

Sunday Times (London)
29-10-17

Xi whizz: look at the emperor's new clothes

Niall Ferguson

Westerners who fawn over China's leader are ignoring three crucial points

An emperor who is a dotard. A population in the grip of opium addiction. An economy held back by bureaucracy and crumbling infrastructure. A culture fixated on past greatness but in fact hopelessly decadent. This was how westerners in the 18th and 19th centuries regarded China. It is how the Chinese (not to mention most Europeans) now regard the United States.

Trumpery, the opioid epidemic, the administrative state, storm-ravaged cities and the fantasy of making America great again — America today cuts a sorry figure, whether you watch CCTV (Chinese state television) or the BBC. Compare and contrast with the way China is portrayed now in western media.

Ever since President Xi Jinping's triumphant appearance as the defender of free trade and champion of globalisation at the World Economic Forum in Davos in January, there has been a striking trend: those commentators most averse to Donald Trump tend to be the most gushing in their praise of his Chinese counterpart.

To The Economist, Xi Jinping is now "the world's most powerful man". Xi offers a "long-term view of China's ambition", declared the Financial Times last week. "This president has an iron grip on power and a strategy to reach global pre-eminence." Followed by: "Beijing is gaining confidence that it can mix political control with growth and innovation." And then: "With no clear successor, the president stands at the beginning of a new era of dominance."

My old friend Fareed Zakaria of CNN wrote almost rhapsodically about the implications of the 19th Congress of the Chinese Communist Party, which ended last week: "This party congress made clear that [Xi] is no ordinary leader," he wrote. "[His] grip on power [is] far more secure than [that of] his immediate predecessors . . . For the rest of his life, Xi and his ideas will dominate the Communist Party of China."

To the author of The Post-American World, the implications are clear. "These changes are . . . occurring against the backdrop of the total collapse of political and moral authority of the United States in the world," Zakaria concluded. "China [has] signalled that it now sees itself as the world's other superpower, positioning itself as the alternative, if not rival, to the United States."

This point was seemingly lost on President Trump, who on Wednesday tweeted that he had called President Xi "to congratulate him on his extraordinary elevation".

Xi whizz! But wait a second. We're supposed to be impressed that, to quote The Economist, Xi Jinping's "grip on China is tighter than any leader's since Mao"? Last time I checked — and I did so with the peerless historian of Communist China, Frank Dikotter — Mao was responsible for the deaths of tens of millions in a succession of Mao-made catastrophes: the 1949 revolution, the Great Leap Forward and the Cultural Revolution. If Mao is Xi's model, China is more likely to become a vast North Korea than a post-American colossus.

So let's **get three things straight about events in Beijing last week. First, the Mao part.** Yes, Xi is the first leader since Mao to have his "thought" (sixiang) put into the Chinese constitution while he is still in

office. Deng Xiaoping's "theory" (lilun) was not inserted until after his death. Moreover, in China, "thought" ranks above "theory".

But what is Xi's thought exactly? The relevant amendment to the constitution runs to nearly 3,000 words, but in essence it combines the familiar ("socialism with Chinese characteristics", a euphemism for capitalism since 1982) with new themes introduced by Xi in the past five years: "the Chinese Dream of national rejuvenation", "green development", anti-corruption and the party's primacy over the military.

There is not much here that is Maoist. Take this, for example: "We shall give play to the decisive role of market forces in resource allocation . . . advance extensive, multi-level and institutionalised development of consultative democracy . . . [and] enhance our country's cultural soft power." Replace the word "Chinese" with "Swedish" and it wouldn't look out of place in a Scandinavian social democratic manifesto.

Second, the politics. Is Xi now all-powerful? No. He is primus inter pares on the seven-member standing committee of the politburo. The new line-up of the committee announced last week confirmed this. Li Keqiang, the premier, remained, and Wang Yang and Han Zheng joined, despite — according to students of factions within the Communist Party — being associated with the former presidents Hu Jintao and Jiang Zemin. Xi's close ally Chen Min'er, whom some experts see as a potential successor, was not on the list. Perhaps this was because Xi intends to break with tradition by seeking an additional term after 2022; on the other hand, he respected the existing retirement rules by bidding farewell to anti-corruption "tsar" Wang Qishan.

Third, we still don't know what Xi will do with his enhanced, though not absolute, authority. Key appointments in economic policy and finance will not be announced until March. Maybe the long-awaited structural reforms and deleveraging will finally arrive next year. Or maybe the vested interests within the state-owned enterprises will once again stave off the day of reckoning.

Two centuries ago, westerners were right that China was stagnating. The Chinese can be forgiven for thinking the same about America today. Yet it is far from clear to me that China in 2017 has anything like the vitality and potential of Britain or the US in 1817. Apart from anything else, what made the English-speaking world so dynamic in those days was its unparalleled economic and political liberty.

Beginning in the late 1970s, China overcame centuries of stagnation precisely because Mao's successors understood that they had to decentralise the People's Republic, giving economic if not political power to the people. If western commentators are right, Xi Jinping wants to go in the opposite direction. If the Chinese are lucky, he will turn out to be an enlightened absolutist, like Singapore's Lee Kuan Yew. If they are unlucky, he will be just another emperor who fondly dreamt of controlling a fifth of humanity. Worst case — but also least likely — he's Mao 2.0.

Maybe, just maybe, the wonders of modern information technology can give totalitarianism a new lease of life, as the big Chinese tech companies Baidu, Alibaba and Tencent make available the personal data of all Chinese netizens to the party. And maybe, thanks to big data, economic planning can now work where previously it failed. But I wouldn't bet on it. And, to judge by the amount of foreign investment wealthy Chinese are still making in spite of tightened capital controls, neither would they.