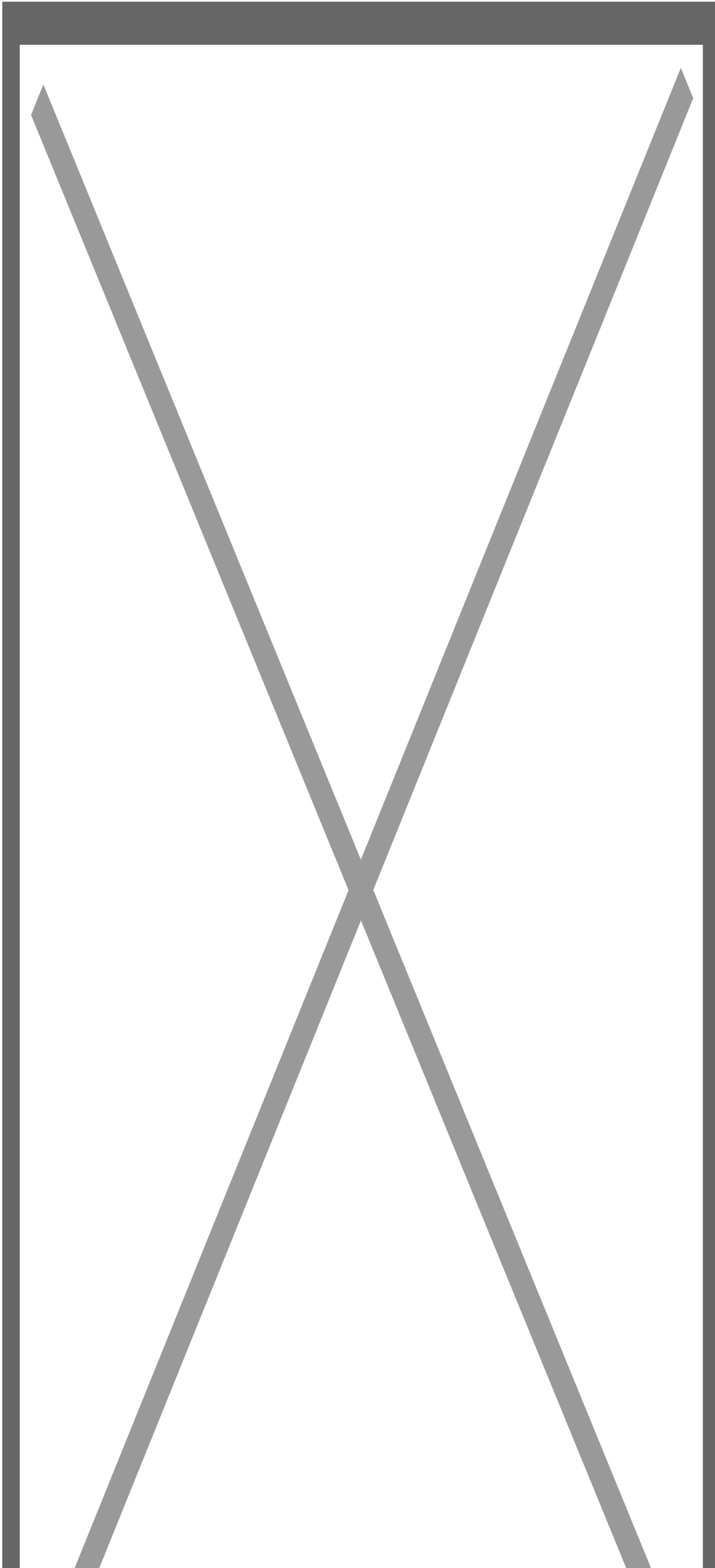


WSJ: Xi Jinping's China – “Biggest Strategic Miscalculations of the Post-Cold War Era”

Description

By [Jeffrey Snider](#) via [Real Clear Markets](#)

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(AP Photo/Ng Han Guan)

An oxymoron, to be sure, there have been numerous failures of “government intelligence” just in the 21st century. Iraq WMD may or may not have been intentionally misleading, there just wasn’t any. The various Arab “springs” which punctured the seal holding back the intended migrations of huge swaths of the Earth’s peoples. That whole subprime mortgage thing.

None, I think, will have proven so consequential as the original consensus surrounding Xi Jinping and the next stage for Socialism with Chinese Characteristics. What passes for consensus, government intelligence back in the eighties had been just as surprised as anyone else when the Berlin Wall fell, or in '91 when the Soviet Union, America’s great adversary for several generations, simply dissolved like a snowflake settling down upon warm pavement.

It had been that process, ironically, which had sustained China’s advance for the three decades in between. In the aftermath of Mao’s disastrous tenure, Deng Xiaoping had tasked a number of the Communist elite to reverse course before it became too late. The Cultural Revolution had weakened an already weak state, but it had also carved out badly-needed political space, creating for China’s Communists a reprieve, a cowed populace unwilling to risk the wrath invited from political dissidence.

In June 1981, at the Sixth Plenary Session of the Party’s Eleventh Central Committee, Deng forced China’s authorities to confront their turbulent past only a few years after Mao’s death. The resulting historical “reconciliation” was as much mythmaking as anything else. Writing for the session, Deng said:

“The ‘Cultural Revolution’ was really a gross error. However, our Party was able to smash the counter-revolutionary cliques of Lin Biao and the Gang of Four and put an end to the ‘Cultural Revolution’ and it has continued to advance ever since. Who achieved all this? Is it not the generation educated in Mao Zedong Thought?”

In other words, yes, it was a huge miscalculation and deathtrap of national trauma, but it was also useful. From then onward, it was decided that Mao was 70% correct and 30% in error, the latter if only for the best of reasons. Maoism was a terrible thing, but it had to be rehabilitated for the regime to survive those early transitional years, a common philosophy to bind the unwieldy whole together.

Among the restored leadership Deng turned to during this nascent reform period was a former Vice Premier who had suffered greatly from one of Mao’s many purges. A fellow by the name of Xi Zhongxun, once one of the so-called immortals, Xi had fallen out of favor in 1962 when he defended the legacy of Liu Zhidan, who died in 1936, a rival of Mao’s during the revolutionary struggles.

By the time the Cultural Revolution was in full deadly blossom, it was open season on especially Xi's family who were easy targets for this peculiar brand of revolutionary dequenching. His wife, Qi Xin, was a frequent victim of the Red Guards, as had been his several children. Xi's oldest daughter from a previous marriage, Xi Heping, reportedly committed suicide after hanging herself from a bathroom shower rail, leaving behind two small children due to the constant and vicious harassment.

And then there was Xi Zhongxun's eldest son, a fella by the name of Xi Jinping.

Subjected to any number of abuses, China's future leader once escaped from the school confinement he was being held to see his mother Qi Xin, who promptly turned him in to authorities. In 1968, the younger Xi was locked up "three or four times" and made to endure daily sessions of psychological torment when, among other things, he was forced to publicly denounce his own father (and on one occasion he was made to witness his own mother publicly denouncing *him*).

Writing thirty years later in 1998, Xi Jinping recalled it as, "Fat in January, thin in February; half-dead in March and April." He was rescued, so to speak, when millions of students were sent out to the countryside to be "rehabilitated" among China's poor peasant farmers. In a tiny place called Liangjiahe, Xi toiled in hard labor in the needed obscurity away from the menacing politics of his father and his family's disgrace.

"When I arrived at the Yellow Earth, at 15, I was anxious and confused. When I left the Yellow Earth, at 22, my life goals were firm and I was filled with confidence."

Once Mao mercifully died in 1976, several of the disgraced leadership (including Deng) were themselves restored. At the Third Plenary Session of the 11th Central Committee of the Communist Party, in December 1978, Xi Zhongxun was brought back from the political dead and rehabilitated, his career and reputation rejuvenated in a way the country as a whole was being restored from its Dark Ages.

The elder Xi would play a key role in accomplishing the transition; persuading Deng Xiaoping to give him the top spot in Guangdong Province, the very ground zero of economic reform where modern China would be born. It was here, in Shenzhen, that the first of the Special Economic Zones were set up, and the next phase of Socialism with Chinese Characteristics would take shape.

In 1982, Xi Zhongxun was made a politburo member as the policy flourished. "Reform and opening-up" would continue even as Xi and other reformists fell out of favor (again) in the wake of student protests later on in the decade. The hardliners who eventually cracked down on the political reform-minded after Tiananmen Square saw enough out of economic liberalization that it was expanded.

The downfall of the Soviet Union only propelled economic liberalization that much more, a sense of urgency that transcended everything in China – including Maoism. Mao Zedong Thought had to continue as a foundational aspect to modern China in political and cultural terms, but it was rather easily shoved aside by the practical aspects of the regime’s necessary survival.

Under Deng and then his successor Jiang Zemin, the Chinese capitalist experiment was grossly expanded still more. And while Xi Zhongxun had long since fallen out of the top echelon, his son continued to rise through the ranks of the bureaucracy outside of Beijing having, it seemed, learned a hard lesson in his father’s constant travails: keep your mouth shut, your innermost thoughts close to the vest.

Thus, when the time came and Xi Jinping was the surprising choice to replace Hu Jintao in 2012, hardly anyone knew what to really think. He hadn’t been brash and outspoken, nor was he the robotic talking-point regurgitator like Hu had been, or Barack Obama his immediate contemporary. In fact, most people saw Xi Jinping in the exact wrong way.

Government intelligence.

Xi was initially pegged as a reformer, a liberalizer, someone who would work to more closely align China with Western values and priorities. To keep the tide of globalization and economic cooperation on track toward a less conflicted future. How would he be otherwise? Given his tumultuous family history, and its place in the second stage of modern China, Xi was expected to be more like his father surely rejecting anything which stank of renewed Maoisms.

But there were warning signs from that very beginning. These had begun from outside of China, mostly, adopted if only too easily under the burgeoning heavy hand of a more confident Xi Jinping who began his tenure by immediately cracking down on “corruption” in a manner entirely-too-reminiscent of the sixties.

Initiating a widespread anti-corruption campaign, it smacked of a Cultural Revolution Lite; targeting political rivals who under Hu had been important in keeping the economic schedule on track. Now, suddenly in 2012 and 2013, the incoming government began to openly denounce “historical nihilism” and other forms of thoughtcrimes against the regime.

This all coalesced into what’s been called Document No. 9; an anodyne name given to what doesn’t really have an official title. It was simply the ninth paper to be published by the Party’s General Office in April 2013, but it was an unappreciated doozy which mapped out the direction China has eventually followed under Xi Jinping.

It enumerated “seven perils” that essentially targeted all forms of Western beliefs encompassing the neo-liberal trade and constitutional order we take for granted – and, at that time, it was widely believed the Chinese were still interested in incorporating more deeply to best position China as a further key partner in the global order. Up to then, it had been assumed – again, government intelligence – they’d become more like us.

On the contrary, Document No. 9 singled out all these things as punishable acts undermining Chinese socialism.

These included the Western constitutional order, asserting universal values and human rights, media independence, civic participation, ardent pro-market adoption, questioning Xi's reform, and "historic nihilism" which played up the mistakes of China's Communist past – including the Cultural Revolution.

It was perhaps the fourth of these seven perils which was the biggest shock; so much so, that even years later, in the lead-up to the 19th Party Congress in October 2017 "government intelligence" and Western conventional "wisdom" still thought of China as committed to the economic growth and globalization which had sustained the country under Deng's modernization push.

April 2013's Document No. 9 had instead noted:

"Neoliberalism advocates unrestrained economic liberalization, complete privatization, and total marketization and it opposes any kind of interference or regulation by the state. Western countries, led by the United States, carry out their Neoliberal agendas under the guise of 'globalization,' visiting catastrophic consequences upon Latin America, the Soviet Union, and Eastern Europe, and have also dragged themselves into the international financial crisis from [sic] they have yet to recover."

If you listen closely, you can hear Karl Marx in these words; capitalism was a curse upon society and the Industrial Revolution has been something, in the minds of communists and Communists alike, humanity *will need to recover from*. "They claim our country's macroeconomic control is strangling the market's efficiency and vitality and they oppose public ownership, arguing that China's state-owned enterprises are 'national monopolies,' inefficient, and disruptive of the market economy, and should undergo 'comprehensive privatization.'"

Xi's major counterargument wrote itself in the "international financial crisis from which they have yet to recover." In short, what the Chinese called "market omnipotence theory" had pushed the globalized world first off a cliff in 2008 and into a cul-de-sac from 2009 forward from which it wasn't going to escape. Hardly superior, the opposite of omnipotent, the aftermath of the first Global Financial Crisis had proved the world's economy vulnerable to all the same kinds of weaknesses as Mao's Great Leap Forward had decades before.

From a political standpoint, everything Xi has done since then – including the embrace of Maoism – has been an extension of this view. It was a necessary ride while it lasted, and the wave of globalization which rewrote China from backwards barely subsistence level to create a 21st century powerhouse was, like the Cultural Revolution, a temporary phase through which Socialism with Chinese Characteristics would have to pass through.

And it's over now. It was over more than a decade ago. Western Economists haven't been able to decipher the message.

Writing in December last year, the *Wall Street Journal* finally lamented all that Western convention must have gotten wrong about Xi and *his* China.

“Early hopes that Xi Jinping would want closer integration with the U.S.-led global order have become one of the biggest strategic miscalculations of the post-Cold War era.”

In truth, it may end up being the biggest, most consequential miscalculations in history. At China’s Communist Party Centennial Celebrations this week, there sat Xi Jinping *dressed up as if he was Mao Zedong himself*; complete with the gray buttoned-up suit Mao had become famous for wearing like a uniform. The look was entirely intentional, as was his speech which relied heavily on the strongest rhetoric.

It was deeply symbolic not so much of Xi seeking to restart or renew the Cultural Revolution after four decades, but of transitioning China one more time more completely into its next “logical” phase. While demanding Chinese youth embrace “Red genes and revolutionary fire”, he didn’t mean to undertake the tactics and imbibe in the overzealousness of the past Red Guard.

Above everything, no historic nihilism. The Cultural Revolution can be swept under the rug of rewritten history, the necessary transformation which accomplished getting agrarian, feudal China ready for its next phase. And if Mao was 70% correct while doing so, now that this second stage of China is complete, perhaps Xi’s predecessors will be judged as having gotten 70% correct during it – the parts of globalization the Chinese used in the economy, leaving for the 30% “visiting catastrophe” in so many places.

This simply begs the question as to what must Communist China’s third phase look like. A blend of Mao’s political overweight without the light touch of Deng’s, and Xi Zhongxun’s, small “e” economics. Listen to Xi Jinping today:

“Chinese people will never allow foreign bullying, oppressing, or subjugating. Anyone who dares try to do that will have their heads bashed bloody against the great wall of steel, forged by over 1.4 billion Chinese people.”

So much for the widely-celebrated reformer.

Understand the purpose and the background; Xi isn’t an ideologue so much as a *pragmatist* unlike those such as his father. They will, first and foremost, do whatever is needed for the Communist regime to survive; there is no deeper animating principle than that. They are neither reformers nor hardliners; except if reform or hardline crackdowns are judged the most necessary action at whatever given juncture.

The Chinese Communists didn't suddenly change course back in 2012; the choice was made for them by an economic system which absolutely did. Having witnessed the chaos such transformation might unleash earlier in their country's tumultuous history, Xi and his monolithic block of followers is absolutely intent upon forging ahead into this third modern era where a strong China seeks nothing but its own terms.

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