

China's National People's Congress convenes amid mounting crises

Peter Symonds
7 March 2023

China's annual National People's Congress that formally appoints top government officials, endorses policy and enacts legislation opened in Beijing on Sunday and will run for more than a week.

The highly stage-managed affair takes place amid worsening crises confronting the government on all fronts: aggressive confrontation and threats of war by the US and its allies, a sharp slowdown in the economy and mounting social tensions, exacerbated by its criminal decision to lift all COVID-19 restrictions.

In these conditions, President Xi Jinping is expected to be appointed for a third presidential term and to consolidate his grip on power by installing his close supporters in top positions and leadership bodies. Li Keqiang will retire after two terms as premier and is mooted to be replaced by Li Qiang, Xi's former chief of staff, who was party secretary in Shanghai during its pandemic lockdown last year.

Xi's appointment to a third term as Chinese Communist Party (CCP) general secretary last year broke the two-term rule that had been in place since the 1980s. He is now routinely referred to as the indispensable "core" of the party and his vague general "thought" is enshrined in the constitution as a guide to the CCP bureaucracy. Xi's reappointment as head of state at the end of the congress is as good as certain.

The emergence of Xi as party strongman is not, however, a sign of the CCP regime's strength but rather of the need to hold the party together amid sharp internal divisions produced by the broader crisis of Chinese capitalism. The work report presented by Li Keqiang as premier on the first day of the congress and a speech by Xi to a closed-door meeting of private business representatives on Monday pointed to the huge problems confronting the government.

As reported by state-owned media, Xi dispensed with the usual oblique references and specifically accused the

US of deliberately undermining the Chinese economy. "[In the past five years,] Western countries led by the United States have contained and suppressed us in an all-round way, which has brought unprecedented severe challenges to our development," he declared.

The Biden administration has not only maintained the massive trade sanctions imposed on China under Trump but has introduced an escalating series of bans on the sale to Chinese companies of the most advanced computer chips and the machinery needed for their manufacture. US imperialism, which regards China as the chief threat to its global hegemony, is determined to cripple China's ability to compete in hi-tech sectors.

Xi said that to "foster new growth drivers and new strengths in the face of fierce international competition, China should ultimately rely on scientific and technological innovation." He appealed for increased cooperation between private enterprise, academia and research institutes to support "original and pioneering research."

Li also placed considerable emphasis on technological development, particularly the need for China to be able to manufacture advanced semiconductors. Government expenditure on research and development is to double over the next five years. The government has already pledged to invest an extra \$US1.9 billion in the country's biggest maker of memory chips, Yangtze Memory Technologies. Small and medium tech companies will be able to deduct their R&D spending from their taxable incomes.

Li said that the growth target for the Chinese economy for 2023 would be "around 5 percent," down from the figure of "around 5.5 percent" set for last year. Unlike previous years when "targets" were met with implausible exactness, growth for 2022 was just 3 percent. The figure was the lowest since 1976, excluding the low of 2.2 percent in 2020 when the COVID pandemic first hit.

The CCP regime has long regarded 8 percent growth as essential for maintaining employment and social stability. According to Li, urban joblessness is stable at 5.5 percent and the government is seeking to create more than 12 million jobs. Youth unemployment, however, among 16-24 year olds hit 20 percent in 2022, declining only marginally to 16.7 percent in December. No figures are available for unemployment and underemployment in rural areas.

Clearly concerned by rising social tensions, Li announced that spending on public security will be increased by 6.4 per cent in 2023, up from 4.7 per cent last year. At the same time, Xi is reportedly intending to overhaul and exercise greater central control over the internal security apparatus.

China's zero-COVID policy, which the government dismantled in December under huge pressure from the major imperialist powers and international finance capital, was not mentioned in Li's work report. Instead he declared that China had secured victory over the pandemic but made no mention of the huge human cost of the government's ending of zero-COVID.

Like its counterparts around the world, the Chinese government has downplayed the massive wave of infections that swept China over the past three months after public health measures were abruptly ended. The death toll officially is about 87,000 but various estimates by epidemiologists put the real figure at a million or more. The homicidal let-it-rip policy created a crisis in the hospital system and has led to an unknown number of cases of long COVID.

The CCP has joined governments around the world in sacrificing lives to corporate profits in its efforts to boost the economy, which is heavily burdened by debt, built up by local governments in particular to the tune of \$9 trillion. It is also plagued by the risks associated with a fragile real estate market grossly inflated by speculation.

In a bid to encourage foreign investors, Li foreshadowed changes to the foreign investment law reducing the number of areas that are off limits to overseas companies. However, the rapidly intensifying US confrontation with China undermines any incentives that Beijing might offer to encourage investment.

The US is not only imposing huge economic penalties on China but is rapidly boosting its military build-up and war preparations throughout the Indo-Pacific. Under Biden, the US has revived and elevated the Quadrilateral Security Dialogue, a quasi-military alliance with Japan, Australia and India, and established the AUKUS pact with

Australia and Britain. The US Indo-Pacific Command, already the Pentagon's largest, has been given additional funding and weaponry, and is consolidating basing arrangements throughout the region.

Following on from Trump, Biden has recklessly inflamed what is arguably the most explosive flashpoint in Asia—Taiwan—effectively tearing up the One China policy that has governed US-China relations since 1979. Washington had de facto acknowledged Beijing as the legitimate government of all China including Taiwan. Now Washington is engaged in high-level discussions with Taipei and has boosted arms sales to, and US military personnel on, Taiwan.

Beijing has responded on the one hand with attempts to end the stand-off, and on the other, by increasing its own military preparations. Washington's latest provocation—the shooting down of what in all likelihood was a Chinese research balloon blown off course—demonstrated again that it is on a path of confrontation and conflict, not an easing of tensions.

The US and Western media have seized on the latest figures for Chinese military spending to inflate the so-called threat from China. Li announced a 7.2 percent increase in the defense budget—virtually the same as last year. Yet various pundits were quick to point out that it was higher than the overall increase in government spending and to speculate on new military hardware that China might be acquiring. In reality, China's military budget is dwarfed by US military spending both in absolute terms and as a percentage of GDP.

While the National People's Congress is carefully choreographed to project an image of strength and stability, the CCP bureaucracy is clearly fearful of the unprecedented dangers it confronts—both external and internal.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact