focusing on political education – or “red education” – the legal system and military personnel. This



ensures the party, state and military act cohesively against outside pressures.

On the international stage, Xi is leading the charge with his “chairman’s diplomacy”, which the annual report depicts with insightful charts and figures on how the party chief is going about it. Taking control of foreign affairs and diplomacy, the CCP wants to tell a good story about the PRC – with its diplomatic missions sometimes resorting to radical language to counter narratives not in its favor. The PRC wants to be seen as an alternative to the United States and Beijing wants to lay the groundwork for “the path in the post-trade war”.

Regarding Taiwan, though, the irony is, that for the CCP’s strategy to be effective, it has to rely on the cross-Strait relationship being positive. When ties are friendly, Taiwanese can identify better with preferential measures that the PRC rolls out for Taiwan or, at the very least, there is less chance of them backfiring. In an environment of mistrust and suspicion, the overtures are associated with unfavorable issues and the negative reaction is amplified. Under less than ideal conditions, the CCP under Xi has been unwilling to fundamentally improve the cross-Strait deadlock, instead persisting with its course of using a soft and hard approach toward Taiwan.

In the PLA’s military context, Taiwan must be “swallowed up” because it sits in the first island chain and offers direct access into the Pacific Ocean. Beijing regards island chains as obstacles, springboards and milestones to be used by the PRC and its enemies alike. Because the United States sees the PRC as a strategic competitor, the PRC sees Taiwan as an obstacle put in its way by Washington to suppress its ambitions. The PRC’s geo-strategic position is a semi-closed state blocked by an island chain. Breaking this island chain has become a major challenge for its maritime power, including in the South China Sea and, intensifying in the past year, in the South Pacific.

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