

<http://www.internationalviewpoint.org/spip.php?article4847>



Economy

Xi Jinping's China - An extremely complex transition whose outcome remains unpredictable

- Features - Economic and debt crisis -

Publication date: Thursday 26 January 2017

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In Xi Jinping's China the habitual political framework has not withstood any substantial modifications. The party has kept its usual centralized posture, which makes it the backbone of de facto power. The recent attempts to invest state-level and provincial agencies with greater managerial significance have not altered the usual frame of reference. This happened despite the erosion of credibility that the elite had to necessarily register vis-à-vis a body social that is progressively going into overdrive and within which increasingly divergent pressures and disparate impulses are taking shape.

The fact is that in today's China an extremely contradictory and complex situation is evolving, which draws its *raison d'être* from the reformist experience itself, which was initiated by Deng Xiaoping in 1978, when, despite the by no means negligible overall development of production capabilities that post-revolutionary China could actually boast at that time, a deadlock ensued which was attributable as much to the overall exercise of power as to the stifling centralization that excluded any and all involvement of civilized society and to the devastating infighting that had pitted the most influential leaders against each other. All this, after the departure of "the great helmsman", suggested to Deng and to his inner circle a breakthrough which could restore impulsion and stimulation to the productive process and extract it from the doldrums in which the empty ideologism of Maoist orthodoxy had confined it. In passing, let it be remembered that the obsessive exaltation of the mental prowess of the charismatic leader (intermingled with continual accolades to the stalwart perfection of "Mao Zedong's ideas") merged with repressive measures aimed at whomever dissented from such perfection.

Specifically, the idea was to insert some elements germane to the categories that define market economy within command economy. The latter, however, was supposed to remain fundamentally unchanged in its underlying structure, at least for the time being. It was no coincidence that Deng himself, while ushering in the entire reform package, took pains to highlight how the "reforming" experience was not meant to surpass specific limits, in the sense that China's "socialist" nature was not to undergo any substantial mutations. An entitlement formula was further elaborated and added to the project, that of the "four cardinal points", which was partly developed to respond to the violent criticism coming from the "conservatives" headed by Chen Yun, who resolutely opposed the start of the "reform", dreading its consequences and, above all, fearing that, in the long run, its application could jeopardize revolutionary conquests, subsequently effecting a permanent alteration of the essential features that the Chinese state had adopted since 1949.

Deng prevailed, however, and he succeeded in implementing his project, which was based on scientific experiment and a pragmatic approach. Above all, the implementation of Deng's project, among crippling hesitations and problem-fraught revivals, witnessed the start of a rather reckless opening to foreign capital, which began its abundant influx into China, where it met an over-abundant labor supply which was pouring into urban areas after the dissolution of the "communes" in the countryside had given rise to an oversupply of more than 200 million workers. Moreover, by means of cunning manipulations, the Hukou Maoist clause, which forced farmers to remain in their original villages on penalty of losing all welfare and social rights, was kept juridically alive. This colossal peasantry migration to urban centers, therefore, on which Deng's "reform" was based, was simply ignored officially, so as to enable the limitless exploitation of the workforce, in lockstep with the absence of social security contributions on the part of the nascent entrepreneurial elites looming on the horizon. To sum up, the low cost of labor gradually allowed the lowering of the price of goods, which then became more competitive on international markets, while the Chinese state, owing to an effective fiscal policy, was able to accumulate abundant reserves of foreign capital, with a marked proclivity for dollars.

Admittedly, Deng's project, at least in overall terms, ripened into an economic success story. It is indisputable that

China has experienced a marked improvement in the allocation of its productive resources to the point of becoming the world's second economy, with only the United States surpassing it. Consumption was undeniably boosted across the board, while dollar-denominated reserves reached unprecedented levels. The development model that was adopted, however, along with its subsequent adjustments enacted by those who replaced Deng Xiaoping as leaders of China (Jiang Zemin and Hu Jintao), evinced its inevitable shortcomings, brought about above all by the bewildering corruption that spread like wildfire to all state and party structures, which was countered with dubious efficacy by the recurring initiatives undertaken by all Central Committees that replaced each other at the helm.

This phenomenon spread to all levels of the political and economic spheres in China and resulted in the full involvement of the burgeoning entrepreneurial classes, since, despite all attempts undertaken on several occasions to thwart this nuisance, this ilk of veritable illegal hoarders of public resources has to this day been able to act with de facto impunity. For this reason, the estimate that places at 700 billion dollars the value of the capital that flew out of China between 2002 and 2011 appears to be entirely reliable. All of this, needless to say, clearly happened with the not overly disinterested tacit approval of the regime's beadle, which, when necessary, provided the cover required.

It was only recently that this by now endemic behavior was resolutely opposed by the leadership surrounding Xi Jinping, so much so that the new commission, created by the newly-installed president, appears to have gone so far as to investigate the behavior of more than 200,000 officials, hundreds among whom are rumored to have been arrested in a clean-up operation that has not spared even the highest echelons of the regime's bureaucracy, like Zhou Yongkang, who, from high representative of "security", was transformed in the twinkling of an eye into an unenthusiastic occupant of one of the country's jails. It must not be forgotten, however, that a few years ago some reliable western journalistic sources claimed they could prove that many businesses and companies had been entrusted to individuals who turned out to be directly linked to president Xi with the intent to create a sort of "multi-million dollar empire". To this day, this accusation has not been credibly refuted, and it therefore casts a shadow on the reach of this umpteenth initiative enacted by the regime's top brass to tame a phenomenon that has by now assumed structural and irreversible features.

A further consequence of the "reforming" process has been the quasi-systematic destruction of all social rights, which, in the Maoist era, had been to a certain extent granted and which, since the beginning of Deng's "reform", have been thrust towards privatization to such an extent that their enjoyment is now contingent upon the common citizen's ability to pay for them. A separate mention would be required of the preposterous social inequalities and income disparities that were created as the "reform" ran its course, when, in other words, market categories assumed a prevalent character, surpassing the very red lines that Deng had cautiously drawn upon launching his "reform". Suffice it to say that, according to western scholars, the wealthiest 500 individuals in China can boast an income which is equivalent to that generated by 900 million people over the course two years.

In addition to that, the World bank estimated that in 2010 the top 1% of the population had amassed 41% of the country's national income, while Beijing's own sources recently confirmed that the disparities among the different social classes not only persist, but are possibly even on the increase. All of the foregoing, perhaps, is happening in the name of some kind of ill-defined "socialism with Chinese characteristics", with regard to which, as is mumbled in Beijing, the "Chinese characteristics" are all too evident, whereas no trace whatsoever is left of "socialism".

Nonetheless, beyond obvious considerations vis-à-vis a development model that witnessed the accrual of privileges on the part of specific social classes, it is evident that everything hinged upon a connection to the global market, both in terms of the capital generation geared at sustaining investment and with regard to the destination of goods produced by means of the most brutal exploitation of a workforce to whom any form of defense or union representation was systematically denied. The writ propounded by the regime's eminences grises or by the prevailing faction of the moment at the end of raging feuds sufficed to ensure control of the relevant power nodes.

This framework, which, at any rate, ensured the overall development of the forces of production, actually experienced an abrupt mutation with the onset of the 2008 financial crisis in the western world. Capital began to flow inside China in a less abundant manner, while, at the same time, Chinese goods could not adequately find buyers outside of the national borders. 67,000 small and medium-sized businesses, consequently, filed for bankruptcy, resulting in the layoff of approximately 20 million workers, which, from one day to the next, found themselves swelling the ranks of the unemployed. The ruling class, which at the time was clustered around Hu Jintao, found itself compelled to respond, if not for any other reason in order to avoid social setbacks leading to unpredictable repercussions. Thus a 586-billion dollar public investment plan was launched in order to boost an economic development which, if left to its own devices, appeared headed towards a declining trend. The simple force dynamics of the market economy were deemed insufficient to boost economic development, which is why state-guaranteed "stimuli" were relied upon, while the state itself enacted a gigantic "socialization of losses" in hopes of propping up an economic edifice which by then evidenced unequivocal symptoms of a depletion of the propulsive thrusts that had characterized the entire reforming experience since its launch in the by then remote 1978.

In brief, widely significant features were increasingly taking shape: on one hand, demand for Chinese goods experienced an undeniable and pronounced decline on the international markets, while, on the other hand, multinational corporations were growing squeamish at the prospect of transferring production and concerns. It was as though the chickens hatched by the laws underpinning market economy, above and beyond the "successes" of the first phase of the "reform", were coming home to roost. In order to avoid a hard landing, the only option left on the table was reviving the entire productive process by means of a massive public works program, or, in other words, of "stimuli" that inevitably depleted the public coffers.

The outcome of the rescue plan initiated by Hu Jintao and by his inner circle was, at any rate, extremely doubtful: on one hand, economic decline was somehow reined in, but, on the other hand, this massive issuance of money on the part of the central authorities contributed to increasing the national debt, which, according to official estimates, reached the astronomical amount of 3.4 trillion dollars, although a considerable influence was exerted upon this trend by the reckless actions undertaken by local governments, which, in order to cope with their most disparate obligations, did not hesitate to resort to speculative capital (hot money), albeit prodded in an unorthodox manner by "shadow banks". The not exactly encouraging result of all this was that these actions helped to precipitate a credit crisis (credit crunch), with the consequent risk of unleashing a catastrophic general financial crisis. Added to the foregoing were forces that lead to excess production (overcapacity) of some of the primary sectors and more or less improper pressures to coalesce substantial resources towards some sort of financialization of the economy, in the sense that excessive resources ended up diverted towards the banking sector rather than towards the real economy and productive activities.

In brief, this confluence of factors induced the new leadership that emerged from the XVIII Congress of the Communist Party to change tack, with the intent of putting the course of the production process, which by then was beginning to show dangerous signs of deterioration, back on its feet. In practice, the new project outlined by Xi Jinping and Li Keqiang tended to avail itself of a more pronounced projection towards international markets where, in lieu of the mere export of low-cost manufactured products that was widely practiced until then, added emphasis was placed on: a strong growth of foreign Chinese investment, the creation of a vast web of regional and global financial hubs geared at promoting development, the new "Silk Road" project, aimed at dominating international commerce in specific areas, the internationalization of the banking and insurance sectors, the lowering of all barriers to capital circulation and the grooming of the yuan as an international reserve currency.

The domestic rebound was inevitable, with a reform of the financial system based upon the adoption of measures that led to the liberalization of bank interest rates and to the creation of market-oriented financial instruments (stocks, bonds, derivatives), so as to determine, in an endogenous fashion and absent all state intervention, a complete interest rate structure based upon bond duration and security categories. The shift to the criteria of market economy, in short, needed to be generalized and completed. It was there that the leadership that emerged from the XVIII

Congress was counting on being able to find the keystone for the necessary "revival". No more state-driven "stimuli" to sustain the economy, consequently, but a thrust aimed at increasing domestic consumption in hopes of countering the contraction experienced on international markets, concomitantly dampening the inveterate Chinese propensity for "saving", a habit dictated, among other considerations, by the need to cope on one's own with social security and health expenditures after the entitlement programs in force during the Maoist era had been terminated.

Considerable importance was also ascribed to streamlining procedures and to eliminating the preventive controls implemented by the central bodies, in order to then entrust the system to the redemptive and propulsive virtues of the market, which is why hundreds of measures that previously required the prior approval of government authorities can now be freely implemented by private companies. At the same time, many functions, which had previously been consigned to public ridicule as the chief culprits behind the gargantuan size to which the national debt had risen (to the point of encroaching upon the very capacity of the entire system of sustaining itself over the average or long term), were delegated to the peripheral authorities.

The overall picture arising from the rather inorganic adoption of these measures, however, remains characterized by great uncertainty. It is clear that China can still boast a fairly sustained growth rate by virtue, among other things, of the stronger yuan and of the dynamism at play in international markets, where China's large foreign currency reserves, which amount to about 3,300 billion dollars, allow the Chinese Investment Corporation to finance extremely effective operations. The yuan, moreover, has obtained its much longed-for inclusion in the IMF's Special Drawing Rights reserve asset (the basket of currencies, including the US dollar, that can act as a reserve asset in international trade). Finally, in an act that sounded as an open challenge to the habitual US hegemony in international markets, China proceeded to the foundation of the AIIB (Asian Infrastructure Investment Bank), with which it will redirect conspicuous fringes of international finance towards operations that acknowledge Beijing's leading and pioneering role in areas that are far from irrelevant in world trade. This, of course, is not a trifle, and it represents, among other things, a summary of the success that the Chinese have without doubt been able to achieve in the last thirty years.

It is clear, however, that, domestically, specific circumstances are taking shape that betoken a substantial decline and the deflation of the most dynamic and propulsive thrusts of the "reform" initiated by Deng Xiaoping in '78, which, until then, had assured extremely high growth rates. The statistical data in this regard appear incontrovertible, for if before the crisis of 2008 China boasted a GDP growth rate which was around 10% per year, in 2013 it slumped to 7.3%, while for 2015 it ranged around 6.8% and, for the five-year period from 2020 to 2025, analysts expect a growth rate which should hover around 3.9%. Moreover, there have been doubts expressed by many about the reliability of the data released by the Chinese authorities on this issue, considering that some established and reputable bodies feel confident enough to assess that the actual growth rate, even now, amounts to about 3%. Clearly these assessments and forecasts require caution and await empirical verification by the actual development of events.

What seems clear, however, is that Xi Jinping's project to revitalize the economy already shows gaps and shortfalls of various kinds, primarily because domestic consumption did not take off rapidly enough, in spite of initiatives that have recently rekindled a modicum of social entitlement programs with the launching of measures which gave rise to some kind of embryonic general health care and to a slight increment in pension provisions. The highest echelons of the regime, of course, have repeatedly reached out to the public to reassure everybody that in the years to come social entitlements will be augmented and pension and insurance benefits will be further ameliorated.

To no avail: the average Chinese still does not trust the "guarantees" that intangible power holders offer him in this phase and remains reluctant to "consume", while the attempt to set up an urban middle class more inclined to consumption by facilitating a repeated influx of peasantry into big cities seems to have been recently frustrated by a substantial counterthrust favoring a "return to the countryside", especially after the massive layoffs that followed the crisis of 2008. In short, the world market is no longer absorbing Chinese goods, while the domestic one is sluggish and languishes below expectations. The triumphs that emerge at the international level owing to the accentuated dynamism in world markets cannot compensate for the long downward pressure and for the growth shrinkage that

are gradually coming into play at the national level; indeed, eventually, those "thrusts", were they to consolidate, would inevitably result in putting into question the very vigorous projections with which the time-honored US hegemony worldwide is being challenged.

However, it is not only the inadequacy of domestic consumption that, at this stage, characterizes negative trends in the Chinese economy: perhaps of even greater significance is the fairly widespread phenomenon of overproduction, which has manifested itself in paramount sectors such as steel or iron, and which has turned into a grim liability for these industries, which, until now, were under state control. In fact, the development of these sectors had prevailed in previous decades, when the world market, in a certain sense, "had some pull" and market forces intimated the diversion of significant amounts of capital toward the capital goods sectors. The "stimulus" enacted by Hu Jintao and by his cohorts had emphasized such measures, as well as the imperative to invest in these "basic" sectors.

Now the music, so to speak, has changed, since the global marketplace no longer solicits the production of capital goods, and consequently these zombie companies (as they are openly called) must be dismantled or, at the very least, drastically downsized according to plans that are already widely known. The operation, however, is not likely to remain pain-free, since these processes of "rationalization" that are now being deemed indispensable involve the expulsion of more than 10 million workers from the manufacturing process. As far as the usual underdogs are concerned, therefore, the unequivocal forecast of state benefaction amounting to more than 15 billion dollars does not seem reliable enough to solve the problems that inevitably will arise, partly because the central authorities are mincing no words about the necessity of having to simultaneously ensure something like 10 million new jobs every year to guarantee some form of employment outlet to the new generations. With the juncture currently manifesting itself at the economic level, in which the entire framework of production appears to be contracting, it is like putting out fires with gasoline.

It seems quite clear that the ruling group gathered around to Xi Jinping has in its own way perceived the complexity of the situation and the increasing difficulties that stand in the way of mastering it. The leadership's reaction consisted in a series of measures that could be characterized as anything but organic: at first, an attempt was made to maintain levels of highly sustained financing to the small and medium-sized companies that could be more easily impacted by this climate of increasing hardships. Therefore, beyond tax breaks of various kinds, very low rates were imposed upon the banks, or, in other words, a very low reserve requirement was established.

In early February 2015, the Central Bank cut by half a point the aforesaid reserve requirement, trimming it down to 19.5% and freeing up the equivalent of \$ 100 billion dollars for open market operations. What seems more significant, however, is the use of government "stimuli", with explicit and reiterated reference to those procedures that seemed to be in vogue when Hu Jintao called the shots and which Xi and his cadres had recently expunged and deemed inadequate without disdaining a recourse to moralizing sermons on the dangers of adopting such procedures. And yet, no dice. The situation is what it is and it does not present viable alternative solutions: thus, for 2015 alone, public "stimuli" have reached a total value of 115 billion dollars, earmarked for the construction of airports, high-speed railways, tunnels and bridges. This, however, was not an interim solution possibly intended to stem the economic outflow caused by cyclical necessity. The guidelines that emerged in the course of the People's National Assembly of March 3rd, 2016 expressed absolutely distinctive criteria to evaluate the problems that presented themselves before the leadership that consolidated itself at the pinnacle of power at the end of the XVIII Congress of the Chinese Communist Party.

Undoubtedly, Li Keqiang's report continues to highlight the need to focus on the development of a service economy capable of fulfilling the needs of a society that has, in any case, undergone an undeniable transformation, and consequently to set aside previous development models. This introductory preamble, on the other hand, did not prevent the Prime Minister from referring to the linchpin of development for the current year: needless to say, the "stimuli" will play a very prominent role, following a well-defined plan:

1) 800 billion yuan (equivalent to 123 billion dollars) earmarked for new railway construction.

2) 1.65 trillion yuan (equivalent to 254 billion dollars) earmarked for the construction of a more efficient road network.

Total: 377 billion dollars, or else the growth required to keep the situation under control literally goes to hell.

The necessary budgetary fiscal corrections will be followed with due expediency, which is why Li himself undertook to clarify how the debt-to-GDP ratio previously fixed at 2.3% per annum was to be raised to 3%, which indicates how it is expressly provided that the public debt is set to increase. The statistical appraisals in this regard, moreover, are incontrovertible and confirm the existence of a problem that concerns both the private sphere and the public one.

In the first case, an increase in non-performing loans related primarily to real estate was recorded, after the housing boom of the previous decade resulted in an excess of supply, more or less related to speculation and to an unorthodox policy of expropriation of land belonging to peasants, who were sheared of their fields so that the latter might feed the real estate construction behemoth. In this day and age, however, with a decline in growth and the reduction of purchasing power, a decrease in total purchases could not be prevented, from which inevitably stem a real estate supply that cannot find buyers, along with non-performing bank loans and widespread insolvencies that place the credit system before growing challenges.

The lion's share, however, belongs to the public sector, where the ballooning mound of local government loans often morphs into bad (non-performing) loans, while the debt accumulated due to the unsound role of "shadow banks" threatens to overwhelm investors and savers alike. To these structural causes for the formation of the "deficit" was recently added the use, virtually without qualms, of the "stimuli" designed both to prop up the entire economic structure and to ensure the survival of that "development" without which social and political stability would risk to blow up, with consequences difficult to assess in advance.

The forecasts in this regard, moreover, appear far from reassuring, since the deficit increase itself has by now taken on an exacting pace and accelerated dynamics: in the first quarter of 2016, for instance, the debt rose to 237% of GDP, while, at the end of 2007 (in other words, before the crisis began sweeping the globe), the very same index did not exceed 148%. This data captivated and ruffled the economic and financial omphalos of the West, given the financial and economic connection that now binds China to the rest of the world: the disproportionate expansion of the debt contracted by the second largest power on the planet could have global consequences that are far from irrelevant. Not surprisingly, the Financial Times recently believed it could identify, as far as the Chinese situation is concerned, the approach of a "Lehman moment", a clear analogy to the US banking system crisis that in 2007 gave the green light to the overall crisis. In short, for some observers the approaching breaking point is only a matter of time, even though there have been analysts of a different persuasion who have proposed more reassuring assessments, forecasting that, by order of the Party-State, the Central Bank would still retain the ability to avert a crisis that would otherwise deal a fatal blow to social stability.

It is difficult to appraise in advance the social and political repercussions that will arise out of the prospects that seem to be emerging in post-Deng China, although the regime, perhaps resorting to an aplomb worthy of a better cause, persists in presenting everything as being perfectly in line with its plan, which, from now on, will, supposedly, emphatically prioritize "intensive" development, or some sort of indigenous technological renewal (not counterbalanced anymore by imports of foreign manufactured goods), in addition to increasing domestic consumption, so as to progressively decrease the country's reliance on exports. However, beyond these assessments, inspired for the most part by a self-justifying logic, it is clear that the downward trend of the growth rate poses serious problems in perspective for the regime's leadership, that ruling apparatus which has progressively obliterated all the features that Chinese society had taken on at the end of the revolutionary experience and that, in spite of the most recent search for a framework inspired by a more legalistic orthodoxy, continues to wield power in

an almost esoteric fashion and, in any case, well sheltered from any possible inputs originating independently from the body social.

This could be, for all practical purposes, an interweaving of factors that could signal the progressive erosion of that "unwritten agreement" (which has been remarked upon by many a Western observer) according to which civil society would continue to accept being disenfranchised of the exercise of its political rights in exchange for an economic development that purports to ensure better standards of living, which, given the framework that is emerging on the horizon, seems to be destined to stagger frighteningly, thus freeing centrifugal forces and multifarious thrusts geared at reassessing the context of the issues at stake beyond the slightly unwieldy criteria urged by the inscrutable power mongers.

Indeed, similar shifts already lie ahead on the horizon and are already festering underground, considering that "social incidents" in 2011 exceeded 200,000, while such incidents in 2013 and 2014 have multiplied to the point of inducing the gray eminences of the regime to order the discontinuance of data sharing in relation to this phenomenon. The available data detailing this phase, therefore, is quite fragmented, although all sources confirm a context of centrifugal pressure widespread enough to question the inescapable logic of profit and of the "necessities of development", as advocated by official regime sources, perhaps with the (not exactly uplifting) endorsement of the official trade unions, ever amenable to take at face value the choices that are palmed off by the pinnacle of established power.

The range of "social incidents" is extremely varied and somewhat fragmentary: it encompasses anything from strikes for wage improvements to the struggle to be paid the "arrears" to which one is entitled. There is no shortage of protests enacted to oppose projects developed by the powers that be (because they are deemed harmful to the environment) or of widespread demonstrations intended to secure the release of those who, perhaps due to an excess of pugnacity, had been dispatched by some overzealous suburban functionary to swell the ranks of the nation's prisons.

A certain yearning of local diversification survives, which almost always leads to the establishment of some kind of "molecular" trade unionism, which is valid only in relation to work-related experiences on the job or in the local community and which, by dint of circumstances, does not benefit the interests of the overall alternative trends to the powers that be. But the younger generation of workers consisting mainly in new recruits coming from rural areas in order to seek, within the urban environment, professional opportunities other than those offered by the countryside, so far shows a certain inclination towards staking its claims and, in essence, towards disregarding the orders which descend from established power. These behavioral lines, in essence, clash with the normalizing efficiency-oriented project imposed by Xi Jinping and his inner circle in order to overcome the increasing difficulties that China faces now that the expansion phase of the "reform" seems to have exhausted its propulsive stage.

On the other hand, this quite widespread assertive climate has not yet hatched the embryos of a sizeable alternative powerful enough to aggregate, over the long term and at the political level, large masses of laborers on projects that can be construed as juxtaposed to those dished out by the actual power centers. Concretely, what happens at the molecular level in the world of labor fails to subsequently find an appropriate reflection at the overall political level. The intellectuals of the "new left", in particular, who in times past had shown a widespread predilection towards undertakings designed to counter the growing effort on the part of the regime's leaders to make use of the categories of "market" economy, have experienced a setback, especially after the cadre of the regime more inclined to discuss such topics (in other words, Bo Xilai) was ousted from decision-making centers, thanks to the outcome of a court case whose boundaries are far from crystal clear. Be that as it may, at least for now the "new left" seems to have been silenced, which is why political alternatives to the powers that be do not seem to appear on the horizon.

In short, we are witnessing the unfolding of a structural adjustment that has impelled the regime's leaders to take

some initiative to reassemble the body social, which now teems with the most disparate forces and the most multiform impulses. In the first place, steps were taken to considerably bolster law enforcement agencies and other bodies involved in "internal security". By now, according to some sources, the budget forecasts for the financing of these organisms seems to have reached 769 billion yuan, surpassing even the funding earmarked for military spending itself, which allegedly amounts to 720 billion yuan.

The foregoing means that, if things were to take a turn for the worse, everything would be ready for a brutal crackdown that would inevitably invest the more politically-conscious vanguards and, more generally, the most militant fringes comprised of those who would not be amenable to accept the "normalization" imposed by power holders. Meanwhile, other byways are essayed, such as the recent paradoxical, as well as anachronistic, resuscitation of the figure of Confucius, along with, by extension, his cogitations concerning "social harmony" where, to eschew any purely allusive metaphor, it all comes down to the passive acceptance by the lower classes of the choices and options masterminded by the powers that be. In other words, let power call the tune and let its subjects get into line, as usual. This not terribly convincing initial foray was followed by a re-exhumation of the "Maoist" conception of the "mass line" which, beyond all subsequent apologetic interpretations, always translates into an enmeshment of the lower classes in projects developed by the select core leadership of the party and with regard to which, needless to say, the "mass" were neither called upon to have a say during the conceptual phase nor allowed to propose modifications at the executive stage.

Last, but not least, is the prospect of muzzling all intellectuals in advance (by dangling in front of them the possibility of being spirited out to the countryside in order to "learn from the peasants"), because, in all likelihood, there is good reason to believe that the most significant reflections on the basic policies enacted by the power structure could indeed emanate from educated individuals, reflections that could in turn give rise to projects outlining effective alternatives. In practice, the foregoing is a quite bizarre demothballing of methods originating out of Mao Zedong's playbook and which in his time the "great helmsman" had resorted to in order to clear the field of any and all internal opponents in advance without resorting to either political confrontation or validation of the positions of his interlocutors.

Today, in the given context, these types of procedures typically are doled out with peculiar solicitude, so as to send a clear message "to whom it may concern" that no kind of breathing room will be given to elaborations that may prescind from the body social and that eventually could find precisely in intellectuals the breeding ground required for alternative fine-tuning strategies to those dished out by the dominant apparatus. Ultimately, in the face of possible social tensions that China could shortly become cognizant of, an ultimatum is delivered: either one adapts to the social re-consolidation of the paternalistic-corrective type proposed by the new leadership that emerged from the XVIII Congress of the Communist Party of China or one will have to suffer the repressive intrigues of the ruling bureaucracy, perhaps winding up in some remote cranny lost somewhere within the Chinese countryside.

This is a project that, at any rate, will have to be gauged against the actual development of events and vis-à-vis many variables of an economic, social and political nature that are difficult to assess at the moment. It should not by any means be taken for granted that in Xi Jinping's China everything runs smoothly and according to the reckoning of the highest echelons of power. In post-Deng China, uncertainties and nebulous forecasts significantly outweigh the consistency of solid data.

[1] Original version in Italian [here](#).