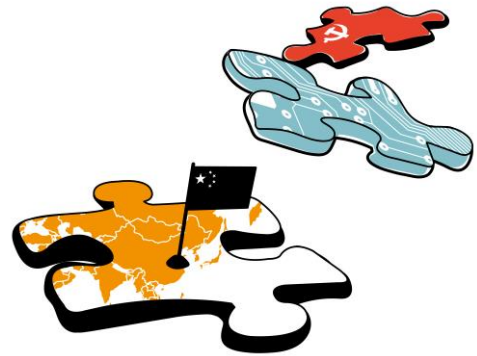


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MERICs China Essentials



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TOP STORY

CCP strengthens Xi by adopting only third official resolution on history

After Mao Zedong and Deng Xiaoping, Xi Jinping has become only the third leader in Chinese Communist Party's history to orchestrate a so-called Resolution on History. The politically important document was passed this week at the Sixth Plenum in Beijing, a four-day closed-door meeting of the most powerful party leaders. The move officially marks the end of the Deng era and the beginning of the "new era" under Xi Jinping's rule.

The resolution is firstly an epilogue to conclude the last century of the Party's history: Achievements are highlighted and homage is paid to past leaders from Mao to Xi's predecessor, Hu Jintao. The word "Questions" present in the titles of the last two documents is absent in the present piece suggesting that the party's past is not the focus. The Deng era, known for its growth-focused policies and institutions installed to avoid Maoist dictatorships, while officially given closure, was nevertheless given credit for China's success today.

Secondly, the resolution is a prologue for Xi to set himself apart from his predecessors and chart his vision and direction for China. The communique published on the last day of the plenum outlined how Xi has put forward a series of original new ideas and strategies on governance. State media and Communist Party mouthpieces also heaped accolades on Xi, calling him a man who "dares to innovate" and one with a "forward-looking vision".

MERICS Analysis: "The resolution is a supremely important party document that is drafted and finalized via consensus," said **Valarie Tan**, MERICS Analyst. "It will be an important tool for Xi to pre-empt his critics and any possible opponents who might question his authority and policies. In other words, the resolution consolidates Xi's power at the pinnacle of the CCP and smoothens the path for him to seek a third term as the Party's General-Secretary at the 20th Party Congress in fall next year."

More on the topic: **Valarie Tan** summarizes the significance of this year's 6th plenum ahead of next year's 20th Party Congress in a [short analysis](#). Also, check out the [timeline of the 19th CCP Central Committee's plenums](#) and our interactive [calendar of party and state meetings](#), which we'll continuously update for upcoming events.

Media coverage and sources:

- FT: [Xi lays groundwork for third term by adopting Mao and Deng's power ploy](#)
- Global Times: [Profile: Xi Jinping, the man who leads CPC on new journey](#)
- Project 2029: [Negotiating History: The Chinese Communist Party's 1981](#)
- The Economist: [Xi Jinping is rewriting history to justify his rule for years to come](#)
- Bloomberg: [Xi's biggest wins and losses after nearly a decade in power](#)

METRIX

53 million

The number of users that will be affected by the partial withdrawal of LinkedIn from China to avoid new pitfalls of running a social-networking platform there. Due to mounting challenges posed by new regulations like the Personal Information Protection Law (PIPL), LinkedIn China 领英 (Ling Ying) will end user-generated content – although it is planning to launch a jobs site called InJobs. (Sources: [Economist](#), [Forbes](#))

TOPICS

Beijing sees 2C global warming if industrialized nations don't do more

The facts: China used COP26 to make clear it is not willing to bear the high societal and economic costs for reaching the 1.5C goal on its own – and that these should be “equally” shared. With President Xi Jinping absent, chief climate envoy Xie Zhenhua described the aim of staying below 1.5C as a “hurdle” to negotiations at the UN Climate Change Conference in Glasgow. He pledged to stay realistic and aim for a 2.0C instead of 1.5C rise in average global temperatures in the event of no additional financial support from industrialized countries. Towards the end of COP26, China and the US agreed on a joint declaration to co-operate on climate change, stating they would make “enhanced climate actions” in the 2020s. China also did reach agreement with the EU on a common definition on green investment and joined agreements to make green tech less expensive and to halt deforestation over the next decade. But it neither backed a pledge of 40 countries to phase out coal-fired power generation in the 2030s and 2040s nor of more than 100 countries to reduce methane emissions by at least 30 per cent by 2030.

What to watch: The fact that China did not sign a pledge of more than 100 countries to reduce emissions of methane – the world's second most abundant greenhouse gas caused by humans – is not a surprise in the light of the country's much-debated climate pledge last year. Unlike the US and the EU, China vowed to become carbon – not climate – neutral. Becoming only carbon neutral will absolve China from reducing all greenhouse gas emissions – it will have to focus only on carbon. It will be crucial to watch how China's goal of becoming carbon neutral will affect methane emissions.

MERICS analysis: The announcement of the US-China joint declaration was an unexpected and rather symbolic move towards the end of COP26. In the previous course of the conference, China showed a rather defensive attitude towards the more industrialized countries at COP26. It emphasized its own recent pledges, including the 1+N climate-policy framework, and pointed to other countries not fulfilling their promises. With an eye on maintaining growth and development, its negotiators seemed

focused on reiterating its recently announced pledges, and insisted these targets already push the boundaries of what is achievable.

More on the topic: [“China: The missing presence at COP26”](#) - short analysis by **Barbara Pongratz** and **Nis Grünberg**.

Media coverage and sources:

- E3: [Glasgow Live Tracker](#)
- CGTN: [China envoy: Upcoming ministerial negotiations of COP26 arduous](#)
- Ministry of Ecology and Environment (CN): [“U.S.-China Joint Glasgow Declaration on Enhancing Climate Action in the 2020s”](#)

Strong exports prop up growth as consumption slows

The facts: China’s October exports grew by 27.1 percent year-on-year in USD terms and drove a record monthly trade surplus up to 84.54 billion USD. In contrast, domestic consumption dropped further. Even China’s automotive market, which had rallied considerably in the second half of 2020, continued a five-month decline, with a 13.9 percent drop in sales year-on-year in October.

What to watch: Domestic consumption is likely to continue to struggle in the coming months as a new round of Covid outbreaks across the country has again put many areas under lockdown, discouraging travel. Consumer confidence is down as a result and is unlikely to be helped by calls from local governments encouraging households to stockpile essential goods.

MERICS analysis: “China’s strong exports are propping up its growth amidst slowing consumption numbers,” said **Jacob Gunter**, Senior Analyst at MERICS. “These trends run against the grain of the goals set out under the Dual Circulation Strategy which endeavors to decrease reliance on export-driven growth in favor of domestic consumption as the engine for China’s development.”

Media coverage and sources:

- Reuters: [China Oct exports beat forecasts, offer buffer to slowing economy](#)
- Marketwatch: [China Car Sales Fall for Fifth Straight Month](#)
- CNBC: [China’s zero-Covid strategy will cause its economy to slow down further](#)

Singles’ Day: China’s domesticated e-commerce platforms going global

The facts: Chinese authorities focused on e-commerce companies not abusing their power during the annual Singles’ Day that fills the first 11 days of November – while platforms like Alibaba launched campaigns internationally to take the online shopping bonanza overseas. It was the first Single’s Day since China’s digital platforms were banned from forcing sellers into exclusive contracts (二选一), with the Ministry of Industry and Information Technology (MIIT) also banning SMS campaigns and China’s Consumers Association urging buyers to report irregularities. October’s E-commerce Five-Year Plan has prioritized market fairness over growth targets – reaching a planned 46 trillion CNY

turnover by 2025 will require 23 percent growth compared to 2020 after the sector grew 71 percent over the previous five years. The plan wants the sector to help integrate supply chains, boost farmer incomes and digitalize manufacturing.

What to watch: Cross-border e-commerce is planned to grow 48 percent between 2020 and 2025, reaching a trade volume of 2.5 trillion CNY. To achieve this, Beijing is eying the harmonization of cross-border payments, tracing and other data regulations. Free trade agreements like the Regional Comprehensive Economic Partnership (RCEP), of which China is a member, and the Digital Economy Partnership Agreement (DEPA), which it wants to join, could be useful platforms.

MERICs analysis: It will be hard for China to convince OECD countries of accepting its data standards and of opening their markets further to Chinese tech giants, especially as Beijing's recent crackdown aligns IT firms more closely with the CCP. Still, it is a positive sign that the E-commerce Five-Year Plan does not just emphasize data security. China is likely to make limited concessions on cross-border data flows as part of trade pacts. We can also expect competition in third countries, with the Five-Year Plan touting the "E-commerce Silk Road Initiative," as Xi Jinping did at the recent China International Import Expo.

Media coverage and sources:

- Ministry of Commerce (CN): [14th Five Year Plan for E-commerce Development](#)
- CNBC: [Alibaba is ramping up in Europe, and is already ahead of Amazon in one region](#)
- Ministry of Foreign Affairs: [Xi Jinping delivers a keynote speech at the opening ceremony of the Fourth China International Import Expo](#)
- Bloomberg: [China to apply to join Digital Economy Partnership Agreement](#)
- 21st Century Business Herald (CN): ['14th Five Year Plan for E-commerce Development' released: Strengthen antitrust, build international rules in the digital realm](#)

REVIEW

The Long Game: China's Grand Strategy to Displace American Order by Rush Doshi (Oxford University Press, 2021)

If one wants to make sense of the current contest between the United States and China there are few books more important than Rush Doshi's "The Long Game: China's Grand Strategy to Displace American Order." Doshi offers a clear answer to a question that has long occupied China observers – what do Chinese leaders want for the future of their country? He argues that China aims to "displace" the current global superpower, the United States. Leaning on an impressive assembly of hard-to-find policy documents, Communist Party leaders' speeches, and other Chinese-language sources, Doshi takes readers through several decades of Chinese Communist Party thinking in order to explain what he calls "China's Grand Strategy."

Doshi convincingly maps three phases onto recent history. Starting after the 1989 Tiananmen protests, China sought to “blunt” the United States. As the weaker power, China could not hope to meaningfully challenge the U.S. but it could frustrate American efforts to project power internationally. After the 2008 financial crisis, Chinese leaders began to question American economic might. Growing more confident, they proceeded to “build” alternative global institutions of power. Finally, after the election of US President Donald Trump and amidst the global pandemic, China felt ready to “expand”—to project its own power globally.

Conscious of Western worries about a more aggressive China, Party leaders have long expressed discomfort, either sincere or feigned, over the idea of expansionism. Probably no more passionate condemnation of such ambitions came from the People’s Republic’s first premier, Zhou Enlai. He is quoted in the book as having said to a member of an American delegation in 1973: “But if China were to embark on such a path, you must oppose it. And you must tell those Chinese that Zhou Enlai told you to do so!” Taking the premier’s exhortation to heart, Doshi closes the book with ideas on how the U.S. might deal with just such a rising China.

The author’s views are bound to leave their mark on American foreign policy. Doshi, formerly Director of the Brookings China Strategy Initiative, finished this book before joining President Biden’s administration. He is a long-time advisor to Kurt Campbell, who spearheaded the “Pivot to Asia” under Barack Obama and is now the Indo-Pacific Coordinator in Biden’s National Security Council (the book is dedicated to, among others, “Kurt”). Campbell oversees the White House China team, Doshi included. This book is not just a compelling history of Chinese thinking about the U.S., but also a window onto some of the thinking currently shaping US-China policy.

*Reviewed by **Michael Laha**, German Chancellor Fellow*

PROFILE

Peng Shuai - a tennis star evokes frenzied discussion and official censorship

Just weeks before the top-level get-together of Chinese Communist Party officials at the Sixth Plenum, tennis star Peng Shuai dropped a bombshell on social media. In a WeChat post, she detailed a relationship with ex-Chinese Vice Premier and top Party official Zhang Gaoli, which allegedly entailed at least one sexual assault. China’s MeToo movement has battled gender biases and inequalities since 2018. But this story stands out for the seniority of the named official, who is 40 years older than his accuser.

But China’s censors swiftly stepped in, at times blocking searches for “tennis.” The post was only online for 34 minutes. As women’s rights advocates noted, there was little public outpouring of support as internet users scoured for information – likely also because many senior officials are assumed to have younger mistresses. In a cat-and-mouse game, internet users were still able to share the news on the first day, although the authorities’ mission to put a stop to this seems to have succeeded in the end. Only older news reports about Peng’s 20-year sports career can now be found online.

Born in 1986 in Hunan province, the tennis prodigy was winning competitions by the age of 15. She managed to climb the tennis ladder, winning the doubles championship in Wimbledon in 2013 and being ranked the 14th highest singles player at the height of her success. She has garnered praise and stirred national pride in China, with a 2014 state media article lauding her patience and perseverance. Such support is unlikely to go on and her sports appearances will now probably be closely watched by authorities.

*Profile written by **Katja Drinhausen**, Senior Analyst at MERICs*

Media coverage and sources:

- New York Times: [A Chinese tennis star accuses a former top leader of sexual assault](#)
- BBC: [Chinese tennis star makes sexual assault claims](#)
- China Digital Times: [Inside Peng Shuai's accusations against former top leader: #MeToo, censorship and resistance discourse](#)

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MERICs' Top 3

- Politico: [Biden-Xi virtual summit tentatively set for November 15](#)
- Deutsche Welle: [German engine technology found in Chinese warships](#)
- CNN: [Wang Yaping becomes first Chinese woman to complete spacewalk](#)

Politics, society and media:

- AP: [China LGBT rights group shuts down amid hostile environment](#)
- Caixin: [Factory gas transformed into pig food](#)
- NPR: [One Chinese town has started a fiery online debate about China's zero-Covid policy](#)
- Washington Post: [Opinion: She told the truth about Wuhan. Now she is near death in a Chinese prison.](#)
- Washington Post: [Cold snap in China adds to fears over power and food supplies as leaders meet](#)

Economy, finance and technology:

- Reuters: [Poor report cards likely at China's Big Tech after regulatory crackdown](#)
- Financial Times: [US and China urged to collaborate on cancer drugs through new initiative](#)
- SCMP: [China's state grid says electricity supplies have stabilized](#)
- CNN: [China has a big inflation problem and it's pushing up prices worldwide](#)
- NYTimes: [As China's property crisis spreads, Beijing says there's nothing to see](#)
- SCMP: [TikTok owner ByteDance bids farewell to 'boundless' expansion as Beijing tightens grip on Big Tech](#)

International relations:

- The Guardian: [China says Taiwan independence backers will be blacklisted](#)
- Financial Times: [EU should put the brakes on its chips strategy](#)
- TheDiplomat: [Chinese People Think China Is Popular Overseas. Americans Disagree.](#)
- EU Observer: [MEP's disinformation report spotlights China's universities](#)
- BBC: [COP26: China and US agree to boost climate co-operation](#)
- Financial Times: [Japanese PM Kishida appoints pro-China ally as foreign minister](#)
- Bloomberg: [China Is Evading U.S. Spies — and the White House Is Worried](#)
- The Diplomat: [China's Global Network of Vocational Colleges to Train the World](#)

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