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Xi Jinping's Endgame: A China Prepared for Conflict With the U.S.

He has unleashed an array of military, economic and political campaigns to brace the country for the possibility of confrontation

[Jonathan Cheng](#) Oct. 14, 2022 9:34 am ET

Since rising to power a decade ago, Xi Jinping has unleashed an array of campaigns to help ensure that China would prevail in, or at least withstand, a confrontation with the West. He has [bolstered China's military](#), [reorganized the economy](#) and remade society around a [more ideologically committed Communist Party](#).

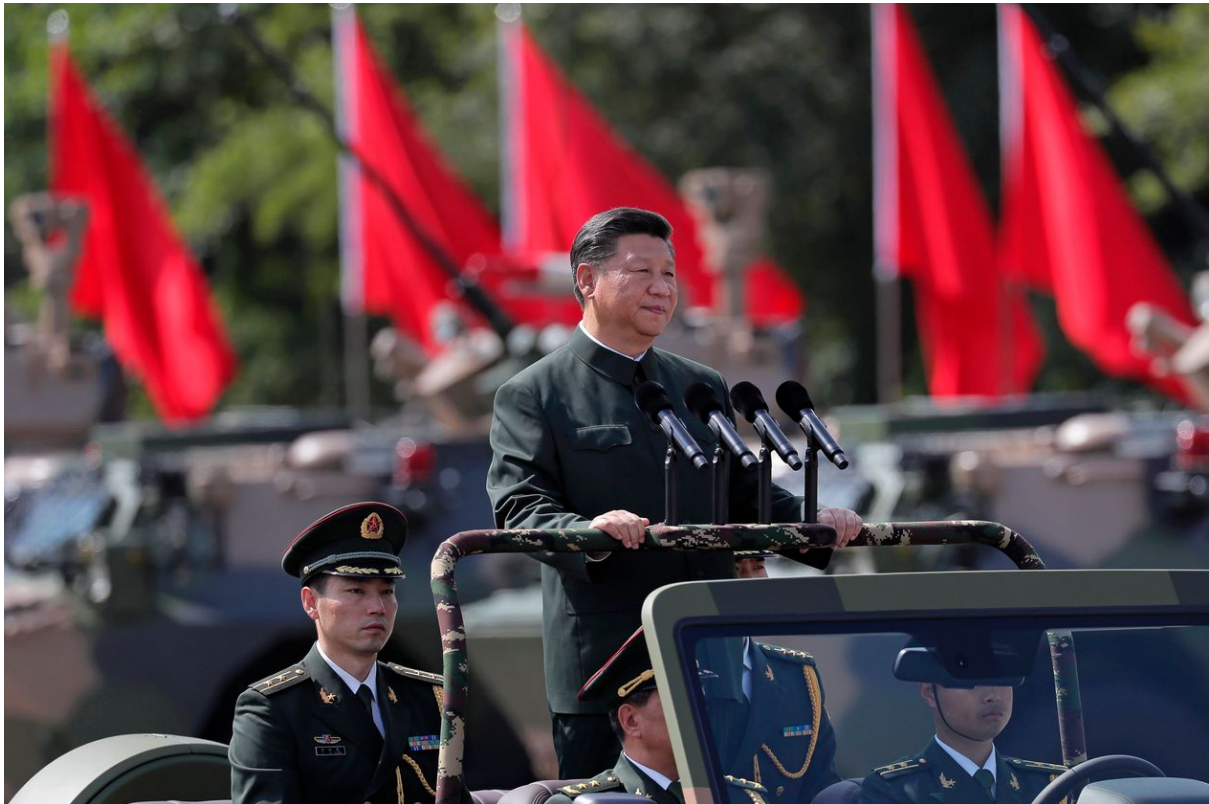
Mr. Xi has made clear that his overarching goal is to restore China to what he believes is its rightful place as a global player and a peer of the U.S. As a consequence, he has come to see the possibility of a showdown with the West as increasingly likely, according to people familiar with his thinking. Now he stands on the edge of a third five-year term in power at a [Communist Party conclave starting Sunday](#), in [a break with a recent precedent](#) of stepping aside after two terms. That will likely ensure that his vision, which is simultaneously assertive and defensive, will guide China for years to come.

His approach could be summed up in a favorite aphorism of Mao Zedong that Mr. Xi has invoked, warning against a lack of vigilance, according to people familiar with the matter: "Don't fight unsure wars, and don't fight unprepared battles."

Politically, Mr. Xi has installed trusted lieutenants at every level of the ruling Communist Party and cracked down on opposition in places like Hong Kong and Xinjiang, to help shore up his authority and weed out foreign influences.

Militarily, Mr. Xi has reorganized the People's Liberation Army, doubled its budget and begun work to enhance China's nuclear arsenal. He has also launched a societywide campaign to promote toughness, punish denigration of the military and prevent young men from wasting time playing videogames. All are meant to ensure China is ready to engage in combat, if necessary, for the first time since 1979—especially if elections in the U.S. and Taiwan in 2024 result in leaders willing to embrace independence for the island, the reddest of red lines for Mr. Xi.

Economically, Mr. Xi has redirected billions of dollars to develop homegrown technologies, including advanced semiconductors it has long bought from abroad. He has reined in the private sector and reconstituted state-owned giants to compete on the global stage.



Mr. Xi Jinping inspected People's Liberation Army soldiers at a camp in Hong Kong in 2017.

Photo: Vincent Yu/Associated Press

The moves could help China withstand further pressure from Washington to restrict trade or otherwise try to slow the nation's rise. Last week, the U.S. Commerce Department added to the pressure with [new export restrictions](#) on advanced semiconductors and chip-

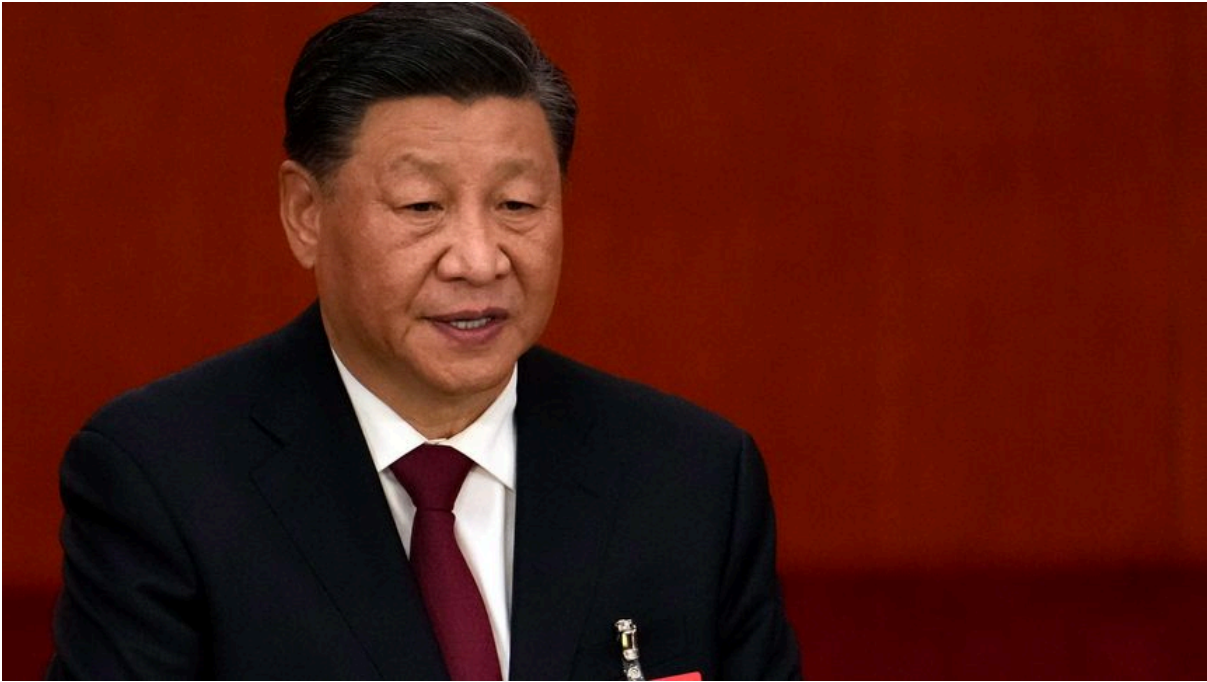
manufacturing equipment, in an attempt to keep them from advancing China's military power.

Many of Mr. Xi's steps have boosted national pride and made China stronger. He regularly trumpets signs of China's ascendancy and Western decline. But his moves have also alienated would-be friends, unified rivals and harmed many of the strongest parts of its economy, especially through the country's harsh Covid-19 lockdowns.

Mr. Xi's assertiveness and attempts by then-President [Donald Trump](#) and President Biden to take a more forceful stance on China have contributed to the deterioration in the two countries' relations. American companies are rethinking their investment plans in China, once a promising growth market. Diplomatic meetings have degenerated into hectoring sessions. Both sides have imposed sanctions on the other, while Chinese companies have delisted from U.S. exchanges.

Mr. Xi's next five years will be "one of the most highly uncertain periods we have had in recent memory," said Damien Ma, managing director and co-founder of the MacroPolo think tank at the Paulson Institute in Chicago, who sees Mr. Xi as being fixated on military deterrence in its near periphery and economic parity with the U.S., among other goals. "It's going to require some astute and careful management in both capitals."

China's Communist Party Congress Kicks Off With Xi Set to Extend Rule



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China's leader Xi Jinping opened the Communist Party congress in Beijing with a defense of his 10 years in power and a bid for a third five-year term. By staying in power, he would break succession norms established to prevent a return to a Mao-style dictatorship. Photo: Mark Schiefelbein/AP

Beijing has said it's merely responding to U.S. provocations, and that China's rise is peaceful. Spokespeople for the information office of China's cabinet, the State Council, as well as its Foreign Ministry, didn't respond to requests for comment.

Mr. Xi has made no secret of his plans to make China one of the world's superpowers.

After taking office in 2012, he began laying out an expansive vision, labeled the China Dream, which called for ambitious steps to strengthen the country's military and economy.

It built on a long-held desire to address grievances China has harbored since the collapse of the Qing dynasty, and the parceling out of Chinese territory to Western powers in the 19th and early 20th centuries. Mr. Xi called it the "great rejuvenation of the Chinese nation."

Initially, he had sought more accommodation with the U.S. that would clear the way for China's continued rise. During a February 2012 trip to the U.S., just before he secured his position at the top of the Communist Party, Mr. Xi met with Henry Kissinger and other U.S. political luminaries and sought advice on building closer ties, a person with knowledge of the meeting said. They told him to increase communication with Washington, with more calls and official visits than his predecessors. Spokespeople for Mr. Kissinger didn't respond to requests for comment.

Once he was in office, Mr. Xi felt the Obama administration wasn't treating Beijing as an equal, people familiar with the matter said. Mr. Xi frequently spoke of forging a "new type of great power relations" with the U.S., but Washington resisted the formulation, seeing it as an attempt to get the U.S. to recognize China as a peer and fearing that would send the wrong signal to American allies, the people said.



President Barack Obama and Mr. Xi at the White House in 2015.

Photo: Ron Sachs/Zuma Press

Mr. Xi forged ahead with his grand plans back home.

He needed to ensure he firmly controlled the Communist Party, which had been riven by elite infighting, graft and factionalism during his predecessor's tenure. He developed a reputation early on as a leader willing to take on widespread corruption and took down rivals in high-profile investigations, replacing them with loyal cadres.

Mr. Xi now controls levers of power across the country, having appointed all but seven of the 281 members of the Communist Party's provincial-level Standing Committees as of June, according to Wu Guoguang, a senior research scholar at Stanford University.

Mr. Xi took steps to secure the country's periphery, insulating the mainland to a greater degree against external pressures, often in ways that directly challenged Western values. He oversaw a rollout of cutting-edge surveillance systems that blanketed the country in face-scanning cameras and collected vast troves of behavioral data.

He defied warnings from Washington to militarize disputed islands in the South China Sea, and drew further ire for a mass internment campaign that imprisoned ethnic minority Uyghurs in the restive northwest region of Xinjiang, U.S. and United Nations officials say.

He then ordered a crackdown on Hong Kong—the most visible bridge between China and the Western world—that snuffed out antigovernment protests and, along with tough Covid controls, sent many in the city's financial sector fleeing. He sharpened his rhetoric on Taiwan, suggesting that he wanted to expedite efforts to take control of the island, by force if necessary.



A screen displayed a People's Liberation Army advertisement in Beijing, Aug. 30.

Photo: Bloomberg News

He expanded combat drills and increased military spending to \$200 billion last year, more than double the amount China spent a decade earlier. Much of China's efforts have gone to tools like hypersonic missiles, nuclear weapons and aircraft carriers that enhance China's capabilities in a potential conflict with powers like the U.S., rather than smaller neighbors.

To encourage martial spirit, Mr. Xi launched a wide-ranging effort to rally nationalistic fervor.

Teenage idols, once praised for their dewy-eyed features, are being cast as young revolutionary soldiers in military movies. On China's popular short-video apps, before-and-after clips touted by the military show once-scrawny young Chinese men doing push-ups, their biceps bulging.

To achieve China's rejuvenation, "we must demonstrate stronger vigilance and always be prepared for potential danger, even in times of calm," Mr. Xi said in a speech last year.

These efforts became even more U.S.-focused after a May 2020 speech in which Matt Pottinger, then a senior National Security Council official, traced the history of China's democratic movement and suggested Chinese citizens should hold their leaders accountable. Mr. Xi saw the speech—delivered in Mandarin—[as a challenge to his rule](#), because it was aimed at everyday Chinese people rather than its leaders, according to people familiar with the matter.

“The Communist Party has always feared three things: frank talk about Chinese history, the idea of Chinese citizens enjoying basic political rights and attempts by U.S. officials to engage directly with Chinese citizens. My speech touched on all three themes, which explains the panic Beijing still feels from what were fairly modest words,” said Mr. Pottinger, who is now chairman of the China program at the nonprofit Foundation for Defense of Democracies.

Chinese citizens are now regularly warned about spies and told not to be guilty of “America worship” or “kneeling before America.” Such calls have expanded in recent months to target those adopting an English first name and questioning Russia's invasion of Ukraine.

In his economic remodeling efforts, Mr. Xi has directed Chinese companies to invest more heavily in strategic industries. He cracked down on private technology companies focused on educational tutoring, social media and other consumer services for failing to adequately serve state interests or sufficiently ringfence sensitive user data that Beijing fears could be shared with U.S. regulators.

China is trying to develop its own payments network and has rolled out a government-backed digital currency—tools that could ultimately help Beijing avoid using the U.S. dollar and circumvent the U.S.-led global financial system.



Mr. Xi appeared on screen during a gala celebrating the founding of the People's Republic of China in Beijing in 2019.

Photo: Ng Han Guan/Associated Press

Beijing officials say they have no other choice but to pursue more self-sufficiency and involve the state more in the economy after the Trump-era tariffs and U.S. government's assault on networking-gear maker Huawei Technologies Ltd., both of which signaled rising U.S. suspicion toward China.

Inside the country, Mr. Xi's efforts to tighten political control have deepened anxiety among lower-level cadres, many of whom now spend large portions of their time [trying to prove their loyalty](#)—a concern Mr. Xi has called out repeatedly. Such behavior slowed the city of Wuhan's response to the initial outbreak of Covid, [The Wall Street Journal previously reported](#).

The U.N.'s human-rights agency said China's government may have committed crimes against humanity in Xinjiang in an August report, charges that China denies.

The U.S. has organized an informal alliance with China's neighbors India, Australia and Japan, known as the Quad, and a military agreement with the U.K. and Australia known as Aukus, both of which have prompted denunciations from Beijing.

A Beijing-led grouping known informally as China 17+1 with Central and Eastern European nations, started by China around the beginning of Mr. Xi's tenure, has shrunk to 14+1 in the past year as the region once eager to deepen ties with Beijing grows warier of Chinese assertiveness.

Mr. Xi's strict policy to contain Covid, with lockdowns imposed when even a handful of cases are found, is itself a reflection of his obsession with U.S.-China competition. He has consistently framed China's zero-tolerance approach, which has led to far fewer deaths than in the Western world but also hurt its economy, as evidence of the superiority of Communist Party governance.



People try to break out of a quarantine fence during Covid lockdowns in Shanghai in June.

Photo: alex plavevski/Shutterstock

On the economic front, many of Mr. Xi's moves to achieve greater self-sufficiency, including in semiconductors, have sputtered. Mr. Xi's heavy-handed approach toward managing the economy, including crackdowns on companies like internet giant [Alibaba Group Holding Ltd.](#), has given Beijing greater control over the economy and won some plaudits from people who feared they had grown too powerful—but also snuffed out much of the entrepreneurial spirit that drove China's growth and shut off a source of jobs. Urban youth unemployment is near its all-time high, with nearly one in five people between the ages of 16 and 24 out of work.

While experts had long projected China's economy would slow as it matured, Mr. Xi's unwillingness to bend this year has expedited that shift in ways that many economists believe could leave permanent scars.

The longer-term outlook for China's economy could be even more dire, with China's population projected by many demographers to [shrink this year](#) for the first time in generations.

The World Bank forecasts this year's growth to reach just 2.8%, and 4.5% in 2023. The government's official target for this year is 5.5%.



A flag displayed at the Museum of the Communist Party of China in Beijing.

Photo: FLORENCE LO/REUTERS

Corrections & Amplifications

In a May 2020 speech, Matt Pottinger, then a senior National Security Council official, suggested Chinese citizens should hold their leaders accountable. An earlier version of this article incorrectly said he called on the Chinese people to stand up to Xi Jinping for thwarting democracy.

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Xi Jinping's China

The Wall Street Journal examines Xi Jinping's first decade in power to better understand the changes he wrought—and the risks they create for China and the world.