Xi and Putin Meet in Moscow, the Party Reform Plan, and COVID-19 Raccoon Dogs?

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TRANSCRIPT

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Wilson Shirley:

Hello and welcome back to the China Insider, a podcast from the China Center at Hudson Institute.

It's Tuesday, March 21st and we have three big topics to discuss today. The first is the summit happening right now between Vladimir Putin and Xi Jinping in Moscow taking place just a few days after the International Criminal Court issued a warrant for Vladimir Putin’s arrest. Then we'll continue on to news out of Beijing last week, news from the CCP Central Committee and the State Council releasing a plan on reforming the CCP and state institutions. And we'll finish up with a conversation on the latest news about Covid origins, how some Chinese researchers have released data that they claim links the origins of Covid to, of all things, raccoon dogs at a Wuhan seafood market. Miles, how are you doing?

Miles Yu:

Very well, Wilson, and you?

Wilson Shirley:

I'm doing okay, thanks. So, I want to talk to you first about something that's happening right now in Moscow. So, Xi Jinping, General Secretary of the Chinese Communist Party arrived in Moscow yesterday for what is a three-day visit. This is the eighth time he's been to Moscow in the last decade. Xi Jinping and Vladimir Putin have met face-to-face 40 times. What do the two of them want out of this meeting and why is it happening now?

Miles Yu:

Xi Jinping needs Russia on its side on various issues, particularly on geopolitical, on Taiwan, on this anti-US international stand. But Xi Jinping has always been playing hard to get over the years. I think China has been begging Russia to be on its side, to take a clear stance on the United States. Russia kind of played in the middle and Russia sold weapons to China, and Russia also made sure it sold weapons, similar kinds of weapons to China's adversaries in the region, particularly India and Vietnam. So now the sort of a table has turned, looks like that Putin is in the more dire situation than China is now. And I think right now Xi Jinping is going to capitalize on this situation. Ultimate aim is to diminish, if not eliminate, America's role in the world as the global leader in global affairs. The trigger obviously is Ukraine. And now we have Taiwan on the table as well because they just issued a statement saying that Russia supports China's reunification with Taiwan, but Russia didn't say we support the reunification with Taiwan through force.

Wilson Shirley:

That's really interesting. So, you talked about how Russia in the past has kind of hedged a little bit maybe by selling weapons to India and to China at the same time. Russia probably right now doesn't have that many weapons to sell though because they're all being used in Ukraine. Is that playing part of it as well, in increasing Russia's desperation?

Miles Yu:
What Russia has, China needs from Russia is the high end, particularly strategic assets, missiles, and next-generation fighters and those weapons that Russia obviously has but has not really used to a great extent in the “special military operation” in Ukraine, as Vladimir Putin puts it.

**Wilson Shirley:**
Yes, they’re euphemism for it.

**Miles Yu:**
Yes. So, Russia definitely has a lot of military technology and products China needs.

**Wilson Shirley:**
And they also obviously have energy that China needs as well. The rest of the world sees Xi Jinping going to Moscow and a lot of people think that he’s trying to strike kind of a balancing act, pulling Russia in a little bit closer as you just said. But coming off of the 12-point plan that he released for some sort of, I don’t think they’re calling it a peace settlement, but some sort of proposal for a settlement with Ukraine, coming off of the Saudi-Iran rapprochement, he’s also trying to position himself as a little bit of a peacemaker. So, talk about the balancing act that Xi Jinping is trying to strike. Do you think he’s going to be able to do it, or no?

**Miles Yu:**
I was watching TV early this morning on the arrival ceremony in Moscow. The prospect for Xi Jinping to be a global leader in peacemaking is just as grim and chilly as a Moscow winter morning.

**Wilson Shirley:**
Yeah.

**Miles Yu:**
It’s absolutely unimaginable that for people like Xi and Putin, they can have any kind of credibility. If you look at Xi Jinping’s peace plan, the cornerstone of the peace plan is three things. One is he ask for respect for sovereignty by all nations. China has no credibility in this regard because China is the country that has more territorial disputes with its neighbors. It does not respect more than half of its neighbors’ sovereign claims of the territory. And Putin obviously is an aggressor of the first degree right now. He’s a war criminal. So secondly, second part of Xi Jinping’s plan has something to do with who’s to blame for the war in Ukraine. Xi Jinping basically echo Putin’s reasoning. That is, it’s the so-called “Cold War mentality,” that basically is Cold War for NATO, for the United States. They believe that the cause of the war in Ukraine ultimately is not Russia, it’s NATO, it’s the United States. So there, it lost credibility for much rest of the world right there. Thirdly, I think Xi Jinping wants to basically to use China’s economic power to squeeze the United States, EU, and NATO out of the post-war Ukraine. And this is something that the Ukrainians have to be very careful, and I think Ukrainians are increasingly aware that China is not going to get its way.
Wilson Shirley:

It's important in all of that to read what the CCP and what Russia are saying for themselves and then to be able to interpret it correctly. So, I want to read a couple of statements out of both Beijing and Moscow that speak to the relationship to between the two countries and the personal relationship between Xi Jinping and Vladimir Putin. So, first China is calling Xi Jinping’s current trip quote, “a journey of friendship, cooperation, and peace.” He has also said that Vladimir Putin is his best most intimate friend and that they quote, “share a similar personality.” And the love fest is also reciprocated on the other side. Putin has said that in the last few years, China has made a colossal leap forward and he also said that Xi Jinping is his good old friend, which builds off of statements like the no-limits partnership that we saw last year just before the invasion of Ukraine or the re-invasion of Ukraine. So, when you hear statements like this, what do you think the most important thing is for the international community, in terms of interpreting them and seeing what the actual relationship is like?

Miles Yu:

Well, basically it tells the rest of the world that the two of the most aggressive, most egregious human rights violators are bonding together. But this actually is not really that clear cut for Xi Jinping because Xi, Putin saying all this cozy words, because he is in a very bad situation. He wants China to reciprocate his welcome in Moscow, but China right now is put in a very deep predicament that is, if Putin demands Xi Jinping to return visit to Beijing, what would Xi Jinping do? Would China answer the arrest warrant from the International Criminal Court and then extradite Putin to the Hague?

Wilson Shirley:

Well, they're not signatories for the Rome statute, right? And neither is Ukraine or Russia or the United States.

Miles Yu:

Either way, it looks bad because that means China is now in cahoots with the war criminal on world stage. So, Xi Jinping tries to create some kind of positive buzz for the unlimited friendship between Russia and China. And I think the result is exactly opposite. It looks terrible and it further educate the rest of the world what's at stake when China, Russia get together and there will be no peace.

Wilson Shirley:

But Xi Jinping is trying to position himself again as a peacemaker. So right after this visit to Moscow, he's not meeting in person with Zelensky, but he is going to do a virtual call of some sort with Ukrainian President Zelensky. And again, they haven't spoken to each other since Russia's invasion of Ukraine on February 24th, 2022. So, as you look ahead to that call with Zelensky, what do you think the major takeaways are going to be or what are you going to be looking for?

Miles Yu:
I believe Xi Jinping was supposed to meet Zelensky, but then because Russia said there's no way you can do that and therefore a virtual meeting with Zelensky looks almost like an afterthought. So, it's of lesser significance. Clearly, Xi Jinping is taking side of Russia on this issue of war in Ukraine.

Wilson Shirley:

I wanted to close out this segment with what I thought was a pretty interesting quote from Stephen Kotkin over at the Hoover Institution. He said, quote, “the great fear of Xi Jinping and Vladimir Putin when it comes to the US is not something like NATO expansion. It's so-called color revolution. It's so-called democracy, western values, rule of law, universal human rights, penetrating the Chinese public sphere, penetrating the consciousness of the people, and spreading - and therefore giving rise to calls for opening up the political system.” So that gets to a distinction that we've tried to draw on this podcast a couple of times between the regime, the party, and the people. So, how do you think both Xi Jinping and Vladimir Putin are thinking about their own people in going to summits like this?

Miles Yu:

I think Professor Kotkin is only partially correct, in my view. Yes, there is this deep thought inside the Chinese Communist Party that there is a western conspiracy to topple the only remaining communist major state that is through, not necessarily through force, but through what China calls peaceful evolution, color revolution. China is paranoid about that. But Russia is an autocracy, but Russia is not a communist state. It does not have the ideological zeal anymore. So, what really unites Russia and China right now is not necessarily that, it's something called the civilization of states. That is Russia and China share some common logic of history. Their rationality that is China and Russia both were center of what they call their own civilization. They have their own civilization block. For the Russians, it's the Slavic sphere of inference. For the Chinese, it's the Chinese, it is a Sinic world. So, they believe anybody in the past millennia who share similar ethnic linguistic connection should be within the orbit of either Moscow or Beijing. So, it is with that kind of a pretext that Russia invades Ukraine because Russia denies Ukraine ever had any nationhood and sovereignty. Similarly, China's justification for taking over Taiwan is exactly the same. So, this is something that's much deeper than the common paranoia of Western color revolution. It's deep in the psyches of both nations and you can see from the rhetoric and from action.

Wilson Shirley:

That's an interesting distinction. So, I want to pivot now to an event that happened just before this meeting in Moscow. And that was the conclusion of the Two Sessions that we talked about on a previous episode of this podcast where Xi Jinping became the president for a third term of the PRC by a vote of 2,952 to 0 at the National People's Congress. And then on Thursday right after that, the CCP Central Committee and the State Council released a plan on reforming the party and state institutions. So, what are your major takeaways from those reform plans?

Miles Yu:
First of all, those election were just sham. There's actually no election in the sense that there is a body politic, there is a different kind of candidates. And Xi Jinping obviously is the only leader of the only political party in China. So, he's a supreme dictator.

**Wilson Shirley:**

And the title general secretary matters more than President of the PRC.

**Miles Yu:**

That's exactly right. He's chairman of everything in China. It is in that spirit, we should look at the reform plan. So, what China truly believes is that what Xi Jinping always called is institutional superiority. In other words, China has a monopoly of power by one single unitary party. That they believe is actually an advantage. It's much superior than the federalized autonomous state structure of the West. What this reform plan really is doing is the following things. Number one, it basically further centralized the control by the party central, that is by Xi Jinping himself. One of the most important reality we have to face in the last several years is China's near collapse of the local finance, and according to the Chinese Ministry of Finance, the local governments, we're talking about provincial and the municipal governments all across China, they were deep in debt with the collapse of the real estate market with the zero-Covid national lockdowns.

Basically, it bankrupt the local governments. According to Chinese Ministry of Finance, by end of 2022, the total local government debt amounts to 35 trillion yuan. That's translated into about more than 5 trillion US dollars. That's an enormous amount of debt. So right now, I think how do you figure out how to pay this local government really is run out ideas. So that's why in this plan there is an establishment of a central finance commission headed by Xi Jinping himself to basically further print more money and to allocate more money to save the local and municipal governments. Second part of this reform plan is centralized control and management of science and technology. That's because, in the last several years, the West has intensified its sanctions against Chinese key technology firms and companies. And I think China right now is trying to sort of centralize the efforts to spend a lot of money on some critical sectors of science technology, particularly on chips.

So that's why they established in its plan a central science technology commission. Once again, headed by Xi Jinping himself. A third part of this reform plan has something to do with the issue of Hong Kong and Macau because China is facing a lot of backlash from its national security law implemented in Hong Kong and a certain degree in Macau as well. So, there is now an office that is within the Central Committee of Chinese Communist Party directly under the guidance of Xi, a central commission for Hong Kong and Macau affairs. And the last one I think is also very important because the Chinese government is a socialist entity. It has enormous bureaucracy. So those cost money. So, this has been a major problem. In this plan, there is also a regulation about how to trim the size of the Chinese Communist Party bureaucracy. And the number given by Xi Jinping in its plan is all the provincial and local government above the county level should trim 5%. In other words, the size of the Chinese bureaucracy at the most level should be reduced by 5%. Those are huge numbers if you actually implement them. This is nothing new. Every 10 years or so, China implemented this kind of a downsizing plan and every time it failed because the system does not have a mechanism to be efficient.
Wilson Shirley:

It doesn't have the mechanism to be efficient. But this all seems to be directed in one central movement, which is to centralize control under the direction of the CCP and to increase the power of Xi Jinping as general secretary. To finish off on the final topic, I didn't really know what to make of this, to be honest with you Miles, but last week there were some genetic sequences that were shared by Chinese researchers that appeared to show the presence of wild animals, specifically raccoon dogs at the Wuhan seafood market, in the time of the outbreak of Covid 19 in Wuhan. So, the researchers shared these sequences, then they took them off of the shared database pretty quickly. The World Health Organization held a press conference about it. I think that the point that the CCP is trying to get across is to revive the natural origin hypothesis, a leap from animals to humans. What do you make of the raccoon dog news from last week?

Miles Yu:

As a new rouse, I mean, there's no credibility. I think that WHO should be ashamed of itself for playing this very ambiguous role. WHO is in charge of world health. It should be far more forthright in demanding China to open up a database of all kinds, not just a raccoon dog. Raccoon dogs, it's one particular incident. So, by doing so, WHO looks like it is strong as if they're demanding China for more transparency, but they're demanding China for release this kind of animal as a potential host of this virus. This basically is the propaganda line of the Chinese Communist Party from the beginning, from day one, China say, "you know what? It's from the wet market. It's not from the lab." Even if we find out there's something kind of suspicious about the raccoon dogs near the Wuhan Institute of Virology and some other dangerous labs, where did the raccoon dogs get the virus from?

Why not the raccoon dogs in some other places get infected? So, we still should ask the question, even if the first cases were found in the wet market, where did the cases in the wet market get viruses from? It should be from the lab next door. So, you still have to consider the leak theory. I think the WHO is doing this for publicity purposes because they want to show the world, see, we're tough on China too. We will ask them to release more data on this. And of course, WHO should be more, as I say, comprehensive and stronger demanding China. Otherwise, WHO should threaten some more drastic measure, withhold funding, or expose China's political intervention and, or even consider expulsion of China from this organization because China does not really show any positive attitude at all on matters as grave as this one that has killed tens of millions of people worldwide.

Wilson Shirley:

Yeah, and cost trillions of dollars as well. And the release of this data just shows that the CCP does have data, not just about raccoon dogs, but otherwise that they continue to not share across the board, which gets to your point that the WHO needs to demand more action out of China. That's all that we have time for this week. Miles, thank you so much for recording another episode with me, and looking forward to next week.

Miles Yu:

Alright, thank you.
Wilson Shirley:

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