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**CHINA:  
DOMESTIC AND FOREIGN POLICIES**

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**CHINA ON THE EVE OF THE 20th CPC CONGRESS  
("The Core of the Party", "New Bipolarity",  
The Economy of Deceleration)**

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**Abstract.** In the last quarter of 2021, a number of important events that consolidated the previously outlined trends in China's development took place but with new significant nuances. In early November, the 6th plenary session of the 19th CPC Central Committee was held in Beijing, at which, in the official interpretation of the Communist Party of China, the "third historic resolution" was adopted. In fact, it formalized Xi Jinping's monopoly on political power on the eve of the 20th CPC Congress scheduled for autumn 2022, at which Xi is planned to be re-elected as the CPC General Secretary for a third term. In mid-November, an online Summit of Xi and Joe Biden took place, confirming the current course of both sides to develop relations with a "new bipolarity in the context of globalization" emerging around the Sino-American confrontation. In December, the white paper titled "China: Democracy That Works" was published in Beijing. In parallel with the increasing intensity and scale of China's propaganda and diplomatic offensive, it revealed a new detail in Beijing's approaches to bipolar confrontation with the United States – namely, the inclusion of the topic of "democracy" and "value orientations" of world development in the sphere of confrontation. New peculiarities have emerged in the economy. At the December economic meeting of the CPC Central Committee, the views of the Chinese leadership on the country's near economic future were presented to the public much more cautiously than before. In Chinese foreign policy propaganda, the role of China's main partner in the fight against American hegemony, through which Beijing seeks to strengthen the "Chinese pole" of the "new bipolarity", is assigned to Russia. In addition to the growing volumes of economic and military cooperation and political interaction, Beijing counts on Moscow's support in matters significant for active Chinese diplomacy in promoting Chinese ideas of democracy and the "Community of Common Destiny for Mankind" theory as the most important universal reference point in the world ideological and political space.

**Keywords:** world economy, international relations, China, foreign policy, economic development model, Russian-Chinese relations.

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**КИТАЙ НАКАНУНЕ 20-го СЪЕЗДА КПК  
("Ядро партии", "новая биполярность",  
экономика замедления)**

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**Аннотация.** Внутриполитическое и экономическое развитие КНР в конце 2021 – начале 2022 г. подчинено подготовке страны к проведению 20-го съезда КПК, на котором полномочия Генерального секретаря Си Цзиньпина предположительно должны быть продлены на третий срок. Исходя из этого, Пекин усиливает внутреннюю пропаганду для обеспечения политической стабильности, а для поддержания социально-экономической – продолжает реализовывать активную и наступательную внутреннюю экономическую политику. В рамках этих процессов на 6-м Пленуме ЦК КПК 19-го созыва принимается “третья историческая резолюция”, по сути оформившая монополию Си Цзиньпина на политическую власть и сделавшая его, наряду с Мао Цзэдуном, еще одним “человеком номер один” в истории КПК.

**Ключевые слова:** мировая экономика, международные отношения, Китай, внешняя политика, экономическая модель развития, российско-китайские отношения.

## INTRODUCTION

At the end of 2021, several significant events that consolidated the previously identified trends in the development of China occurred, but with significant nuances.

*First.* In early November, the 6<sup>th</sup> Plenum of the Central Committee of the Communist Party of China (CPC) of the 19<sup>th</sup> convocation was held in Beijing, at which the “third historical” resolution was adopted in the official party interpretation, essentially formalizing the monopoly of the Chairman of the PRC and the General Secretary of the CPC Xi Jinping to political power in the run-up to the 20<sup>th</sup> Congress of the CPC scheduled for autumn 2022 [source 1].

*Second.* In mid-November, an online summit between Xi Jinping and US President Joe Biden took place, confirming the current course of both parties to develop relations under the “new bipolarity” in the context of globalization, which is being formed around the Sino-American confrontation [1].

*Third.* In December, in Beijing, with the huge propaganda support of the party apparatus, the Chinese “White Paper on Democracy” was published, which, in parallel with the growth in intensity and scale of China’s propaganda and diplomatic offensive, also revealed a nuance in Beijing’s approaches to the bipolar confrontation with Washington [source 2], namely, the inclusion of the theme of “democracy” and “value orientations” of world development into the sphere of confrontation.

*Fourth.* Another nuance is related to the economic sphere: the meeting of the CPC Central Committee on economic work in 2022 held in December demonstrated much more cautious than before and even more pessimistic views of the Chinese leadership on the country’s immediate economic future [2].

## INTERNAL POLITICAL SITUATION

China’s domestic political development is subordinated to the holding of the 20<sup>th</sup> CPC Congress, where Xi Jinping is supposed to be elected for the

third term as General Secretary of the CPC Central Committee, which, although not formally prohibited in the party charter, is contrary to “testaments” of Deng Xiaoping and which the predecessors of Xi Jiang Zemin and Hu Jintao were not able to do in their time.

In this context, the assignment of the status of the “third historical” resolution of the November Plenum has a very specific meaning and signifies the entry of the CPC into the newest stage of its development. The “first historical” resolution of the Plenum of the CPC Central Committee was adopted in 1945 under Mao Zedong and proclaimed a course toward the creation of the People’s Republic of China. The “second historical” resolution was adopted under Deng Xiaoping and dates back to 1981, when Deng condemned the “cultural revolution” but at the same time paid tribute to Mao’s services for the creation of the PRC and the beginning of the country’s industrialization.

The current “third historical” resolution declares Xi to be the “core of the party” (and not just the “core of the Central Committee”, as it was done in 2016), raising it to a historical level comparable to that of Mao and Deng. Xi, along with Mao, is effectively becoming another “number one person” in party history, as his ideas of “socialism with Chinese characteristics *in the new era*” included in the CPC charter are more relevant than Deng’s ideas of just “socialism with Chinese characteristics”, related to the previous era.

Xi’s new role in the party and Chinese society goes beyond China. In the documents of the 6<sup>th</sup> Plenum of the 19<sup>th</sup> CPC Central Committee, it was emphasized that “under the leadership of Xi”, China has already proved its ability to “lead the world”, and Xi’s ideas about a “community with a common destiny for mankind” have become a “guideline for human development”.

After the Plenum, a powerful ideological campaign is unfolding in China to study the ideas of Xi Jinping, covering not only party cells and party members at all levels but also universities and even schools

[source 3]. In the course of the classes, the idea is persistently brought to the attention of the population that all of today's socio-economic successes of China are associated with the name of Xi *per se*. In his New Year's Eve speech at the opening of the Conference on the International Situation and Chinese Diplomacy in 2021, Chinese Foreign Minister Wang Yi emphasized that China owes its foreign policy success "to the leadership of Xi" (*not the party*) [source 4].

At the same time, in society, as well as in the ranks of the party leadership, there are naturally people who are dissatisfied with the emerging "cult of personality" of Xi Jinping and his retention of the post of General Secretary for the third term. Although they do not openly oppose Xi, the top party leadership is aware of the potential for dissent and is taking steps to prevent Xi from being criticized at the party congress [source 5].

Against this backdrop, at the end of 2021 in China, especially in the Chinese blogosphere and on various media platforms, the so-called new left became noticeably more active, reflecting the opinion of a part of Chinese society and Chinese intellectuals who are not satisfied with the growing social stratification and growing financial and property gap between the "new rich" and the "remaining poor" [3].

The new left probably misunderstood what Xi said in August 2021 at the 10<sup>th</sup> meeting of the Central Commission for Financial and Economic Affairs regarding "common prosperity" and the need for the rich to share with the poor, not only through higher taxes for the former but also through an increase in private and corporate donations and funding by private corporations of charitable foundations [source 6].

The left saw this as Xi's departure from Deng's "Enrich yourself!" thesis, thrown in at the time, and its replacement with the "Share!" thesis put for *the new era*. The most radical representatives of the left publish messages in which they speak of the necessity and inevitability for the CPC and Xi personally, if they want to receive support from society, to return to the times of "leveling" under Mao and "dispossess the oligarchs".

The Chinese government saw in such publications the risks for the development of private business in the already difficult pandemic and sanctions conditions. The government leaders launched a kind of ideological counterattack, in their numerous statements repeating essentially the same idea that market reforms in China are irreversible, there can be no return to the times

of "leveling", and private property remains the main driver of economic growth in China [4].

At the same time, the party leadership is in no hurry to do away with the "leftists" and block their work in the Internet space. It can be assumed that this is not a "fear of the left" and not an attempt to flirt with them, but rather a signal to those who do not agree with the decisions of the last Plenum of the CPC Central Committee aimed at strengthening Xi's unity of command. A party warning to dissenters can be expressed something like this: "Look! The CPC continues market reforms and develops private property. However, there are risks of strengthening the positions of the "leftists" at the 20<sup>th</sup> Party Congress. It will only make things worse for all of us!"

## CHINESE-AMERICAN CONFRONTATION

Sino-American relations, as noted above, continue to develop according to the logic of the "new bipolarity" in the context of globalization. The November Summit did not introduce fundamentally new elements into this process. At the highest level, the parties "do not burn bridges", denoting their readiness for cooperation while respecting their interests, primarily in climate issues and nuclear arms control.

As the main result of the Summit, one can note the fact that it was the first meeting of the two leaders face to face and this is a step toward mutual understanding. Xi rather showed more willingness to compromise, coming up with the ideas of "peaceful existence" and "mutually beneficial cooperation", while Biden emphasized the "responsible partnership" of the two countries so that their relationship does not escalate into an open conflict. The President of China allowed himself such an expression in relation to the United States as "an old friend", recalling the Sino-American squadron "Flying Tigers", which fought against the Japanese in World War II [5].

Apparently, the Chinese side was more satisfied with the results of the meeting. Beijing, evaluating its results, proceeds from the fact that relations between countries are at a crossroad, so every meeting is important, not only for bilateral relations, but for the whole world. Xi emphasized the "global responsibility" borne by China and the United States, thereby highlighting the new, in Beijing's understanding, China's global status [source 7].

The American reaction was more restrained: although there are great opportunities for bilateral relations, each country emphasizes the advantages

of its system, and the main thing today is to avoid accidental conflicts [source 8].

Meantime, it is necessary to note both the positive expectations and the burden of problems that remained after the Summit. The first include agreements on high-level military ties, visa facilitation for journalists and businessmen, the intention of the parties to continue cooperation on climate change, emerging prospects for overcoming the trade crisis, which the Chinese attribute to an improvement in the overall atmosphere of bilateral relations, although acknowledge that such prospects are very vague.

In the Chinese interpretation, Biden bowed to Beijing on the issue of Taiwan, emphasizing the immutability of the American position, which consists in recognizing only “one China” [6].

Among the unresolved or even unresolvable issues are such traditional topics as China’s observance of human rights, the situation in Hong Kong, Xinjiang, and Tibet, the so-called diplomatic boycott of the Beijing Olympics, China’s military activity in the South China Sea, and, most importantly, the ongoing US pressure on China in the field of high tech.

The most significant agreements were the rather unexpected Sino-American Climate Agreement, as well as the signing by both the United States and China, along with Russia, the UK, and France, of the Joint Statement of the Leaders of the Five Nuclear-Weapon States on Preventing Nuclear War and Avoiding Arms Races.

During the September 2021 visit of US Special Representative for Climate Affairs John Kerry to China for climate talks, Beijing did not accept the American version of cooperation. The Chinese leadership put forward two demands (not requests) to the United States. The first is the improvement across the entire range of Sino-American relations, since in the context of the general negative state of bilateral relations, there can be no effective cooperation on a single topic. The second is the recognition by the United States that the PRC may have its own plan to fulfill its obligations in the field of environmental protection and the creation of a carbon-neutral economy. China is not obliged to work according to the American scenario in this area [7].

The signing of the Joint Statement was seen by both Washington and Beijing as an opportunity to turn the nuclear rivalry toward coordination and cooperation [source 9].

However, there are many pitfalls in this issue. The PRC continues to build up and improve its nuclear weapons. The US sees this as a threat and would like

to see China as a participant in bilateral or multilateral nuclear arms reduction talks. The latter takes the former position here – about the phased nuclear disarmament, primarily implying that first the US and Russia should reduce their nuclear capabilities to Chinese levels.

## PRC AND NUCLEAR WEAPONS

Beijing’s new activity around the nuclear issue today arouses the interest of world experts in what nuclear China is. Among the many questions, just a few will be highlighted here.

- PRC’s strategic culture regarding nuclear deterrence.
- How does China perceive other nuclear powers and its place among them?
- What is the role of nuclear weapons on intermediate and shorter-range missiles?
- China and nuclear arms control.

In reflecting on these topics, the following points should be noted.

*First.* Today, China is moving to a new stage of development, which, in the context of the nuclear issue, is characterized by two main nuances: increased financial and technological capabilities to build up its nuclear potential and a change in the foreign policy strategy. Previously, the question was put like this: to hide the facilities and stay in the background, but in practical terms, the main thing is to improve ties with neighbors for the sake of economic growth. Now it is different: to influence the world and be a global leader, on par with the United States, in the economy, politics, security, military and nuclear power.

*Second.* Following the change of development stages in China, there are some in the political culture. Now and in the medium term, while the country lags behind the United States and Russia in terms of nuclear potential, Beijing proceeds from the principle of not delivering a nuclear strike first. Introduced through various channels into the global analytical community, including with the aim of intimidating separatist forces in Taiwan, the threat of the use of nuclear weapons today serves precisely the purpose of intimidation, and not a real threat. One of the latest statements by the Chinese government that the PLA will take a few minutes to capture Taiwan, but Beijing is not forcing unification, seems to reflect Beijing’s real, not disguised, approach to the situation in the strait [8].

At the same time, from a cultural point of view, theoretically (but not practically today) another reading of Beijing's intentions is possible. First, Taiwan is not another state, but a part of China. Therefore, from the point of view of political culture, not real politics, the use of nuclear weapons against Taiwan does not violate the principle of not using it first. Second, again theoretically and in the distant future (unless there are real mechanisms for controlling nuclear weapons with the participation of China), the principle of "do not apply first" can mean the following: do not wait until you are hit, but inflict a preemptive strike when the threat becomes real.

*Third.* In terms of nuclear potential, China, of course, understands that it is significantly inferior here to both the Russian Federation and the United States. As it builds up its nuclear power, it sees itself as the top-3 nuclear power, surpassing Britain and France and approaching the level of the top-2 states. This is seen as the most important component of the modern position of Beijing. The main real threats to security, which require the involvement of the nuclear factor, are associated, as noted, with the situation around Taiwan. At the military-political level, in Chinese perception, the main hypothetical threat of a nuclear strike against China naturally comes from the United States. The threat from Russia today is not considered in the political context. Although, perhaps, at a purely military level, such a scenario may appear in some top-secret document.

*Fourth.* Beijing's views on nuclear parity and minimum deterrence are changing in line with the growth of China's combined power. Previously, the emphasis was on the second aspect. Today, military thought is shifting toward parity. It is parity that China's readiness for negotiations on strategic stability is traditionally associated with. After the summit with Biden, Xi announced his readiness to consider entering into negotiations with the US on nuclear issues. The RF factor was not emphasized.

Separately, it is necessary to say a few words about North Korea. Here the position of Beijing coincides with the position of Washington and Moscow and is in line with the resolutions of the UN Security Council. Nuclear North Korea is absolutely unacceptable to Beijing.

*Fifth.* The issue of creating and using the INF Treaty in light of the above is considered primarily in the context of the situation around Taiwan. Meantime, again, Taiwan is not perceived as a foreign state. In any case, in the authors' opinion, the use of nuclear INF missiles in the strait is, most likely, a chance of last hope in the interpretation of Chinese analysts.

*Sixth.* With regard to nuclear arms control, there are two aspects in the Chinese position. The first is that in relation to other countries (except the US and Russia), China is ready in principle to work on nuclear arms control. This meets its strategic interests of the new stage of development, ensuring its economic, technological, and, thereupon, political leadership in the world. For this, China needs strategic stability.

The second aspect (relations with the US and Russia) is more complex. As already noted, China's position here can be characterized as a transition from static to some dynamics. Reaching and implementing agreements is possible, among other things, only if China discloses data on its nuclear potentials. It is not ready for this yet. However, Xi's latest words about his readiness to think about entering into negotiations on the nuclear issue may give new momentum to the Chinese position.

Much here depends on how China's negotiations with the United States on strategic stability are going on. So far, only one thing is clear: the PRC, if it enters such negotiations, will do so only in a bilateral format with the United States. It is also important to take into account the declared position of Beijing: it has its own channels and its own agenda in relations with Washington. Beijing can use the support of those who openly support it. However, discussing with someone or using someone else's mediation is not in China's interests either in general or in matters of strategic stability.

At other levels of political and economic confrontation, the confrontation between the two countries continues to gain momentum.

The United States is cementing its strategic approach to China, in Biden's words, as its most serious competitor. Chinese "authoritarianism", in American rhetoric, "aggressive foreign policy", "state intervention in the economy" and "authoritarian strategy" of the Belt and Road are interpreted by Washington in the broadest sense as a threat to international stability and security [source 10].

Threats to regional security are most clearly accentuated in the US policy. In the American sense, they come from the growing military activity of Beijing in the South China Sea and the Taiwan Strait. It is assumed that in the medium term, the PRC may take the place of the Russian Federation as the main opponent of the United States in the field of nuclear weapons.

China is also beginning to be accused of backtracking on WTO commitments to market reforms and openness. Ideas are thrown into the

world ideological space that it is “alien” to the West and the world, not only in politics – due to Chinese authoritarianism, but also in the economy – a shift from reforms and a transition to autarky [source 11].

The United States is taking practical steps to strengthen pro-American military-political formats in the Indo-Pacific region. In September 2021, the first QUAD (Quadrilateral Security Dialogue) Summit was held<sup>1</sup>. It was about cooperation in the economic, social, pandemic, and similar areas, seeking to create an alternative to Chinese activity in the region [9].

At the same time, Washington remains dissatisfied with the extent to which this format is ready for the military-political containment of China. In particular, the position of India raises doubts. New Delhi fears additional irritation from Beijing, which has been building up its armed forces on the Indian-Chinese border in recent months, as well as possible, as opined by Indians, dissatisfaction from Moscow, for military cooperation with which India is counting heavily, including the supply of the latest S-500 systems.

So far, there are no signs that disillusionment with *QUAD* is brewing in the US. However, it is likely that Washington is still self-insuring and, in order to put additional pressure on Beijing, is going to create a new *AUKUS*<sup>2</sup> format with a pronounced military-political component. The purpose of the latter is declared to contain the military and political activity of Beijing in the Indo-Pacific area. London’s participation in the non-European format, apparently, is due to the UK’s desire to find economic and political alternatives in Asia to cooperation with the EU after Brexit. Simultaneously with joining *AUKUS*, the UK also applies for joining the Trans-Pacific Partnership (*TPP*), which unites 11 Asia-Pacific states (excluding the US).

Beijing, as expected, reacted negatively to the *AUKUS* format, accusing the United States of creating a new factor for destabilizing regional security. It should be noted that so far, the particular goals and actions of the new format have not been clarified. It can be cautiously assumed that *AUKUS* was generally created specifically in order to take the multibillion-dollar project for the construction of nuclear submarines for Australia by the Anglo-Saxon forces away from France. At the same time, the status of nuclear cooperation between the UK, the US, and Australia, raised to a trilateral military-political format, should have softened the easily expected

anger of France and the entire European Union from the loss of the contract.

At the same time, despite the general deterioration in the atmosphere of US-China relations, the US is not “burning bridges” – which reflects the different approaches of US political and business elites to China. This is not only the November Summit mentioned above. Speaking at the UN General Assembly in September 2021, President Biden said that he did not want a new Cold War with China [10]. In the traditional congratulations to the PRC on the 72<sup>nd</sup> anniversary of its founding, Secretary of State Blinken used such words as wishes for “happiness and prosperity” to the Chinese people [source 12]. This can be regarded as a positive signal, similar to the restoration in early October 2021 of many disrupted communication channels between various departments of China and the United States, as well as Washington’s announced intention in the fall of 2021 to remove a number of Chinese goods from high tariffs (the list has not yet been updated).

In American expert communities, ideas are being expressed that the so-called decoupling of the American and Chinese economies exists more “in the minds of anti-Sinoists” than in reality, and globalization interdependence makes it generally impossible to stop economic cooperation between the two states [11].

## CHINESE RESPONSE

China’s response to US actions in the Chinese direction also looks like a two-level one. At the highest, presidential level, as shown by the November Summit, Beijing emphasizes the desire to restore ties and cooperation. At the lower, governmental and analytical levels, it operates in a different direction – creating a new rigidity in relation to the United States and Western countries. China is stepping up its pressure on the West and in parallel putting forward new ideas and initiatives not only on trade, economics, and politics, but also on broader strategic topics.

Developing Chinese ideas for the whole world under the heading of “Community of Common Destiny”, Xi Jinping at the September Session of the UN General Assembly came up with a new global initiative, which is called in a similar way the “Global Development Initiative” [12]. Specific ideas have not yet been clarified to the end. However, in general, this is about Chinese leadership in creating a single world community without American dictates, on the principles of non-interference in internal affairs and mutual benefit.

<sup>1</sup> Quadrilateral Security Dialogue between the US, Japan, India, and Australia.

<sup>2</sup> Australia, United Kingdom, United States.

The influence of the “new bipolarity” in the context of globalization on the situation in the Asia-Pacific region may be seen as the following variant.

First, China will try to increase its political activity and strengthen its position in formats without American participation.

Priority will be given to the RCEP (Regional Comprehensive Economic Partnership)<sup>3</sup>, being formed around ASEAN. China has ratified its commitments and declared its readiness to fulfill them from January 1, 2022. China’s goal is to show the advantages of the Chinese market, investments, and technologies compared to American and Japanese ones.

China’s second priority is the TPP. China’s application to join it speaks in favor of this. The goal is the same – to achieve deepening cooperation between the partnership countries with China and, through the expansion of globalization interdependence, to strengthen their “pole” in the “new bipolarity”.

The third priority is the NEA-34 format<sup>4</sup>. Here the promotion of Chinese initiatives will be minimal. The military-political obligations of Japan and South Korea to the United States in the context of the “new bipolarity” will rather slow down the implementation of the idea of a free trade zone in Northeast Asia.

Outside the Asia-Pacific zone, starting from mid-2021, China has been focusing on raising the status of the “Central Asia 5 + China” format. The format includes the Central Asian countries of the SCO and Turkmenistan. The format does not provide for the participation of Russia and is created outside the framework of the SCO.

In the APEC format, which includes both the US and China, the latter will seek to play “in a draw” with the Americans, limiting itself to general calls for openness and cooperation and reserving initiatives and finances for formats without the United States.

Washington, in its policy of countering Beijing and strengthening its “pole” of “new bipolarity”, relies on more expanded formats that go beyond the APR – *QUAD* and *AUKUS*. To develop this topic, the United States is stepping up efforts to attract allies, at the moment, primarily Japan and France,

<sup>3</sup> This is the “Free Trade Area Plus” agreement covering 10 ASEAN member states (Brunei, Vietnam, Indonesia, Cambodia, Laos, Malaysia, Myanmar, Singapore, Thailand, Philippines) and five states with which ASEAN has already signed free trade agreements (Australia, China, New Zealand, Republic of Korea and Japan).

<sup>4</sup> Agreement on the establishment of a free trade zone in Northeast Asia with the participation of China, Japan, and South Korea.

to the strategy of military-political containment of China in the Asia-Pacific. Tokyo agrees to increase the cost of maintaining the American military forces on its territory, concludes an agreement with the United States on the development of the latest space technologies, and negotiates with Australia on naval cooperation in the region. The United States continues to squeeze Chinese companies out of its stock market, expanding restrictions on the use of Chinese fifth- and sixth-generation communications technologies.

The Chinese response at the end of 2021 is actually a continuation of the line toward strengthening the “Chinese pole” of confrontation, which was formed throughout the past year. In geopolitical terms, the priorities are the same: ASEAN (strengthening Chinese economic positions as part of the Belt and Road Initiative) and East Africa (building ports to access the Red Sea, the Suez Canal). Chinese Foreign Minister Wang Yi made his first foreign visit in 2022 to Eritrea, Kenya, and Comoros. West Africa is the area where Beijing is looking for opportunities to build a military port in order to weaken US naval hegemony in the Atlantic, a new geopolitical region for Beijing. China is beginning to try to use the factor of the current German Chancellor in order to improve relations with the EU and smooth out the negative that has formed due to the Sino-Lithuanian conflict over the name of the Taiwan representation in Lithuania (Lithuania used an unacceptable in China variant – the representative office of Taiwan, while other countries use a different one – that of Taipei). The PRC, continuing not to recognize the annexation of Crimea to Russia, is resuming a multibillion-dollar investment program in Ukraine’s infrastructure.

The traditional direction of the Chinese policy of strengthening the “Chinese pole” of bipolarity is Central Asia, where huge financial and technological resources continue to be directed as part of the strategy of the “Silk Road Economic Belt”. However, at the end of 2021 – beginning of 2022, China is facing new challenges in the Central Asian geopolitical space: the creation under the leadership of Turkey of the Organization of Turkic States (Turkey, Azerbaijan, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, plus Turkmenistan and Hungary as observers) and the tragic events in Kazakhstan at the beginning of 2022.

Beijing, based on the fact that the Uyghur language also has Turkic roots, fears that Turkey’s more active role in Central Asia could lead to political destabilization and an increase in military tension in the region with a negative scenario for Beijing.

In Chinese foreign policy propaganda, the role of China's main partner in the fight against American hegemonism, through which Beijing seeks to strengthen the "Chinese pole" of the "new bipolarity", is assigned to Russia. In addition to the growing volumes of economic, military, and political cooperation, Beijing is counting on the support of the Russian Federation in matters of promotion of Chinese ideas about democracy and the theory of "community with a common destiny" into the world ideological and political space as the most important universal human landmark.

## DEMOCRACY AND IDEOLOGY

As part of the bipolar confrontation with the United States, by the end of the year, China definitely entered a new field of rivalry – the themes of ideology, democracy, and values. In December 2021, the White Paper on Democracy was published in Beijing, which contains the most severe criticism of the American political system. The Chinese position boils down to the following:

- democracy is a common good;
- no country can assume that the right democracy exists only in its interpretation;
- each country interprets democracy in its own way – taking into account historical traditions and specific social and political conditions [source 13].

China calls it "own democracy" – a similar concept of "sovereign democracy", which was thrown in a decade ago, but did not take root in the Russian ideological space.

China declares its democracy to be superior to that of the US because it prioritizes the "interests of the people", China does not interfere in the internal affairs of other countries and does not impose its democracy and its value standards on other countries.

In the "White Paper", Beijing contrasts its "correct" democracy with the American one – "incorrect". In fact, Beijing is counterattacking Washington, which speaks of Chinese "authoritarianism" as an argument that other countries do not need to cooperate with the PRC either on the latest telecommunications technologies or on the Belt and Road.

Further, China brings the ideological confrontation with the United States to the international space. Here it plays with the theme of multilateralism, contrasting the Chinese "true" and "correct" multilateralism (since China does not interfere in the internal affairs of other countries) with the "wrong" American one, based, in the Chinese interpretation, on hegemony

and imposing its own political and ideological standards.

Undoubtedly recognizing the contribution of the CPC to raising the living standards of the Chinese people, one can also note the weaknesses of the Chinese concept of "own" ("sovereign") democracy. The main one, as it historically existed in the Confucian political model (the subjects serve the ruler, the ruler takes care of the subjects), is connected with the theme of the individual, his/her rights and freedoms. Chinese both historical and modern concepts talk about "freedoms and benefits for the *people*", not including in their ideological arsenal the traditional for Western philosophy, including classical Marxism, problem of "freedom of the *individual*".

At the same time, among Western well-wishers, there is also a desire to positively connect present-day China with Confucian traditions. In the fall of 2021, at the suggestion of a French epidemiologist working in Shanghai, the political space of the PRC is replenished with a new idea of "digital Confucianism", which is declared to be a more perfect form of political structure than "democratic capitalism" [13]. According to the French scholar, combining Confucian traditions of the subordination of the individual to the state with digital technologies and communication capabilities allowed China to "better cope" with the pandemic compared to Western democracies. The official Chinese political propaganda machine, powered by Xi's ideas of "socialism with Chinese characteristics in the modern era", certainly cannot publicly accept such an idea. However, he happily quotes the authors of "digital Confucianism" in his official media [source 14].

In general, at the current stage of the formation of the "new bipolarity", China is actually bringing the confrontation with the United States on the ideological platform to the level of the previous Cold War. Only now the thing is about dividing the world not according to the factor of attitude to private property and exploitation of "man by man", but about the "correct" and "incorrect" understanding of democracy and multilateralism. At the same time, China is counting on the support of those countries that are criticized by the United States for "authoritarianism", "violation of human rights", etc.

## ECONOMY OF SLOWDOWN

The Chinese economic situation looks very prosperous. At the beginning of the year, international agencies predicted China's GDP growth at the end of the year at the level of 8%, the national government



set goals of 6% growth [14]. Quarterly, compared to the same period in 2020, GDP growth in 2021 amounted to 18.3, 7.9, 4.9 and 4.0%, respectively, and for the entire year 8.1%, given the relatively low base of 2020 and 18% GDP growth in the first quarter of 2021 [source 15].

At the same time, as manifested at the December meeting of the CPC Central Committee on economic work, Chinese economic experts and leaders have formed very pessimistic views on 2022.

Continued anti-COVID restrictions and the beginning transition to a green economy could deal a serious blow to small and medium-sized businesses, which account for 60% of China's GDP and 80% of employees. Their access to credit is hindered. Investment confidence is falling.

The most pressing problems in 2022 are related to the following factors:

- a drop in households demand in the context of COVID restrictions and the Chinese policy of “zero COVID”, which in practice leads to blocking the work of entire cities even in the case of single infections. People are spending significantly less than before;

- rising housing prices;
- disruption of supply chains of goods;
- rising prices for raw stock;
- rising prices for the transportation of export-import cargo due to higher freight costs;
- mistakes in local economic management, which, according to Chinese estimates, were recorded in half of all Chinese provinces.

In the authors' opinion, the main problem today is precisely the problem of management and, above all, the problem of an effective combination of reforms, anti-COVID measures, and environmental policy. It depends on its solution how much China will be able to achieve stable development in 2022.

Against the backdrop of economic uncertainty, the social problems of Chinese society are growing. In late 2021 and early 2022, the focus of attention of the Chinese leadership was the problem of youth employment, with the solution of which Beijing also links the solution of the strategic tasks of developing the national economy.

Chinese leaders draw attention to two most important, from their point of view, unrelated negative trends in the mood of young people. The first is the loss of interest in work and earning money among the younger generation. More and more people are ready to sacrifice high earnings for the sake of personal free

time. The second is the willingness of another part of young Chinese to exchange highly paid, but stressful and risky jobs in the private sector for quieter and more secure, albeit less paid, work in the public sector.

There are fears in the Chinese government that if these trends develop, the private sector, as the main factor in economic growth, may incur irreparable losses in the near future.

The growing mood of uncertainty and pessimism in China, the growth of economic, social, political, and foreign policy problems are occurring against the backdrop of preparations for the 20<sup>th</sup> Congress of the CPC. In 2022, the Chinese leadership will most likely focus its work on “smoothing sharp corners” and, if possible, rectifying the situation in the most critical areas of employment, domestic demand, development of small and medium-sized businesses, and foreign policy. The hard line will continue to increase the role of the CPC and the power of Xi Jinping personally. Foreign policy will continue to be focused on finding compromises with the United States on global issues of mutual importance and in the area of trade, while at the same time intensifying confrontation in ideology and fighting to strengthen their own “pole” of the “new bipolarity”.

\* \* \*

**In connection with the development of events in Ukraine**, China found itself in a situation of the most difficult political choice.

Beijing cannot directly condemn Russia, its main political partner in the global confrontation with the United States. Hence the criticism and rejection of American sanctions against the Russian Federation, the accusations that it was the US who provoked the conflict with their NATO expansion policy and continues to escalate the situation by spreading false information (for example, about Russia's request to China to provide military assistance). Just as that, according to Beijing, American military assistance to Taiwan and the buildup of a military presence in the South China Sea are escalating tension in the region. In the West, such a position of Beijing is interpreted as support for Moscow.

On the other hand, China cannot support the special military operation (SMO) against Ukraine, “trying on” (in connection with its problems of separatism in Taiwan, Hong Kong, and Tibet) the transition of Crimea to Russia and the separation of Donbass. Hence the open support for the sovereignty and territorial integrity of Ukraine, not a direct, but very obvious sparring of the Chinese Minister of

Foreign Affairs Wang Yi, who claims that only the people themselves can characterize their regime, with the Russian Foreign Affairs Minister Lavrov, saying that the Ukrainian regime is undemocratic and Nazi [source 16].

In recent days, Beijing's position seems to be gradually changing not in the direction of Moscow. China is not so specific, but still tries to distance itself from the conflict, calling it a problem of European security. It continues to criticize the sanctions against Russia, but makes it clear that in this matter, it is primarily interested in Chinese corporations, which, developing cooperation with the Russian Federation, may themselves fall under sanctions and whose interests the PRC will protect. China began to provide humanitarian aid to Kiev through Hungary and Poland. The Chinese leadership declares that it is developing and will develop normal economic relations with both Russia and Ukraine.

In March, the Chinese ambassador to the United States, in response to American criticism of China's position, said that what was happening in Ukraine was not what China would like to see, and if he had known about the beginning of the SMO of Russia, he would do everything to prevent it [15].

In Chinese society, the attitude towards Ukraine and Chinese politics is ambiguous. In social media, Chinese youth support the SMO of Russia, drawing analogies with Taiwan, with which, in their opinion, exactly the same should be done. The official authorities do not stop this, but explain the difference between the two situations: Ukraine is a sovereign state, and Taiwan is part of China.

Nevertheless, as noted by the Hong Kong media, the Chinese leadership is blocking the opinions of those who disagree with the SMO and the Chinese position [16]. In this regard, the paper by a Chinese political scientist Hu Wei, vice chairman of the Public Policy Research Center of the State Council, aroused great interest in China and the world. He wrote that he expected Russia to face huge military and economic problems in Ukraine, while China would become more isolated from the world if it did not take steps to break off relations with President Putin [17].

However, the majority of Chinese political scientists agree that under no circumstances should China find itself in the economic and foreign policy position that Russia finds itself in today.

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