After the Mask – What Will Happen at China’s Next Parliamentary Session?

As a consequence of the lockdown under the COVID-19 epidemic, the annual meetings of China’s National People’s Congress and the Chinese People’s Political Consultative Conference, were postponed from early March until further notice. In this analysis Professor Jørgen Delman focuses on the potential topics that could be addressed at the next session.
After the Mask – What Will Happen at China’s Next Parliamentary Session?

Jørgen Delman: Professor of China Studies, Department of Cross-Cultural and Regional Studies, University of Copenhagen

As a consequence of the lockdown under the COVID 19 epidemic, the annual meetings of China’s National People’s Congress (NPC) and the Chinese People’s Political Consultative Conference (CPPCC), also known as the Two Meetings (lianghui 两会), were postponed from early March until further notice. In this analysis Professor Jørgen Delman focuses on the potential topics that could be addressed at the next session. The Chinese leadership, not least Xi Jinping himself, has been challenged by monumental political crises last year and early this year and there has been a lot of criticism within and outside China of the authoritarian turn under Xi Jinping. It is evident however, that the propaganda apparatus in China is doing its utmost to portray Xi as the wise and sacrosanct leader who can stand up to any test and steer China safely through the storms.

It is therefore anticipated that the Two Meetings, especially the NPC session, will abstain from criticism and laud Xi Jinping and the Party’s leadership for their efforts and success in addressing all these crises and in maintaining a healthy economic growth rate and social and political stability.

This analysis is published in collaboration with insightperspectives.eu.

Keywords: National People’s Congress, Beijing, politics, economy, Xi Jinping
After the Mask – What Will Happen at China’s Next Parliamentary Session?

By Jørgen Delman, Professor of China Studies, University of Copenhagen.

Introduction
The Chinese leadership seems confident that it has won the first stage of what Xi Jinping has called “the people’s war against COVID19”. China is gradually opening up its economy and society now, at least at home. As a consequence of the lockdown under the COVID19 epidemic, the annual meetings of China’s National People’s Congress (NPC) and the Chinese People’s Political Consultative Conference (CPPCC), called the Two Meetings (lianghui 两会) in official parlor, were postponed from early March until further notice. Although this notice is not out yet, Reuters has reported that the two meetings could be held as early as late April or early May. The question, then, is what the two bodies are likely to deliberate at their sessions after a year that has been full of political crises that have challenged the Chinese leadership and not least Xi Jinping.

As a general precursor, we should note that normally the NPC and the CPPCC do not debate anything that could challenge the competence or decisions of the Chinese leadership at their sessions. When the Chinese Constitution’s time limit on the Presidential term of service was removed in 2018, thus paving the way – in theory – for Xi Jinping to serve as lifetime President, the NPC session did not debate this radical change at all, since the groundwork had already been laid ahead of the session.

Indeed, the NPC has increasingly become a rubber stamp forum that endorses the policies, programs, plans and laws proposed by the Party-state leadership. The CPPCC still enjoys some exception as an advisory body and can put up policy proposals across the board for the consideration of the leadership and the NPC.

While Xi Jinping’s ability to handle political crises and/or extraordinary challenges during the last year will not be up for debate, it is still worthwhile noting them as a backdrop.

Political containment
First, the still unfolding COVID19 crisis has been extremely serious for China as well as for the rest of the world. After the virus was first detected in China (the origin of the virus is still under scrutiny), there has been a vicious blame game between China and primarily the US about the responsibility for the late notification within and outside China about the COVID19. On top of that, there is an emerging debate outside China about possible claims under international health rules, that China has signed up to, for compensation from China due to late disclosure of the outbreak. While such claims are unlikely to be recognized by China, the debate is a nuisance to the Chinese leadership, which considers it unfair and praises itself with support from the WHO, and many other quarters around the world, for its swift and efficient measures to prevent the spread of the COVID19.

On Qing Ming, the national day of mourning on 4 April - also called Tomb Sweeping Day, ordinary Chinese and the Chinese leadership celebrated the initial victory over COVID19 and paid homage to the health personnel
that worked at the front lines, especially in Hubei, and to all the deceased victims of the COVID19. This accentuated that the propaganda apparatus now had full control of the anti-corona narrative at home. Similar efforts are visible internationally. All Chinese media platforms have been mobilized to salute the Chinese efforts to reach out to help with expertise and supplies to combat the COVID19 around the world and to address international criticism.

At home, Xi’s leadership decided to designate the now deceased whistleblower in Wuhan, Dr. Li Wenliang, a National Martyr. The police in Wuhan had originally chosen to silence him rather than listen to his concerns about the new virus. However, the new-found tolerance with such a person, who is normally intrinsically disliked by the Chinese Party-state system, has not spread to the wider community of local barefoot journalists and national critics and dissidents, a number of whom have disappeared because they reported from the disaster scene without official approval, or criticized the Chinese leadership, and even Xi Jinping, for failing to address the crisis appropriately.

Ren Zhiqiang is one of the last victims of this political containment campaign. He is a well-known and politically well-connected retired businessman (from the SOE sector). He circulated an essay earlier this year in which he blasted Xi Jinping, although not by name, for the handling of the COVID19 situation. “China’s ruling party”, wrote Ren, “hid the reasons for the original outbreak of the virus, then relied upon state power to quarantine the cities, it cheated the World Health Organization to gain its trust, and it even won the praise of the international community. But having lived through this, the Chinese people are not so easily lied to again.” In the whole speech [Xi Jinping’s speech on 23 Feb. about the handling of the COVID19], from start to finish, all I can see are lies being used as loincloth, attempts to cover up the fact that he himself is not wearing any clothes. When he’s trying to prove that he’s a wise and great leader, it’s clear that he’s already incapable of giving any plausible explanation. The more he blows, the higher the loincloth flutters, the more he lays bare his fear and naked ambition to protect imperial power.” Ren Zhiqiang has since disappeared from the public eye and is now reportedly under arrest and being investigated for “serious violations of discipline and law.”

Given our knowledge of recent proceedings at the NPC, it may be speculated that the success in the combating of COVID19, the heroism of the health professionals, and the wisdom of Xi Jinping in commanding the “war” will be recalled at the Two Meetings when they are to be held.

Economic downturn?
The economic implications of the COVID19 will be a major issue at the NPC session. There are no revised official GDP forecasts for 2020, but South China Morning Post (SCMP) has noted that Xi Jinping “has insisted China will meet its economic and social developments goals this year, including eradicating poverty and building up a ‘moderately well-off society’.” If this is the case, we may expect that the NPC will not rock the boat. However, while the Chinese leadership praises the resilience of the Chinese economy, the China International
Capital Corporation (CICC) – a high-profile joint-venture brokerage in China – surprised Chinese financial circles by cutting its real GDP growth forecast for 2020 to a record low of 2.6 per cent, from 6.1 per cent in January. Of course, many factors are at play here, not least the duration of the COVID19 induced economic downturn in the rest of the world as well as the possibility for a second round in China after opening up. But given that China has managed to contain the virus for now, my best guess would be that the growth rate will not be allowed too much downwards revision since Xi’s strategic long term goals would then be at risk.

At the same time, the Chinese government has already initiated a variety of programs to stimulate the economy. The top leadership held a meeting on 27 March where they discussed steps to reopen society and the economy and a new stimulus package that will allow an expansion of the financial deficit though selling of more government bonds for financing of local projects, many of which will be in infrastructure. In this context, Bloomberg noted that “China’s use of ‘special’ debt at a national or local level refers to the fact that the bonds are accounted for outside the regular budgets, and are a way to target the proceeds at specific purposes like infrastructure investment.”

A variety of other financial stimuli mechanisms were discussed along with a more flexible currency policy. The meeting agreed on the need to re-open the different sectors of the economy and to stimulate consumer demand. While the specifics are to be elaborated in detail, not least the size and scope of the final stimulus package, a lot has already been done, e.g. in relation to support the less resilient small and medium-sized enterprises (SMEs) which are critical to the revival of the Chinese economy. The macro-economic measures have included reducing interest rates, increasing debt rollovers and renewal loans, and providing specific credit lines for the resumption of production. China’s central bank has also encouraged online financial companies such as Ant Financial to ease financing for small and micro businesses. It is likely that the NPC will formally endorse this package at its forthcoming meeting.

**New technologies**

While the economy has been hard hit, the lockdown has also pointed to new potential growth sectors. SCMP’s Frank Tang wrote on 6 April that the outbreak has given new momentum to China’s digital economy, which has grown at an annual rate of more than 20 per cent in recent years and accounts for about a third of gross domestic product and one quarter of the national workforce. Online retail sales rose 3 per cent from a year earlier to 1.12 trillion yuan (US$157.8 billion) while overall national retail sales fell 20.5 per cent as physical retail outlets were shut down to contain the virus.

Whereas, the epicenter Wuhan was hit particularly hard by the virus and used draconic methods to contain the epidemic, other cities appear to have been quite successful in relying on smart technologies to mitigate the contamination. Hangzhou, situated about 800 km east of Wuhan, implemented multiple control and prevention measures from the outset. The City used its already advanced big data and information technological set-up to track and block the spread of the Corona, e.g. by use
of the now well-known green, yellow and red health QR codes. It appears that up-front careful planning and clear communication to businesses and citizens also helped lessen the impact of COVID19 in Hangzhou as compared to Wuhan.

In recent years, and especially in recent months during the COVID19, Xi Jinping has talked consistently about the need to speed up the use of advanced digital technologies in all spheres of life and the economy, including smart city technologies with which he seems to be particularly pre-occupied. However, his signature new city project in Xiongan in northern Hebei has not featured on the front pages for a long time, and few people actually know what is going on there. Therefore, it is not likely that it will be debated at the NPC, despite its symbolic function as a role model for urban digitalization. It is however expected that the new stimulus package that is on the way, which could run into trillions of CNY, could be used to upgrade China’s internet infrastructure, such as 5G, and build new data centers, and not only traditional infrastructure such as railways, bridges and highways. The NPC session will clearly be expected to endorse such plans.

The wet markets and trade in wildlife

It has been discussed whether the COVID19 originated at a wet market in Wuhan. Whether true or not, it is clear according to a Beijing official that: "Research in public health showed that over 70 percent of emerging infectious diseases originate from animals".

There is undoubtedly a clear interest in many localities in China to put a stop to the wildlife industry and much has been done already. But it is an important industry in its own right. One source estimated that the legal part of it was estimated to be worth 125 billion yuan ($18 billion) and to employ 6 million people in 2016. The numbers would be much bigger if black market activities were included. Another report from the Chinese Academy of Engineering in 2017 presented much higher estimates. It found that there were more than 14 million people working in what was a 520 billion yuan (US$74 billion) industry. By comparison, China’s pork industry was worth US$140 billion in 2018, before it was devastated by African swine fever. A Chinese researcher from Waterloo University has noted that, “It’s really difficult to change the mindset of, you know, eating wild animals is better than eating farmed animals. But it’s a common kind of mindset in many parts of China.” This may be the reason why the markets are not that well controlled, and that many of them also houses illegal activities in relation to wildlife trade.

Even more, many of the farms set up for wildlife production were supported by poverty alleviation funds, and the sheer size of the industry bears witness to the success of these efforts. If the farms are closed it would be difficult to find alternative employment for their owners and employees. On 24 February, the Standing Committee of the NPC fast-tracked a decision to prohibit consumption and trade in wildlife immediately. It seems however that the fur and leather industry, as well as the trade in animal parts procured for traditional Chinese medicine (TCM) could carry on as usual. The effect of the ban on consumption is still doubtful, due so the size and influence of the
industry and the preference for wildlife products from ordinary citizens. Indeed, some markets have apparently reopened while some of the trade has gone online.

In the midst of all this, the NPC had already prepared to deliberate an amendment to the Wildlife Protection Law for some time. At a symposium held by the NPC Standing Committee, the Chairman of the NPC, Li Zhanshu, called for improvements in the legislation and revision of existing laws in public health. Li Promised that a coordinated mechanism for legislation and law revision and a special task group should be set up to review the implementation of relevant laws to push for “scientific and effective legislation and revisions.”

Health and wildlife issues are thus to be discussed at the NPC session, but it is uncertain how China will manage to control the wildlife trade and the wet markets. Many people in China will want the markets to continue, even though hygiene seems to be difficult to manage. Therefore, the leadership is caught between a rock and a hard place on this issue.

Anti-radicalization camps in Xinjiang

During last year, there has been considerable international debate about China’s battle against radicalization of Muslims in Xinjiang. China has been under international criticism for forced internment, for violation of human rights in the camps and for lack of transparency. These criticisms have been met by official denials, but leaks of critical secret documents and use of GIS and interviews with refugees have provided some insights into the nature and scope of the camp system. Numbers aside, the Chinese authorities have thus been forced to admit the existence of the camps and to explain their reasons for establishing them. Furthermore, it seems that many of the detainees from these camps, often from families forcefully separated, have now been released upon “graduation” as it is euphemistically called by Chinese authorities.

Chinese official spokespersons still blast the US for unfounded criticisms on the Xinjiang camp issue. Yet, it is unlikely that NPC will discuss this issue due to its political sensitivity, but the CPPCC could do that, since it falls under its purview to deal with minority issues. While CPPCC could not be critical about the current situation, they could put forward proposals for amendments to it.

The Trade War with the US

The trade war with the US has subsided somewhat since the two parties signed their agreement and China is still expected to deliver on the agreement. This is good news for both sides, and the trade deal is not expected to be a topic for discussion at the NPC, although the second stage is coming up for negotiation when the COVID19 pandemic has subsided.

Other business

The Chinese leadership faced other crises last year. The unrest in Hong Kong challenged the patience of China’s leaders, and the inability of the Hong Kong leadership to contain the situation was seen as a nuisance to the impression of harmony in the Sinic world that Xi Jinping would like to convey. While Hong Kong is also suffering under the Corona Virus, the demonstrations could probably erupt again anytime soon, since there is clearly
strong dissatisfaction in broad segments of the Hong Kong population with the current political order. Even worse, Xi Jinping seems to have lost the grip on the future of Taiwan, at least for the time being. xxviii His closest local political friends, the Kuomintang, have turned their back on China as long as China threatens a military solution. At the same time, the popular backing for the newly elected, independence oriented President, Tsai Ying-wen, is increasing, while an increasingly large share of the population does not see reunification with China as an attractive option.

Taiwan has also done a good job in containing the Corona Virus and argues for the need to be able to access WHO to share information and best scientific practice. xxix While the US supports Taiwan, there is no likelihood that China will waiver on the one-China principle, which was iterated once again by the NPC Foreign Affairs Committee recently in the face of these recent claims by Taiwan. xxx

It is not likely, however, that the Hong Kong and Taiwan issues will feature prominently at the forthcoming NPC session, again due to the sensitivity of the issue.

**The normal policy and legal machine**

At the end of the day, the Two Meetings, especially the NPC session will laud Xi Jinping and the Party’s leadership for their efforts and success in addressing all of these crises and in maintaining a healthy economic growth rate and social and political stability. The Session will therefore most likely focus on its traditional business. It will discuss and endorse the Premier’s work report, the social and economic work plan for 2020, the budget work report and similar reports from central authorities. Of course, some of the issues discussed above will be covered in the reports, but they will be phrased in conventional general terms and not in such a way that they will stimulate debate inside or outside the NPC. Therefore, the most watched out for news will be the projected economic growth rate for 2020, the size and direction of the stimulus package, and the projected fiscal deficit. Finally, the NPC is expected to deal with some legal drafts that are in the process of turning into laws. The NPC observerxxx has listed the following:

- draft revision to the Law on the Prevention and Control of Environmental Pollution by Solid Waste
- draft amendment to the Patent Law
- draft Law on Governmental Sanctions for Public Employees
- draft Biosecurity Law
- draft revision to the Archives Law
- draft revision to the Minors Protection Law and
- draft revision to the Juvenile Delinquency Prevention Law

These laws are in process and will eventually be approved, but not necessarily by the NPC this time.

In sum, The Chinese leadership, not least Xi Jinping himself, has been challenged by monumental political crises last year and early this year. It is evident that, with time and under pressure, the propaganda apparatus in China is doing its utmost to portray him as the wise and sacrosanct
leader who can stand up to any test and steer China safely through the storms. The Two Meetings are not going to challenge that. While there has been a lot of criticism within and outside China of authoritarian turn under Xi Jinping, it is important to recognize the resilience of the Chinese political system and the undeniable new dynamics of the Chinese economy. While China is now playing benefactor to the world and offering its experiences, experts and products internationally to deal with the COVID19, China has engaged on a massive experiment with reopening the economy and its society. Whether this will be successful, remains to be seen. But it is evident that the current health crisis will be seen as a turning point for the economy. There will be a stronger focus on China’s internal needs, on favouring local companies. Xi’s signature projects such as Xiongan, the Belt and Road Initiative and Made in China 2025 may not be hyped as they were before, but they will be unbundled and adapted to the new circumstances. The world would be well advised to continue keeping its eyes open to what is happening in China to be able to respond and engage proactively, timely, creatively and critically with China as the new major economic and political power on the global scene. It is unlikely that China’s political system will change any time soon, or that China’s global strategy will change.

Research assistance: Kristina Wulff Hansen

This analysis was originally published on Insightview.eu 14/4 – 2020.
xxxv
https://npcobserver.com/lawlist/biosecurity-law/

xxxvi
https://npcobserver.com/lawlist/archives-law/

xxxvii
https://npcobserver.com/lawlist/minors-protection-law/

xxxviii
https://npcobserver.com/lawlist/juvenile-delinquency-prevention-law/